

Business Case Analysis
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Executive summary

Monarch General Hospital is experiencing problems with staffing an undesirable shift. Ideas and possible or potential solutions will be discussed. The impact of each possible solution will be explored as it pertains to business and operational impacts. Various options and cost/benefit analysis will be considered. Options being considered are hiring additional permanent full time employees, per diem staff, or agency nurses, pulling staff from underutilized units, offering overtime pay and bonuses to current employees, creation of an internal float pool, or a possible restructuring the current staffing pattern to 12 hour shifts to eliminate the evening shift. After exploration of potential options, conclusions and recommendations, implementation strategy, a review and approval process, and summary will be presented.

Background

Any shift other than day shift is undesirable to most nurses. It is always more difficult to staff the evening and night shifts. Studies have indicated that working these shifts may lead to health and personal relationship problems. Health issues include poor sleep patterns due to interruption of circadian rhythms, increased gastrointestinal and musculoskeletal problems, hypertension, cardiovascular illness, depression, increase in social isolation, and negative impacts on family and personal relationships (Von Treuer, Fuller-Tyszkiewicz, & Little, 2014).

Business and operational impacts

The impact of staffing shortages affects the financial stability and day to day operations of an organization. Providing staff twenty four hours a day seven days a week is in itself costly. There are both direct and indirect costs related to nurse turnover and filling vacancies. The direct costs include advertising, recruiting, and hiring costs. Indirect costs include orientation, training, decreased productivity, and loss of intellectual capital. It is reported that the cost of nurse

turnover may be 856 million for organizations and up to 2.1 billion for society (Reilly, Nyberg, Maltarich, & Weller, 2014). Patient satisfaction and safety may suffer and quality of care may decline. “Nurse staffing is a major concern as it affects patient safety and quality of patient care” (Chin, 2013, p. 10). This will negatively impact the organization’s reputation and patients may choose to go to another facility for their healthcare needs thus affecting revenue.

Options and cost/benefit analysis

Possible solutions to provide sufficient staffing problem for the evening shift are hiring temporary staff, offering overtime and bonuses to current staff and pulling staff from underutilized units. These solutions offer a temporary remedy but not a long term solution. Hiring full time employees, pulling staff from units with low census, and creation of an internal float pool will be long term options to explore.

Although there are costs associated with hiring full time employees, it has been proven to be more cost effective than hiring temporary agency nurses or paying overtime to current staff. The results from studies reported indicate the reasons for this is the cost of temporary nurse’s wages and paying overtime is much higher than the wage paid to a full time employee. The associated potential risks to patient care also make this a less cost effective option (Davis et al.,).

Floating staff from units with low census is a viable option. The benefit is that the nurses are familiar with the organization’s processes and protocols and are experienced nurses. Reallocation of staff is considered a cost effective practice for managing staffing needs. A differential could be offered to nurses that volunteer to float to another unit when needed. (Dzuiba-Ellis, 2006).

Creation of a permanent float pool or resource team for all shifts could provide long term stability to fluctuating unit census and staffing needs. “Float pools have been credited with

allowing for reductions in “overscheduled” or budgeted hours as well as decreases in overtime or orientation costs. Uses of float staff have reduced the need for costly reliance on agency or per diem staff” (Dzuiba-Ellis, 2006).

Conclusions and recommendations

After exploring the options presented a combination of solutions will need to be utilized to cover existing staffing needs and plan to have long term solutions. The negative effects on the existing staff of working overtime must be mitigated in the interim to meet patient care needs and staffing shortages.

Recommendations include initiation of the hiring process to find permanent staff for the existing vacancies, incentives for staff to float or work limited overtime shifts, and plans to create a permanent float or resource pool for all shifts. These combined recommendations address immediate issues and plan for future staffing needs.

Implementation strategy and review and approval process

Implementation of the recommendations will require a combination of strategies. In the immediate period staff should be asked to work overtime shifts. Staff from underutilized units should start cross-training to areas with staffing needs. Incentives or differentials should be offered to encourage staff to float to other units. While short term solutions are being utilized, recruitment of staff to fill existing vacancies should begin immediately. A plan to develop a permanent float pool for all shifts by providing incentives should start after the initial full-time vacancies are filled and orientation is complete. As vacancies are filled and orientation and cross-training is complete, less overtime shifts will be needed to meet staffing needs.

Unit managers and upper nursing management will be asked to support the recommendations for both short term and long term solutions. Pros will be presented to

management to encourage staff to cross-train by emphasizing the positive impact to the stability of future staff issues. The Chief Nursing Officer (CNO) will need to approve overtime, incentives, hiring of new staff, cross-training, and creation of a float or resource pool. After approval is given for hiring of new staff, Human Resources will be notified.

Summary

Staffing will always be challenging especially for evening and night shifts. Solutions were presented for both short and long term solutions. Short term solutions included overtime shifts for current staff and incentives for staff to float and cross-train to other units. A possible long term solution of creating permanent float pools was recommended to provide staffing stability in the future. Having a permanent float pool will improve staffing during high census times, staff turnover, and absences. It will also decrease the need for overtime shifts. Cooperation and encouragement by the nurse managers and CNO is necessary to implement the plans to cover the current staffing issues on the evening shift.

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SIGNED: *Vickie Rogers, 01010636, March 29, 2015*

References

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Business Case Analysis Written Assignment

Assignment Grading Sheet

Grading Criteria	%	Comments	Points
Executive Summary provided	10		
Background provided	15		
Business and Operational Impacts provided	15		
Options and Cost/Benefit Analysis provided	20		
Conclusions and Recommendations provided	10		
Implementation Strategy and Review and Approval Process provided	10		
Correct grammar, essay writing, spelling and punctuation	10		
Correct use of APA format, including adherence to page limit and four references from nursing or business journals, attach grading rubric, include honor code, submit through SafeAssign	10		
Final Grade:	100		