

# NMDS-SC trend briefing

## Recruitment and retention



### Introduction

This briefing is the second in a series of reports that explores trends and patterns in the adult social care sector and workforce in England.

The briefing focuses on recruitment and retention for care workers in the adult social care sector. 'Care worker' is one of the 31 job roles collected in the National Minimum Data Set for Social Care (NMDS-SC) and covers various front line care staff roles including care assistants and support workers. As at 2013, there were an estimated 770,000 care worker jobs in the adult social care sector which is around half of all adult social care jobs.

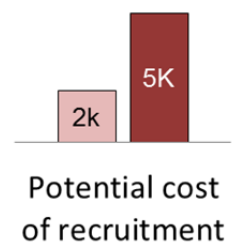
The majority of the statistics in this briefing are derived from the NMDS-SC. As at December 2014 the NMDS-SC held data from over 23,000 adult social care establishments and around 450,000 care workers.

### Why is recruitment and retention important for adult social care?

Effective recruitment and retention is important for any business due to the high cost of replacing leavers. This holds true for adult social care employers where the cost of recruiting, inducting, training, background checking new employees and agency cover quickly adds up. Also, crucially for adult social care, staff turnover reduces the ability for employers to offer high quality and continuous care to some of the most vulnerable members of society. These issues are discussed in more detail below.

#### ▪ The cost of replacing leavers

Replacing staff that leave is a costly process for employers. The Chartered Institute of Personnel and Development (CIPD) estimate that the average cost of recruitment per 'services' employee is £2,000 to £5,000.<sup>1</sup> These figures may not be a perfect match for the cost of recruiting and inducting care workers or the cost for all social care employers. They do, however, at least give an indication of the high cost of recruitment that social care employers would hope to minimise.



#### ▪ Continuity of care

The financial cost of replacing leavers is far from the only factor to consider in adult social care. Providers with high turnover rates are less able to provide continuity of care for their service users. Continuity of care is crucial because whenever an employee leaves, the relationships, trust and rapport built between themselves and their services users is also lost. Continuity of care is a commodity valued highly by service users.<sup>2</sup>



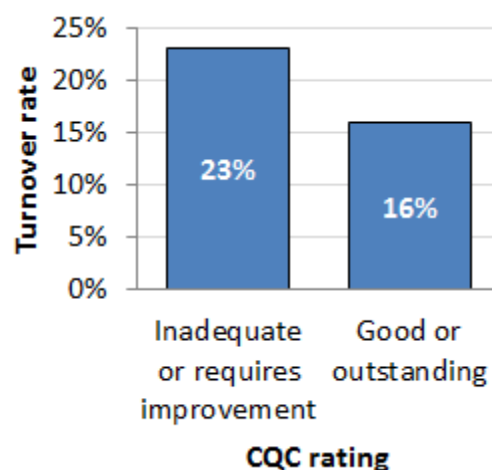
<sup>1</sup> <http://www.cipd.co.uk/>

<sup>2</sup> <http://www.skillsforcare.org.uk/Workforce-Retention-Study>



### Quality of care

The Care Quality Commission's (CQC's) new inspection regime rates CQC regulated adult social care providers in 5 areas (whether each service is safe, effective, caring, responsive and well-led) on a scale of inadequate, requires improvement, good and outstanding. Using these data, linked to NMDS-SC, it is possible to demonstrate an association between lower turnover rates and higher CQC ratings (see the adjacent chart). It should be noted that turnover is only one of many factors that influences the quality of care but these data do indicate that it is an influencing factor.



### Adult social care is a growing sector

The demand for adult social care services is increasing due to the aging population and the associated increase in the number of people with complex and multiple needs. As many as 800,000 extra workers may be required by 2025 to meet this increasing demand. Effective recruitment and retention is vital if this demand is to be met with a workforce with the right values, behaviours and skills to deliver high quality care.

