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Perspectives

THE NURSING TALENT SHORTAGE: FINDING REMEDIES

Nurses will play a key role in shaping the future of healthcare. That is, if leaders can recruit, develop, and retain enough of them.



**The problem:**

Despite being one of the fastest-growing professions, nursing faces a talent shortage of more than a million people in the coming years.

Why it matters:

As healthcare's front line, nurses have a direct link to the patient experience and will play a major role in the shift to value-based care.

The solution:

Create pathways to give nurses a bigger role in leadership, and adjust recruiting and retention efforts to address new talent demands.

While serving as a disaster nurse at a special-needs shelter in hurricane-ravaged Florida during 2004 and 2005, David Marshall befriended a mother and her blind, developmentally disabled son. For two weeks, Marshall took care of the pair. "It was the kind of environment where a nurse could develop a relationship with a patient quickly," says Marshall. One evening, after escorting the boy to the restroom and cleaning him up, Marshall said goodnight and gathered his bags to leave. Instead of saying goodnight back, the boy hugged Marshall and said, "I adore you."

"It just flooded me with feelings about why I became a nurse," says Marshall, who has been in nursing for three decades, the last two of them as a nurse leader. In fact, Marshall has taken a new leadership role as the senior vice president and chief nursing executive of Cedars-Sinai Medical Center in Los Angeles.

In many ways, nurses are at the front line of healthcare. As the ones closest to the community and patients, they are arguably the best positioned to shape the future of healthcare—if leaders can find enough of them.



Registered nurses make up the biggest portion of the healthcare workforce. The US Bureau of Labor Statistics projects the registered nurse workforce to grow by half a million, to 3.4 million, by 2026. “The growth and demand for healthcare services are expanding and pressuring the nursing role,” says Tom Flannery, PhD, a Korn Ferry senior client partner who specializes in healthcare in the firm’s Executive Pay and Governance practice. It’s simple math: more clinics, ambulatory services, hospice care, and the like equal more of a need for nurses.

Despite that growth, the BLS projects a shortage of about 204,000 nurses annually to fill new and vacant positions. Part of the reason is that the baby boomer generation is aging out of the profession. It is estimated that 1 million nurses, roughly one-third of the entire workforce, will retire by 2030. New nurses aren’t staying long, either—today, one of every four nurses leaves the profession after the first year. Taken together, the US Department of Health and Human Services projects a nurse talent shortage of 1.2 million by next year.

“There just aren’t enough people going into the nursing profession,” Flannery says.

The nursing talent shortage has repercussions for the entire healthcare industry. Research shows that hospitals, for instance, can lose between \$5.2 million and \$8.1 million annually from nurse turnover alone. It could be worse. As healthcare moves toward a value-based model (where services and treatment are provided proactively in a bid to reduce health issues and limit chronic illness), patient care is only going to become more important. That means nurses are only going to become more important as well.

“Because the role has changed so much, nurses feel less empowered and less involved in the real heart of the job.”



Much like healthcare organizations themselves, the nursing profession is also grappling with business, cultural, and technological change. Digital innovation and constantly changing regulatory oversight mean more education and training on non-clinical procedures such as proper electronic medical record filing. Mandatory overtime, poor work-life balance, and difficult working conditions (i.e., accidents with needles or violent patients) are an ever-present part of being a nurse. As a result, nurses are spending less and less time with patients.

“Because the role has changed so much, nurses feel less empowered and less involved in the real heart of the job, which is the caring component,” says Kae Robertson, a senior client partner at Korn Ferry who specializes in healthcare.



Nursing: Growing, But Not Fast Enough

There are more nurses now than there ever have been. And yet there still aren't enough nurses. Here's a breakdown of how much nursing is growing and how much it still needs to grow.

3 MILLION

=

number of registered nurses in the US

3.4 MILLION

=

projected number of registered nurses in the US by 2026

15%

=

estimated growth rate for nursing between now and 2026, the fastest of any occupation

1 MILLION

=

estimated number of registered nurses expected to retire by 2030

1/4

=

the proportion of nurses who leave the profession after one year

1.2 MILLION

=

projected shortage of registered nurses in the US by 2030





Caring for patients is the lifeblood of any healthcare organization. Today, patients have higher expectations around the quality of care they receive, driven in equal parts by having to bear more of the costs for care and the amount of available information. As a result, the patient experience has become the main focus of hospital leadership, and whether that experience is good or bad often comes down to the nurses on the front lines.

“The real goal of hospital and nursing leaders should be to alleviate stress and improve working conditions for nurses so that they can focus on the needs of patients and their families,” says Robertson, who has a master’s in nursing and was an RN earlier in her career.

Perception is part of the problem—hospital leaders on the business side tend to view nurses as a cost center, accounting for about 60% of a hospital’s costs. The chief nursing officer, however, is typically paid less than other C-suite executives within a hospital and historically has had less influence with the CEO. Robertson says nurses need to start being considered as revenue drivers, and nursing leaders need to be given a bigger role in the C-suite.

“How nurses can impact organizations financially should be front and center because of their direct ties to patients,” Robertson says. “They can become a differentiator of the patient experience and help to drive revenue.”

