Healthcare Practice

Nursing in 2023: How hospitals are confronting shortages

Nearly a third of surveyed nurses still report an intent to leave their current jobs. Will hospitals' efforts bend the curve?

This article is a collaborative effort by Gretchen Berlin, Faith Burns, Connor Essick, Meredith Lapointe, and Mhoire Murphy, representing views from McKinsey's Healthcare Practice.

When we tabulated the results of our first nationwide nursing survey almost two years ago, we were surprised to see such a high reported likelihood of nurses planning to leave their jobs—and we did not expect this trend to persist for such an extended period of time.

But that is what has happened in the wake of the COVID-19 pandemic. In fact, we have seen some of this reported anticipated turnover actually occur, as well as a decrease in the overall active nursing workforce. And there is still cause for concern: today, 31 percent of nurses still say they may leave their current direct patient care jobs in the next year, according to our most recent survey. That said, we are cautiously optimistic that some of the practices implemented by healthcare organizations to improve the experience of nurses are bearing fruit.

In this article, we share the latest data from our September 2022 frontline nursing survey of 368 frontline nurses providing direct patient care in the United States (see sidebar, "About the research"). We offer these insights as resources for organizations as they continue their journeys of attracting, supporting, and retaining a vibrant workforce, as well as promoting longer-term workforce stability.

What's been happening in the nursing workforce

Nursing turnover continues to be a substantial challenge for healthcare organizations as the number of individuals with the intent to leave their jobs remains high. In our most recent nursing survey, 31 percent of respondents indicated they were likely to leave their current role in direct patient care, a figure that has stabilized over the past six to 12 months yet is still higher than the 22 percent rate observed in our first survey in February 2021 (Exhibit 1).[1] Our research further shows that the intent to leave varies across settings. For example, inpatient registered nurses (RNs) have consistently

reported a higher intent to leave than the average of all surveyed RNs. In our most recent pulse survey of inpatient RNs, we saw intent to leave rise again, from 35 percent in fall 2022 to over 40 percent in March 2023.

Recent analysis of studies comparing intent to leave to actual turnover show that both jumped meaningfully over the course of 2021. A study from Nursing Solutions Inc. (NSI) showed that actual reported hospital and staff RN turnover increased from 18 percent in fiscal year 2020 to 27 percent in fiscal year 2021; the same March 2022 study reported that the workforce lost about 2.5 percent of RNs in 2021.[2] In the latest NSI report
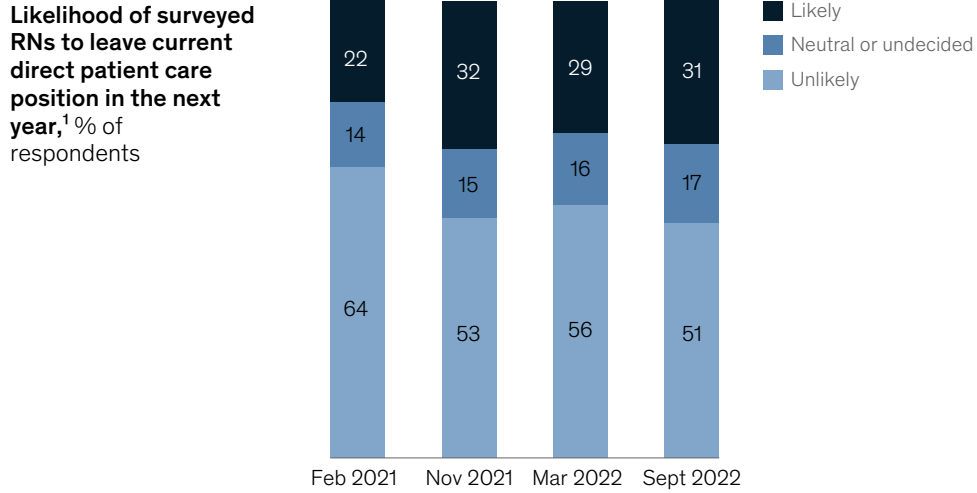
About the research

From September 9 to 30, 2022, McKinsey surveyed 368 frontline nurses providing direct patient care in the United States to better understand their experiences, needs, preferences, and career intentions. All respondents said they spend more than 70 percent of their time delivering direct patient care and that they had at least one year of work experience. All survey questions were based on the experiences of the individual professional. Key insights shared are statistically significant and represent populations with a sample size of n > 30; for smaller sample sizes (for example, n < 100), results should be taken as directional. Additionally, publicly shared examples, tools, and healthcare systems referenced in this article are representative of actions that stakeholders are taking to address workforce challenges. The examples, tools, and systems have not been vetted and are not endorsed by McKinsey.