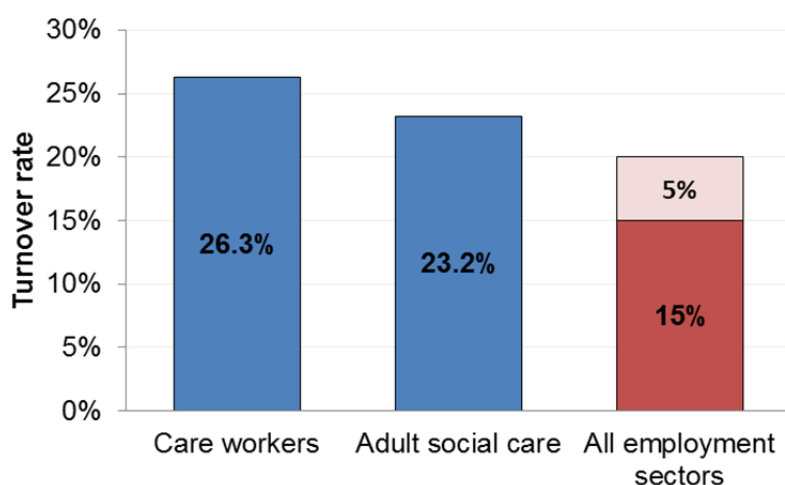


### Care worker turnover rates as at 2014

The chart below shows that the turnover rate for care workers in adult social care in England was 26.3% (about 1 in every 4 employees leaving per year) as at 2014. Although there is no universal yard-stick for 'high turnover', this rate is one of the highest in social care (where the overall turnover rate is 23.2%) and higher than in many other occupations (the overall turnover rate for all employment sectors in the UK is estimated at around 15%-20%).<sup>3</sup>

#### Care worker turnover rates compared with adult social care and all employment sectors, 2014

Source: NMDS-SC, Skills for Care estimates 2014



<sup>3</sup> No reliable national data could be found, this estimate is based on a small survey collected by a HR company.

A turnover rate at this level (26.3%) equates to around 200,000 care workers leaving their jobs in a year. Given the cost of recruitment estimates stated on the previous page, it is clear that the financial implications for adult social care employers are significant.

It should be noted that not all of these leavers are lost to adult social care. Destination of leavers data from the NMDS-SC show that around 40% of leavers remained in the sector, sometimes referred to as 'churn'. For these workers, employers still need to recruit replacements but the workers' skills, experience, qualifications and training remain in the sector.

Even after taking churn into account, the turnover rate for care workers is still at a level that would generally be considered 'high', and for the reasons mentioned in the previous section, this poses challenges for employers, service users and the sector in general.

## Is retention an issue for all adult social care employers?

The table below shows that staff turnover is not universally high across the adult social care sector. Around a third of employers had a turnover rate of less than 10 per cent and a further 25 per cent had a turnover rate between 10 and 20 per cent.

These findings indicate that around a half of all adult social care organisations didn't experience significant retention issues in 2014 (had turnover rates below 20%). As such, it is clear that high turnover is far from guaranteed for all social care employers and there are numerous examples of good practice where employers have had success in retaining their staff. Skills for Care research (2013) into why some employers are more successful than others in retaining staff found that leadership and management, organisational culture, employer reputation and rewards (financial and non-financial) all played an important role.<sup>4</sup> This briefing builds on these findings by looking at workforce characteristics, collected by NMDS-SC, and how they relate to staff retention levels.

*Adult social care organisations split by turnover rate, 2014*

Turnover rate	Organisations	Percentage
Less than 10%	1,798	33%
10% to 19.9%	1,367	25%
20% to 29.9%	832	15%
30% to 39.9%	541	10%
40% to 49.9%	332	6%
50% and over	575	11%
<b>Base</b>	<b>5,445</b>	

## What makes care workers leave the adult social care sector?

Why care workers leave the adult social care sector is a complex question. Workers leave the sector for a variety of reasons including various 'push factors' (reasons that drive a person to leave) and 'pull factors' (reasons that attract a person to a different sector). Workers can also leave for factors not directly related to their job satisfaction such as childcare responsibilities, re-location or other changes to personal circumstances.

