Retention and ROI

Healthcare's Billion Dollar Blindspot

Raelynn Douglas, CEO, Raesoleil Inc.

Author, *The Billion Dollar Blindspot*

June 11, 2026

The Problem is Described:

- Workforce shortage (labour supply)
- Vacancies and hard-to-fill roles
- Burnout and overtime
- Recruitment / time to hire
- Agency and temporary staffing costs
- Hospital, ER and service disruptions
- Delayed or diminished care
- Reduced patient access and equity
- Poor patient outcomes
- Community instability, economic strain, service erosion, social impact

Not as a ***key financial strategy***

Raesoleil Confidential - distribute with permission only

Common Responses

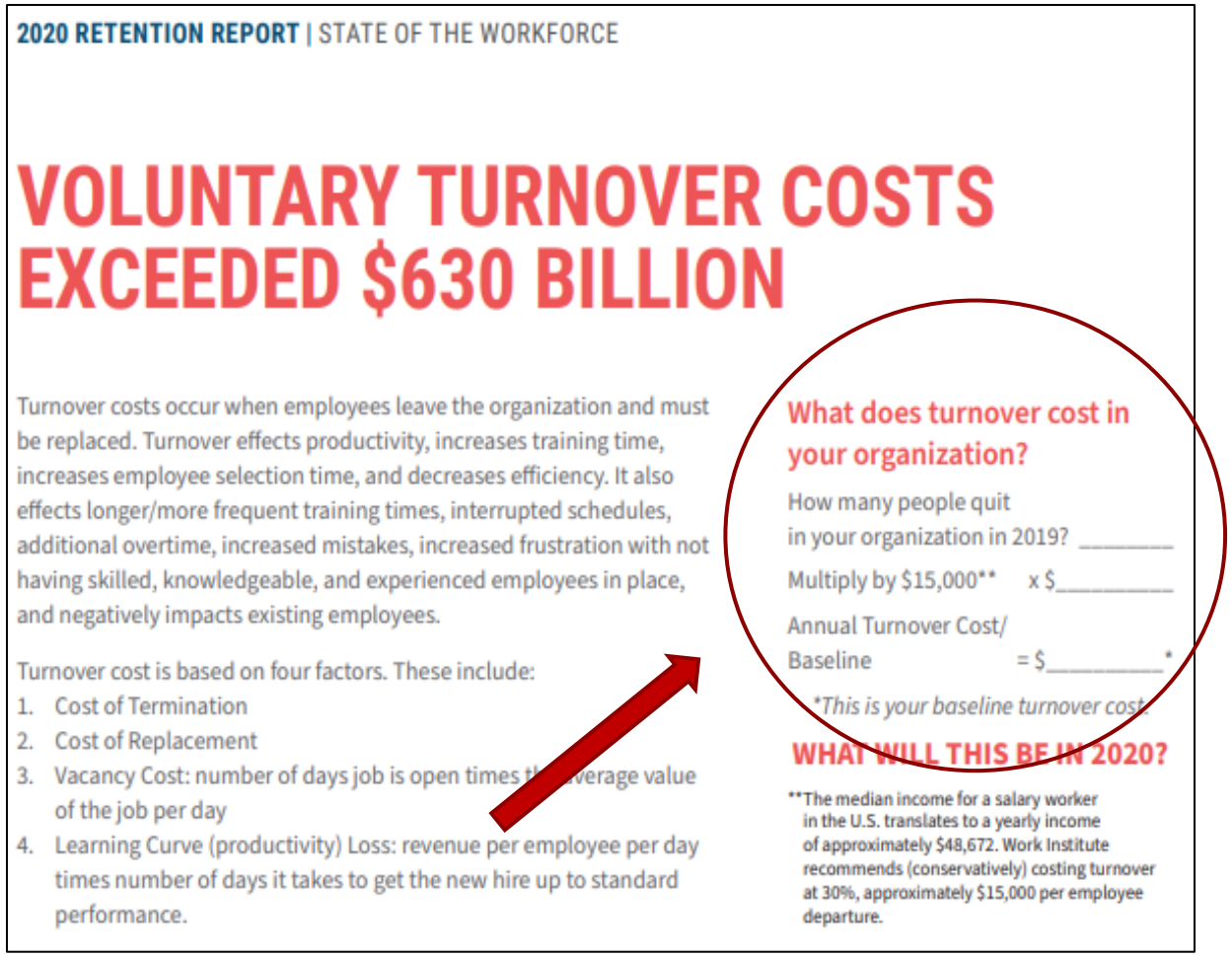
- We don't have good data
- Turnover is inevitable
- It's a shortage of labour supply, retirements, great resignation, COVID
- The conditions are toxic, unsafe
- It's within industry benchmarks
- It looks fine on paper
- "I wouldn't recommend HC to my kids"
- Better wages, opportunities elsewhere
- It's not the right time, we're too busy
- We can't afford it…

