White Paper

Pursuing Magnet Designation

Nursing Excellence Retains Nurses and Communicates Quality to Patients
Executive Summary

The Patient Protection and Affordable Care Act of 2010 is projected to provide 32 million Americans access to healthcare services. This, along with an aging population, is creating an increasing demand for medical services — which means healthcare organizations are confronting an alarming reality: Many will soon have too few nurses to care for their patients. In 2009, the U.S. Bureau of Labor Statistics projected that more than 581,000 new RN positions would be created by 2018, which would increase the size of the RN workforce by 22 percent. At the same time, the existing nurse workforce is aging. Almost 45 percent of RNs are older than 50, and while the recession has eased the nursing shortage and delayed their retirement plans, the looming shortage hasn’t gone away. The net result: By 2025, the RN shortfall in the U.S. will reach 260,000, in spite of the economic downturn.

A shortage of this magnitude would be twice as large as any nursing shortage experienced in this country since the mid-1960s. It is well noted that the limitations of the nation’s education services will slow the graduation of RNs. Coupled with the increase in demand for nursing services in light of the passage of the Patient Protection and Affordable Care Act, the RN shortfall could be catastrophic.

Not only will recruiting new nurses become intensely competitive, but a hospital that fails to retain its nurse workforce may jeopardize its financial goals. In general, studies estimate that the cost to a hospital of recruiting a new nurse is between 0.75 and two times a nurse’s salary after factoring in advertising, interviewing, lost productivity, overtime, and temporary labor, according to the American Nurses Association. Replacing nurses could easily run into the millions of dollars for a large institution with an annual nurse turnover of 8.4 percent, the average rate reported by PricewaterhouseCoopers’ Health Research Institute in 2010.

Constant turnover and the loss of experienced nurses also negatively affect patient care. “Experienced and tenured nurses impact positive patient care outcomes and enrich the learning of new nurses,” says Gaye Timiney, RN, senior industry consultant at Kronos Incorporated. Staffing with a greater number of registered nurses is associated with a decreased risk of hospital-related deaths, cardiac arrests, hospital-acquired pneumonia, and other adverse events, as well as shorter lengths of stay, according to a 2010 report from the Agency for Healthcare Research and Quality.9

Forces of Magnetism Help Ease Nursing Shortages

By deliberately building a culture of exemplary nursing practice, however, healthcare organizations have been able to retain the nurses they already have and enjoy a competitive advantage in recruiting new nurses. Although most hospitals claim they support their nurses by maintaining a positive work environment, those that receive the prestigious Magnet Recognition Program® designation from the American Nurses Credentialing Center have demonstrated with hard evidence that they advocate innovation in nursing and value their nurses' contributions.

The Magnet® hallmark of excellence has its roots in the nursing shortages of the 1970s and 1980s, which prompted the American Academy of Nursing in 1983 to study 163 hospitals and identify the attributes of a work environment that attracted and retained nurses — traits that eventually became known as the 14 Forces of Magnetism. Since then, approximately 7 percent of U.S. healthcare organizations have received the elite Magnet designation, and many rank among the nation’s best hospitals.10 Ten out of the 17 Honor Roll hospitals in the U.S. News & World Report list of best hospitals in 2011–2012 were Magnet facilities,11 for example, as were five of the 11 healthcare organizations on Fortune magazine’s 100 best companies in 2011.12

Proof that Nurses Value Working at Magnet Hospitals

Backed by a growing body of research that shows that Magnet hospitals are first-rate — both as places to work and in delivery of care — healthcare organizations are actively marketing their Magnet status to nurses, physicians, and patients. Nurses who work in Magnet hospitals, for example, have lower rates of burnout, report better collaboration with physicians and their nurse colleagues, and have greater job satisfaction. The reasons nurses cite for valuing their jobs at Magnet institutions include having professional development opportunities, being recognized for their accomplishments, having a voice and influence in workplace decisions, and having the ability to provide outstanding patient care.

Approximately 7 percent of U.S. healthcare organizations have received the elite Magnet designation, and many rank among the nation’s best hospitals.10

Nurses working in hospitals that were not pursuing Magnet designation, according to a survey published in the Journal of Nursing Administration in 2007, reported that they planned to leave their current positions within three years and were less likely to recommend nursing as a career. Today, support for the effects of Magnet and the journey to Magnet recognition is more evident in nurses’ rating of their career satisfaction, according to a survey published in JONA in July/August 2011. The survey reveals that the percentage of nurses who have opportunities to influence decisions about patient care as very good or excellent was greater in both Magnet (27 percent) and Magnet-in-process (27 percent) organizations compared with non-Magnet facilities (16 percent). The higher ratings suggest that changes introduced during the Magnet journey serve to strengthen nurses’ professional identity, pride, and likelihood to recommend nursing as a career.

