

The True Cost of Recruitment



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Agenda

- Introduction
- Approaches to recruitment of staff nurses
- Benefits and Challenges of the recruitment approaches
- Financial cost comparison
- Conclusion and next steps

Introduction

- Recruitment and retention are important issues for all Trusts in London. Recruiting the correct number of staff and calibre of staff is essential to help deliver the best possible care to all patients.
- The Trust has experienced a shortage of band 5 nurses over the last 2 years. It has had to rely heavily on bank and agency staff to ensure patients are given safe and effective care. This has increased the levels of stress and burnout for numerous nurses on the frontline and has a negative impact on patient experience. For this reason the subject of recruitment is chosen.
- In June the head of the NHS Simon Stevens said he wanted to clamp down on the use of agencies supplying the NHS with doctors and nurses. Revenue has soared by 40% over the last 3 years according to a report in the Daily Telegraph. The turnover of 10 of the largest firms has been estimated at £7.7 billion with profits at £84.5 million.

The objective of the project

- Following on, I will explore the way that Hillingdon Hospitals' Foundation Trust recruits band 5 staff by comparing our in-house recruitment and the first overseas recruitment drive in Italy. Both ways of recruiting will be economically assessed to find the most cost effective and efficient way to recruit nurses.
- This subject has been chosen because the costs can be readily identified, overseas recruitment is a very topical issue at this time and the NHS is under tremendous pressure to save money. Effective recruitment is also vital to ultimately improve staff morale and standards of care.
- Furthermore, there are a number of challenges faced by all trusts in trying to achieve full establishment.

The Two Comparisons: UK Recruitment

At the Hillingdon Hospitals' NHS Foundation Trust regular recruitment days are organised to attract candidates for Band 5 staff nurses and Healthcare Assistants. This takes place on a monthly basis in The Elderly Day Hospital.



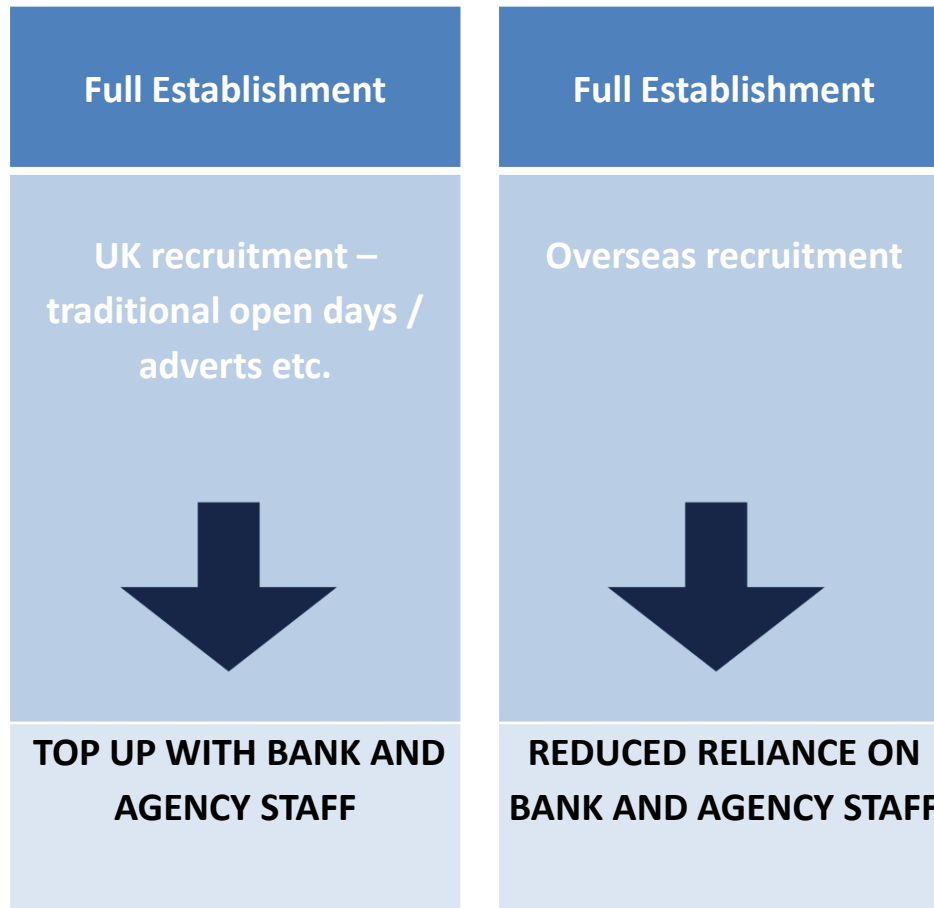
The Two Comparisons: Overseas Recruitment