Raesoleil Confidential - distribute with permission only

What if the healthcare workforce crisis is not about a ***lack*** of new funding?

High Cost of Turnover

- Some turn-over is normal
- It's common – but is it inevitable?
- Voluntary, regrettable, preventable
- Continually & after 1 shift = expensive!
- Gallup = 1.5 to 2 x salary to replace
- $75K nurse / $250K senior leader
- Work Institute 2020 Retention Report = conservative $15K (US$) /employee
- Simple calculation
- Don't know your T/O rate? Look at # of new hires…)



2020 RETENTION REPORT | STATE OF THE WORKFORCE

VOLUNTARY TURNOVER COSTS EXCEEDED $630 BILLION

Turnover costs occur when employees leave the organization and must be replaced. Turnover effects productivity, increases training time, increases employee selection time, and decreases efficiency. It also effects longer/more frequent training times, interrupted schedules, additional overtime, increased mistakes, increased frustration with not having skilled, knowledgeable, and experienced employees in place, and negatively impacts existing employees.

Turnover cost is based on four factors. These include:

1. Cost of Termination
2. Cost of Replacement
3. Vacancy Cost: number of days job is open times the average value of the job per day
4. Learning Curve (productivity) Loss: revenue per employee per day times number of days it takes to get the new hire up to standard performance.

What does turnover cost in your organization?

How many people quit in your organization in 2019? _____

Multiply by $15,000** x $_____

Annual Turnover Cost/ Baseline = $_____*

**This is your baseline turnover cost*

WHAT WILL THIS BE IN 2020?

**The median income for a salary worker in the U.S. translates to a yearly income of approximately $48,672. Work Institute recommends (conservatively) costing turnover at 30%, approximately $15,000 per employee departure.

Raesoleil Confidential - distribute with permission only

Why so Costly to Replace?

- Direct, Less Visible, and Hidden Costs
- Siloes between teams and leaders
- HR sees vacancies, Finance sees OT, Operations sees instability
- Leaders and teams absorb more work
- Costs go unnoticed / unaware …
- Bloated HR budgets across teams – not a single line item
- EVERY departure is costly

> *These costs do not show up on a profit & loss statement. They are spread out and mostly hidden to employers.*
>
> *Some companies track their turnover costs, but many do not.* Work Institute

Direct Costs (Visible)	Operational Costs (Less Visible)	Organizational Costs (Hidden)
Advertising	Overtime / Backfill	Burnout and fatigue
Recruitment agencies	Agency / temporary staff	Absenteeism and stress leave
Screening / background checks	Reduced productivity (ramp-up)	Lower morale and engagement
Interviews	Training time	Culture instability
Hiring process	Slower workflows	Loss of organizational knowledge
Onboarding	Errors / incidents	Lack of continuity in care / service
Training	Increased supervision time	Patient / customer satisfaction
Signing bonus / relocation	Vacancy coverage costs	Complaints / impact to reputation
Technology / system setup	Leadership time spent in hiring	Loss of business / market share

Raesoleil Confidential - distribute with permission only

High Costs in Healthcare

- 2024 CIHI report 50% of doctors, 93% of nurses, and 80% of pharmacists - historically high rates of burnout
- Turnover costs are *everywhere* but not *owned anywhere*
- A trillion $ preventable problem (52% of staff would stay if their manager had talked to them)
- Governments see agency-related costs, nurse to patient ratios, safety issues, deficits, special warrant funding, interest
- Patients have reduced access, delays to care, poor patient outcomes, caregivers doing more…