To be awarded Magnet status, a healthcare organization’s nursing department must undergo a lengthy and thorough qualitative and quantitative review process by the ANCC to prove that they have achieved the 14 Forces of Magnetism. Recently the ANCC reconfigured the Forces into five model components — Transformational Leadership, Structural Empowerment, Exemplary Professional Practice, New Knowledge, Innovations, Improvement, and Empirical Quality Outcomes — to reflect a greater focus on measuring outcomes and to streamline the documentation process for healthcare organizations.

**Effective Workforce Management Can Help Hospitals Working Toward Magnet Status**

The Kronos® for Healthcare workforce management solution can assist healthcare organizations in their quests to become Magnet hospitals by providing the insightful labor productivity information that leads to superior work environments. With automated tools to create optimal staffing levels, healthcare organizations can reduce their nurses’ job stress, provide for greater work/life balance, and foster the fair personnel policies that attract and retain quality employees. And a hospital that uses a guided analytics approach to manage its workforce productivity and labor costs gives nurses the confidence that staffing decisions are made objectively and in the best interest of patient care.

The Kronos for Healthcare solution also supports the ANCC Pathway to Excellence in Long Term Care™ program by assisting organizations that foster work environments in which nurses can excel in their practice, substantiate the professional satisfaction of nurses, and are identified as a best place to work. The impact of healthy work environments on nurse satisfaction and retention is evident in the literature, and many studies have indicated the strong impact of a positive work environment on patient safety, patient satisfaction, and quality care. ANCC believes that these studies will translate favorably to the long-term care community.

---


The following are among the multiple Forces of Magnetism that Kronos for Healthcare solutions can support:

**Personnel Policies and Programs**

To pursue Magnet status, institutions must prove that they have creative and flexible staffing models that support a safe and healthy work environment and ensure delivery of quality care. ANCC reviewers want to know: How is staffing adjusted to accommodate fluctuating patient volume and acuity? And how do budget variances affect scheduling practices?

Workforce Scheduler™, one of the tools in the Kronos for Healthcare solution suite, allows an organization to import census and acuity, to calculate workload for appropriate staffing. These metrics give managers and staffing offices the ability to quickly respond to constantly changing staffing requirements. Workforce Scheduler automatically creates an optimized shift-based schedule from the workload defined.

During daily staffing activities, using mobile technology to text, email, or call employees allows open shifts to be filled quickly, which helps ensure a safe staffing climate. Nurses deliver better quality of care, have less job stress, and work less overtime when an institution can consistently deploy the appropriate ratio of nurses with the optimal skills for each shift.

The scheduling software also helps ensure that hospital policies and procedures are administered properly. For example, the software can alert nurse managers when a schedule deviates from a safe practice policy that ensures sufficient rest periods between shifts. A hospital that fosters fair and consistent workforce policies has more satisfied employees and is better able to retain its nurses.

Hospitals applying for Magnet designation must also prove that they are in compliance with all federal laws and regulations. The Kronos Workforce HR™ solution automates and streamlines data reporting, which helps ensure that hospitals remain up to date on compliance requirements.

**Management Style**

Instead of an authoritarian top-down approach to nursing, Magnet hospitals are expected to involve their nursing staff in the management of the department, including initiating changes to improve patient care, nursing practice, and the work environment. Two key attributes of Magnet hospitals: 1) open channels of communication at all levels of nursing and 2) incorporating transparency across the nursing environment by guiding managers to view data as a resource for learning and for improving their units.

The software can alert nurse managers when a schedule deviates from a safe practice policy that ensures sufficient rest periods between shifts.
One of the job characteristics that nurses most value is a schedule that provides a good balance between work and personal life, according to PricewaterhouseCoopers Health Research Institute. A self-service feature in Workforce Scheduler gives nurses autonomy and control over their schedules by letting them specify their preferences for the shifts they want to work and for which units. Staff can also log on to the web-based scheduler from anywhere to request time off, swap shifts, sign up for open shifts, or change their work preferences.

“By creating their preferred schedules from home, nurses can have work-life balance and the opportunity to apply for other open shifts if desired,” explains Timiney. Nurses can also validate timecards online and immediately notify a nurse manager if they spot errors in the number of hours they’ve worked, eliminating the need to wait for an adjusted paycheck.

Quality of Nursing Leadership

A Magnet facility has strong nurse leaders who advocate for patients and their staff and who are successful in securing adequate fiscal and human resources to support nursing practice. To demonstrate that commitment, ANCC asks for evidence that nurse leaders are making data-driven decisions when they are formulating budgets and monitoring them.