The recruitment in Rome was undertaken in March 2015. CPL, a leading nursing agency in Ireland was utilised to find qualified nurses in Italy.



Comparing the two ways to reach full establishment

This diagram shows the two ways that we can recruit staff in the UK.



There have been insufficient nurses available from within the UK therefore the Trust has had no alternative but to recruit overseas nurses to enable the wards to reach full establishment.

The Challenge: Reaching Full Establishment

- There is a need to attract dedicated, competent and compassionate nurses to join our hospital to provide a high quality, seamless service to all patients. Safe staffing is paramount to quality care and to satisfy all standards set out by the Care Quality Commission. From the last CQC visit in 2014 it was highlighted that there were areas to improve in safety. It is also important to bear in mind the RCN safe staffing guidelines, NICE guidelines and the letter sent out by Jane Cummings, Chief Nurse to all Directors of Nursing this year.
- Cost of doing nothing – the cost of agency staff (nurses, doctors and allied health professionals) for April 2015 was £667,880 and £616,000 for May 2015 in Medicine.
- Recruiting the best staff in the first place.
- But there does need to be a consideration of why staff leave? Exit interviews must be closely analysed to understand what can be done to decrease staff turnover.
- Irrespective of which way you recruit, maintaining full establishment is a constant process much ‘like the painting of the Forth Bridge’.



Processes/challenges/benefits

- There are some similarities in recruiting irrespective of how you go about it. But there are also considerable differences.
- To identify similarities and differences an analysis of processes and outcomes has been undertaken.

The Process and Outcomes of Overseas Recruitment

Input

Direct

- People and Development – HR staff to prepare and liaise with nursing agency March 2015
- Admin time – emails; contact senior nurses to organise dates and participation
- Budget for overseas recruitment

Indirect

Activities & outputs

- Recruitment trip to Rome for 3 days
- Liaise with CPL recruitment company
- Testing of students prior to interview
- Portfolio support to gather evidence
- Portfolio assessment

Groups targeted

For intervention

- Qualified nurses from all over Italy
- Recruitment Company –CPL

For partnership

- Finance Department
- People and Development

For delivery

- Statistics from Workforce development over 1 year
- Attrition rates over 1 year

Outcomes

Staff outcomes

- Ability to deliver high quality patient care
 - Substantive staff to boost numbers on wards and ensure continuity of care
- Negative outcomes:
- Possible difficulty with language/ communication skills (negative outcome)
 - Extra pastoral support and training (negative outcome)

Patient outcomes

- Receive high quality care from substantive staff
- Continuity of care

Organisational outcomes

- Reduction in agency/ bank spend
- Meet CQC standards to increase staff recruitment and retention
- Improvement in patient experience/ surveys with time
- Skilled, stable & valued workforce & Staff investment; potentially less compassion fatigue and staff turnover
- Happier staff and better patient care
- More cost effective use of Trust resources for recruitment?

