Leadership: A Key Strategy in Staff Nurse Retention

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ABSTRACT

Nursing administrators are challenged to recruit and retain staff nurses in the midst of increasing job vacancies and staff nurse turnover rates averaging 21%. The prevailing issues related to staff nurse recruitment and retention in the current healthcare environment are briefly reviewed as introductory content. The article outlines the case from nursing administration literature that effective leadership styles of nurse managers and nurse administrators enhance staff nurse retention. As nurse administrators continue to struggle with staff nurse recruitment and retention, evidenced-based strategies are discussed that address leader preparation and organizational leadership structure including advanced education, leadership training, and shared leadership models.

In the past decade, many studies focused on and provided support for the relationship between effective leadership style and job satisfaction, retention, and organizational productivity. Volk and Lucas (1991) were among the first to work in this area and identify a relationship between management style and anticipated staff nurse turnover. Since that time, a strong body of evidence has developed that includes the work of McDaniel and Wolf (1992), Taunton, Boyle, Woods, Hansen, and Bott (1997), research from Magnet hospitals (Scott, Sochalski, & Aiken, 1999), and work by Shobbrook and Fenton (2002). These studies have indicated leadership behaviors that include support and consideration of staff, high visibility, and willingness to share leadership responsibilities positively influence staff nurse retention.

Although it remains unclear how to best prepare effective managerial leaders, evidence suggests that graduate education may be an important precursor to the development of effective leadership styles (Dunham & Klafehn, 1990; Dunham-Taylor, 2000). The feasibility of mandating graduate education requirements for all practicing nurse managers is limited; therefore, continuing education strategies must focus on nurse manager leadership training mechanisms that target the assimilation of effective leadership behaviors. Focused leadership training through continuing education should include content related to the importance of visibility and communication, collaboration, acknowledgment and empowerment of staff, and a guiding vision for the organizational unit.

According to the American Organization of Nurse Executives (AONE), the average turnover rate for registered nurses working in hospitals in 2002 was 21.3% (American City Business Journals, 2003). This high rate of staff nurse turnover is costly to hospitals and patients for several significant reasons. Suboptimal staffing affects the quality of patient care, increases patient waiting time for services, and reduces the number of services (e.g., surgeries and emergency room visits) the hospital can offer (Sufin, 2003). Staff nurse turnover is also costly to hospitals from a monetary perspective. The Advisory Board Report (New Jersey State Nurses Association, 2002) indicated that, based on costs associated with replacing a resigning nurse, an $800,000 savings could be realized by reducing the turnover rate from 13% to 10%.

As nurses resign, hospitals have tried to address the problem by offering attractive sign-on bonuses and other recruitment incentives. However, Nevidjon and Erickson (2001) assert these economic solutions are not effective in recruiting more nurses but, rather, they simply redistribute the current supply of nurses. In actuality, sign-on bonuses have become a standard recruitment strategy (Patrick, 2000) that may have little to do with where nurses choose to stay and work. Nurse managers and administrators in the acute care setting face a worldwide, ongoing challenge to recruit and retain staff nurses (Foley, 2001).

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Current projections within the United States estimate more than 100,000 staff nurse vacancies, with future shortages estimated at more than 800,000 by 2020 (Martin, 2003). These disturbing forecasts are compounded by the reality that fewer young people are pursuing nursing education (Foley, 2001) at a time many nurses are nearing retirement age (Buerhaus, Staiger, & Auerback, 2000). Without educators, the number of new graduates needed will not be achievable. The 2000 National Sample Survey of Registered Nurses estimates more than 500,000 nurses—18% of the nursing workforce—maintain active nursing licenses but do not work in nursing (Foley, 2001). Public and private sector businesses are competing for nurses in the marketplace. Most important, national trends identifying an increased need for nurses are significantly augmented by the many nurses leaving the profession as a consequence of reduced nurse-to-patient ratios, unsafe working conditions, lack of autonomy, inadequate pay (Martin, 2003), and other workplace issues. The dilemma relates not only to the need to have a sufficient number of nurses to provide quality care, because nursing is the backbone of the healthcare system, but also to the need to attract and keep the best and brightest within the profession.

**RECRUITMENT AND RETENTION FROM A LEADERSHIP PERSPECTIVE**

Several professional organizations have developed executive statements addressing the national nursing shortage and high turnover rate among staff nurses (American Nurses Association [ANA], 2002; AONE, 2002). More than 60 professional nursing organizations participated in the development of a strategic implementation plan entitled “Nursing’s Agenda for the Future” (ANA, 2002). The plan outlined ten focus areas in which to improve the future status of nursing by the year 2010. One vision for the nursing profession involved developing leadership behaviors that promote collaboration with colleagues. Another focus area included developing work environments that recognize nurses as stakeholders in decision making and to provide appropriate staffing to meet patient safety needs.

