

Chief Nursing Officers: Their Role and Keys to Effectiveness A Confidential Witt/Kieffer Survey of Chief Nursing Officers

Enhancing patient care quality is the key responsibility driving CNO success

Today's chief nursing officers (CNOs) are responsible for a vast array of tasks – everything from operations, evaluations and strategy to care delivery, mentoring, benchmarking and management. But there is a single most important responsibility that responding CNOs agree is highly important for their on-the-job success: *enhancing patient care quality*.

- 96 percent of CNO respondents say *enhancing patient care quality* is “highly important” to their success
- 88 percent agree that *building relationships with the medical staff* and *aligning nursing goals with strategic plans* tie as the No. 2 “highly important” responsibilities for CNO success
- 86 percent believe *establishing standards for nursing practice* is “highly important,” the third-highest responsibility rating that leads to their success
- 85 percent say *leading patient care services* is a “highly important” success-related responsibility
- 83 percent agree that *recruiting/retaining nurses* is “highly important” to success
- 81 percent acknowledge the high importance of *assessing/evaluating nursing care needs* for CNO success
- 80 percent rate *collaborating with nurse managers* as a key responsibility in their success
- The lowest-rated responsibilities that lead to CNO success are *developing physician leadership* and *enhancing job satisfaction among physicians* (24 percent rate them “highly important”)

These are among the findings of Witt/Kieffer's confidential study, *Chief Nursing Officers: Their Role and Effectiveness*, conducted in January 2003. The electronic survey of 1,136 CNOs nationwide achieved a 27-percent response rate, with 308 respondents. Martha C. Hauser, Witt/Kieffer senior vice president from the Atlanta, GA, office, and Christine Mackey-Ross, a consultant at the firm's St. Louis, MO, office, spearheaded the survey project.

Most CNOs are women who garner respect and find satisfaction at work

Today, the CNO still focuses on enhancing patient care delivery. But CNOs also are respected members of the senior management team, who are educated in business practice and nursing administration. CNOs are skilled in communications and building bridges between clinicians and management. Still largely a role held by women (92 percent), the CNO position is achieving pay parity with other senior executives, and the majority (77 percent) of CNO respondents express satisfaction with their present position. While most are Caucasian (96 percent), African-Americans and Hispanics now hold 4 percent of the positions, according to the study.

As their duties and reporting lines grow, currently 82 percent of CNOs say they are responsible for at least 30 percent of the organization's annual budget. Sixty-seven percent report that total annual budget to be \$100 million or more. Most of today's CNOs have held the role in more than one organization. Generally, they tend to make a job move to enhance their career growth. The majority (58 percent) expect to remain in their current position, but 44 percent expect to look for a new position within the next three years. Most CNOs (52 percent) possess an MSN degree, while 51 percent also have an MBA, MHA, MPH or another non-nursing master's degree.

Job turnover for CNOs is high, due largely to conflicts with CEOs and financial issues

CNO respondents say they perceive their career role as one with high job turnover, although they see opportunities increasing along with the expanding range of CNO duties. It should be noted that a strong minority of respondents expressed ambivalence about the position potentially being diluted by this role expansion. Nearly three-quarters of responding CNOs cite *conflicts with CEOs and financial issues* as contributing most to turnover in the position. *Nursing staff* issues also contribute importantly to turnover. Other areas impacting turnover include: *lack of balance in professional/personal life* and *conflicts with physicians*.

- 72 percent of responding CNOs “highly agree/agree” that *CEO conflicts and financial issues contribute most to CNO turnover*
- 65 percent “highly agree/agree” that *nursing staff turnover contributes to CNO turnover*
- 62 percent of responding CNOs “highly agree/agree” that *CNO turnover is high*
- 61 percent “highly agree/agree” that *lack of balance in professional/personal life contributes most to CNO turnover*
- 54 percent “highly agree/agree” that *physician conflicts contribute most to CNO turnover*
- 52 percent “disagree/highly disagree” that *CNO opportunities are declining*
- 48 percent “highly agree/agree” that *CNO benefits are rising*
- 43 percent “highly disagree/disagree” that *most nursing executives are leaving the profession* (36 percent are neutral on the issue and 23 percent “highly agree/agree” they are leaving nursing)
- 39 percent “disagree/highly disagree” that *health care is diluting the CNO's title and role*, while a third (33 percent) “highly agree/agree” that such dilution is occurring (28 percent are neutral)

CNOs maintain credibility with physicians and nurses that directly impacts their ability to be effective executives

Effectiveness, essential for success, results in part from the *credibility* that is due to the shared clinical backgrounds of CNOs with physicians and nurses. Other factors reported as influencing CNO effectiveness include: *interpersonal/communications skills*,

collaborative relationships with the CEO and senior management team, and CEO support for nursing leadership and practice initiatives. Visibility within the organization, as well as nurse manager/team leader collaboration and proactive systems thinking are also highly rated as contributing to the CNO's effectiveness.

