



REPORT TO: The Co-Chairs and Members of the
Corporate Services Committee

and

The Co-Chairs and Members of the
Public Health and Social Services Committee

SUBJECT: Recruitment and Educational Incentives for
Registered Nursing Staffing in Seniors Services

RECOMMENDATION

That this Committee recommend to Regional Council:

That Report CSD 152-2008 and COM 59-2008 regarding Recruitment and Educational Incentives for Registered Nursing Staffing in Seniors Services be received for information and

That staff be directed to:

- a) introduce for a trial period of one year, an employee referral award program to complement the recruitment efforts for Registered Nurses (RNs) and Registered Practical Nurses (RPNs) in Seniors Services; and
- b) explore educational incentives to develop existing nursing staff to RN and RPN status accompanied by subsequent time-defined work commitments.

EXECUTIVE SUMMARY

Provincially and nationally, there is a shortage of RNs and RPNs. Accordingly, Niagara Region is experiencing a shortage of RNs and RPNs in its long-term care homes and the difficulty recruiting nurses is predicted to worsen as a growing number of retirements occur over the next ten years. Despite provincial initiatives to help address this challenge, they have not fully addressed the shortage. Seniors Services continues to have 28 permanent vacancies open for RNs and RPNs, resulting in significant avoidable overtime replacement costs, and reduced care to residents.

In early 2008, various discussions began among Seniors Services management, registered nursing staff and Human Resources to identify new in-house strategies to recruit and retain registered nursing staff. In addition to identifying and implementing new

solutions to improve the retention of current staff, two incentive programs were recommended to the Corporate Management Team (CMT) to help fill the current nursing vacancies: an employee referral award program as well as an educational incentive program. At their October 30, 2008 meeting, CMT approved the introduction of an employee referral award program to complement nursing recruitment efforts, as well as support the exploration of new educational incentives to develop our current staff to RN and RPN status with the expectation of commitment to subsequently work for a period of years with Seniors Services.

Seniors Services' enhanced ability to attract new registered staff to fill vacancies will reduce the current need to meet required staffing levels through overtime hours and therefore significantly reduce the annual costs of overtime, which is estimated for 2008 to be \$125,000.

FINANCIAL IMPLICATIONS

The cost of the referral award program is intended to be offset through cost avoidance in the form of reduced overtime replacement costs. As RN and RPN shortages are a significant cause of overtime in the order of \$125,000 annually, a considerable cost benefit opportunity exists if the referral award program succeeds in helping to fill any vacant nursing positions.

Being mindful of the current RN and RPN shortages and the corresponding shrinking applicant pools, a reasonable recruitment target would be filling 50%, or 14 of the 28 vacancies currently open for permanent nursing positions. Based on this target, the cost of the proposed referral award program of \$400 per referral could range from \$2,800 (if 7 of the vacancies were to be filled) to \$5,600 (if all 14 vacancies were to be filled) as a result of successful referrals.

Successful referrals achieving 7 to 14 newly recruited staff at a cost of \$2,800 to \$5,600 would reduce overtime replacement costs by a much greater dollar amount with every shift worked at straight time by the new staff.

PURPOSE

To obtain approval to introduce new recruitment incentives and explore new educational incentives to acquire highly needed RNs and RPNs for Seniors Services.

BACKGROUND

According to the Niagara Training and Adjustment Board (NTAB) January 2008 "TOPS Report", that apart from management, Niagara's oldest workforce is in healthcare.

The report provides the example that the Niagara Health System currently has 130 registered nurse vacancies, and anticipates that up to 513 registered nurses will be required by 2012 if retirements at 55 occur. This dilemma is supported by the Registered Nursing Association of Ontario (RNAO), who acknowledge a shrinking supply of registered nurses in Ontario despite the fact that Ontario's population continues to grow.

The situation for Niagara Region Seniors Services is similar. Currently, our Senior Services has 28 vacancies open for permanent registered nursing positions (i.e. 8 RNs and 20 RPNs), which accounts for approximately 15% of the total registered nursing staff. Seniors Services anticipates an additional 107 RN/RPN vacancies in the next 5 years if retirements at 55 occur. These challenges are intensified by the fierce competition to attract nurses from a shrinking professional pool.

Nursing shortages result in additional overtime replacement costs. Based on year to date overtime costs, Seniors Services can anticipate \$125,000 in overtime costs for RNs and RPNs in 2008. Avoidable replacement costs may also arise in situations where higher paid RNs are required to replace RPNs. Also concerning, is the growing number of Seniors Services residents who require a level of care (i.e. complex care) that can only be provided by an RN or RPN. Provincial standards require a minimum number of registered staff in the homes on all shifts each day.

