

Workforce Development Inc. (WDI) is a 501(c)3 authorized to manage a multi-county WIB and its workforce centers in predominantly rural settings in southeastern Minnesota. One of WDI's initiatives is the Healthcare Academy ("Academy"). The Academy includes of a series of services to prepare individuals to work as Certified Nursing Assistants (CNAs) and pass the State Nursing Assistant Test-Out and also works with local health care employers to help fill job vacancies, improve worker retention and assist in creating a more diverse workforce.

One long-term care facility, with whom WDI had placed a number of its Academy graduates, believed that the new CNA Academy graduates experienced better retention than CNAs hired from other sources. The company was also working on increasing the diversity of its workforce, and considered WDI a good source of qualified and racially and ethnically diverse CNAs.

Business Value of Working with WDI

The long-term care facility was interested in confirming their impressions and learning more about the cost of turnover among its CNA worker pool—which though low-wage, represents a large portion of its employment and thus, they suspected, significant cost to continuously hire and train. Specifically, they decided to review 3-, 6- and 12-month retention for Academy CNAs versus those hired from other sources, during a three-year hiring period of January 1, 2002 to December 31, 2005.

The long-term care facility's Human Resources staff provided to WDI the hire and termination dates for all new CNAs hired—through both WDI and other sources—during this time period. WDI used the BVA Excel Tool to compile data on CNA employment as well as to discuss, identify and estimate turnover costs with long-term care facility HR staff.

Overall results indicate **positive retention experiences and turnover costs savings related to hiring Academy graduates.**

- The average retention for all Academy hires was 9 months, and it was 12 months for Academy minority hires. This compared with the facility's average retention of 6 months.
- The cost of turnover was estimated to be \$13,431 per CNA. Turnover costs were comprised in large part of overtime and other costs of covering for a vacancy, and by the need to share work during the first three weeks of a new employee's orientation, during which they are less productive and it takes two people to perform one person's workload.

Becky Thofson, Sector Programs Director with WDI, believes that this assessment effort identified other valuable insights for the long-term care facility:

- The long-term care facility's HR staff and CNA supervisors were, during the same period, working to improve the experience of new minority hires in hopes of retaining them past early-turnover milestones; for example, by providing a tailored and more personal new employee

Business Value Assessment for **Workforce Development Organizations**

CASE EXAMPLE

orientation. Determining that there was a higher retention rate among minority Academy graduates also gave credibility to these innovations.

- Calculating a concrete estimate of the cost of turnover and the components of this cost provided credible evidence that turnover among these positions, although they are lower-wage, do in fact cost the business significantly. By identifying overtime and lost productivity during new employee orientation as key contributors to turnover costs, the long-term care facility developed evidence about how turnover impacts other staff when they have to make up for vacancies and the lower productivity of new employees.