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IMPROVING WORKFORCE RETENTION: DEVELOPING AN INTEGRATED LOGIC MODEL TO MAXIMISE SUSTAINABILITY OF SMALL RURAL & REMOTE HEALTH CARE SERVICES

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POLICY CONTEXT

Many small rural and remote communities experience a shortage of health workers, high levels of staff turnover and significant problems in recruiting new health workers. In order to provide residents of these communities with accessible and sustainable primary health care services and improve their health outcomes, a sufficient, appropriately qualified and stable workforce is vital.

Increasingly, retention of health workers has become a workforce planning priority. While the problem of high health workforce turnover characterising many small rural and remote health services is widely recognised, much less is known about what is a reasonable length of stay for health workers in differing locations or the effectiveness of retention incentives designed to improve length of service.

Using several sentinel indicators, this study investigates the pattern of workforce retention for small rural and remote primary health services. The research provides a framework and methodology that enables managers to monitor and maximise workforce retention by connecting resources with workforce outcomes, service performance and sustainability.

KEY FINDINGS

- Unfortunately there exists a dearth of good data which would enable health services to monitor and evaluate workforce retention and the benefit of specific retention incentives and workforce strategies.
- Unnecessarily high workforce turnover results in high recruitment costs - conservatively estimated at approximately A\$20,000 for a rural and remote nurse, A\$74,000 for a doctor, A\$22,000 for an allied health professional, A\$14,000 for an Indigenous health worker and A\$30,000 for a health service manager. There is a large variability in these recruitment costs and they are much higher for services that rely on locums or agency nurses to fill vacancies. In addition, services incur indirect costs associated with high workforce turnover, including loss of

skills and experience, restricted consumer access to care, and compromised continuity and quality of care.

- Optimising workforce retention through specific incentives is likely to fail unless a comprehensive workforce strategy and the essential requirements for a sustainable health service are in place. These include effective management practice, governance and leadership; adequate sustainable and flexible funding; and adequate, well supported IM/IT infrastructure.
- While many workforce retention indicators are available, not all are useful for small rural and remote health services and new ones may be required. Our recommendation is to utilise a focused package of indicators, rather than using one or two in isolation, since a more comprehensive picture of staff movements is likely to be obtained.
- The best available retention and turnover indicators have been identified and their relative merits assessed. These indicators include *Annual turnover*, *Stability*, *Median Length of Service in current position*, *Median survival*, and *Survival probability*. Turnover and stability rates are easily understood, simply calculated and inform about workforce changes that may be closely associated with calendar time (such as reductions in turnover associated with positive cultural changes resulting from management changes). Median survival along with survival at 12 and 24 months, while more difficult to calculate, track performance from commencement date (for example, the average length of employment for subgroups within the service).
- Our evidence suggests provisional, relatively conservative benchmarks for what is a reasonable length of service for the different disciplines in rural and remote areas, specifically:

	<i>Rural</i>	<i>Remote</i>
Nurses	5 years	3.5 years
Doctors	3 years	2 years
Allied health professionals	3 years	2 years
Indigenous health workers	3 years	3 years
Managers	5 years	3.5 years

- This information can be used in conjunction with knowledge of the total costs of recruitment to enhance retention through the provision of retention measures and bonuses. In this way, appropriately targeted incentives based on empirical evidence can result in improved retention and benefits to patient care at no additional cost to health services.

POLICY OPTIONS

Policies designed to enhance the retention of primary health workers in rural and remote communities will become increasingly important as the workforce ages and difficulties in attracting new graduates continue. Use of sentinel indicators and benchmarks can guide the efficient collection of workforce data and its analysis, enabling retention to be monitored and the effectiveness of retention strategies and incentives to be assessed.

An appropriate local and national data collection and analysis system will require:

- **Agreed retention indicators:** we recommend the use of the following five sentinel indicators as a package to monitor staff movements both into and out of a service - median length of service in current position, annual turnover, stability, median survival and survival probabilities at 12 and 24 months. New indicators, such as for 'orbiting' staff in rural and remote areas, may be required. Whatever indicators are used, the capacity to record commencement and separation dates and aggregate these data is essential for all health services. In addition, we recommend that these indicators be collected in combination with periodic quantification of recruitment costs.
- **Agreed workforce retention benchmarks:** establishing workforce retention benchmarks will provide services with appropriate targets for their retention strategies and enable services to assess their own retention performance over time, as well as in comparison to other similar services. This information is critical for effective workforce planning. We have recommended a set of provisional benchmarks with respect to median survival for different professional groups

as a starting point. The values should be reviewed on an ongoing basis as more data become available. Importantly, workforce retention benchmarks need to take account of specific contextual needs associated with rural and remote practice in small widely dispersed communities.

- Importantly, funders need to address the **strengthening of capacity of services** to collect and analyse these data on agreed indicators across all disciplines. In relation to data collection and analysis systems, many small rural and remote primary health care services require enhanced human resource and information technology capacity. Where necessary, services should engage with Rural Workforce Agencies or researchers for assistance with analysis. Improved coordination to ensure comprehensive data collection and linkage for all health professional groups should involve the Australian Bureau of Statistics, Australian Institute of Health and Welfare, Rural Workforce Agencies and Health Workforce Australia.

Based on rigorous monitoring of health workforce retention and better understanding and appreciation of the costs of recruitment, health services will be better able to respond with flexible retention packages. At the same time, consolidated information about the multiple potential sources of retention funding from both State and Commonwealth governments to all primary health care services would facilitate the development of retention incentive packages relevant to location, discipline and local health needs. Better still, consolidation of the current piecemeal approaches into a block grant scheme to allow services to be totally flexible in devising appropriate employment packages would be even more effective.

METHODS

The evidence was drawn from a review of current Australian and international literature and secondary data obtained from State and Territory Health Authorities and Rural Workforce Agencies. Individual data for rural general practitioners were analysed using multiple linear regression methods to model the retention indicator length of stay in current position. In addition, workforce retention data were collected from a stratified random survey of 100 small rural and remote primary health care services. These data comprised: the key workforce characteristics of each service; the nature of workforce retention; workforce retention measures implemented by the health service; entry and exit data about all employees providing direct health care employed in their health service during the years 2003-2008; and the costs of replacement for nurses, doctors, allied health staff, Indigenous health workers and health service managers. Workforce turnover and retention were examined using five indicators - Annual turnover, Stability, Median Length of Service in current position, Median survival, and Survival probability at 12 months and 24 months. Individual data for health workers were analysed using Proportional Hazards (Cox) methods to model the risk of employees leaving their current position. An expert reference group assisted with the formulation of the study.

For more details, please go to the [full report](#)

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