Seniors Services has been an active participant in provincial programs designed to attract registered health professionals to the Niagara Region. However, programs such as HealthForceOntario's Nursing Graduate Guarantee, where new graduates are promised full-time work, have not addressed the shortages in Seniors Services, or in other long-term care homes in Ontario. Rather, most prospective new graduates have opted to join other healthcare facilities, such as hospitals. Similarly, the Ministry of Health and Long Term Care invested \$14 million in 2007-2008 to create 1,200 new registered nursing positions in long-term care homes. However, the challenge of attracting RNs and RPNs to fill new positions in our Seniors Services remains the same.

REPORT

In order for Seniors Services to attract needed registered nursing staff it is imperative that new recruitment and retention strategies be investigated and implemented. In early 2008, various meetings were held that included Seniors Services management registered nursing staff as well as Human Resources to begin exploring such strategies. In addition to several implemented job improvements to enhance the retention of current registered staff, new incentives programs were also recommended; specifically, an employee referral incentive program as well as an educational incentive program.

Referral Program

An employee referral program enables current employees to receive a financial award for recruitment efforts by referring qualified candidates for registered nursing positions. In return, the referring employee receives a cash award for every candidate who is successfully hired and completes a minimum period of work. A referral award of \$400 is suggested, to be paid following the referred person's hire and the successful completion of their probationary period, as defined by their respective collective agreement. Conditions to maintain program integrity can be found in the attached Appendix "A". It is anticipated that this incentive program would be easily funded through cost avoidance in the form of reduced overtime replacement costs.

Education Incentives/Work Commitment Progress

Educational incentives are aimed at developing our current staff, typically offering tuition payment for a commitment of work after new qualifications are obtained. This type of incentive would encourage Health Care Aides (HCAs) to enhance their credentials to an RPN level, and similarly encourage RPNs to enhance their credentials to an RN level. Educational incentives are not uncommon to the Niagara Region. For example, educational incentives have been offered to meet requirements for Public Health Inspectors and Advanced Care Paramedics. In view of employee collective agreement implications, further exploration of educational incentives would need to be completed in concert with the respective employee bargaining groups.

The HealthForceOntario initiative suggests that despite the number of health professionals in the workforce now and the number of new graduates currently in training, it will be difficult to meet our health care needs over the next ten years. This is due in part to an aging workforce and fierce competition for skilled health professionals. To overcome these challenges, Seniors Services must continue to develop and implement new recruitment strategies.

To this end, we recommend that Corporate Services Committee and Public Health and Social Services Committee support the introduction of an employee referral award program to complement the recruitment efforts for registered nursing staff and further, that the Committees support the exploration of new educational incentives to develop and

enhance the credentials of our existing nursing staff. The outcome of these discussions will be submitted to CMT, Committee and Council through a separate report.

Submitted by:

Submitted by:

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Commissioner of Corporate services

Brian Hutchings
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Approved by:

Mike Trojan
Chief Administrative Officer

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This report was prepared by Dan Miron, Manager – Workforce Planning in collaboration with Kelly Bradbury, Human Resources Associate and in consultation with Dominic Ventresca, Director - Seniors Services.

Appendix A – Registered Nursing Staff Referral Program – Program Conditions

Appendix "A"

Registered Nursing Staff Referral Program – Program Conditions

All candidates will be evaluated for employment consistent with Niagara Region's policies and procedures with the following additional provisions:

1. Referral Eligibility: All Niagara Region Seniors Services employees, except Seniors Services management staff (i.e., managers who are accountable for hiring staff) are eligible to refer candidates.
2. The referral date cannot be earlier than the date the job requisition is posted. The hiring of a referred employee must occur within 180 days (six months) of the initial referral date.
3. The referral must represent the candidate's first contact with Niagara Region.
4. The first employee to refer a candidate will be the only referring employee eligible for a reward.
5. The referred candidate must be hired into a permanent casual, part-time or full-time position. Temporary, summer, and contract employees are not eligible candidates for referral awards.
6. To be eligible for a referral award, the referrals must first be submitted to Human Resources via a Candidate Referral Form.
7. In order to be eligible for payment, the referring individual must be actively working for the Niagara Region at the time the award payments are scheduled to be paid.
8. The standard employee referral award is currently \$400.00, and is subject to change at any time. A referral payment of \$400 will be paid within 30 days after the referred employee completes their probationary hours of work (as defined by their respective collective agreement) in a registered nursing role in the Seniors Services Division.
9. The referral award is considered employment income and is subject to all applicable employment deductions, with the exception of unit based referral payments.