

How to Massively Reduce Agency Staff Spend by Offering a better welcome



With the government asking for NHS cost savings, the pressure on staff is growing. Trusts struggle with talent shortages and decreasing retention rates.



As a result, they resort to hiring from afar and plugging short-term shortages with agency staff who provide a similar service at a higher price. There is a better way. By using Benivo and giving nursing staff from far away a high quality welcome,

Trusts can achieve a

777% Return on Investment

through improved retention, and can grow their Employer Brand perception by

60%

Hiring nurses is getting harder

Various challenges impact the hiring of nurses and healthcare staff in the UK, especially those at relatively low salaries:

1. Lack of supply:

Not enough young people choose healthcare as a career path

2. Growing demand:

As life expectancy and rates of chronic diseases increase, the demand for healthcare staff continues to rise.

3. Cost and competitive pressures on the employer are growing.

Nurses need to accomplish more in the same amount of time, leading to dissatisfaction and exhaustion, which in turn leads to more sick days and staff quitting prematurely. High employee expectations and increased competition for top talent also contribute to higher attrition.

4. Leaving the profession:

The Good Governance Institute reports [\(PDF\)](#) that only 82% of qualified staff are still working as a nurse three years after qualification.

As a result,

96%
of UK hospitals
report a shortage
of nurses

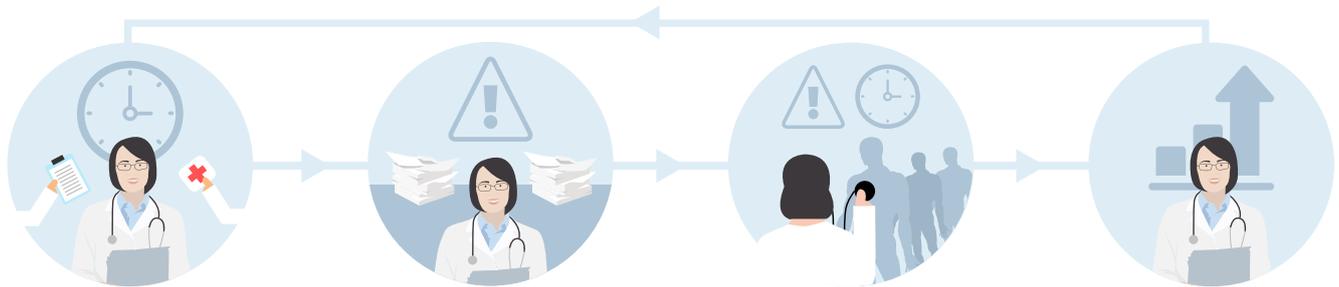
with an
overwhelming

25,000
vacancies
nationwide

Brexit is doing its share - NHS nurses and midwives' job applications from EU countries have taken a dive, [dropping by 89%](#) from 2016 to 2017.

How nurse shortages are killing us

The nurse shortage leads to a vicious cycle:



1

Nurses need to work longer hours under stressful conditions.

2

The number of medical errors increases.

3

Medical errors lead to longer recovery times for patients.

4

This further increases the demand for nurses.

[Research](#) shows how overworked nurses increase patient mortality rates. The nurse shortage is deadly. There are two ways trusts cope with their nursing staff shortfall.

Plugging short-term gaps with agency staff

To make up for their headcount gaps, trusts use short-term agency staff. But nursing agencies can [charge up to](#)

£2,000 per shift

This plugging of short term gaps presents challenges to the quality of patient care. It affects long term commitment, consistency in patient relationships and decreased productivity. Moreover, unfamiliarity with new surroundings automatically leads to more questions and decreased productivity.

Recruiting from farther afield



Hospitals are now systematically recruiting from abroad, and invest more in improving retention.

And while they improve work conditions and revisit management styles, hospitals start implementing best practices from the corporate world to boost employer brand perception.

One method frequently used by corporate employers is to give the employee a great relocation experience. As we have elaborated on in our [white paper series](#) on Employee Experience, support during times of high stress (as relocations for work tend to be) can deliver outsized returns:

Employees who feel supported during a critical time will remember the good treatment and repay it many times over - with loyalty, hard work, and positive word of mouth.

In the case of low-salaried staff such as nurses, this must be done in a scalable way, using technology and self-service tools.

And this is where Benivo comes in: We provide comprehensive, yet affordable, support for early career and mid-level employees, from finding accommodation to checking off all administrative errands and learning about their new surroundings through social insights.

The benefits of a high quality Employee Experience

When employees feel welcome, there are two main positive effects:

- **Improved employer brand perception.**

Our own [research](#) shows that employer brand appreciation by employees rises by 60% when employees receive the high quality Benivo welcome. This boosts favourable word of mouth which positively influences both recruitment and the core business.

- **A higher retention rate.**

[Research](#) by London Business School professor Dan Cable shows that employees who were encouraged to be their best selves at work were 57% less likely to quit than employees who received a classic corporate induction session or none at all. This clearly shows the impact of a positive experience in the early days of employment.

What is the return on investment from providing a great relocation experience?

To illustrate the concrete value of the Benivo service, consider the following calculation:

What is the real cost of a nurse leaving prematurely and being replaced by agency staff?

£27,000

- On average, it takes [eight weeks](#) after someone's departure to fill their position
- At [three shifts per week](#), that's a total of 24 shifts
- As one shift costs around [£1,000](#) in agency fees, that's a cost of £24,000 for agency staff
- Add on top an average of [£3,000](#) of hiring cost for a new nurse, increasing the total to £27,000

Let's assume a cohort of **200 new nurses**,

all of whom relocated to start their new job. If all receive Benivo relocation support, the cost is **£99,800**.

Attrition of nurses from abroad after their first year is [27%](#). In our case of 200 new nurses, this would be 54 nurses quitting after Year 1.

The service charge for Benivo's service is £499 per employee.



If the attrition rate fell by just 7% (= a two percentage point drop from 27% to 25%), meaning that only 50 nurses will quit in Year 1 instead of 54, the investment in Benivo would be fully recouped:

- 4 nurses “saved” from quitting:
Savings of 4 x £27,000 =
£108,000
- Cost of Benivo for 200 nurses:
£99,800
- Net saving: £8,200
- ROI: 8.11%

A 60% drop in attrition rate (like our research suggests) would result in a gross saving of £875k, which would lead to an ROI of 777%.

Additionally, the rest of the staff who were never at risk of leaving will enjoy a 60% boost of their Employee Experience, which has positive repercussions on the Employer Brand.

By using Benivo, the Trust can achieve an ROI of up to **777%**, saves a net of **£775k** and enjoys the benefit of a **60%** improvement in Employer Brand perception by all incoming staff.

Does this sound interesting?

Contact us at sales@benivo.com to learn more or call +44 (0) 20 3030 8674.

Contact Us

And if you don't want to use Benivo, [here are a few suggestions](#) on what you can do yourself to maximise your nurse retention rates amidst the shortage. Please let us know what you think on feedback@benivo.com or by tweeting us.