**This briefing focuses on how workforce characteristics, collected by the NMDS-SC, relate to care workers' propensity to leave the sector.** Links to other relevant research and documents that discuss other aspects of recruitment and retention are provided throughout.

The NMDS-SC collects details about the number of people who leave their job each year, the job role they left and the reasons and destinations of leavers (at aggregate level). It does not,

<sup>4</sup> <http://www.skillsforcare.org.uk/Workforce-Retention-Study>

however, collect details of individual characteristics about leavers and therefore a diagnosis of why people leave is not straightforward.

This briefing, for the first time, takes a longitudinal approach to this data gap by looking at care workers who were in the NMDS-SC as at December 2013 and splitting them by whether or not they were still in the dataset a year later.<sup>5</sup>

The key findings from this investigation are presented below. All the figures from this point relate to independent sector (private and voluntary) care workers only. Independent sector care workers account for almost 95% of all care workers and display many different characteristics to their local authority counterparts (local authority care workers would therefore warrant a separate analysis).

## Pay

The table below shows that care workers that were paid less in 2013, were more likely to have left the sector by 2014 than care workers with higher rates of pay.

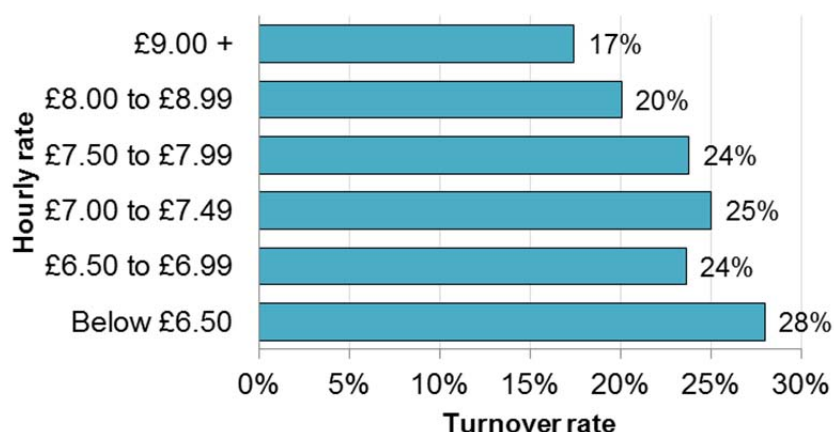
Care workers that left the sector between 2013 and 2014 were paid around 25p per hour less, in 2013, than their counterparts that stayed in the sector. This relationship was statistically tested, and remained evident, after accounting for other variables such as region and services provided (see the methodology document for more details).

### *Average care worker hourly rates by whether or not the worker left the sector between 2013 and 2014*

Care worker pay	Left the sector in 2014	Still in the sector by 2014	Difference
2013 mean pay	£6.79	£7.06	£0.27
2013 median pay	£6.50	£6.76	£0.26

The chart below looks at the same information split by pay group. It shows that there was a clear relationship and fairly linear drop in the propensity of care workers to leave the sector as their hourly rates increased.

### *Proportion of care workers that left the sector between 2013 and 2014 by their 2013 hourly rate*

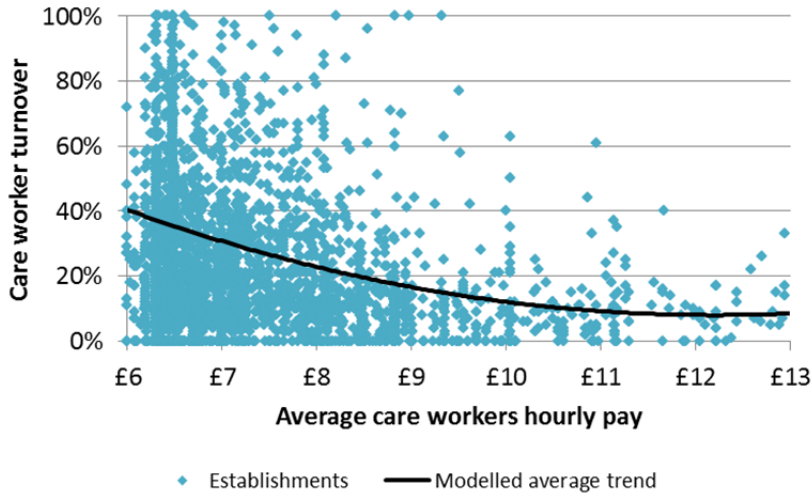


<sup>5</sup> National insurance numbers collected by the NMDS-SC were used but not disclosed for this analysis. Various adjustments were made to account for changing coverage in the dataset.