GALLUP

Workplace

WORKPLACE MARCH 13, 2019

This Fixable Problem Costs U.S. Businesses $1 Trillion

BY SHANE MCFEELY AND **BEN WIGERT**

Raesoleil Confidential - distribute with permission only

Let's do some math!! ☺

	High Cost of Replacement:
	1,043 roles to fill in SK (saskjobs.ca) **Cost to replace a nurse ~ $75,000** 1,043 x $75,000 = **$78M** 1,797 'healthcare' roles in SK **Cost to replace ~ $20,000** 1,797 x $20,000 = **$36M**

A System in Crisis – Case Study

- The warning signs were there prior to the pandemic
- MBA Case Study - 2019
  - Home care sector in Ontario
  - PSW shortage
  - 1 organization ~ 5,000 staff
  - By employee type, year over year
  - 30% turnover, across role and regions
  - Trends and red flags?
  - Many leaving after 1st shift
  - Nurse managers leaving

Employee Data - Turnover Rates

Turnover - 2015

	Jan 2015 Head Count	Dec 2015 Head Count	Average Head Count	Turnover	Turnover Rate
CSW (includes ePSW)	3553	3716	3634.5	966	26.58%
RN	257	283	270	51	18.89%
RPN	295	419	357	70	19.61%
Team Assistants	78	85	81.5	23	28.22%
CSDC	224	210	217	96	44.24%
Clincial Supervisors	111	99	105	25	23.81%
Nurse Manager	23	25	24	10	41.67%
Rehab	65	77	71	11	15.49%

By Region

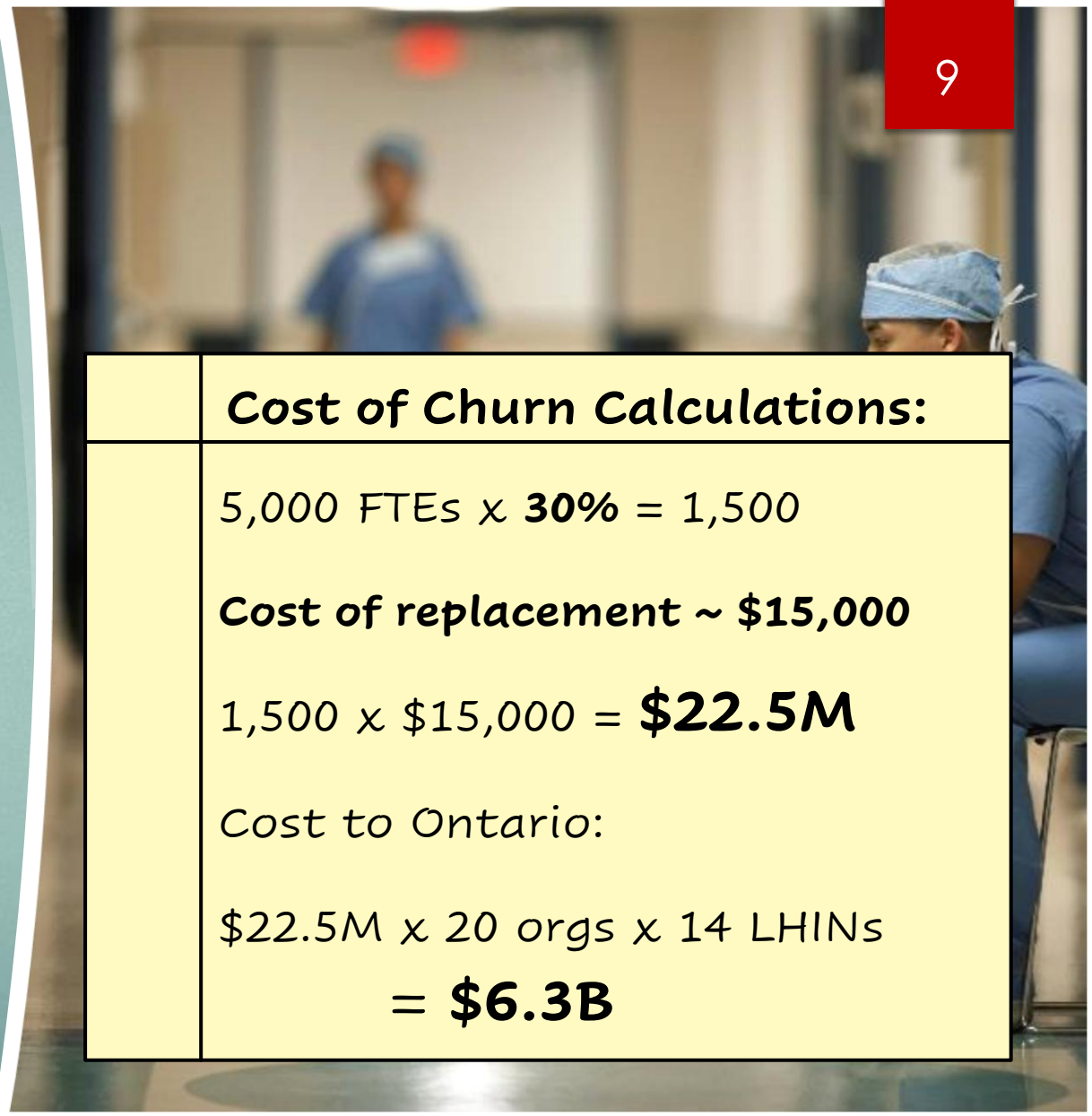
	Clinical Supervisor	CSDC	CSW	Nurse Manager	Other	Rehab	RN	RPN	TA	Total
	47%	27%	27%	0%	50%	0%	43%	28%	30%	29%
	0%	11%	19%	0%	0%	0%	67%	17%	0%	20%
	0%	0	47%	0%	50%	0%	0%	0%	0%	46%
	0%	0	0%	0%	18%	0%	0%	0%	0%	18%
	75%	33%	47%	0%	11%	0%	0%	0%	0%	45%
	52%	14%	23%	53%	33%	0%	30%	26%	22%	24%
	11%	21%	21%	0%	17%	0%	8%	5%	0%	19%
	13%	32%	31%	0%	25%	25%	20%	28%	0%	30%
	0%	0	35%	0%	0%	0%	0%	0%	0%	32%
	16%	43%	32%	0%	10%	0%	0%	0%	0%	31%
	53%	56%	33%	0%	88%	0%	0%	0%	0%	36%
	20%	86%	37%	10%	11%	16%	7%	16%	36%	29%
	25%	0%	26%	0%	0%	0%	0%	0%	0%	25%
	39%	59%	32%	200%	51%	21%	37%	34%	81%	35%
	27%	40%	30%	32%	25%	18%	26%	21%	32%	29%

