

**CNE**  
**COMPENSATION STUDY**  
**AND**  
**TOP CONCERNS**  
**2012**

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

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# CNE PAY RAISES AND BASE COMPENSATION

## PAY RAISES N = 332

- System: 2%
- Hospital: 1.6%

## BASE COMPENSATION N = 567

- Hospitals < \$250 Million Revenues: **\$182,800**  
Range: \$146,200 to \$198,602
- Hospitals < \$500 Million Revenues: **\$221,735**  
Range: \$172,100 to \$261,757
- Hospitals > \$1 Billion Revenues: **\$285,957**  
Range: \$219,420 to \$361,356
- Hospitals > \$2 Billion Revenues: **\$325,000**  
Range: \$318,943 to \$367,357

# CNE

## TOTAL COMPENSATION

INCLUDES BONUSES N = 332

- Hospitals with Less than \$250 Million in Revenues: \$192,800
- Hospitals with Less than \$500 Million in Revenues: \$243,700
- Hospitals with Less than \$1 Billion in Revenues: \$341,000
- Hospitals with More than \$2 Billion in Revenues: \$381,000
- ALL Hospital Average: \$281,000

# CNE

## TENURE AND TURNOVER RATES

N= 283

### CNE TENURE

### YEARS

Average Tenure

5.4 years

Median Tenure

4.9 years

### JOB SEARCH TIME

6 to 12 months

### CNE TURNOVER

### PERCENTAGE

2011

13.4%

2012 Forecast

14%

Source: Amalgamation 2012 Analysis: AONE; Watson Wyatt; Modern Healthcare; HealthLeaders; AHA; William M. Mercer, Co; Lifeline-CNO, 2012

# TOP REASONS FOR CNE TURNOVER

N=283

<b>Anticipating Job Change within 5 years:</b>	<b>34%</b>
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**For Free Networking Assistance,  
CNO Job Leads, Network Contacts, Salary Data, or Sample  
CNO Employment Contracts, call  
Marco Colosi at 717-471-7404**

<b>CNE REASONS FOR TURNOVER</b>	<b>%</b>
<b>Pursuing Advancement:</b>	<b>23%</b>
<b>Conflict with CEO:</b> (Voluntary and Involuntary Resignation)	<b>34%</b>
<b>Dissatisfaction with Job:</b>	<b>19%</b>
<b>Retirement:</b>	<b>15%</b>
<b>Family/Personal:</b>	<b>9%</b>

Sources: Amalgamation 2011 Analysis from: William M. Mercer, HR Strategic Solutions; Nurse Economics; AONE  
<http://www.aone.org/aone/about/SpecialEvents/CNO%20Turnover%20article.pdf>; Lifeline CNO, 2011

# CNE vs. NURSE MANAGER CONCERNS

CNE N=412	ISSUE	Nurse Manager N=438	CNE CONCERN	NURSE MANAGER
	❑ Patient Safety/Quality of Care:		71%	73%
	❑ Redesigning Care Process/ Environ:		66%	34%
	❑ Patient Experience/Satisfaction:		65%	69%
	❑ RN Shortage/Contract RN Costs:	34%/61%		72%
	❑ RN Recruitment/Retention/Turnover:		60%	61%
	❑ Labor Cost Reduction:		55%	39%
	❑ Unionization:		46%	57%
	❑ Capacity:		47%	26%
	❑ Work and Family Balance:		33%	41%
	❑ Compliance-Accrediting Agencies:		32%	19%
	❑ Staffing/Scheduling:		23%	59%/64%
	❑ Staff-to-Patient Ratios:		29%	62%

Sources: Amalgamation 2011 Analysis: HealthLeaders, Intelligence Report; Modern Healthcare; AONE; AHA

# CNO ISSUES

- Are CNOs Prepared for RN Retirements?: YES -43%  
NO -57%
- Factors Important for Quality and Safety: Nurse Ratios -4%  
Experience -38%  
Ed. and Certif. -21%
- Are Night Shifts Cancelled with Short Notification?: YES -80%  
NO -20%
- Older Worker Retention Programs:
  - Modified Schedule 66%      Education Roles 29%
  - Leadership Roles 28%      No Lift Program 27%
- Top Cost Drivers: Labor -55% Government – 66%  
Technology – 47%
- Health Reform Morale Impact: WEAKENED -57%  
IMPROVED -7%