These findings can also be corroborated by comparing, at establishment level, care worker pay with care worker turnover rates. Again, those establishments with higher rates of pay, in general, had lower turnover rates.

This relationship can be seen in the chart below (each dot represents an establishment and the solid line represents a modelled average turnover rate at each level of pay).

*Establishment level care worker hourly pay vs establishment level care worker turnover*



It is noted that pay is far from the only determinant of turnover and higher rates of pay do not guarantee care workers staying in their roles. This can be seen in the chart above where there is considerable variation in turnover rates at any given rate of pay.

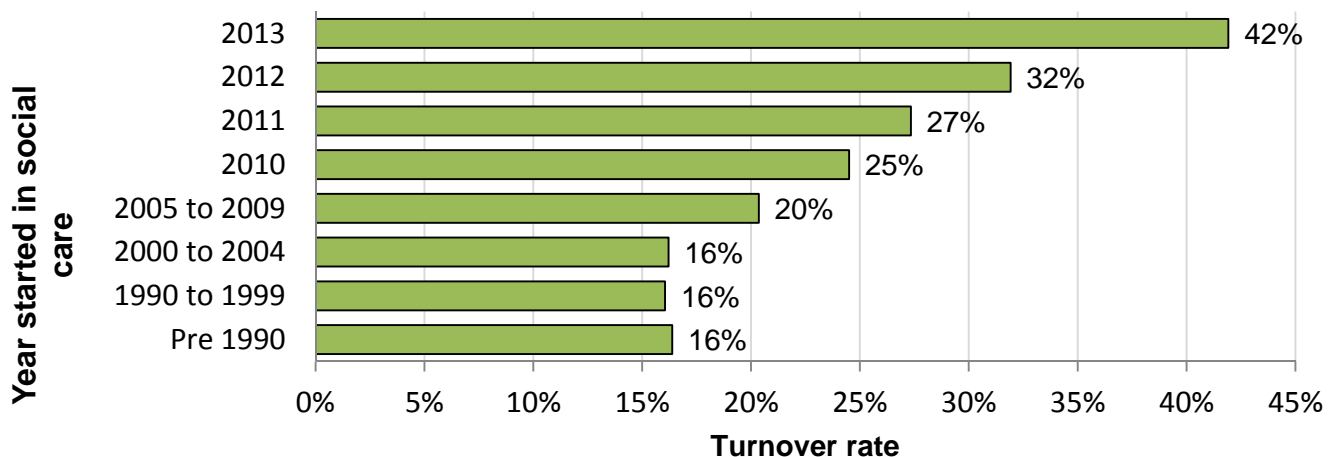
Overall however, these findings do present strong evidence that pay has a role to play in the effective retention of care workers.

### Year started in job role

The chart below shows that the rate of leaving for care workers that were new to their jobs was much higher than the rate for those that had been in their jobs for longer.

This finding demonstrates that a large proportion of staff turnover is a result of workers leaving the sector within a year or two or starting and that longer established workers were much less likely to leave.

*Proportion of care workers that left the sector between 2013 and 2014 by the year they first started working in the sector*





In reality, this relationship could be even more pronounced because some care workers that leave the sector soon after joining could have left before their employer had chance to record them in the NMDS-SC.

These findings highlight the important role that recruitment has to play in staff retention rates. It is evident that some employers are struggling to find and recruit people that are likely to stay and progress within the adult social care sector.