The Process and Outcomes of In-House Recruitment

Input

Direct

- People and Development – HR staff to prepare and plan recruitment fair on a monthly basis
- Admin time – emails; contact senior nurses to organise dates and participation
- Liaison with Assistant Director of Nursing re vacancies
- Budget for recruitment
- Catering
- Refreshments

Indirect

Activities & outputs

- Recruitment fair in Elderly Day hospital at Hillingdon hospital
- Portfolio support to gather evidence
- Portfolio assessment
- Advertising on internet- NHS jobs and in local paper
- Interview panels to be organised for Medicine and Surgery by recruitment team

Groups targeted

For intervention

- Newly qualified staff
- Staff nurses looking for new pastures

For partnership

- Senior Sisters/Charge Nurses in Surgery and Medicine
- Matrons and Assistant Director of Nursing
- Education Lead for Trust every 2 weeks at clinical skills training

For delivery

- Recruitment advisors
- Senior Nurses/ Matron present at recruitment day

Outcomes

Staff outcomes

- Ability to deliver high quality care
- To increase number of substantive staff to full establishment

Patient outcomes

- Receive high quality care by skilled substantive staff
- Aid continuity of care on the wards

Organisational outcomes

- Reduce spend on bank and agency staff
- Reduced reputational risk
- Better reputation
- Meet CQC Standards for Safe Staffing
- Skilled & valued workforce & Staff investment; potentially less compassion fatigue and staff turnover
- More cost effective use of Trust resources for recruitment
- Improvement in patient experience over time

Summary of the differences in process and outcomes

Overseas	In-House
Recruitment drive to Rome organised by agency.	Events organised by HR staff in the Trust
Costs of flights and hotel	Local event in Hillingdon hospital
Language difficulty of Italian nurses (negative outcome)	Very few language difficulties
Different culture and different training in Italy (negative outcome)	Nurses recruited from within UK with relevant experience
More pastoral care, training and support (negative outcome)	Less support and training required

On the next slides, an assessment has been undertaken of the benefits, challenges and financial implications of in-house and overseas recruitment.

Benefits of Overseas Recruitment

The ultimate outcomes for both recruiting overseas and in-house are almost identical. We want to recruit the best candidates, irrespective of where they come from, to be able to deliver the best standard of care and the 6cs as introduced by Jane Cummings.

When we recruit overseas it can bring positive change and **increase the richness and diversity** in the Trust. There is **a ready supply of qualified nurses in Italy** and a significant number can be recruited in one go. It is an easier option as the **agency organises the trip abroad and lines up all the candidates**. In my view all staff have to be patient, understanding and supportive to the influx of all new staff and extra vigilance and supervision is vital to produce competent, compassionate, professional members of the team.

Challenges of Overseas Recruitment

- The **integration and the preceptorship of the Italian nurses will take longer**. Extra training and extended time for supernumerary status is essential to ensure they are safe, able to communicate on all levels and understand procedures and policies. **The training in Italy is different** from in the UK and an example is the role of the qualified nurse. Bed bathing a patient who is very poorly is undertaken by a qualified nurse in the UK but it is not in Italy. It has been a challenge to undertake more training for the Italian nurses and it puts **added strain on senior staff** running a ward, especially if there are agency staff and other inexperienced nurses also in the team. There is the **higher costs** attached to keeping a band 5 nurse supernumerary for another month.
- **Language and cultural difficulties** can effect communication and standard of care
- Individual **ward leaders cannot choose their own staff**. Two members of staff travelled to Rome for the interviews in Rome, one from Surgery and one from Medicine. **Staff have to cover their work back at the hospital**.
- **Retention of overseas recruits** can be problematic. Figures in the Daily Telegraph 28/7/15 states that 27% of foreign nurses recruited in 2013/2014 were no longer in post by November last year. Laura Donnelly , Health editor stated that there is 'ludicrous spending on NHS overseas trips'.
- Peter Carter, Chief Executive and General Secretary to the RCN, said; '**There are clear signs of a global nursing shortage, meaning an ongoing reliance on overseas recruitment is not just unreliable but unsustainable**'. Nursing Times, June 24-30 2015 vol 111 no 26.