# TOP ISSUES FACING NURSES

ISSUE N=438

RESPONSE

- ❑ The coming RN Shortage: 63%  
“In 2010 nursing school enrollment continued to stagnate, while nursing post-graduate programs slowed. **Even if we graduated 90% more nurses over the next 10 years, we could not allay the nursing shortage”** .... American Association of Colleges of Nursing
- ❑ Quality and Safety: 63%
- ❑ Cost of Labor and Travel Nurse Use: 61%
- ❑ Staffing and Work Loads: 52%
- ❑ Nurse-Physician Relations: 48%
- ❑ Aging Workforce: 32%
- ❑ Compensation: 21%
- ❑ Education/Advanced Opportunities: 4.6%/1.7%

# NURSING DASH-BOARD

## INDICATORS OF QUALITY PATIENT CARE

	GOAL	MONTH
❑ OVERALL NURSING CARE HOURS - PRODUCTIVITY:	Meets	
❑ RN SKILL MIX:	8% RN	
❑ RN TURNOVER RATE:	<5%	
❑ RN VACANCY RATE:	<3%	
❑ OVERALL PATIENT NURSING SATISFACTION:	100%	
❑ ADVERSE DRUG EVENTS:	5 per 100 admissions	
❑ PATIENT FALLS (Per 1,000 patient days):	0	
❑ INJURY FALLS (<1,000 per patient days):	0	
❑ HOSPITAL ACQUIRED PRESSURE ULCER STAGE 2+:	0	
❑ SENTINEL EVENTS:	0	

Source: Trustee, October, 2010

# CNE 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
RN Cost-per-Hire: Vanderbilt University School of Nursing Dean 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; Associated Press, February 16, 2009\*

# CNE ECONOMICS

□ Employees/Adjusted Occupied Bed:	6
□ RN to Nurse Manager Ratio:	8:1
□ OR Use:	70% to 80%
□ <b>ANTICIPATED POST RECESSION VACANCY RANGE:</b>	8% to 21%
□ "Best Practice" Hospitals	3% to 5%
□ Hospitals > 100 beds	6.4% to 9.8%
□ Hospitals > 300 beds	8.9% to 14.1%
□ Hospitals >500 beds	10.1 to 15.6%
□ <b>ANTICIPATED AVERAGE POST-RECESSION VACANCY RATE: (DOL, BLS, HRSA)</b>	14%

