



# Worsening Shortages and Growing Consequences:

## CNO Survey on Nurse Supply and Demand





# INTRODUCTION

Healthcare organizations face growing challenges in finding the nurses they need, according to nurse leaders, most of whom say that these problems will get worse in the next five years. Healthcare organizations may not be prepared for this worsening supply and demand imbalance, considering that their human resources expenditures usually tally approximately 1% of operating budgets (Bloomberg BNA, 2016) and that talent acquisition is only a fraction of that amount.

A common viewpoint within the healthcare industry, derived from daily experiences on nursing units and in HR departments and backed up by research (American Association of Colleges of Nursing, 2017), is that nurse shortages exist right now and are getting worse. ***Worsening Shortages and Growing Consequences: CNO Survey on Nurse Supply and Demand*** measures the views of Chief Nursing Officers (CNOs) and other nurse leaders on the magnitude and impact of the shortages.

The survey results show that most CNOs say nurse shortages exist at their healthcare organizations now, and that they expect the shortages will get worse over the next five years. Those findings are bolstered by a recent survey of registered nurses by AMN Healthcare. It found that a growing percentage of nurses believe the nurse shortage has gotten worse in the past five years, while a shrinking percentage say the shortage has not gotten worse (AMN Healthcare, 2017).

CNOs represent the forward edge of clinical leadership, providing an authoritative and reliable point of view about patient volume and acuity level and the supply-and-demand pressures on the nurse workforce. CNOs are directly involved in long- and short-range planning and administration of nurse staffing. They also recognize the true complexity of demand, including the need for the right mix of specialty and experienced nurses, as well as the need for effectively blending staff, agency, and early career nurses on the unit.

In addition to CNOs, nurse leaders surveyed for this report also include the titles of Chief Nurse Executive, Director of Nursing, Vice President of Nursing, Senior Vice President, Chief Operating Officer, Clinical Nurse Leader, and Clinical Administrator.

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## Summary

A large majority of CNOs say the nurse shortage at their organizations is moderate to severe, and most say this problem will become increasingly worse over the next five years. CNOs see shortages negatively affecting some of the most important aspects of healthcare: patient satisfaction, quality, care, and staff morale. Recruitment of adequate numbers of quality nurses is facing significant roadblocks that may not be overcome by internal solutions alone at many healthcare organizations.

### Nurse Shortage Worsens

- More than 70% of CNOs say the nurse shortage at their organization is moderate, significant or severe. Of those, 35% say it’s significant or severe.
- CNOs say their nurse shortage will get worse in next five years: 28% say the shortage will get worse in one year; 43% say it will get worse in two years; and 61% say it will get worse in five years.
- The percentage of CNOs who say there will be no change in the nurse shortage drops from 61% in one year to 17% in five years.

### Consequences for Healthcare Organizations

- More than 80% of CNOs say that the difficulty in recruiting nurses at their organization is moderate, significant, or severe. Of those, 41% say it’s significant or severe.
- CNOs said the two greatest challenges to nurse recruitment are the lack of access to high-quality talent (32%) and the location of their organization (37%). Neither of these factors can be changed from within the organization itself.
- 34% of CNOs say the nurse shortage at their organization has a considerable or great negative impact on patient care.

- 41% of CNOs say the nurse shortage has a considerable or great negative impact on patient satisfaction.
- 61% of CNOs say the nurse shortage has a considerable or great negative impact on nurse morale.

## Methodology

The survey was administered in July 2017 to 11,639 nurse executives with a 2% response rate. The survey was sent from AMN Healthcare and The Center for the Advancement of Healthcare Professionals in collaboration with B.E. Smith.

## Results

Nurse leaders perceive a trajectory of worsening nurse shortages, continuing for at least the next five years. The survey examined CNO views on the state of nurse shortages today and in the future. The results depict a clear view from the front lines of healthcare that the imbalance between supply and demand of nurses will continue to worsen for the foreseeable future. CNOs say that the intensifying nurse shortage is creating significant recruitment challenges while negatively affecting patient experience, patient care, and staff morale.