Financial Cost of Overseas Recruitment

March 2015

Additional Costs	EU	Comments
All costs expressed in 2015 values		
Recruitment agency fee	£21,540	12 staff nurses recruited at £1,795 each
Travel costs including flights	£0	included in recruitment agency fee
1 month free accommodation at Mount Vernon	£4,092	Total for 12 recruits at £341 each
Welcome pack	£1,200	One pack for each recruit
Additional supernumerary period	£39,996	4 weeks initially of a band 5 nurse at £3,333 per month nurse
Taxi costs from Mount Vernon to Hillingdon	£1,495	One off as most of staff moved to Hillingdon staff accommodation
Social event	£600	Meal out on first night of arrival in the country
Cultural training	£600	Provided by the Trust
Recruitment lead time	£6708	0.5 wte 8b, (salary £27,950 per year) assumes supports 50 nurses per year
Recruitment process after interview	£225.96	1 hour by band 2 recruitment officer (£18.83 per hour) per recruit chasing references, CRB checks, etc
GRAND TOTAL for recruitment of 12 nurses	£76,456.96	
AVERAGE COST PER RECRUIT	£6,371.41	

An agency nurse costs about £2500 per month more than a nurse in a substantive post. The recruitment costs for an overseas nurse are £6,371 per nurse. It therefore takes 2.54 months for an internationally recruited nurse to offset the premium charged by an agency. All costs provided by Trust HR, unless specified otherwise.

Benefits of in-house recruitment

- Most of staff interviewed have a good command of English
- Some have experience of working in the UK and in the NHS
- Newly qualified staff applying for a job have the insight and knowledge of the hospital and the work involved
- Ward leaders can attend and choose their own staff
- Cheaper to organise event
- One stop event with Occupational Health and conditional offers given on the spot

Challenges to in-house recruitment

- Limited numbers of qualified staff with sound experience
- Some come with experience of working in a nursing home and not in the NHS
- Decline in nurse training places in 2010-2012 has effected the supply of available candidates. Impact of increase not for another 3-4 years
- Competition with surrounding hospitals

Summary of In-House Costs 2015

	UK	Comments
All costs expressed in 2015 values		
Basic costs of 3 recruitment events – to recruit 21 staff nurses	£6312.50	Includes staff attendance at the events and HR admin support. See Appendices for breakdown of activities and costs by band.
ADDITIONAL COSTS:		
Shortlisting by 2 Matrons	£291.42	Band 8a Matron at £48.57 per hour x 2 x 3 events
Preparation for event, copying and printing materials for interviews	£707.70	£235.90 x 3 events Band 2 recruitment officer at 18.83per hour
Food and beverages	£300	£100 per event x 3
Recruitment process after interview	£866.18	Total cost of processing 46 recruits by band 2 recruitment officer (1 hr each recruit at £18.83 per hour)
GRAND TOTAL to recruit 21 staff nurses	£8477.80	
Cost per staff nurse	£403.70	£8477.80 divided by 21 staff nurses

Note: the costs above relate to recruitment events covering staff nurses and Healthcare Assistants . In total 46 staff were recruited at these events. Since the focus of this case study is on staff nurse recruitment, the recruitment of Healthcare assistants is perceived as an additional benefit. The cost of a nurse only recruitment day would have been the same, even if Healthcare assistants had not also been recruited. As such the average costs are presented per staff nurse recruited.

Rationale for costs

- The average cost of recruiting a band 5 staff nurse (£403.70) at the 3 in-house events assumed the full cost is incurred in relation to staff nurse recruitment alone. Healthcare assistants were recruited at the same time but for the purpose of this economic assessment they are not included in the costs in this evaluation.