Legend
50% and greater
15%-49%
below 15%

Raesoleil Confidential - distribute with permission only

MBA Case study… Impact

- Real data / realistic / conservative #s
- $22.5M for one organization, annually
- x 20 organizations = $450M
- x 14 regions = $6.3B
- $6B impact in ON (same $ as COVID-19)
- Pandemic level crisis - every year - for 10+ years
- In home & community care sector alone
- Imagine the impact in hospitals, primary care, long-term care, pharmacies, labs…
- Huge $$s … unsustainable
- No funds left for anything else = CRISIS



	Cost of Churn Calculations:
	5,000 FTEs x **30%** = 1,500 **Cost of replacement ~ $15,000** 1,500 x $15,000 = **$22.5M** Cost to Ontario: $22.5M x 20 orgs x 14 LHINs **= $6.3B**

Raesoleil Confidential - distribute with permission only

THE COSTS OF EMPLOYEE TURNOVER

A lot has been said and written about what caused the Great Resignation. What we do not hear about as much is how costly turnover is for employers. Work Institute research indicates that losing an employee typically costs approximately 33% of their base pay. **For the average US employee, the cost of turnover is approximately $15,000**.

Below is a list of the various costs incurred when an employee departs. Unfortunately these costs do not show up on a profit & loss statement. These costs are spread out and mostly hidden to employers. Some companies track their turnover costs, but many do not.

Both voluntary and involuntary result in costs. However, most employers choose to focus on voluntary turnover costs. **In 2021 the costs of turnover to employers exceeded $700 billion** and the costs of turnover to employers have more than doubled since 2009.