Source: Amalgamation 2011 Analysis; Modern Healthcare Media; AONE; HealthLeaders

# HOLISTIC VIEW NURSE STAFFING COSTS

HealthLeaders, August 30, 2011

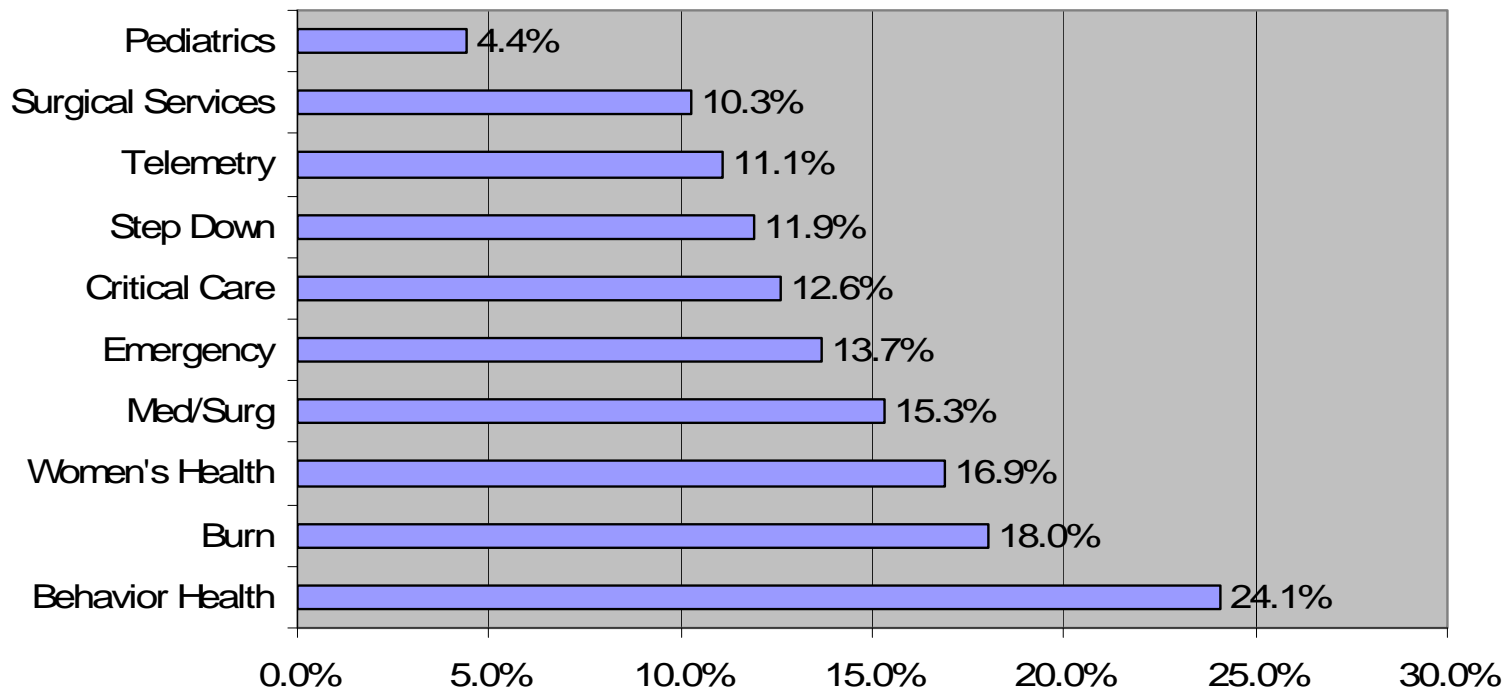
- As profits fall, hospitals stop investing in ... nurses; that's a bad solution.... Dealing with challenges of Health Reform, value-based purchasing, & profitability, hospitals must study how RN staffing affects performance & base staffing on that.
- The direct links between RN staffing & morbidity, mortality, readmissions, adverse events, fatigue-related errors, patient satisfaction, LOS, employee satisfaction, turnover, & contract nurse use... have significant cost consequences.
- Some are considered 'soft costs,' like turnover... but money is money... having hard financial implications. Making the link to staffing, stop looking at staffing in isolation... View the whole picture... everything associated with staffing, including contract nurses & until then we're not going to understand financial performance or true costs.
- Staffing costs, contract nurse costs & cost of errors sit in separate parts of a budget, so we don't think of the 3 results. When looking at LOS, safety, quality—all have direct links to staffing. Hospitals that cut staffing may not notice its over-use of contract nurses, or overtime or relationships between overtime & infections or travel nurses to morale or to safety.
- Hospitals must examine all staffing budgets allowing actual, real & true cost of labor controls.

# CENSUS BUREAU: MASSIVE NURSE AND DOCTOR SHORTAGE EXPECTED SOON. BY 2014?

- According to Bernard Hodes 34% of nurses are 50+ and 55% intend to retire in the coming years. New nurses are graduating, but not enough to replace the number exiting.
- **"Moving into the near future... a shortage of nurses of about 300,000 exists...** and that does not account for the demand created by reform or new jobs created. That's a knockout number. The larger nursing shortage will start by 2015...." according to Peter Buerhaus, of Vanderbilt University. (Nurse Leader, August, 2011)
- In an economy that should stabilize turnover, the RN turnover is 13%, forecasted to rise to 15%-20%. This is a harbinger of bad news coming. "... big story is... nursing is dominated by aging baby boomers who are going to retire, then **we are looking at massive RN shortages**" and will be compounded by 37% of GNs who are already ready to change professions. (Buerhaus)