Comparison Summary

	In-House	Overseas
Average cost per recruit	£403.70 per staff nurse	£6371.41 per staff nurse
Benefits	<ul style="list-style-type: none"> • Cheaper than overseas • Less pastoral care needed • Experience in NHS care • No language barriers • Less NHS staff time needed in recruitment process 	<ul style="list-style-type: none"> • Brings diversity to the trust • Agency organises a substantial part of the recruitment process • Improves cross-cultural understanding • Bounce in morale • Can recruit a significant number in one go
Challenges	<ul style="list-style-type: none"> • Limited supply of qualified nurses in the UK • Competition from other hospitals in London 	<ul style="list-style-type: none"> • Far more expensive to recruit, • Language barriers, increased risk of poor patient care • Staff need to spend more time supervising and mentoring overseas staff • Staff retention

Conclusion: Part 1

This project focusses on the economic assessment of two different ways of recruiting band 5 nurses. **The in-house recruitment drives are more economical than overseas recruitment.** However there is a shortage of trained nurses in the UK and because of the high costs of agency nurses hospitals are driven overseas to find nurses. There is a surplus of trained nurses in Italy due to the economic situation in the country. Until we have a better supply of nurses within the UK, the Trust needs to continue with recruiting overseas and in-house.

The first recruitment drive in Rome resulted in 12 candidates coming to the Hillingdon Hospital. However, one of the Italian nurses is leaving soon and another is struggling to keep up with the pace and routine of our work on one ward. Therefore there is the need to examine our selection process to ensure we pick the very best nursing staff. The recruitment drive in Rome managed to produce more band 5 nurses than any single in-house event. Since this trip in March the Trust has successfully recruited 21 staff nurses from Spain, another 5 from Italy and is planning a trip to the Philippines later in the year.

Conclusion: Part 2

The combination of overseas recruitment over the last year and the in-house recruitment have proved very successful as we are now nearly up to full establishment in Medicine for band 5 qualified nurses. This is also due to the reduction in the bed base. However in September we have vacancies in the Acute Medical unit and Accident and Emergency .

Whilst the Trust should recruit staff domestically as far as possible, as it is cheaper than recruiting overseas, this approach isn't always feasible as there is a limited supply of good quality nurses in the UK .

In this context, it has now become economically sound to continue recruiting overseas. This is because the only other alternative is to use agency staff, which incurs an astronomical cost to the Trust, which cannot be sustained in the long-term.

Recruitment is an ongoing process because staff are leaving on a frequent basis and with the winter pressures looming it is important that we have sufficient nurses in place to maintain a safe environment. Whilst not within the scope of this project my recommendation is to carry out an economic assessment of not recruiting overseas and not having someone in post and compare this with my assessment on overseas recruitment .

Lessons learned

- It is important to ensure accommodation is comfortable for new starters and to be located near the hospital. Washing machines and a sitting room were not available at the time the Italian nurses arrived in UK. The Trust needs to improve the process to make sure the recruits stay more than a year and prevent the added costs of taxi journeys from Mount Vernon to the Hillingdon Hospital. Any improvements are important for retention of new staff. We have a new Buddying scheme in place and also new starter events are organised to welcome new qualified staff.
- The Trust needs to consider more probing interview questions to test for levels of compassion and communication for in-house and overseas recruits. Changing them at least yearly and evaluating them at the same time. Communication and language skills are vital for interacting with patients, especially with the overseas recruits where English is not their first language. The assessment of these factors has to be more robust for overseas nurses and colleagues have suggested testing their telephone skills. Speaking over the phone and comprehension of the English has been a problem on one ward.

Next Steps

In September, the Trust is going to a recruitment fair in London organised by the Royal College of Nursing. It is important to take stock and evaluate the success or failure of our recruitment ventures. From this we can take remedial action to improve our processes and actions.

It is economically prudent to focus on recruiting from within the UK. With more training places available in the UK and sufficient students completing their training successfully the situation may well improve. However, training places in England fell by 2,210 from 2010-2012. Health Education England has said that national training places have increased since then, but it will be a few years before more staff complete their training.