Skills for Care advocate value based recruitment and the development of organisational cultures that demonstrate values as part of the solution to this issue. This approach is designed to help employers recruit people with the right values, qualities and behaviours and, in turn, have employees that are more likely to stay and develop their careers in adult social care.<sup>6</sup>

It is acknowledged that employers often have an immediate need to re-recruit and that the 'right' person may not always be readily available. The high turnover rate for people new to the sector does highlight, however, that selective recruitment, wherever possible, could help break the cycle of new recruits leaving soon after joining.

### Zero-hours contracts

Zero-hours contracts are a type of contract where the employee is not guaranteed to be given any working hours each week. The table below shows that those workers who were on a zero-hours contract in 2013 were much more

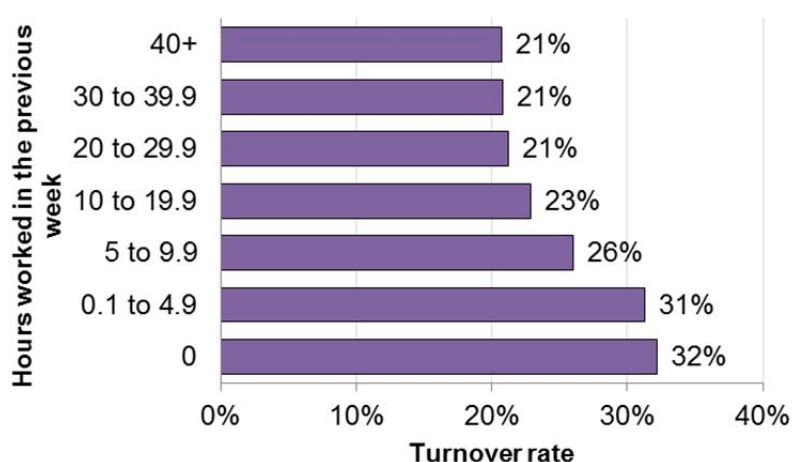
likely to leave social care (31%) than their counterparts not on one of these contracts (22%). The chart below shows, for zero-hours contract workers, the proportion of workers that left the sector split by the number of hours they worked in the previous week. This information is limited, in the sense that the

previous 7 days may not always a good representation of the average hours worked by each worker. However, the data do show that workers who were given more working hours were generally more inclined to stay in the sector than those given fewer hours.

*Proportion of care workers that left the sector between 2013 and 2014 by whether or not they were on a zero-hours contract*

Zero-hours contract?	Turnover rate	Base
Yes	31%	37,277
No	22%	89,381

*Proportion of zero-hours contract care workers that left the sector between 2013 and 2014 by hours worked in the previous 7 days*



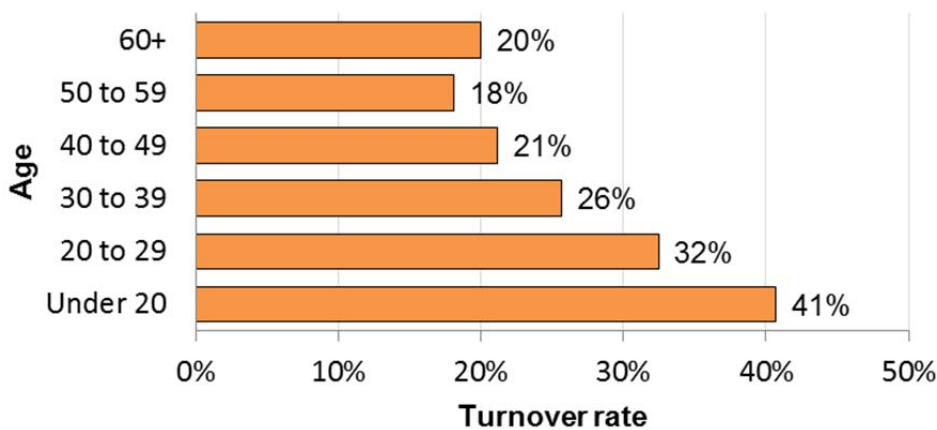
<sup>6</sup> <http://www.skillsforcare.org.uk/Finding-and-keeping-workers/Values-based-recruitment/>

The advantages and drawbacks of these contracts from an employer and employee perspective are not in the scope of this briefing. These findings do clearly show, however, that zero-hours contracts are associated with higher turnover rates (especially those offering fewer hours).