CNO effectiveness is undercut when the CEO is unsupportive

CEOs who fail to support the CNO and nursing practice initiatives are a major cause of reducing CNO effectiveness, along with lack of collaborative relationships with the CEO and senior management team members. But responding CNOs are also willing to find some fault within themselves, citing credibility gaps with nurses and/or physicians and lack of interpersonal/communications skills as key factors that undercut their leadership effectiveness.

CNOs are successful at gaining organization-wide respect

The relatively rapid emergence of the CNO role means that respondents have largely had to “make their own way” in organizations, and almost all respondents claim to have achieved respect throughout the organization for their position and role. Other important leadership areas in which CNOs are successful include: setting a tone for leadership, establishing a vision for nursing, planning/implementing corporate goals that reflect the organization's strategic plan, and communicating openly with all levels of staff and leadership.

CNOs support professional practice of nursing leadership through a vision for the nursing department and mentoring

Supporting the professional practice of nursing leadership is deemed highly important for enhancing professionalism within the department and the organization, as well as vision-setting for the department and ongoing participation in mentoring to develop new nursing leadership for the future.

CNOs believe the CNO title strengthens their leadership role by enhancing their influence on and interaction with others

In only a generation, the appearance of vice president-level titles for the individual responsible for patient care has signaled the emergence of a broader and deeper role within the organization. A wide range of titles still exists for the position of CNO, including VP/Nursing, Executive Vice President/Patient Care, and Senior Patient Care Executive. In organizations that use “chief” in their executive titles – CEOs, COOs, CFOs, CIOs and so on – respondents say the CNO title indicates parity with other senior leadership roles. The majority of those who have the specific CNO title say it enhances their authority. They claim it is important in enhancing their effectiveness with physicians, their interaction with nurses, and also enhances their influence with administrators.

Wide range of “important actions” for CNOs as they enhance care

Nearly 290 CNO respondents offered their ideas concerning “important actions” they can take to enhance the effectiveness of patient care. While there was no clear consensus among the responses, comments included such areas as increase recruiting/retention, mentoring, accountability, education, mission focus, best practices, quality, provide support, communicate, visibility, trust, survey, leadership, standards, job satisfaction, collaboration, agent of change, relationship building, safety, resources, customer focus, time management, creativity, monitoring and service orientation as among the useful strategies for success.

Key demographics

Compensation

For all CNO survey respondents, average base compensation was \$135,104. Some of the factors that can impact compensation levels for any executive position include type of organization, years of experience and region/location. Because of the high proportion of females in the CNO role, gender has no impact on compensation for this position.

According to the current study, 60 percent of respondents feel they are compensated *fairly and equitably in relation to the market*.

Base compensation averages \$136,104 for CNOs nationwide; \$178,476 at AMCs

- Average base compensation for CNOs overall: \$135,104
- Average base compensation for CNOs at academic medical centers: \$178,476
- Average base compensation for CNOs at IDSs: \$144,321
- Average base compensation for CNOs at COH institutions: \$143,860
- Average base compensation for CNOs at faith-based organizations: \$139,013
- Average base compensation for CNOs at health systems: \$140,771
- Average base compensation for CNOs at not-for-profits: \$136,846
- Average base compensation for CNOs at hospitals: \$132,550
- Average base compensation for CNOs at for-profits: \$129,203
- Average base compensation for CNOs at community hospitals: \$124,930

Average base compensation by CNO experience

1 year or less:	\$130,579
2-3 years:	\$131,427
4-6 years:	\$145,784
7-10 years:	\$126,189
10+ years:	\$140,789

Average base compensation by region

East:	\$143,992
West:	\$142,058
South:	\$130,818
Central:	\$128,621

Most CNOs plan to stay put, but 21 percent expect to job hunt this year

- 58 percent of CNOs *will keep their current position for the time being*
- One in five CNOs (21 percent) are seeking to *switch jobs within the next 12 months*
- 15 percent of CNOs will *seek a new position within the next 12-24 months*
- 8 percent of CNOs will be *job hunting within the next 24-36 months*