### Shortages: Current and Future Trends

It’s broadly accepted within the healthcare industry, from the everyday experience of clinical and human resources managers, and leaders, that a nurse shortage exists. However, an often-cited 2014 report from the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services, entitled ***The Future of the Nursing Workforce*** (Health Resources and Services Administration, 2014) concluded

## Q: How would you describe the nursing shortage at your organization?

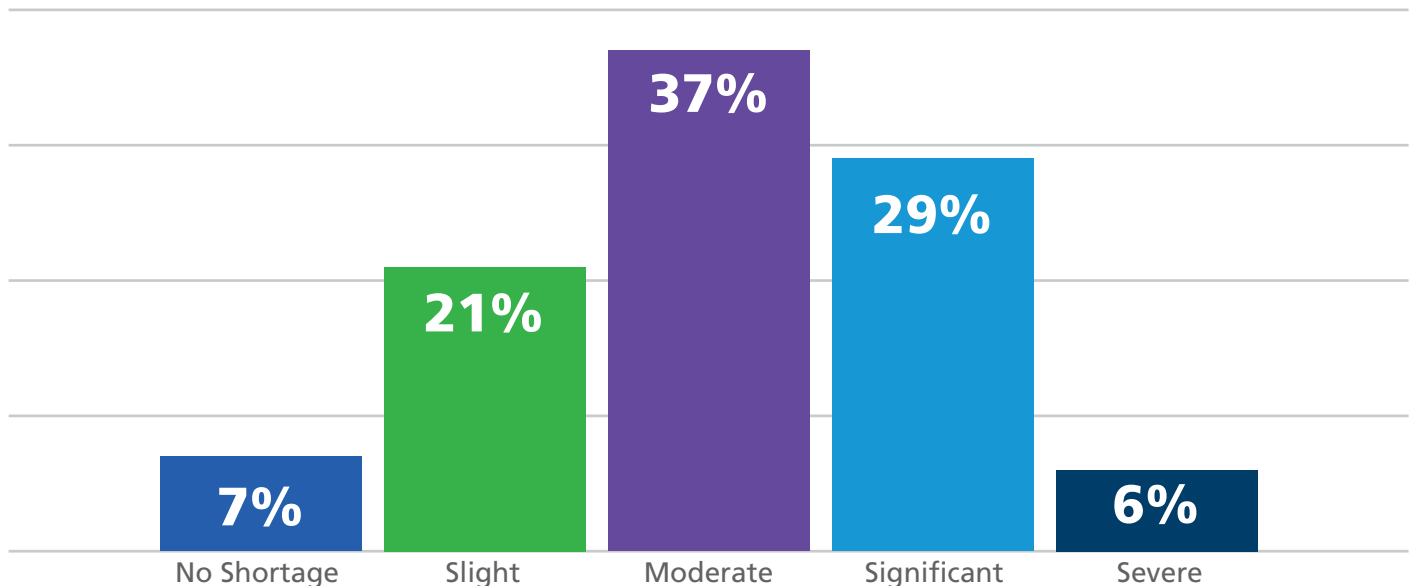


Fig. 1

that there is a growing surplus of nurses. This report had shortcomings (American Association of Colleges of Nursing, 2015) that could markedly affect its conclusion, including its baseline data assumptions that nurse supply equaled demand in 2012 and that nurse demand would never exceed pre-recession levels; it also did not account for demand for specialty and experienced nurses.

This survey, ***Worsening Shortages and Growing Consequences: CNO Survey on Nurse Supply and Demand***, shows a very different scenario regarding the supply and demand for nurses. Nearly all CNOs say that their healthcare organizations are currently experiencing some level of nurse shortages, with 72% describing their shortage as moderate, significant, or severe (Fig. 1). Only 7% say there is no shortage.

The future of nurse shortages looks worse than the present (Fig. 2), according to CNOs when asked how shortages will change at their organizations

in one year, two years, and five years. Three answers were available for how shortages would fare over those time periods: better, no change, worse. While the small percentage of CNOs who believe shortages will get better in the next five years grew somewhat, larger and growing numbers, of CNOs believe that shortages will get worse.

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“The future of nurse shortages looks worse than the present, according to CNOs when asked how shortages will change at their organizations in one year, two years, and five years.”