SEPARATION COSTS:
- Exit Interviews
- Administrative time
- Separation and benefit pay
- Unemployment tax

REPLACEMENT COSTS:
- Job vacancy communication and advertising
- Pre-employment administration
- Interviews
- Background checks, exams, and testing
- Relocation cost

TRAINING COSTS:
- Orientation
- Training
- Materials
- Equipment
- Job Instruction

LOST PRODUCTIVITY:
- Performance differences
- Lost business
- Lost institutional knowledge
- Decreased productivity by current employees
- Risk of legal action
- Company reputation damage

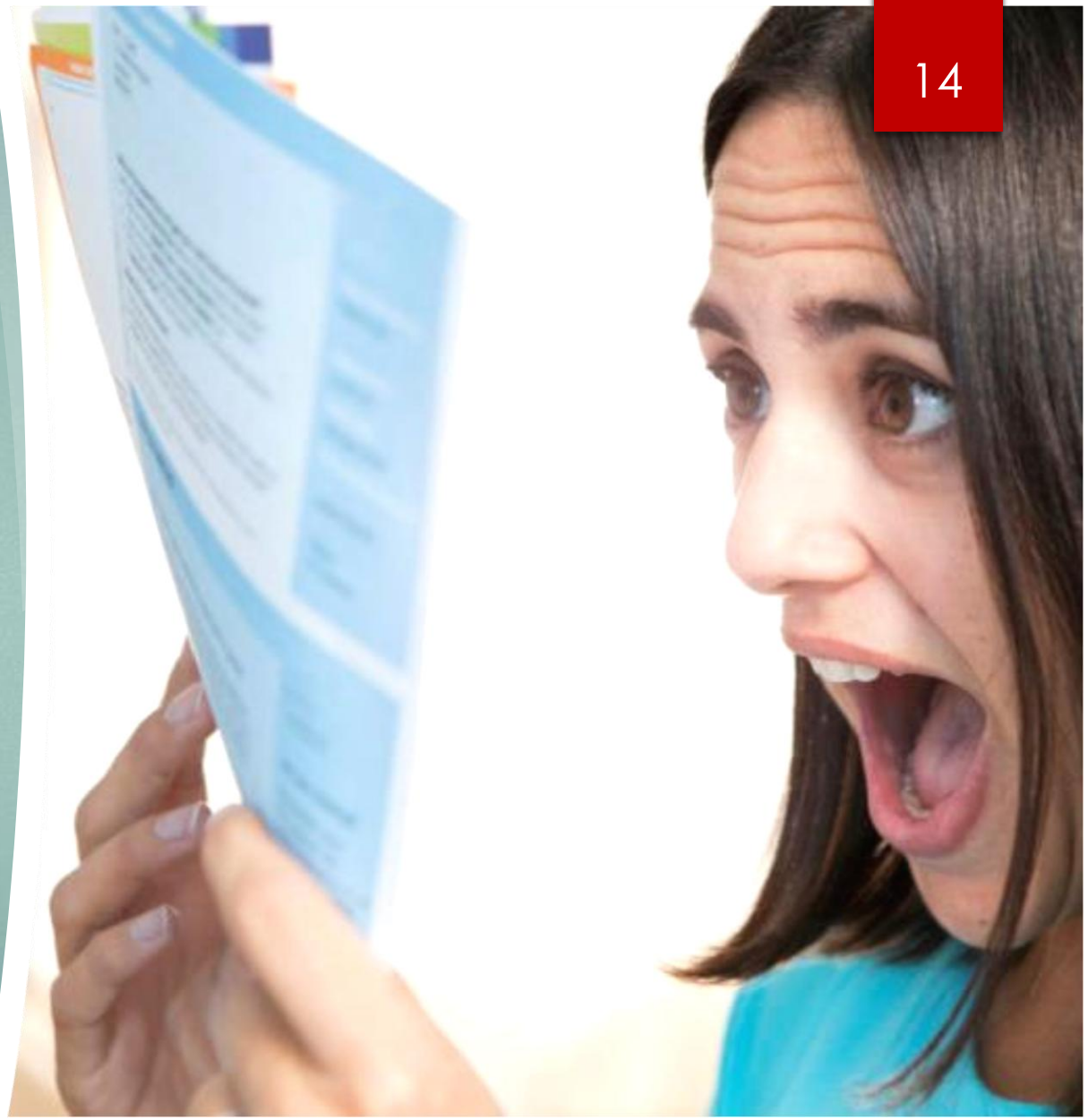
Employers that do not track the cost of turnover often lose millions of dollars in profitability that goes unnoticed.