No nurse leader is immune from the stresses of trying to balance quality of care with the cost of providing it. Workforce Analytics for Healthcare, however, removes the stress of uncertainty by giving managers the information to make the best possible staffing decisions. The labor cost management system guides managers by directing their attention to problem areas, indicating the nature of the problem, and suggesting appropriate corrective steps. “Analytics provides real-time information to nurse managers on how well they are allocating their nursing resources and whether they are hiring the nurses with the right skills for the facility’s needs,” says Susan Reese, chief nurse executive at Kronos.

The guided analytics program also frees nurse leaders from lobbying for additional staff and from having to rely on subjective judgments from hospital administrators in approving or denying the requests. Using values that were developed by consensus among nursing and financial leaders, Workforce Analytics for Healthcare will prompt a hiring decision when productivity falls below a preset level. “Now everyone is on a level playing field, and the CNO has objective data, such as recurring staffing patterns and problems, to substantiate the need for more staff,” says Reese. “Knowing that you will find the qualified people you need when you want them is very rewarding to the entire nursing department.”

Professional Development

Magnet hospitals are expected to go beyond the minimum requirements by The Joint Commission to train new staff and provide opportunities for all nurses to attend continuing education programs. To show that the organization values and supports the professional growth and development of staff, Workforce Scheduler tracks staff attendance and meeting time and orientation hours, helping ensure that staff is being uniformly trained. The program also analyzes the impact training sessions have on productivity and labor costs so managers can schedule training at optimal times. In addition, it allows managers to plan the temporary replacements needed to cover for staff attending necessary meetings.

By providing nurse managers with instant access to nurses’ skills, certifications, education, credentials, competencies, and other designations, Workforce Scheduler helps them schedule the most qualified nurses for each shift and make appropriate staffing decisions. Nurses who trust that their colleagues will have the right skills and experience enjoy greater collaboration and teamwork.

Receiving timely performance reviews and setting professional goals that are mutually agreed on by manager and employee are crucial to nurses’ job satisfaction and potential for advancement. Workforce HR reminds managers when to schedule employees’ reviews and provides an online template for managers and employees to set performance goals. The manager can use the automated system to update the nurses’ progress during the year so nurses have continuous feedback about expectations and their performance, which can boost morale and feelings of job security. Having well-defined professional goals also helps nurses advance in the organization.

In addition, Workforce HR tracks nurses’ education and certifications so administrators can plan steps to meet all Magnet requirements.

Nurses as Teachers

Encouraging nurses to mentor and share their expertise with other nurses in the department is a key hallmark of Magnet facilities.

In the fast-paced environment of nursing, nurse managers often make workforce decisions quickly and later can’t reconstruct their rationale for those decisions. Consequently, it’s difficult for supervisors to counsel newer nurse managers on how to improve their performance when the details that led to specific actions are lost. Workforce Analytics for Healthcare, however, allows managers to record their reasons for making staffing decisions that run counter to the program’s assumptions at the time the variance occurs. Supervisors can then review the documented decisions and provide coaching to shape the performance of their managers.
Nurses who are trained on Workforce Analytics for Healthcare also become the mentors for new nurse managers as they learn how to develop schedules and budgets. In addition, all initial users of Workforce Analytics for Healthcare are coached in sophisticated labor management practices through a Kronos consultation that accompanies installation of the guided analytics software. “We evaluate the institution’s existing staffing practices and make recommendations for best practices as well as establish an accountability program so nurse managers know how to respond to data that comes out of the system,” says Reese.

Organizational Structure

An organizational structure that is dynamic and responsive to change is another trait of Magnet-worthy organizations.

Nursing leaders who have the information to manage staff resources to budgets on a daily basis can quickly adjust staffing if volume or census should change. With Workforce Analytics for Healthcare pinpointing variances between labor costs and productivity, managers understand the difference between labor hours and the costs of specific labor talent. The benefit to direct-care nurses is a more stable work environment and confidence that they are delivering quality care.

Excellence in organizational structure is also demonstrated by a functioning and productive system of shared decision making. Workforce Scheduler allows bedside nurses to participate in scheduling decisions by giving them the option to choose the shifts they want to work.

Organizations that base all their labor decisions on a shared set of metrics have a highly productive method of managing labor costs. The single largest expense in healthcare organizations today, labor costs often represent 60 percent or more of a hospital’s cost. And while nursing may represent the largest share of those costs, the Kronos for Healthcare solutions can be used enterprisewide to manage the labor costs and productivity.