And, the percentage who believe there will be no change in nurse shortages drops precipitously over the next one to five years, while the percentage who say shortages will worsen more than doubles. The steep and relatively matching trajectories – in opposite directions — of CNOs who think shortages will get worse and those who think there will be no change show intensifying concerns about the future nurse supply and demand imbalance.

### Shortages: Consequences to Organizations

Nursing shortages can ignite a wide range of challenges for healthcare organizations,

beginning with high staff turnover and vacancy rates, which can lead to problems with quality of care, patient satisfaction, staff morale, and the financial well-being of the healthcare enterprise. Nurse shortages and nurse turnover are linked (Cox, 2014): high vacancy rates coupled with recruiting difficulties can degrade the work environment, which can lead to a cycle of turnover and more vacancies. Understaffing can degrade the nurse work environment, and the quality of the work environment is significantly related to all patient satisfaction measures in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) (Kutney-Lee, 2009).

### Q: How do you think the nursing shortage at your organization will change in...

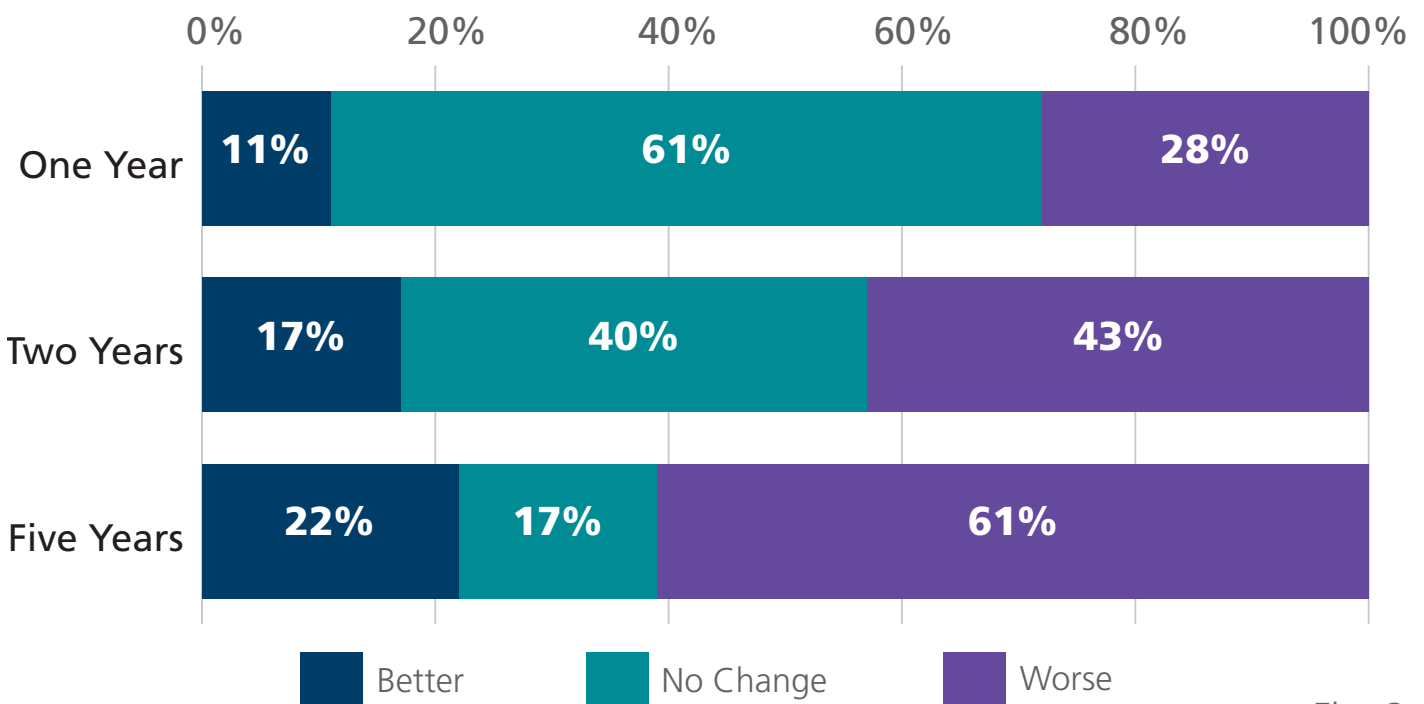


Fig. 2



## Q: What is the approximate nurse vacancy rate of your organization?

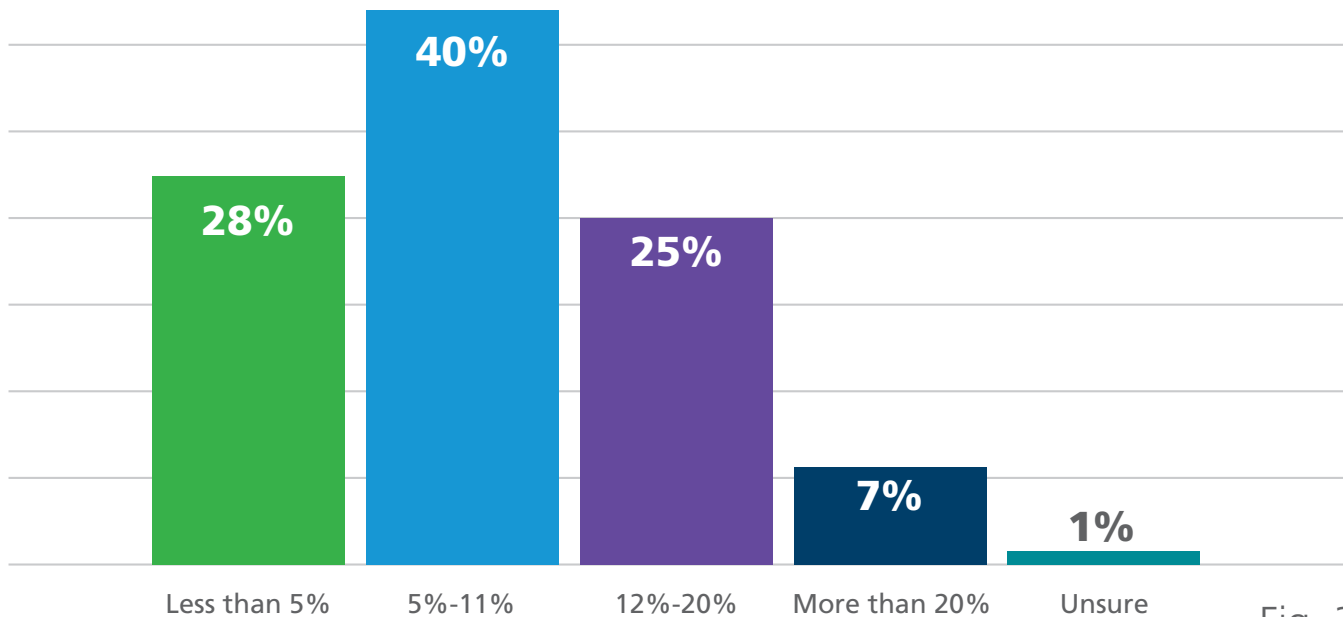


Fig. 3

“Understaffing can degrade the nurse work environment, and the quality of the work environment is significantly related to all patient satisfaction measures in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS).”

Since reimbursements are increasingly influenced by patient satisfaction scores, this is a measure of both care quality and organization revenues. Preventing readmissions is another factor in reimbursements, and improving nurse work environments is an effective intervention in preventing readmissions (McHugh, 2013). Also, the quality of the nurse work environment is related to burnout, job dissatisfaction and retention (Kutney-Lee, 2013).

Nearly one third of CNOs surveyed report nurse vacancy rates of more than 12%, with the largest percentage identifying their organization’s vacancy rate at 5%-11% (Fig. 3). Vacancy rates are a critical result of the difficulties faced by healthcare providers in recruiting nurses.

Solving the problems of nurse shortages and high vacancy rates can be difficult for most healthcare organizations. CNOs describing the difficulties in recruiting nurses as significant or severe total 41%, while another 40% say recruiting difficulties are moderate at their healthcare organizations (Fig. 4).

Solutions for nurse recruitment challenges are often beyond the control of most healthcare organizations. According to CNOs, the greatest strategic challenges are the organization’s location and access to high quality talent (Fig. 5).