The Work Institute Work Institute 2022

Sounds like a money problem …

The $10,000 Cell Phone Bill

- Cell phone bill (on auto pay)
- Big $$ - mostly un-noticed!
- Bloated HR budget – not a line item
- Not my responsibility - Finance will deal with it
- Budget over-runs, special warrant funding
- ON hospitals turning to bank loans and Lines of Credit
- We have become numb to it
- So normalized – but it's ***billions of $*** and it is ***invisible***



Raesoleil Confidential - distribute with permission only

What if the healthcare workforce crisis is ***not*** about a ***lack*** of new funding?

What if we make retention the #1 priority and designed for retention upstream?

My 'AHA Moment'

1. No one was thinking about turnover as a **financial issue**
2. No one realized **how high the cost** of replacement was (all of those direct, indirect and hidden costs)
3. Since no one was aware of the cost – nor responsible for adding up the total cost – it **remained invisible**

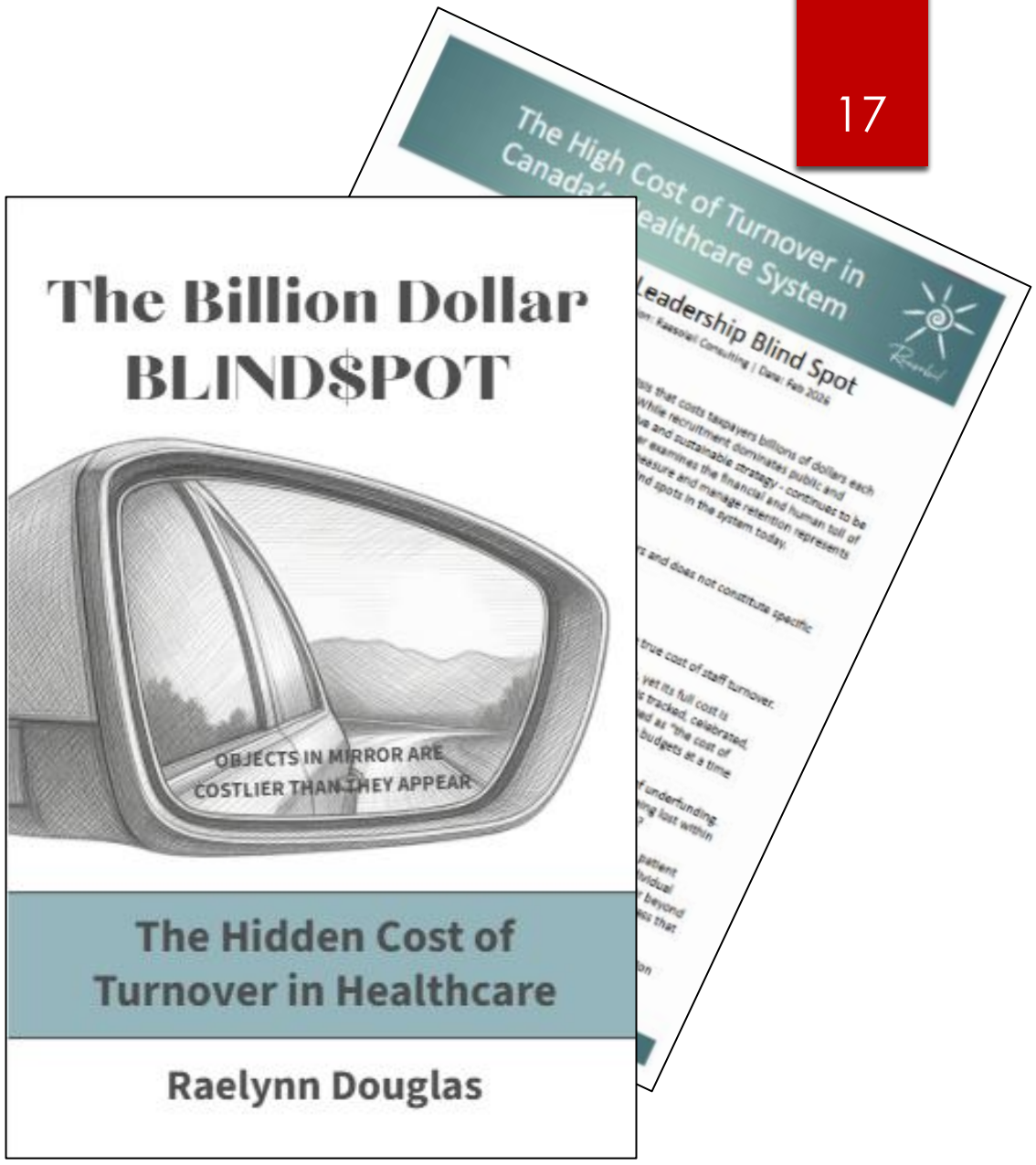
Recruitment is not enough.

