

CHRO
COMPENSATION STUDY
AND
TOP CONCERNS
2012

(Networking Assistance and HR Job Lead Information,
Recruiter Lists, Resume Writing, Networking Articles,
HR Trended Compensation, Turnover/Tenure,
and Causes for Turnover)

***NSI* NURSING SOLUTIONS, INC.®**

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EXECUTIVE COMPENSATION

	BASE SALARY % INCREASE	TOTAL COMP % INCREASE SYSTEM	MEDIAN SALARY	AVERAGE SALARY
CHRO	4.3%	3.5%	\$180.1	\$196.9
		HOSPITAL		
CHRO	4.1%	2.4%	\$278.8	\$306.3

BONUS PROGRAM PREVELANCE

BONUS TYPE	HOSPITALS USING	EFFECTIVENESS
Group Incentives	17%	41%
Lump Sum	3%	63%
Profit Sharing	12%	55%

Source: Amalgamation Analysis 2012: Towers Perrin; William M. Mercer; Watson Wyatt; Segal & Co; Hay Surveys; HR Strategic Solutions, Inc.; SSI Search Solutions, Inc; Sullivan Cotter and Associates ; Compensation Analyst; AON Consulting; Hospital & Health Networks; Modern Healthcare; Hewitt and Associates; Jackson Coker; Medicus Group

CHRO BASE COMPENSATION

N = 283

❑ Hospitals with Less than \$250 Million in Revenues:	\$138,173 Range: \$106,200 to \$178,602
❑ Hospitals with Less than \$500 Million in Revenues:	\$178,765 Range: \$132,100 to \$201,757
❑ Hospitals with Less than \$1 Billion in Revenues:	\$231,829 Range: \$178,310 to \$321,321
❑ Hospitals with More than \$1 Billion in Revenues:	\$309,437 Range: \$201,743 to \$397,317
❑ Average All Hospitals:	\$210,691 Range: \$99,910 to \$319,827

SOURCES: Compensation Analyst 2011; Sullivan Cotter & Associates; Hospital & Healthcare Compensation Service; AON Consulting; HealthLeaders; Modern Healthcare, By The Numbers; Jackson & Coker

VICE PRESIDENT HUMAN RESOURCES/CHRO TENURE AND TURNOVER RATES

N=203

HR TENURE	Years
Average Tenure	4.7
Median Tenure	4.1

JOB SEARCH TIME

16 to 19 months

HR TURNOVER	PERCENTAGE
2010	17.6%
2011	16.1%
2012 (Forecast)	15%

Source: ACHE; ASHHRA; SHRM; Watson Wyatt; Modern Healthcare; AHA; Lifeline HR, 2011

TOP REASONS FOR HR TURNOVER

N=203

Anticipating Job Change within 3 years	36%
In-Transition	21%
Actively Networking	37%

**For Free Networking Assistance,
HR Job Leads, Network Contacts, Salary Data,
or Sample HR Employment Contracts, call
Marco Colosi at 717-471-7404**

REASONS FOR TURNOVER %

Career Advancement (Larger or more Complicated System, or Better Environment).	21%
Other Voluntary Resignations	26%
In-Voluntary Resignation: (CEO resignation requested) <small>(Source: M. Weirsema, 2002)</small>	47%
Retirement	6%

Sources: 2011 Amalgamation Analysis: ASHHRA; William M. Mercer; Watson Wyatt; Hay Assoc.; Lifeline HR, 2011

HR CHALLENGES

N=332

ISSUES	2010	2011	2012
Recruitment (especially RNs, MDs)	61%	68%	63%
Retention and Training	71%	64%	66%
Cost of Labor (especially use of travel nurses, O/T and COB)	56%	63%	71%
HR Strategic Planning	55%	59%	55%
Compensation Competitiveness	56%	58%	53%
Cost of Benefits and Market Competitiveness	46%	47%	41%
Succession Planning	9%	5%	8%

Sources: Amalgamation 2011 Analysis: Modern Healthcare; SHRM; Watson Wyatt; Hay Assoc.; ASHHRA; AHA; ACHE; HR Strategic Solutions, Inc; SSI Search Solutions, Inc