Those two factors account for the responses of nearly 70% of CNOs. Obviously, an organization’s location cannot be changed, although recruitment experts can address challenges related to location.

**Q: How would you describe the difficulty of recruiting the number of nurses needed at your organization?**

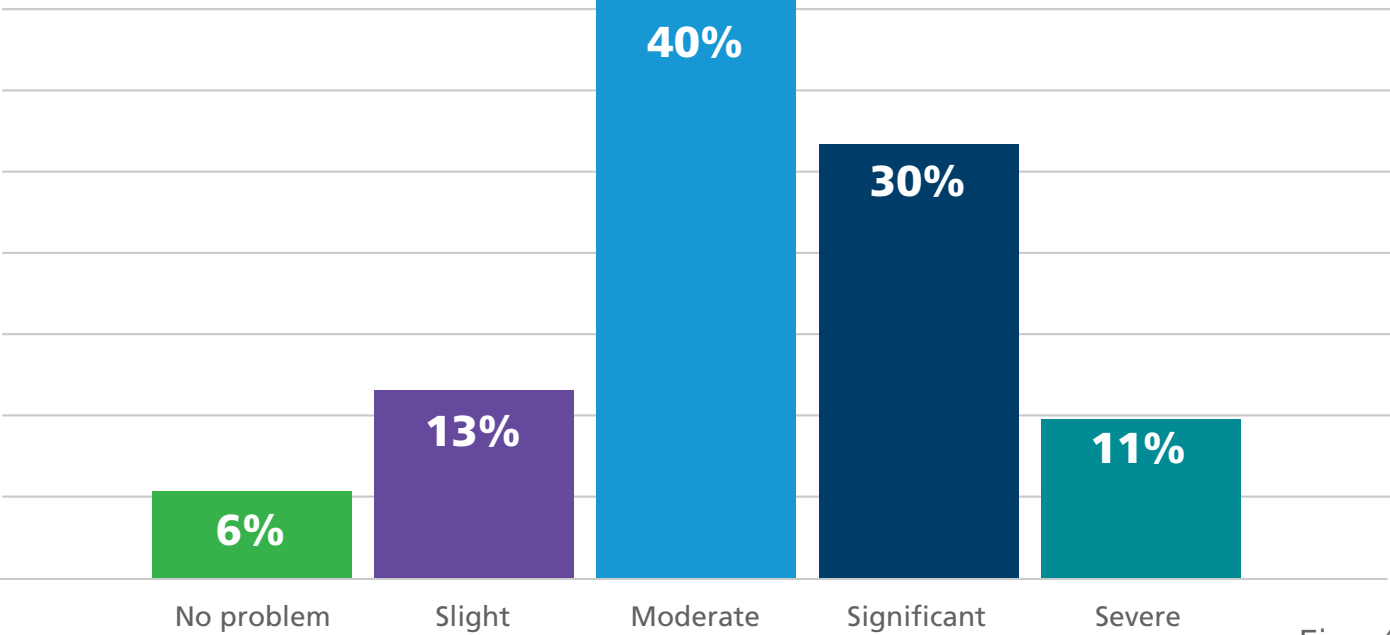