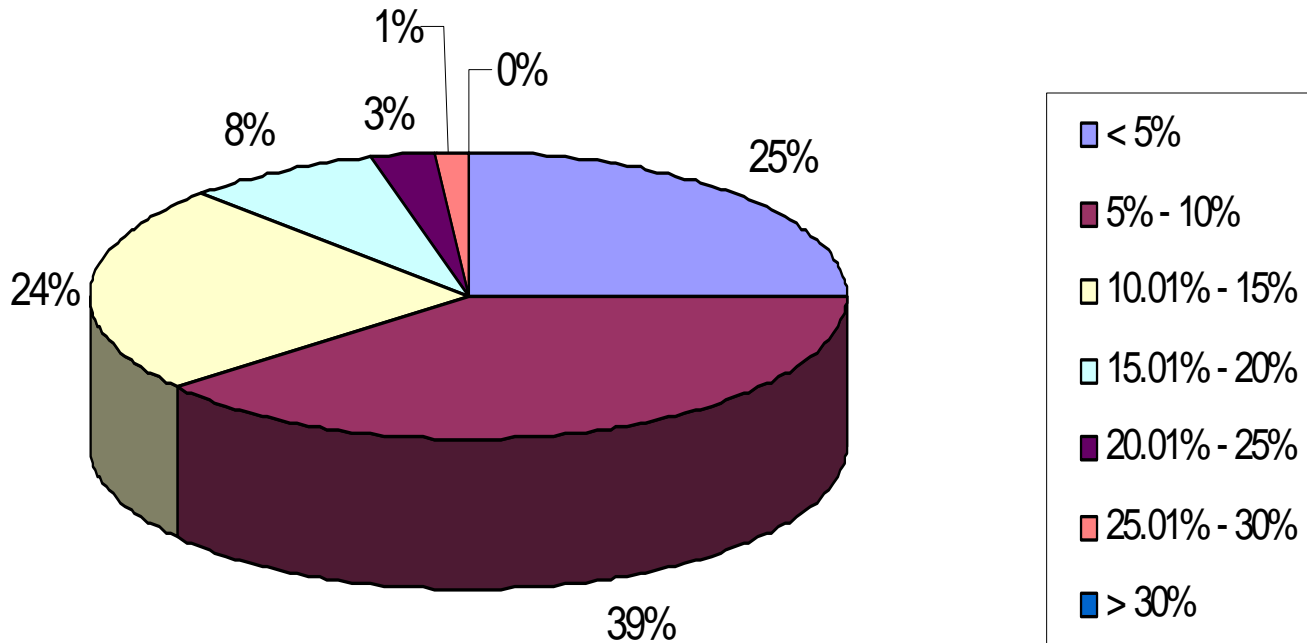
# TURNOVER BY RN SPECIALTY

RN TURNOVER BY SPECIALTY



# RN TURNOVER RANGE

REPORTED RN TURNOVER RANGE



# CAUSES OF TURNOVER...

an RN perspective N=393

## Category

## Nurses Reasons

- |   |     |
|---|-----|
| ❑ Work load / Staffing:                       | 91% |
| ❑ Peer & Nurse Manager Relationships:         | 81% |
| ❑ If Pay is Not Competitive:                  | 96% |
| ❑ Competitive Pay, but Better Pay elsewhere:  | 42% |
| ❑ More Flexible Scheduling elsewhere:         | 81% |
| ❑ Better Employer Reputation/Image Elsewhere: | 81% |
| ❑ Better Career Opportunities elsewhere:      | 41% |
| ❑ Increased Market Demand:                    | 42% |
| ❑ Better Benefits elsewhere:                  | 67% |
| ❑ More Desirable Work Culture elsewhere:      | 79% |
| ❑ Poor Nurse Management Skills:               | 54% |
| ❑ Physician Relations / Relationships:        | 29% |

# 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
- SULLIVAN COTTER AND ASSOCIATES
- PINNACLE HEALTH GROUP
- ALMANAC OF HOSPITAL FINANCIAL & OPERATING INDICATORS #7353
- WARREN SURVEYS
- COMPENSATION ANALYST
- MEDICUS PARTNERS
- DELTA MEDICAL CONSULTING
- AON CONSULTING
- JACKSON COKER
- 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.

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- 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.