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[1] Gretchen Berlin, Meredith Lapointe, and Mhoire Murphy, "Surveyed nurses consider leaving direct patient care at elevated rates," McKinsey, February 17, 2022; Gretchen Berlin, Meredith Lapointe, Mhoire Murphy, and Molly Viscardi, "Nursing in 2021: Retaining the healthcare workforce when we need it most," McKinsey, May 11, 2021.
[2] 2022 NSI national health care retention & RN staffing report, NSI Nursing Solutions, March 2022.

Exhibit 1

Thirty-one percent of surveyed RNs indicate they may leave their current direct patient care positions in the next year.

Likelihood of surveyed RNs to leave current direct patient care position in the next year,[1] % of respondents

Likely
Neutral or undecided
Unlikely

	Feb 2021	Nov 2021	Mar 2022	Sept 2022
Likely	22	32	29	31
Neutral or undecided	14	15	16	17
Unlikely	64	53	56	51

Note: Figures do not sum to 100%, due to rounding. Question: How likely are you to leave your current position providing direct patient care in the next year?
[1]"Likely" includes "definitely will leave," "very likely," and "somewhat likely;" unlikely includes "somewhat unlikely," "very unlikely," and "definitely will not;" Feb 2021, n = 396; Nov 2021, n = 710; Mar 2022, n = 308; Sept 2022, n = 317.
Source: McKinsey Frontline Workforce Survey

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(March 2023), turnover reduced to 23 percent in fiscal year 2022 but still remains elevated compared with prepandemic levels.[3] A Health Affairs study published in April 2022 found that the RN workforce fell by about 100,000 by the end of 2021, which is a "far greater drop than ever observed over the past four decades." This decline was particularly pronounced among midtenure nurses (aged 35 to 49).[4] In terms of where they are going, nurses are both leaving the profession entirely as well as simply changing employers or roles. About 35 percent of respondents to our most recent survey who indicated they were likely to leave said they would remain in direct patient care (that is, at a different employer or role). The remainder said they intended to leave the bedside for nondirect patient care roles

to pursue different career paths or education or to exit the workforce entirely.

With this persistently high turnover and the corresponding gathering storm in US healthcare, it is more important than ever for healthcare organizations to design and deploy initiatives that respond to and address workforce needs. Most healthcare organizations have learned that attracting and retaining nursing talent in the postpandemic era will require a more nuanced understanding of what nurses are looking for in a profession and an employer.

Our four frontline nursing surveys over the past two years have enabled us to glean insights into factors

[3] *2023 NSI national health care retention & RN staffing report*, March 2023.
[4] David Auerbach, Peter Buerhaus, Karen Donelan, and Douglas Staiger, "A worrisome drop in the number of young nurses," Health Affairs Forefront, April 13, 2022.