Fig. 4

**Q: What is the greatest strategic challenge facing your organization in regards to nurse recruitment?**

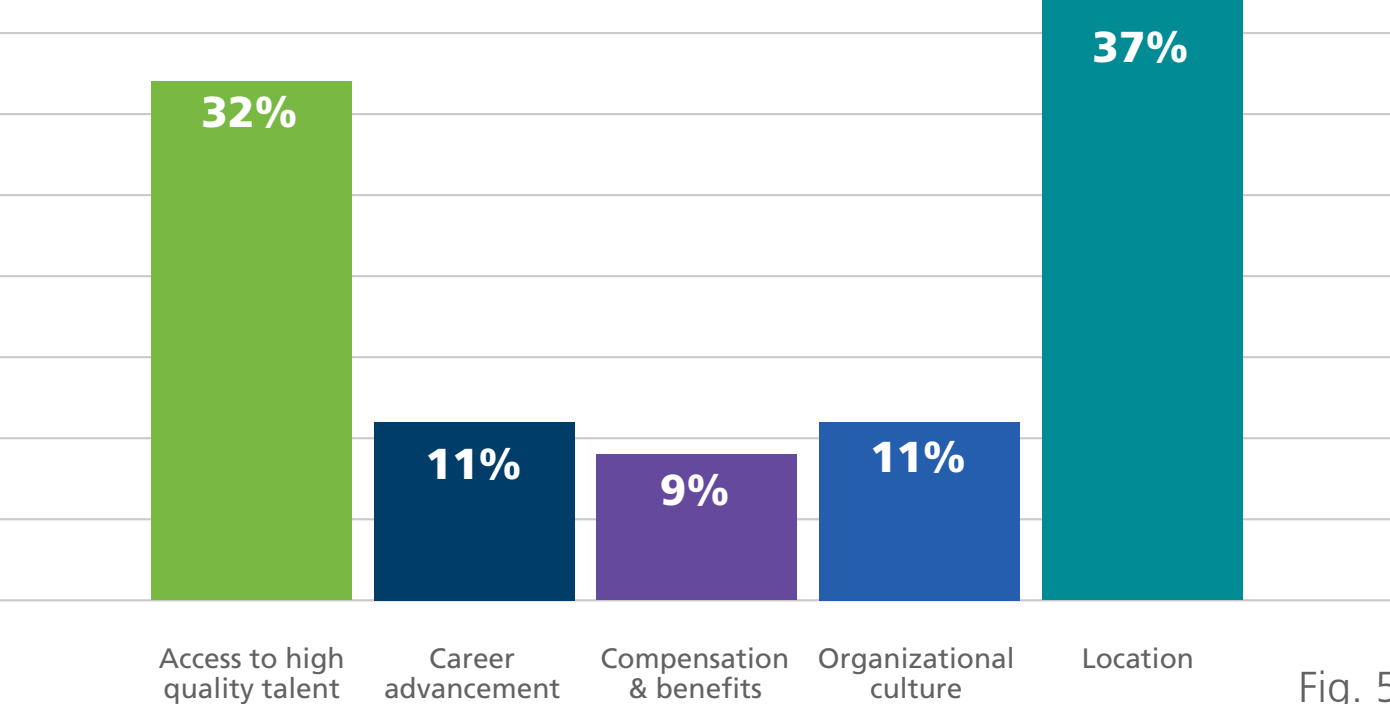


Fig. 5

## Q: How do you feel staffing shortages in your organization are impacting the following: patient satisfaction, patient care, nurse morale?