Similarly, nurses can no longer be one-dimensional—they need to understand their organization’s business model and their role in driving business as well as they do the clinical aspects of their job. Indeed, one of the biggest recruiting challenges chief human resources officers and hiring managers cite is finding candidates with clinical and business acumen. Andrea Mazzoccoli, chief nurse and quality officer at Bon Secours Mercy Health, says business acumen can be a career differentiator for nurses.

“Marrying strong financial and business skills with a nursing degree gives nursing leaders a bigger seat at the table,” says Mazzoccoli, who has a PhD in nursing and a master’s in business administration. “Business acumen is only going to become more important as nurse leaders are expected to rationalize services and manage expenses.”





A Prescription for More Nurses

Healthcare organizations, colleges and universities, and lawmakers are working independently and together to attract more nursing talent. Here are some examples of what they are doing.

- The US Health Resources and Services Administration (HRSA) awards more than \$50 million to strengthen and *grow the healthcare workforce, specifically through nursing school enrollment.*
- *Programs specifically targeting men, such as Excelsior College's partnership with the American Assembly for Men in Nursing (AAMN), are growing.*
- Baystate Health in Massachusetts and other hospitals utilize *open-invitation recruitment events to address vacancies, with the possibility for qualified candidates to receive job offers on-site.*
- *Sign-on bonuses and relocation/housing reimbursements ranging from \$5,000 to \$20,000 (depending on location) are becoming more prevalent as a way to attract and retain talent.*
- The University of Wisconsin's \$3.2 million Nurses for Wisconsin initiative—funded through a UW System Economic Development Incentive Grant—*provides fellowships and loan forgiveness for future nurse faculty who agree to teach after graduation.* Efforts like these are becoming more popular.





Mazzoccoli recently collaborated with her organization's marketing team, nursing leaders, and a creative agency on a recruitment and retention campaign featuring nurses throughout the Bon Secours Mercy Health system. The resulting videos "tell the story of what it means to be one of our nurses and how our vision and values come to life every day through them," she says.

To be sure, the need for nurses is leading to increased recruiting and training and development efforts at organizations throughout the healthcare system. Some organizations are starting nursing schools in-house or striking strategic partnerships with universities to expand enrollment, while others are offering tuition support to create pathways to bring more talent into the field. Organizations are also stepping up hiring from outside the United States, raising wages, offering more flexible working schedules, and playing up nursing's purpose in making people's lives better to appeal to talent.

The goal is to cast as wide a net as possible, not only to find nursing talent but to attract business, technology, education, and other professionals whose skills are needed in the field. Some healthcare organizations are already using predictive analytics and artificial intelligence to help expand the hiring pool. "How can we better present and promote the career of what a professional nurse can be, which is a highly specialized, highly educated, well-respected member of the healthcare team?" asks Mazzoccoli. "It's about figuring out the connection points between nursing and other professions."

In part because of these efforts, more millennials and men are entering nursing; about 11% of nurses are now men. Yet the fact remains that internal referrals are still the main way nursing leaders

“Marrying strong financial and business skills with a nursing degree gives nursing leaders a bigger seat at the table.”

find experienced talent. "Word of mouth is critical in the nursing community," says Alanna Conte, a senior principal with Korn Ferry who specializes in the healthcare industry.

While organizations are focusing their talent development efforts around creating demand, Conte says more work can be done to improve retention. In nursing, as in every other profession, "the skill sets of managers are most critical to retention and have a direct impact on nurse engagement," she says. Nurses are often promoted into management or other leadership positions without the proper experience and frequently with little to no training or support. But that is starting to change, says Conte, with training offered to nurses in business, digital, finance, management, and other areas outside of clinical development to help enhance the leadership pipeline. "We are starting to see more healthcare organizations develop a learning culture, with cross-discipline training programs being used to develop nurses," she says.

The reasons nurses cite for leaving the profession are not uncommon: lack of growth and development opportunities, lack of recognition, better pay, and better work-life balance, among them. But the fact that roughly a million nurses



are expected to retire in the coming years adds a layer of complexity to retention efforts. Keeping experienced nurses as long as possible is a priority not just for staffing but also for training and knowledge transfer. Organizations are exploring ways to remake roles and responsibilities for aging nurses that include retention bonuses, decreasing the hours and number of workdays, offering opportunities to use their experience in other roles like community engagement and patient education, and even better desks and chairs for ergonomic support.

Robyn Begley, DNP, RN, who was named CEO of the American Organization for Nurse Leadership last September, says one of the challenges that hospitals and health systems experience in retaining experienced nurses and developing nurse leaders is the growing number of options for nurses today. Nurses work in many capacities along the care continuum, including with government, education, and industry. "New opportunities are putting pressure on the talent pipeline because nurses are moving through the system faster," says Begley, citing as an example clinical nurses who leave the hospital setting to work with engineers at start-ups to develop digital nursing tools. She says the best way to keep the talent pipeline strong is by developing highly engaged, inclusive, diverse nurse leaders.

Cedars-Sinai's Marshall is one of those leaders. Marshall entered the profession in the 1980s, when cultural attitudes toward male nurses were less evolved than they are today. To use Marshall's words, "Nursing remains a good profession that offers steady growth, good pay, and the chance to make a difference in people's lives."

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