contributing to both attrition and retention. Frontline nursing respondents have consistently ranked elements of flexibility, meaning, and balance as the most important factors affecting their decision to stay in direct patient care (Exhibit 2). Recognition, open lines of communication, and embedding breaks into the op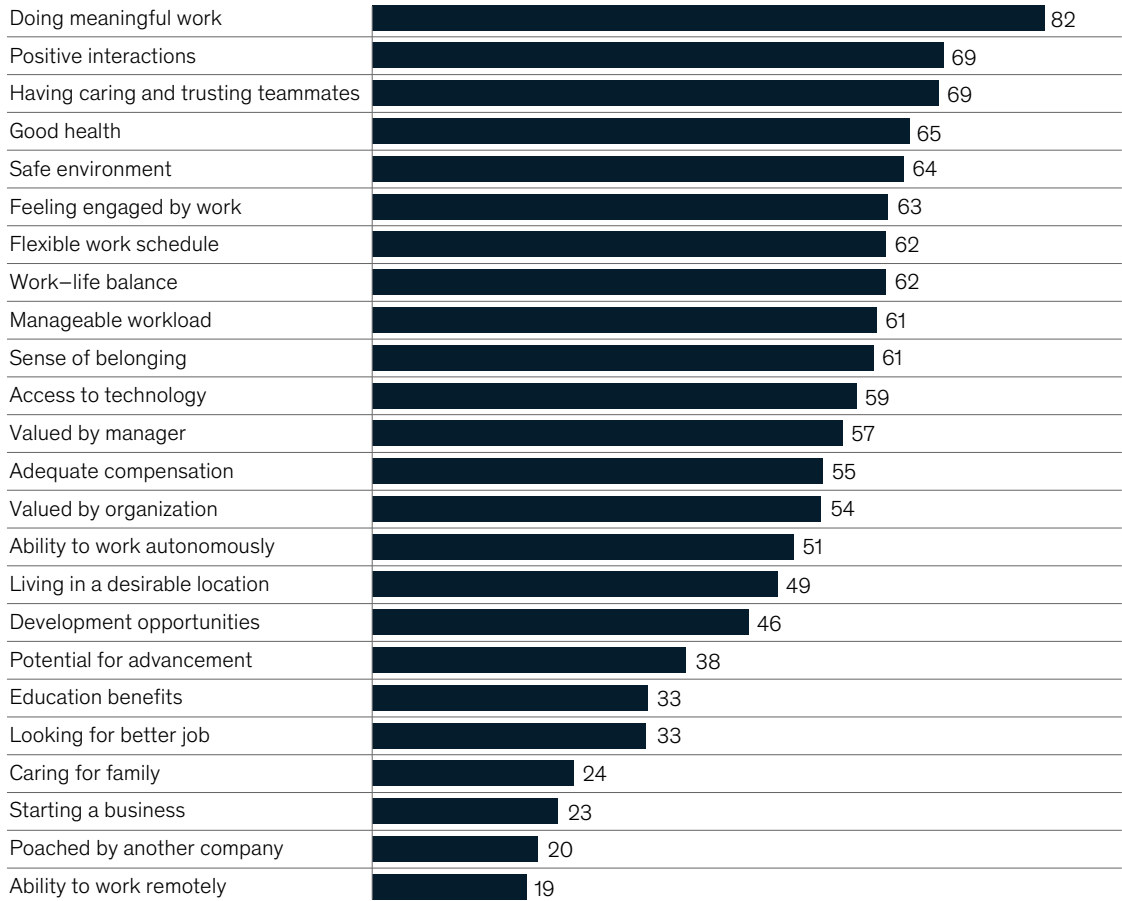erating model (for example, during shifts, between shifts, and formal paid time off) have consistently been rated as the top initiatives to support well-being.

The nursing workforce has evolved over the course of the pandemic, and the strategies aimed at attracting and retaining tomorrow's

Exhibit 2

Meaningful work and flexible schedules are the most important factors that would influence surveyed RNs to stay in their positions.

Top factors surveyed RNs say impact their likelihood to stay in current position, Sept 2022, % responding "extremely likely" and "very much likely"

Factor	Value
Doing meaningful work	82
Positive interactions	69
Having caring and trusting teammates	69
Good health	65
Safe environment	64
Feeling engaged by work	63
Flexible work schedule	62
Work–life balance	62
Manageable workload	61
Sense of belonging	61
Access to technology	59
Valued by manager	57
Adequate compensation	55
Valued by organization	54
Ability to work autonomously	51
Living in a desirable location	49
Development opportunities	46
Potential for advancement	38
Education benefits	33
Looking for better job	33
Caring for family	24
Starting a business	23
Poached by another company	20
Ability to work remotely	19