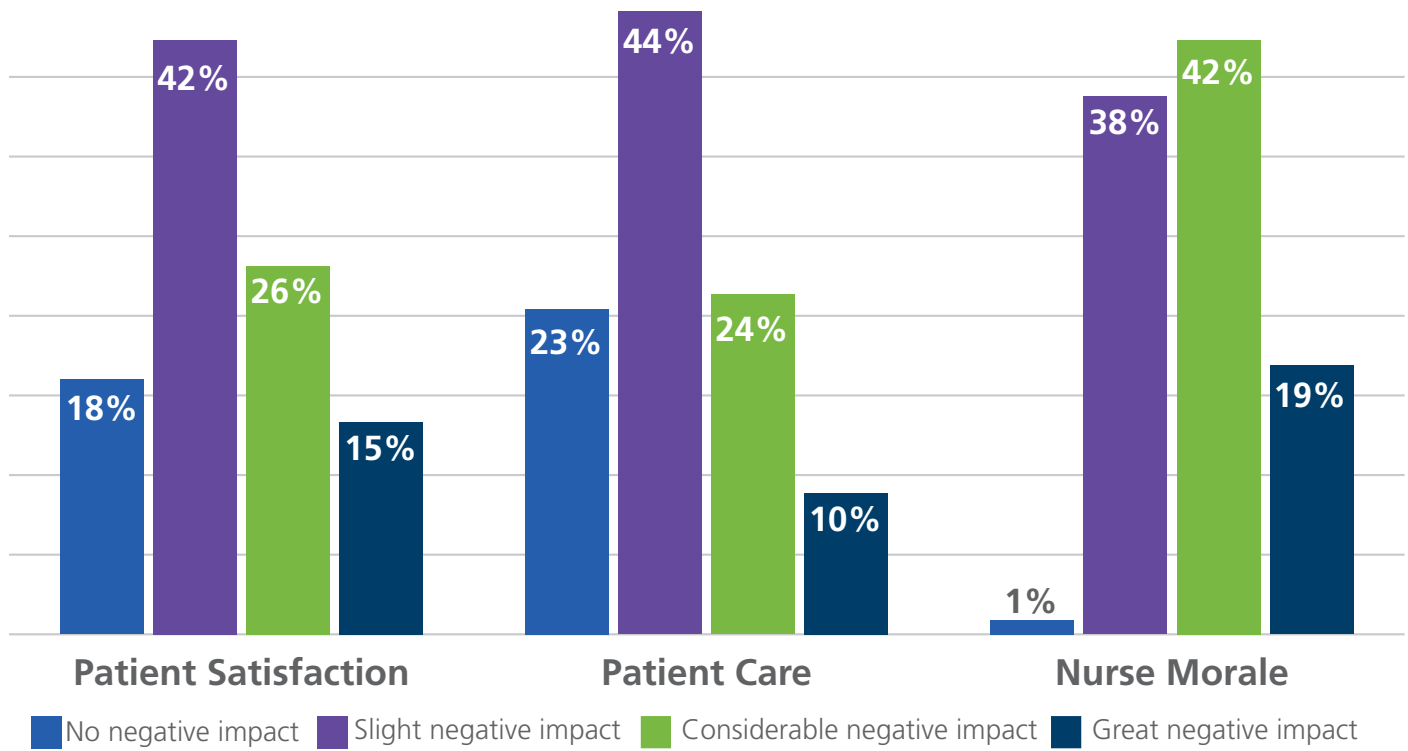


Fig. 6

Regarding lack of access to high-quality talent, most healthcare organizations do not have the capacity or resources to mount the type of sophisticated national search needed to significantly relieve their recruitment problems. Nurses are in such great demand that healthcare organizations lacking in advanced technology-enabled sourcing capabilities are at a serious disadvantage in recruitment. The greatest proficiency in healthcare recruitment resides outside of patient care organizations with healthcare sourcing experts.

Most CNOs say that shortages at their organizations are negatively impacting some of the most critical objectives of healthcare organizations: patient care, patient satisfaction, and staff morale (Fig. 6). The smallest percentages of respondents said there was no negative impact from staffing shortages.

More than 40% of CNOs said that shortages have a considerable or great negative impact on patient satisfaction, while 34% said they have considerable or great negative impact on patient care. But the greatest burden is on morale; 61% of CNOs said that shortages have considerable or great negative impact on nurse morale. Nurse morale problems are linked to many challenges facing healthcare organizations, including patient satisfaction and quality of care (McHugh, 2011). Research also has linked nurse staffing with patient satisfaction (Clark, 2007) and patient care (Buerhaus, 2007). Survey data from CNOs in this report mirror the substantial amount of research on the negative effects of nurse shortages.





# Conclusion

The viewpoints of CNOs about the magnitude and impact of the nurse shortage represent an important advancement in evidence about this industry-wide problem. Front-line managers of the largest clinical profession broadly attest to the fact that nurse shortages are a considerable problem at their organizations, a problem that will get worse in the future. They also state that shortages are affecting some of the most critical facets of healthcare. Finally, CNOs suggest that the biggest obstacles to recruitment of adequate numbers of quality nurses remain outside the control of the organizations themselves.

The finding that 69% of CNOs say the greatest strategic challenges they face in nurse recruitment — location of their organization and access to quality talent — is a major concern. Overcoming these obstacles will require a level of workforce sourcing expertise and capacity that few healthcare organizations possess. The median of only 1% of healthcare enterprise operating budgets dedicated to human resources (Bloomberg BNA, 2015) is likely inadequate for the advanced nationwide sourcing initiatives necessary to overcome nurse recruitment obstacles. Organizations that specialize in advanced workforce staffing may be much more proficient at recruiting and placing nurses.



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