In testimony before the Work Environment and Patient Safety Committee of the Institute of Medicine (AONE, 2002), the AONE reported hospitals that have successfully recruited and retained staff nurses have leaders who demonstrated competency in their role, are trustworthy, and value and support the contributions of their employees. Magnet hospitals were also discussed in the AONE report as an example of the type of hospital organizations that possess effective leaders (AONE, 2002). Magnet hospitals demonstrated the ability to attract nurses during a nursing shortage in the early 1980s (McClure, Poulin, Sovie, & Wandelt, 1982) and have significantly lower turnover rates (Kramer, 1990; Kramer & Schmalenberg, 1991; Scott et al., 1999). In their summary of Magnet hospital research from 1983 to 1991, Scott et al. (1999) identified several effective leadership characteristics reported within Magnet hospital organizations. These previously documented leader behaviors included being visionary, being supportive and responsive to staff, having high performance expectations, and being visible.

The relationship between types of effective leadership styles and staff nurse retention is supported by a body of scientific evidence (McDaniel & Wolf, 1992; Shobbrook & Fenton, 2002; Taunton et al., 1997; Volk & Lucas, 1991). Volk and Lucas (1991) conducted one of the first studies in nursing to focus on the leadership and retention relationship. Results from their study indicated that a participatory management style was associated with less anticipated turnover. Further analysis revealed management style was the only predictor of anticipated turnover and explained 32% of the variance in turnover. These findings were consistent with studies in business and industry that identified increased employee satisfaction and productivity resulting from a participatory management style.

McDaniel and Wolf (1992) examined transformational and transactional leadership characteristics of nurse administrators to evaluate the relationship between leadership style, turnover, and job satisfaction. Transformational leadership characteristics include being able to articulate a shared vision of the future of the organization and encourage creative problem solving that demonstrates support and encouragement of staff (Bass & Aviolo, 2000). Conversely, transactional leaders focus on day-to-day operations in which rewards are contingent on performance (Burns, 1978). Nurse administrators more
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Frequently demonstrated transformational behaviors compared to transactional behaviors; staff nurse job satisfaction was found to be significantly associated with transformational behaviors. The researchers correlated low staff nurse turnover (10%) with predominantly transformational leadership style.

Researchers funded by the National Institutes of Health and the National Center for Nursing Research examined the causal relationship of staff nurse retention (Taunton et al., 1997). Their work described relationships between leadership and staff nurse retention. Study results indicated a direct relationship between retention and a leadership style that is considerate of staff. Considerate leadership behaviors include being fair, facilitating staff skill development, and valuing and supporting staff contributions. Although nurse managers must attend to budget and staffing issues, on the basis of this evidence they must also develop interpersonal relationships with each staff member to effectively mentor staff. Unit contributions by staff and excellent patient care must not go unnoticed by managers.

A recent study examining the relationship between effective leadership and staff nurse retention was conducted by Shobbrook and Fenton (2002). The researchers reported a reduction in turnover from 36% to 13% within the emergency department of Southampton University Hospital’s NHS Trust in London. The basis of the recruitment and retention plan provided a flattening of the leadership structure that allowed greater sharing of responsibilities and professional development opportunities for staff. Other components of the plan included an educational plan to provide equitable staff development, protected time to participate in continuing education, and contractual arrangements to promote career development. The researchers identified and capitalized on the desire for professional development among nurses. Within the context of nursing shortages, it remains imperative for nurse managers to allow and budget for professional development activities for staff.

The large scale study recently reported by Aiken, Clarke, and Sloane (2002) revealed a strong association between job satisfaction and staff nurse retention. The study was funded by both the National Institute of Nursing Research and the Agency for Healthcare Research and Quality and was conducted in the United States, Canada, England, and Scotland with 10,319 nurses in 303 hospitals. Managerial support for nursing was identified as having a pronounced effect on diminishing nurse job dissatisfaction and burnout and improving the nurse retention problem.

An anecdotal case study of the Tenet Healthcare System within the United States represents an example of a multidimensional approach to address recruitment and retention of staff nurses. Staff nurses within one regional Tenet hospital system were asked to identify job likes and dislikes (Patrick, 2000). The nurses identified their relationship with the manager as an important contributor to job satisfaction and expressed that working conditions were optimized by a caring and fair manager. Patrick (2000) reported the parent company, Tenet Health Systems, planned to have 12,000 managers participate in a leadership training program during the subsequent 3 years. The leadership training programs are part of the Employer Choice Initiative, a company-wide program that provides employee-focused support in an effort to increase employee satisfaction and decrease turnover (Tenet Healthcare Corporation, 2003). A press release by the Tenet Healthcare Corporation (2003) reported nationwide turnover within the Tenet Healthcare System declined from 21.4% in 2002 to 21.0% in 2003, and nationwide employee satisfaction increased from 78.6% in 2001 to 80.8% in 2002. These percentages indicate a positive trend in employee satisfaction and retention and suggest a relationship to the staff development initiatives.