It would be wise for the government to focus on making sure we train enough nurses within the UK to produce competent and compassionate staff nurses. Alongside this, there is the need to closely monitor the workforce and the number of newly qualified nurses necessary to replace those leaving the profession or retiring within the next 5 years. The most important issue is to ensure we have enough nurses on the wards to deliver high quality care and to improve patient outcomes. Gaps in nursing numbers can have a detrimental effect on patient outcomes. The Keogh review showed a positive connection between inpatient to staff ratio and a high mortality ratio score with 14 Trusts under close scrutiny.

There is a Workforce Transformation Steering Group in the Trust which aims to improve several factors including retention and engagement and ensure staff are recruited within 55 days.

I believe that more nurses should be trained to do economic assessments, especially those in charge of the budget for a ward. This would help nurses provide the best possible care within financial constraints.

Stakeholder Matrix

DIRECT

INTERNAL

<p>Patients, relatives and carers Practice Development team Director of people and development New starters Newly qualified RGNS Temporary staffing office</p>	<p>CPL recruitment agency Department of Health Royal college of Nursing</p>
<p>Finance manager Director of Nursing and patient experience Trust Executive Trust Board Recruitment officers Education Lead for Trust</p>	<p>Publications for recruitment Internet sites- NHS jobs Bucks new university Care Quality Commission Nursing agencies</p>

EXTERNAL

INDIRECT

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- Suzanne King, Finance manager- she supplied all the financial figures in a organised, clear way
- Helen Bodlak, Education Lead- she gave insight into student nurse training and the pastoral care given to the Italian nurses.
- Clare Gore, Director of People – Clare gave me more in-depth details about the recruitment strategy plans and process
- Jacqui Scarlett- Recruitment Officer- who gave me all the details on the in-house recruitment and process

APPENDICES

Financial Costs of In-House Recruitment

30th May 2015 (Saturday Recruitment Day) 4 panels:	Band	Hourly Cost (£)	Cost for 5 hours (£)
	8c	64.03	320.15
	7	39.80	199.00
	7	39.80	199.00
	8a	48.57	242.85
	7	39.80	199.00
	7	39.80	199.00
	7	39.80	199.00
	7	39.80	199.00
<u>Occupational Health:</u>	6	33.81	169.05
<u>HR Admin Support:</u>			
	4	23.59	117.95
	4	23.59	117.95
	2	18.83	94.15
		Total Cost	2,256.10
<u>Recruitment result:</u>			
9 staff nurse			
1 Bank staff nurse	Total Recruits	10	
(7 bank HCAS recruited but not included in economic assessment)		Cost per recruit	£225.61

Financial Costs of In-House Recruitment

28th April 2015 (Recruitment Evening) 3 Panels	Band	Hourly Cost (£)	Cost for 5 hours (£)
	7	39.80	199.00
	7	39.80	199.00
	8a	48.57	242.85
	4	23.59	117.95
	7	39.80	199.00
	7	39.80	199.00
OH: Not required			
<u>HR Admin Support:</u>			
	4	23.59	117.95
	4	23.59	117.95
		Total Cost	£1,392.70
<u>Recruitment result:</u>			
3 Staff Nurse			
(8 HCAS recruited but not included in assessment)	Total Recruits	3	
	Cost Per Recruit	£464.23	

Financial Costs of In-House Recruitment

28 th March 2015 (Saturday Recruitment Day) 5 Panels	Band	Hourly Cost (£)	Cost for 5 hours (£)
	7	39.80	199.00
	7	39.80	199.00
	7	39.80	199.00
	7	39.80	199.00
	7	39.80	199.00
	8a	48.57	242.85
	7	39.80	199.00
	4	23.59	117.95
	8a	48.57	242.85
	7	39.80	199.00
Occupational Health : (B8)	8a	48.57	242.85
<u>HR Admin Support:</u>			
	4	23.59	117.95
	4	23.59	117.95
	4	23.59	117.95
	2	18.83	94.15
	2	18.83	94.15
		Total Cost	£2,663.70
<u>Recruitment result:</u>			
8 Staff Nurse			
(10 HCAS recruited but not included in assessment)			
	Total Recruits	8	
	Cost Per Recruit	£332.96	

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