### Demographics

For gender, nationality and ethnicity, no large differences were found between groups with regard to care workers' propensity to leave the sector. In terms of age, however, there was a noticeable difference. The chart below shows a clear pattern whereby younger workers (below 30) were more likely to leave the sector over the period than older workers (30 to 59). This relationship held true until workers reached 60 when the rate of leaving increased slightly, presumably due to retirements.

*Proportion of care workers that left the sector between 2013 and 2014 by age group*



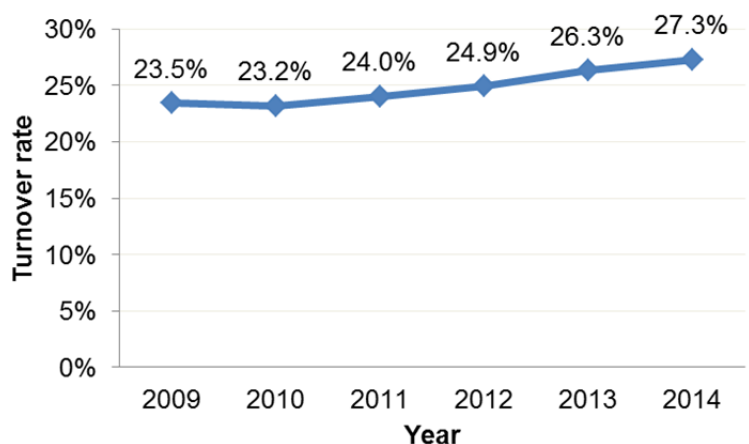
The reasons for this trend are not clear. It could be the case that some younger workers are taking social care jobs as a stop gap while they study or wait for a job in their preferred sector. With the current high youth unemployment rate, some younger people could be taking adult social care jobs, due to a lack of choices, and subsequently not lasting long in the sector. Again, Skills for Care advocates value based recruitment, wherever possible, as a way for employers to find and recruit people that are more likely to stay and progress in the adult social care sector.

### Care worker turnover rate trends 2009-2014

The turnover rate for care workers in the independent sector has increased year-on-year since 2010 after decreasing slightly between 2009 and 2010. The chart below shows that since 2010 the turnover rate increased by approximately 1 per cent per year.

*Care worker turnover rates in the adult social care independent sector*

**Source: NMDS-SC, Skills for Care estimates 2009-2014**



## Why has the care worker turnover rate increased?

The turnover rate is affected by a variety of factors and therefore diagnosing why it has increased is complex. **Again, this briefing just focuses on workforce characteristics that may have had an influence on the increase in the turnover rate.**

### Pay

It was shown in the previous section that, in general, higher rates of pay resulted in lower turnover rates for care workers. The previous trend briefing on care worker pay<sup>7</sup> showed that real term pay had decreased for care workers since 2010 (see chart below).