And while nursing is the largest single group in the acute care environment, the Kronos for Healthcare solutions can help manage the costs and productivity of the rest of the enterprise’s workforce. An institution that holds all managers accountable for productivity and cost targets communicates to its nurses that it is applying an equitable standard across all departments instead of singling out nursing for cost containment.

Quality of Care

Optimal patient care occurs when organizations deploy the right nurses at the right time to the right units. Workforce Scheduler allows managers to provide adequate coverage at all times and to quickly fill open shifts. And by displaying relevant employee demographics, the tool assists managers in choosing the right employees for shifts that require additional expertise in the form of advanced degrees or certifications.

The scheduling software also informs managers when a schedule rule has been violated or an overtime rule has been exceeded — such as when nurses are assigned to work excessive shifts, which could compromise patient safety — so that they can immediately adjust staffing levels. With on-demand staffing variance analysis, Kronos for Healthcare improves visibility and makes decision making actionable and measurable by providing short-term and long-term analysis of scheduling practices. And organizations that can better plan their staffing needs can reduce their dependence on agency staff.

Organizations applying for Magnet designation must provide evidence of educational activities that the staff has participated in throughout the year. By tracking skills, certifications, education levels, credentials, and competencies, including expiration dates, the hospital and employees can meet compliance regulations. Workforce HR identifies when employees’ licenses are due to expire and alerts their managers. Employees whose licenses have expired will be notified through self-service.

Tracking educational activities and committee work can be achieved by pulling earning-code-specific data. By tracking the overtime hours of nurses attending educational programs, Workforce Scheduler gives a chief nursing officer the documentation to justify the overtime as a direct cost of the institution’s goal of training nurses to provide the highest quality care.

Interdisciplinary Relationships

Collaborative working relationships within and among the disciplines are valued at Magnet organizations. Mutual respect is based on the premise that all members of the healthcare team make essential and meaningful contributions in the achievement of clinical outcomes. To show how they allocate scarce resources, Magnet applicants are asked to provide examples of interdisciplinary decision making.

Tracking attendance and leave with Workforce Absence Manager™ can assist hospitals in identifying individuals who may require counseling, but also those who should be rewarded for perfect attendance. Inviting employees to participate and collaborate in creating attendance policies promotes empowerment among the staff. Employees are more likely to comply with policies they understand work for them and the hospital as a whole.
More important, attendance acts as a barometer of specific values a hospital places on its nurses. Hospitals that engage in inflexible scheduling practices and have a culture of overtime, inconsistent labor practices, or high turnover create chronic absenteeism among nursing staff. Tracking attendance and leave with Workforce Absence Manager can help hospitals identify the root cause of absenteeism problems. “If nurses are being asked to constantly fill in for those who call in sick, morale will be affected, and eventually nurses will leave,” says Timiney.

And a precise understanding of why nurses leave a healthcare organization is vital to developing effective retention strategies. Workforce HR gives hospitals the tool to build a database of nurses’ employment history, including the reasons they state for leaving in exit interviews. By examining the nursing units or types of nurses that experience high turnover, hospitals can begin to remedy adverse working conditions or personnel problems. “Without good data, administrators may never determine why nurses are quitting or what changes in the hospital’s culture have to be made to retain them,” adds Timiney.

**Summary**

While the journey in pursuit of Magnet recognition is unique to each hospital, adopting characteristics of Magnet facilities is essential to creating and sustaining a superior work environment that attracts and retains a workforce that delivers high-quality care. Any organization that embraces the 14 Forces of Magnetism and commits to using them as an internal benchmark of quality has already set itself apart as a stellar institution that values and respects its nurses. Technology such as the Kronos for Healthcare solution suite can guide institutions on their laudable journey to excellence in nursing care.

To be designated a Magnet facility, healthcare organizations must achieve all 14 Forces of Magnetism.

1. Transformational Leadership
   - Quality of Nursing Leadership (Force #1)
   - Management Style (Force #3)
2. Structural Empowerment
   - Organizational Structure (Force #2)
   - Personnel Policies and Programs (Force #4)
   - Community and the Healthcare Organization (Force #10)
   - Image of Nursing (Force #12)
   - Professional Development (Force #14)
3. Exemplary Professional Practice
   - Professional Models of Care (Force #5)
   - Consultation and Resources (Force #8)
   - Autonomy (Force #9)
   - Nurses as Teachers (Force #11)
   - Interdisciplinary Relationships (Force #13)
4. New Knowledge, Innovation & Improvements
   - Quality of Care: Research and Evidence Based Practice (Force #6)
   - Quality Improvement (Force #7)
5. Empirical Quality Results
   - Quality of Care (Force #6)