Note: Question: To what extent do the following factors impact your likelihood to stay at your job?; n = 368.
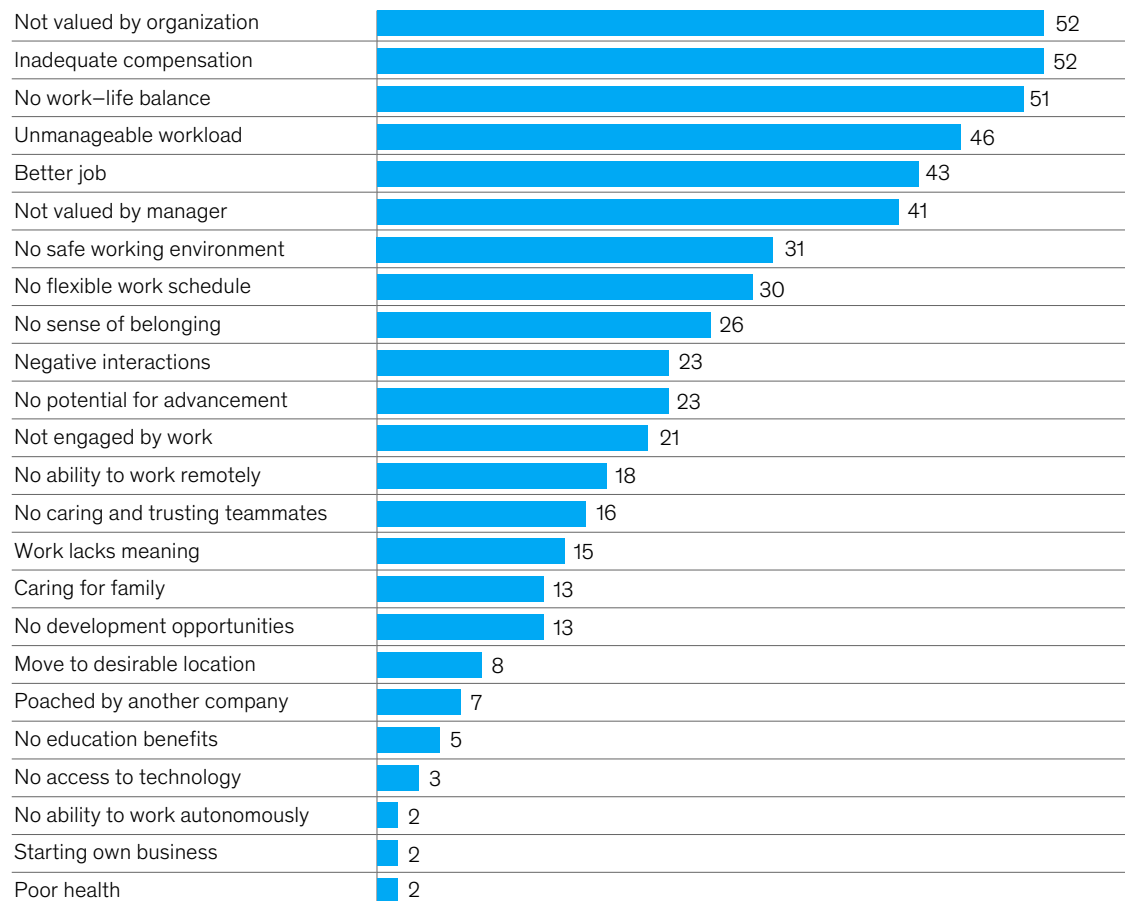Source: McKinsey Frontline Workforce Survey

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workforce have evolved as well. To start, structural solutions that help to ensure a manageable workload—for example, consistent support staff, a safe environment, reduced documentation and administrative requirements, predictability of schedule, and ability to take paid time off—

continue to be critical. Surveyed nurses who left a direct patient care role in the past 18 months indicated that not being valued, unmanageable workloads, and inadequate compensation were the top factors in their decision to exit (Exhibit 3). There are no one-size-fits-all solutions, but many

Exhibit 3

Not being valued, inadequate pay, and unmanageable workloads are the top factors impacting surveyed RNs' decision to leave a job in the past 18 months.

Top factors surveyed RNs say impact decision to leave direct patient care role, Sept 2022, % responding "extremely" or "very much"

Factor	Value
Not valued by organization	52
Inadequate compensation	52
No work–life balance	51
Unmanageable workload	46
Better job	43
Not valued by manager	41
No safe working environment	31
No flexible work schedule	30
No sense of belonging	26
Negative interactions	23
No potential for advancement	23
Not engaged by work	21
No ability to work remotely	18
No caring and trusting teammates	16
Work lacks meaning	15
Caring for family	13
No development opportunities	13
Move to desirable location	8
Poached by another company	7
No education benefits	5
No access to technology	3
No ability to work autonomously	2
Starting own business	2
Poor health	2

Note: Question: To what extent did the following factors impact your decision to leave your last job?; n = 61.
Source: McKinsey Frontline Workforce Survey

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healthcare organizations have adapted their approaches and carried out interventions that appear to be yielding results.

What stakeholders can do in the short term

Our most recent survey found that 75 percent of nurses who left a job in the past 18 months reported that not being valued by their organization was a factor in their decision. In addition, 56 percent of total respondents reported that appropriately recognizing nurses for their contributions was the most effective initiative to support well-being. Surveyed nurses suggested various ways to respond to the recognition gap, including simple acknowledgement, appreciation of excellence, and reinforcement through broader workplace culture and support in the field.

Many healthcare systems have found ways to implement the nurses' suggestions. While more research is needed to understand the full impact of these efforts, they may be helpful short-term starting points in the attempt to show support for the workforce.