HEALTHCARE ECONOMICS

RN Turnover Rate: (NSI FY annualized 5.07%)	15.1%
New Employee First Year Turnover Rate:*	30% to 60%
Cost of RN Turnover:	\$70,668 to \$141,336
RN Retention Rate: (NSI FY annualized 94.93%)	84.9%
RN Vacancy Rate Ranges:	5% to 23%
Average RN Salary: (\$33.97 per hour)	\$70,668
Travel RN Cost per year/RN):	\$120,640 to \$176,800
Travel RN Cost Saved per 25 RNs employed:	\$1,320,800 Net
RN Cost-per-Hire: Vanderbilt University School of Nursing Dean Welch reports RN Cost per hire at \$40,000 to \$90,000 (The Tennessean, June 7, 2007)	\$27,278 to \$32,168
RN Recruitment Difficulty Rating:	78%
RN Average Time-to-Fill: (NSI 28.9 days)	68.7 days

Sources: AHA; Modern Healthcare; Daily Dose; HealthLeaders; HFMA

BENEFITS PREVALENCE

AVERAGE BENEFITS COST AS A % OF PAYROLL

❑ Statutory Benefits	8.13%
❑ Health Benefits	10.54%
❑ Retiree Benefits	2.44%
❑ DB Pension Plans	7.99%
❑ Capital Accumulation Plans	3.7%
❑ Death Benefits	0.35%
❑ Disability Benefits	0.45%
❑ Other Benefits	1.55%
❑ TOTAL	35.15%

Source: Amalgamation 2011 Study: Hay Group; William M. Mercer, Hewett Associates; Watson Wyatt; AON Consulting; Kaiser Family Foundation

HR HEALTHCARE COSTS ACCELERATING RAPIDLY

Type of Cost	2012 Healthcare Costs <small>N-310</small>		
	2010	2011	2012
Labor & Benefit Expense per FTE	\$83,473	\$88,200	\$95,948
Cost of Benefits Increase (Natural range; 25% - 31%)	6.7% - 7.7%	8.9%	7.9%
RNs Working in Agencies	29,367 Represents Economic Crisis	32,167	29,271

Sources: Amalgamation 2011 Analysis: William M. Mercer; Hewitt Associates; Watson Wyatt; Hay Group; Segal & Co; Towers Perrin; ACH; AONE; Staffing Industry Analyst; and HR Strategic Solutions surveys, etc.

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NEED NURSES?

- ❑ ***NSI*** NURSING SOLUTIONS, INC is a 12 year old national high volume U.S. nurse recruitment firm; that recruits only within the continental U.S. for American *Experienced Nurses*, as your core employee staff, in an average **time-to-fill of 32 days**.
- ❑ ***NSI*** is not a foreign recruiter nor a travel or temporary agency.
- ❑ The partnership is "RISK FREE", since you must hire the nurses BEFORE ***NSI*** is paid.
- ❑ The relationship is also a "WIN-WIN", since not only are the nurses guaranteed for 6 months, ***NSI*** provides "On-Boarding Coaching" for the nurses, for 365 days.

SOURCES

- MODERN HEALTHCARE, BY THE NUMBERS AND DAILY DOSE
- FITCH REPORTS
- PRESS GANEY
- MOODY INVESTER SERVICES
- AMERICAN HOSPITAL ASSOCIATION (AHA)
- AMERICAN NURSE ASSOCIATION (ANA)
- AMERICAN ASSOCIATION OF COLLEGES OF NURSING
- HOSPITAL FINANCE MANAGEMENT ASSOCIATION, "Financing the Future"
- AMERICAN SOCIETY OF HEALTHCARE HUMAN RESOURCES ADMINISTRATION
- SARATOGA INSTITUTE
- WILLIAM M. MERCER CO.
- HAY GROUP
- WATSON WYATT CO.
- TOWERS PERRIN
- AHCA FINANCIAL DATA
- HRSA BUREAU OF WORKFORCE STUDIES, THE NATIONAL SAMPLE SURVEY OF RNS, 2008
- HOSPITALS & HEALTH NETWORKS
- FHA, NURSING STAFFING REPORTS
- ALMANAC OF HOSPITAL FINANCIAL & OPERATING INDICATORS #7353
- HOSPITAL & HEALTH COMPENSATION SERVICES
- US BUREAU OF LABOR STATISTICS, 2008 REVISION OF US HHS 2003 REPORT

All survey information and data is obtained from: consulting firms and other published data, professional journals, white papers, professional associations and governmental websites, NSI surveys, etc., and all are coalesced, amalgamated and as applicable are trended and forecasted in the variously published NSI surveys and reports.