QUICK-HITTING SURVEY
RN RETENTION

Executive Summary

Methodology

In September 2018, The Health Management Academy conducted a quick-hitting survey of Leading Health Systems regarding registered nurse (RN) retention and executive compensation consulting. The 18 responding Chief Human Resource Officers (CHROs) represent health systems with an average Net Patient Revenue of $4 billion that own or operate 210 hospitals with 37,000 beds and approximately 1.9 million admissions annually.

Key Findings

- Leading health systems reported an average current RN turnover of 17%.

- To improve nursing retention, health systems are offering financial incentives, standardizing the collection of feedback and leadership opportunities, revamping the onboarding and culture-building process, and leveraging data to offer a targeted approach.

- Most (72%) health systems utilize an external company for executive compensation consulting and would be very likely (8.3 out of 10) to recommend the company to another health system.

Results

RN Retention

Current registered nurse (RN) turnover rates varied among responding health systems, ranging from 7% - 24% with an average of 17% (Figure 1).

Sixty-seven percent of responding health systems track less than one-year RN turnover. Among these systems, the average less than one-year RN turnover rate was 16%.

Just under one-half (44%) of the surveyed systems tracked their less-than-three-year RN turnover, and among these systems the average turnover rate was 18%.

FIGURE 1. WHAT IS YOUR HEALTH SYSTEM'S CURRENT RN TURNOVER?

Few health systems (12%) use an external company to address nursing retention or engagement. One health system reported working with the Advisory Board, while another leverages the Press Ganey engagement survey.

Health Systems are using several key strategies to improve nursing retention in their organizations, including offering financial incentives to nurses who remain with the system including a base pay increase and bonuses for longevity. Additionally health systems are formalizing nursing governance structure and feedback solicitation, by establishing shared governance and creating regular feedback opportunities through surveys and town halls. Systems are also revamping the onboarding and culture-building process by making interview processes more thorough and establishing regular check-ins with new hires. Lastly systems are leveraging data to offer targeted recommendations to departments that data analyses have shown to be at higher risk of turnover.
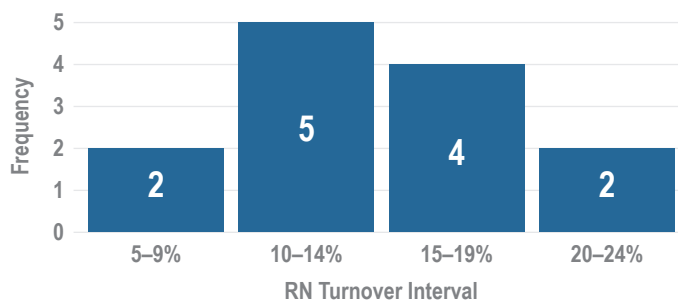
FIGURE 2. NURSING RETENTION STRATEGIES

Financial Incentives	5 year retention bonus
	Increased pay rates for RNs choosing high-need areas
	Flat wage bonus
	Incentive plans within nursing staff

Formalizing Governance and Feedback	Shared governance and town halls
	Mentorship programs
	Increased surveys of nursing staff
	Engagement programs

Onboarding and Culture Building	More complete interview process
	Diversity and inclusion initiatives
	Standardized Onboarding process with 30-60-90 day meetings

Leveraging Data	Retention teams to scan labor spend, productivity, engagement, etc. and target responses to departments of need
	Develop recommendations based on targeted assessment
	Predictive hiring

Executive Compensation Consulting

Most (72%) of respondents reported using an external company for executive compensation consulting. Most commonly health systems utilize Sullivan Cotter (54%), followed by Willis Towers Watson (27%), Integrated Healthcare Strategies (9%), and Mercer Consulting (9%).

Most health systems reported favorable assessments of their consulting firms, with an average rating of 8.3 out of 10. Health systems executives are most likely to recommend Willis Towers Watson and Mercer Consulting, with average rankings of 9 out of 10 (Figure 3).

FIGURE 3. HOW LIKELY WOULD YOU BE TO RECOMMEND THIS COMPANY TO ANOTHER HEALTH SYSTEM FOR EXECUTIVE COMPENSATION CONSULTING?

Company	Average Score
Willis Towers Watson	9
Sullivan Cotter	7.6
Mercer Consulting	9
Integrated Healthcare Strategies	8.5

Not at all likely — Extremely likely