At the Orlando VA Medical Center, "Employee Well-Being Centers" were set up to address the burnout and stress caused by the pandemic. Setting up a dedicated quiet space with amenities like virtual-reality headsets, aroma therapy, and sound machines, as well as snacks and beverages, resulted in a measurable positive impact on Employee Whole Health engagement scores and decreased feelings of burnout, higher retention, and increased overall well-being. As a result of these improvements, the program has expanded to more than ten medical centers across the Veterans Health Administration network.[5]

Some health systems have employed digital tools to ensure that tailored recognition can be delivered in a timely and meaningful way. For example, nurse managers at the Orange Coast Medical Center in Fountain Valley, California, were using sticky notes, mining emails, spreadsheets, and other manual processes to remind them which nurses did what to deserve recognition or to schedule meetings to help other nurses improve their work. While meaningful, these recognition processes were time-consuming for nurse managers.[6]

To sustain both this type of in-the-moment recognition and to reward bigger milestones, Orange Coast implemented the Laudio technology platform, which enables frontline leaders to monitor and manage team activity and performance. Use of this system has shown that one meaningful, or high quality, interaction per team member per month can reduce turnover by 36 percent.[7] In addition to keeping track of events and alerting managers about matters to engage in with specific nurses, Laudio can send digital cards and notes to nurses to acknowledge high performance.

Safety is also increasingly top of mind for nurses, as troubling incidents involving visitors and patients have risen.[8] In our most recent survey, 42 percent of nurses indicated that not having a safe working environment was an extremely or very important factor affecting their decision to leave direct patient care, up from 24 percent in March 2022.

To address safety concerns and incivility, UMass Memorial Medical Center in Worcester, Massachusetts, developed a patient and visitor code of conduct. At the entrances to facilities, visitors are asked to sign an agreement to adhere to a code of conduct that formalizes parameters and expectations of behavior. In addition, UMass created talking points for employees to use to respond to and de-escalate contentious situations.

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[5] "Employee well-being centers and carts," VA Diffusion Marketplace, accessed April 2023.

[6] "Frontline nurses are burning out. This digital health start-up is trying to change that," Laudio, May 13, 2022.

[7] Ibid.

[8] Christine Porath and Adrienne Boissy, "Frustrated patients are making health care workers' jobs even harder," *Harvard Business Review*, May 14, 2021.

The nature of nurses' work— typically specialized and always in demand—may make providing schedule flexibility seem daunting.

In just over a month of piloting the program, the hospital collected 56,000 signed agreements and only asked four visitors to leave the premises.[9]

In addition to deploying more effective strategies to support and retain employees, healthcare executives can look at ways to better attract talent in the near term. To recruit staff, health systems should ensure that their value proposition is aligned to the workplace elements that nurses consider most important—especially when differentiating on compensation is less feasible. Aya Healthcare, a healthcare-talent software and staffing company, found that hospitals seen as a great place to work paid less to secure talent throughout the pandemic. In fact, hospitals seen as great places to work had labor compensation rates 11 percent lower than those without this advantage.[10]

What stakeholders can do in the medium term

In the medium term, finding ways to incorporate flexibility into work schedules is an initiative that 63 percent of surveyed nurses ranked as the most effective for their well-being. We saw similar responses regarding nurses' decision to stay in their current position: 86 percent cited a flexible work schedule as the reason, which ranked second

after "doing meaningful work." The nature of nurses' work—typically specialized and always in demand—may make providing schedule flexibility seem daunting. But health systems have pursued several creative ways to address the issue.

For example, the Mercy health system launched Mercy Works on Demand, a systemwide on-demand platform that allows its full- and part-time nurses as well as other experienced nurses to select when they work. Through the platform, Mercy has hired about 1,100 individuals they are calling gig nurses and have improved overall fill rates by two percentage points.[11] But flexibility means different things to different people, which has increased complexity for employers. Charting a path forward will require a nuanced understanding of the employee value proposition as well as what options resonate with the workforce.

Job flexibility is at the center of many health systems' strategies to not only attract new talent but also to welcome back nurses who left during the pandemic. Henry Ford Health has been able to bring back 25 percent of the nurses who left by offering flexible opportunities. Nursing leaders worked closely with Henry Ford Health's human resources department to design flexible options such as the ability to work in different settings (for

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[9] Christine Porath, "Frontline work when everyone is angry," *Harvard Business Review*, November 9, 2022.