#### Care worker 'real term' hourly rate trends between 2010 and 2014

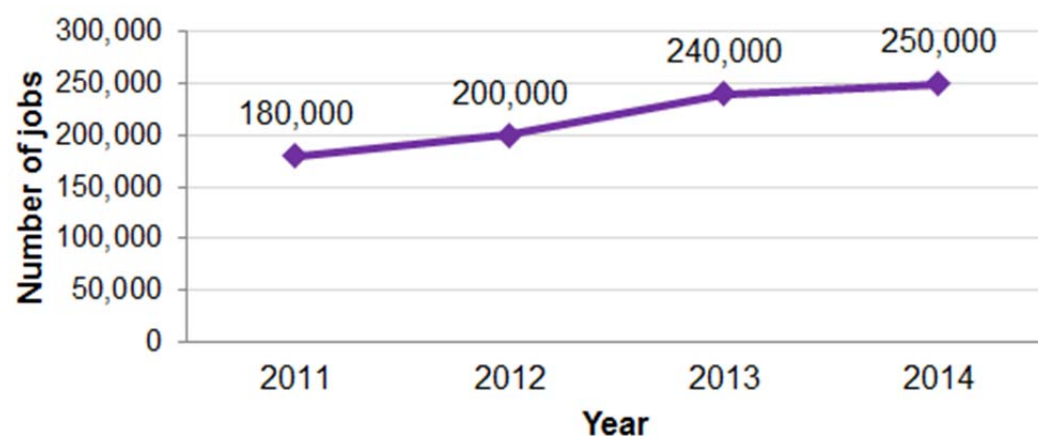


The economy as a whole has also experienced real-term pay decreases but it still seems reasonable to assume, given that care worker average pay is already paid close to the National Minimum Wage, that this decrease has had at least some influence on the increase in the turnover rate.

### Zero-hours contracts

The number of care workers on a zero-hours contract has increased since 2009. The chart below shows that the number of care workers on a zero-hours contract increased from around 180,000 to 250,000 between 2011 and 2014. Around one-third of all care workers were on a zero-hours contract in 2014 up from around a quarter in 2011.

#### Estimated number of care workers on a zero-hours contract, 2011-2014



As with pay, the link between zero-hours contracts and turnover was established in the previous section and therefore it seems reasonable to assume that the increase in the prevalence of zero-hours contracts in the sector has had an impact on the increasing turnover rate.

<sup>7</sup> <http://www.skillsforcare.org.uk/NMDS-SC-trend-briefing---Issue-1,-Care-worker-pay.aspx>



## Conclusion

The issue of recruitment and retention is a complex one with the economy (both local and national), competition from other sectors, funding, management styles, culture, rewards and career progression opportunities (among other things) all contributing to how successful adult social care employers are in recruiting and retaining people.

This briefing has demonstrated how recruitment and retention is crucial for the adult social care sector due its effect on the continuity and quality of care on top of the associated cost. Although this briefing has not covered all angles, it has identified several workforce characteristics that have an impact on recruitment and retention in the adult social care sector:

## Key findings

- The turnover rate for care workers in the adult social care sector is at a level that would generally be considered high at 26.3% (in 2014) and has been increasing steadily since 2010.
- Not all social care employers experience significant retention problems. Between 2013 and 2014 over half of all social care employers had a turnover rate of less than 20 per cent.
- Low and decreasing real-term pay have likely contributed to the increase in the turnover rate for care workers. Establishments with relatively high pay for their care workers, on average, lose fewer staff.
- The use of zero-hours contracts has increased for care workers in the adult social care sector. Workers on these contracts are more likely to leave the sector than workers with guaranteed hours.
- Some employers are struggling to find and recruit suitable people to the sector. A large proportion of staff turnover is a result of people leaving the sector soon after joining; the sector also has difficulties in retaining younger workers.

The adult social care sector is projected to grow by as many as 800,000 extra jobs by 2025. Effective recruitment and retention is vital if the sector is to meet this demand with a workforce with the right values, behaviours and skills to deliver high quality care. This poses a serious challenge for employers and the sector as a whole, especially if the current trends of decreasing real term pay and the increased use of zero-hours contracts were to continue.

## Skills for Care's offer for employers

The Department of Health's recruitment and retention group will oversee the refreshed recruitment and retention strategy for 2014 to 2017. [www.skillsforcare.org.uk/randrstrategy](http://www.skillsforcare.org.uk/randrstrategy)

The main resource to support the implementation of this strategy is a new online tool to support employers. 'Finding and keeping workers' is an online resource designed to support adult social care providers of all sizes with their recruitment and retention challenges. It belongs to the sector and shares examples of good practice from across the whole of adult social care.

[www.skillsforcare.org.uk/findingandkeepingworkers](http://www.skillsforcare.org.uk/findingandkeepingworkers)

To download other NMDS-SC briefings please visit [www.skillsforcare.org.uk/nmds-sc](http://www.skillsforcare.org.uk/nmds-sc).

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