Typical CNO perqs: continuing education, dues, tuition and insurance

- 94 percent of responding CNOs receive *continuing education/seminars* as benefits/perquisites, followed by *professional organization dues* (81 percent), *tuition reimbursement* (77 percent), and *supplemental life insurance* (71 percent)
- 44 percent of CNOs responding to the survey receive *paid moving expenses*, 41 percent receive *deferred compensation*, 39 percent garner a *Supplemental Executive Retirement Plan (SERP)* and 33 percent, a *severance clause*

Titles

One's title indicates power and capability, so the increasing adoption of the CNO designation further validates the central role of the CNO. Similarly, the precipitate decline of the VP/Nursing title shows just how much the CNO role is expanding within health care overall.

Chief Nursing	
Officer/Executive	27 percent
Vice President, Patient Care	25 percent
Vice President, Nursing	7 percent
Senior Patient Care	
Executive	2 percent
Other	40 percent

Areas reporting

Areas reporting to the CNO have changed in focus and intensity. A greater percentage now have education and professional/clinical services reporting to the position than in previous studies conducted by Witt/Kieffer, and a lesser percentage now report having responsibility for mental health, rehabilitation, long-term care, home care, hospice, research and support/hotel services than just three years ago.

Acute Care	98 percent
Ambulatory services	71 percent
Education	61 percent
Professional/Clinical services	59 percent
Mental health/Psychiatric	43 percent
Rehabilitation services	40 percent
Long-term care	25 percent
Home care	23 percent
Hospice	20 percent
Research	11 percent
Support/Hotel services	7 percent
Others	37 percent

Organization's annual net revenue

Employer organizations of respondents represent the full range of healthcare entities, from the smallest rural community hospitals to huge regional and national health systems, as indicated by the range of annual revenue reported.

<\$100 million	33 percent
\$100 to \$250 million	31 percent
\$251 to <\$500 million	22 percent
\$500 million to <\$1 billion	8 percent
\$1 billion or more	6 percent

Regions represented

Respondents participated from every region of the country, with a fairly even distribution.

South	27 percent
East	25 percent
Central	24 percent
West	23 percent

Reporting relationship

Two-thirds (67 percent) of responding CNOs report to the CEO/President; about one-fourth (23 percent) to the chief operating officer, and 10 percent to various other positions including the system president, COO, executive vice president or another administrator.

CNO employer

77 percent of respondents are employed by a hospital, 44 percent by a health system, and 12 percent by an integrated delivery system. Not-for-profit organizations represent 43 percent of respondents. Other categories and responses include for-profit organizations (11 percent), community teaching hospitals (16 percent), community non-teaching hospitals (23 percent), academic medical centers (8 percent), faith-based organizations (13 percent) and managed care organizations (2 percent). Owing to overlapping categories, aggregate percentages are in excess of 100 percent.

Total budget responsibility

Nearly one-fourth (23 percent) of respondents are responsible for between 31 percent and 40 percent of the organization's total budget. Other budget categories and responses include: 22 percent of respondents are responsible for between 51 percent and 60 percent of the organization's budget; 20 percent are responsible for greater than 50 percent of the organization's budget; 17 percent are responsible for between 41 percent and 50 percent of the organization's budget; 12 percent are responsible for between 21 percent and 30 percent of the budget; 4 percent are responsible for between 10 percent and 20 percent of the budget; and 1 percent are responsible for less than 10 percent of the budget.

Respondents by age

34 percent (age 46-50); 30 percent (age 51-55); 16 percent (age 56-60); 12 percent (age 41-45); 4 percent (age 61-65); 3 percent (age 36-40); 1 percent (> age 65).

Degrees held by respondents

57 percent (BSN); 52 percent (MSN); 22 percent (other Master's); 20 percent (Diploma); 19 percent (MBA); 14 percent (other Bachelor's); 12 percent (Associate Degree); 10 percent (Doctorate); 8 percent (other); 7 percent (MHA); 3 percent (MPH).

Years of experience in the profession

26-30 years (34 percent); >30 years (33 percent); 21-25 years (25 percent); 17-20 years (4 percent); 14-16 years (3 percent); 8-10 years (1 percent).

Years respondents have held their current position

2-3 years and 4-6 years (30 percent each); 7-10 years (14 percent); 1 year or less and >10 years (13 percent each).

Years till retirement

> 10 years (57 percent); 6-10 years (27 percent); 4-5 years (12 percent); 2-3 years (4 percent); 1 year or less (1 percent).

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