[10] April Hansen, "The value of a good reputation (or the cost of a bad one…)," The Staffing Stream, April 8, 2021.

[11] Kelly Gooch, "How Mercy embraced a gig mindset for nursing," Becker's Hospital Review, December 5, 2022.

example, inpatient, outpatient, or virtual) or to work only on weekends. The health system also created fixed-term positions for nurses who didn't want full-time permanent jobs, with the option to transition to permanent roles once their term was up.[12]

As in other industries, the flexibility to work remotely has become increasingly important to some nurses. Trinity Health launched a virtual-care model, allowing more experienced nurses to continue providing patient care but away from the bedside. The new virtual model opens the door to nurses who may be physically tired from the demands of in-person care and to those who prefer to work from home. In addition, this program has enabled the virtual nurses to provide support to teams at the bedside and to improve patient experience by giving them more chances to interact with a nurse. The program is being rolled out across Trinity's 88 hospitals nationwide.[13]

What stakeholders can do in the long term

As health systems look beyond retaining the current workforce and meeting the expected demand for nursing talent, they could have a role to play in building a longer-term pipeline through investing in new-graduate nurses and in the infrastructure required to ensure successful onboarding into the profession.

For example, Dignity Health has invested heavily in longer-term pipeline building through a joint venture between Dignity Health Global Education and Global University Systems. The partnership offers online academic degrees to further the education, training, and development of the healthcare

workforce. The joint venture spans technical, professional, executive, and leadership training and provides a range of flexible, accessible, and affordable education opportunities for healthcare workers to advance their careers. It also has a scholarship fund to remove financial barriers for education and to increase equity in healthcare. Dignity Health Global Education now has one of the most comprehensive nursing residency programs, available in 21 states.[14]

The commitment to building a longer-term talent pipeline has expanded beyond individual health systems. Many city and regional partnerships have developed across the United States, bringing together critical stakeholders across the healthcare ecosystem to train and upskill unemployed and underemployed job seekers into healthcare occupations. For example, the Birmingham Region Health Partnership, the result of close collaboration among government, healthcare employers, and other community partners, including Birmingham Business Alliance and Innovate Birmingham, won a $10.8 million grant from the Good Jobs Challenge to train and place over 1,000 jobseekers in the region.[15] Similar collaborative partnerships exist in Chicago, Baltimore, Philadelphia, among others, to build a pipeline of healthcare workers and to create meaningful career opportunities for historically excluded job seekers.[16]

Other stakeholders are taking action at a national level. In 2022, the US Department of Labor budgeted $80 million to encourage not-for-profit organizations, educational institutions, and tribal organizations to apply for grants of up to $6 million each to train current and former nurses to become nursing educators and frontline healthcare

[12] Mackenzie Bean and Erica Carbajal, "How Henry Ford rehired 25% of nurses who left during the pandemic," Becker's Hospital Review, February 15, 2023.
[13] Giles Bruce, "Trinity Health plans to institute virtual nurses across its 88 hospitals in 26 states," Becker's Hospital Review, January 13, 2023.
[14] "Dignity Health and Global University Systems announce joint venture to expand global education for health professionals," Global University Systems press release, January 30, 2019.
[15] "Birmingham receives $10.8 million 'Good Jobs Challenge' grant," Birmingham City Council press release, August 3, 2022.
[16] *BACH Quarterly Newsletter*, Baltimore Alliance for Careers in Healthcare, accessed April 2023; "Cutting the ribbon on new West Philadelphia Skills Initiative Headquarters," University City District, March 29, 2023; CHWC Overview & Update - February 2021, Chicagoland Healthcare Workforce Collaborative, updated March 10, 2021.

workers to train for nursing careers.[17] The program emphasizes increasing workforce diversity and building partnerships with community-based organizations and training institutions.

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Retaining the current nursing workforce while looking ahead to the longer-term talent pipeline will be critical to meeting the projected shortfall in registered nurses. There isn't one answer to the

challenges confronting healthcare organizations, and indeed, they have begun taking steps to address nurses' stated needs through short-, medium-, and longer-term strategies that attract, strengthen, and grow a vibrant nurse workforce. There is more to be done, especially in taking account of the voices of the front line and addressing the core drivers behind why nurses are planning to leave. We are optimistic that the issues facing the nursing profession can be addressed, but this will require consistent and dedicated attention from many parties.

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[17] "DOL Nursing Expansion Grant Program: Total funding available: Up to $80 million," US Department of Labor Employment and Training Administration, 2022.