*We are **all** responsible.*

Raesoleil Confidential - distribute with permission only

It is Massive and Invisible

- Our system focuses on backfilling and recruiting, training seats and incentives – what is the root cause?
- Recruitment matters – but retention changes the trajectory
- Retention may be the best investment (of time, energy and resources) available to leaders
- *The Billion Dollar Blindspot* offers practical retention strategies for healthcare leaders
- A playbook filled with Toolkits to support and show a high ROI



Raesoleil Confidential - distribute with permission only

Retention is Infrastructure

- Retention Toolkits by: Health Canada, Sask Healthcare Recruitment Agency Community Support Toolkit and Healthcare Excellence Canada (pending release)
- World Well-being Movement: Work Well-being Playbook 2026
- Retention solutions are plentiful, low cost or offer a high ROI
- Watch for table stakes, access, attraction and aspirational – focus on true retention strategies
- Small improvements can improve stability – let's do this!

Raesoleil Confidential - distribute with permission only

Saskatchewan Advantage

- Relationships matter deeply
- Community connections, belonging
- Local culture, leadership accessibility, team cohesion, flexibility in approach, agency in decision-making
- Feeling supported, heard and valued - requires **time**, not funding
- Small operational & behavioural changes can improve stability immediately
- Partnerships with educational institutions, employers, private sector
- Large untapped workforce – planning with communities and industry to create a pipeline and support system

Raesoleil Confidential - distribute with permission only

Thank you!

To contact me:

LinkedIn (let's connect!)
www.raesoleil.com (website)
rae@raesoleil.com (email)

Raesoleil

Bonus Slides
(thanks for being so attentive!)

Retention Strategies

- Retention improves when work becomes more sustainable, compassionate and FUN
- Conditions of work: workload, safe work conditions, onboarding, communication, flexibility, adequate coverage, fairness in remuneration and policies, leadership
- High-impact retention solutions - local, relational and behavioural – not financial
- Notice the difference between ‘table stakes’, aspirational ideas, initiatives that attract and get people in the door
- Choose real retention solutions that are meaningful to the local conditions – and design for it upstream (1st impressions)

Raesoleil Confidential - distribute with permission only

Immediate Stabilizers

- Notice disengagement early – STAY interviews are key, ***make time*** for conversations
- Reduce the reasons people leave - ask 'what makes people want to stay'?
- Minimize friction (processes, duplication, interruption, inefficient workflows)
- Improve leadership visibility and capabilities – healthy and resilient managers retain staff
- Scheduling flexibility (control over time)
- Improve onboarding, early support, teams, mentors, buddies, community introductions)
- Support belonging, relationships, fun, levity, and inclusion in local and social activities
- Let staff influence solutions, shape the environment and kept informed
- Small tests of change AND follow through

Raesoleil Confidential - distribute with permission only

Raelynn Douglas, BA, MBA, CHE

- Over 20 years with Sask. Ministry of Finance, leading large-scale transformation and change management initiatives, performance management, budgeting, program review
- Ontario health care ecosystem: Central West LHIN, tech start-ups, Service Provider Orgs; Rotman Global MBA Health & Life Sciences; CCHL CHE designation in 2020
- Sask Ministry of Health, Executive Director, Drug Plan (2022-25)
- Raesoleil Consulting, NIHI Instructor, coach with Healthcare Excellence Canada, workshops on Retention, ROI, Resilience
- Author - *The Billion Dollar Blindspot*, whitepaper, blogs
- Please connect with me on LinkedIn

Mission: to build a league of retention champions across the health care sector and address our HHR crisis with tangible outcomes

Raesoleil Confidential - distribute with permission only