EVIDENCE-BASED STRATEGIES TO PROMOTE STAFF NURSE RETENTION

As is evident from the preceding review of literature, effective leadership has been demonstrated to be an integral component of retention and should be an important part of any multidimensional recruitment and retention strategy. Several evidenced-based strategies are proposed to enhance staff nurse retention. These strategies emphasize the importance of leader preparation and organizational structure.

The work of Dunham and Klafeln (1990) and Dunham-Taylor (2000) identified the importance of graduate education for nurse managers. Study findings suggested effective leadership characteristics were associated with nurse leaders who possessed...
graduate degrees. Additionally, findings suggested nursing leaders with master's degrees in nursing may have better transformational leadership preparation compared to those with master's degrees in other disciplines.

Attracting nurse managers who possess graduate degrees and supporting the attainment of advanced education among current nurse managers may be a worthwhile investment when compared to the significant organizational costs associated with staff nurse turnover. An effective continuing educational program should consider providing monetary incentives and an organizational commitment that allows sufficient time to be spent on course work in addition to managerial responsibilities. Developing a relationship with a specific academic provider of registered nurse to bachelor of science in nursing programs and graduate education in nursing administration may facilitate nurse managers' returning for advanced education. Onsite and distance education programs may offset obstacles of scheduling and geography.

Focused leadership training may be a more cost-effective approach to the development of effective leadership characteristics in nurse managers compared to the investment in graduate education and may represent an alternative strategy. Furthermore, the lack of baccalaureate preparation of many nurse managers may preclude the rapid acquisition of a graduate degree. There is no evidence in the literature regarding the most effective way to train leaders; therefore, it will be necessary for nursing and healthcare administrators to evaluate the costs and benefits associated with different types of continuing education mechanisms. Leadership training programs should be focused, specific, and targeted to required competencies.

Another organizational strategy involves a reevaluation of the nursing management structure to identify ways leadership may be shared among nursing staff. In their efforts to develop strategies to improve staff retention, Shobbrook and Fenton (2002) reviewed exit interviews indicating leadership and organizational culture were the primary factors influencing staff nurse turnover. Through flattening of the nursing organizational leadership structure, an improved mechanism was developed for sharing leadership and enhancing professional development.

From an organizational perspective, the implementation of nursing practice models has been reported to empower staff nurses and thus indirectly enhance job satisfaction. As previously discussed, a participatory management style based on a transformational leadership model encourages staff nurse retention (Volk & Lucas, 1991) and is clearly related to staff nurse empowerment. Based on a summary of findings from several shared governance interventional studies (Upenieks, 2000), staff nurse retention was found to be significantly related to the use of practice models. Importantly, Upenieks (2000) indicated that effective leadership skills are required for the successful organizational implementation of a nursing practice model.

**RECOMMENDATIONS**

Research is needed to foster understanding of how to promote effective leadership behaviors. Although the relationship between effective leadership styles and staff nurse retention has been widely studied, it remains unclear how to fully develop effective leadership characteristics of nurse executives and managers. The current state of knowledge does not reflect a systematic study of strategies for enhancing the leadership characteristics among those in nursing management. It is not clear how to intervene to further develop those leaders with positive leadership characteristics and how approaches should differ to develop those managers with ineffective styles. General correlations have been identified, but specific approaches to leadership development, approaches that may be offered and supported by healthcare organizations, are lacking and should be developed through research efforts.

The evidence is clear that effective nursing leaders enhance staff nurse retention. Strategies for healthcare organizations that have been identified as having a significant impact on staff nurse retention and organizational effectiveness involve supporting advanced educational preparation for nursing leadership personnel and developing an organizational structure that fosters sharing leadership. Nurses who are in leadership positions, or who aspire to be, must avail themselves of development opportunities, formally and informally, through degree-based educational programs, continuing education, inservice instruction, mentoring experiences, and other self-development approaches. It is imperative for nurses in continuing
education and staff development roles to promote leadership skills through such initiatives as content presentations, availability and dissemination of relevant reading material, role playing activities, round-table discussions, leadership support groups, and ongoing 360° evaluation.

REFERENCES


