



Healthcare Leadership Trends for 2024



Overview

AMN Healthcare Leadership Solutions, including B.E. Smith, an AMN Healthcare company, is the nation’s largest provider of healthcare interim leadership and executive search services.

Conducted for nine consecutive years, the AMN Healthcare/B.E. Smith 2024 Healthcare Leadership Trends Survey gathers timely insights from healthcare executives. This report (“Trends” or “Trends survey” throughout) presents the survey’s findings on healthcare leadership recruitment, retention, engagement, and development as well as on key organizational and industry influences (Figure 1). Independent data is also offered that situates the findings within four overarching challenges facing healthcare leaders today.

FIGURE 1



Survey Methodology

The survey was conducted by email to an extensive list of healthcare leaders from manager through C-level between June 27 and July 21, 2023. Valid responses were received from 666 executives. Demographic highlights include:

- 59% female, 38% male.
- 38% C-suite/Trustee (including 10% CEOs), 8% Sr. VP/VP, 50% Director/Manager. Other representation from academic leaders and clinic administrators.
- 73% work in health systems and hospitals, 12% in specialty health centers, 11% in clinics/group practices. Among the acute care respondents, 49% work at systems with 500 licensed beds and higher, 22% at 201-500 beds, and 29% at 200 and under.
- 45% have worked at their organizations for more than 10 years, 21% 6-10 years, and 33% for 5 years or fewer.
- 78% white, 5% Black, 5% Latin/Hispanic, 5% Asian.
- 49% Generation X, 35% Baby Boomer, 15% Millennial.

Key Findings

Forty-eight percent of organizations find it very or extremely challenging to find quality candidates for executive positions.

Retention risk is notable as 66% of leaders intend to seek a new position. Nearly two-thirds of those would like to leave within twelve months and 12% want an immediate change. Four in five have been approached with an opportunity in the past six months.

Despite improvement in 2023, the financial picture remains precarious for many healthcare organizations. Financial constraints show up as a factor throughout the survey, and 44% of healthcare leaders believe this issue will cause the greatest disruption in healthcare over the next three years.

The percentage of respondents foreseeing better overall organizational health over the next 12-18 months leapt 15 points from last year to 52%.

Expansion of existing service lines and value-based care are among the leading growth strategies being pursued, along with advancing ambulatory care, telehealth, and mergers and acquisitions. These strategies exist alongside those seeing continuing momentum in the industry that include advancing ambulatory care, telehealth, and mergers and acquisitions.

Signs of improving engagement were evident in the finding that 33% of leaders believe their physicians are highly engaged, up from 29% the previous year, while 33% also see high engagement among their nurses, up from 22%. However, there remains a substantial engagement gap between leaders and clinicians.

Vision/strategy assumed its perennial top spot on the list of most preferred leadership attributes, conveying the high value placed on ability to navigate today's serious challenges.



Industry Context: Current Challenges

To frame the Trends findings with important context, an extensive literature review was conducted. This section offers relevant data in four themes that represent major challenges affecting all healthcare decision-making (Figure 2).

FIGURE 2



Financial Pressures and Constraints Dominate Decision-Making

Despite progress during 2023, the financial picture for most providers is precarious, constraining many workforce decisions.

Where Providers Stand

- **Profitability.** The median hospital operating margin has stayed mostly positive during the year and stands at 1.1% year-to-date through August.¹ Fitch Ratings believes “longer-term industry dynamics continue to suggest protracted margin compression compared to historical trends as additional expenses, primarily labor, remain elevated.”²
- **Volume.** The steep patient volume declines experienced during the pandemic are slowly reversing. Through August 2023, on a per calendar day basis, discharges, emergency department visits, and operating room minutes increased 3-4% over 2022.³
- **Cash and bad debt.** Moody’s asserts that hospital operating cash flows, while improving, “will take years to recover and may never reach pre-pandemic margins.” The rating agency projects a median 7% cash flow margin by mid-2024, still well off the 8.4% seen pre-COVID.⁴

¹ Kaufman Hall, *National Hospital Flash Report*, September 2023.

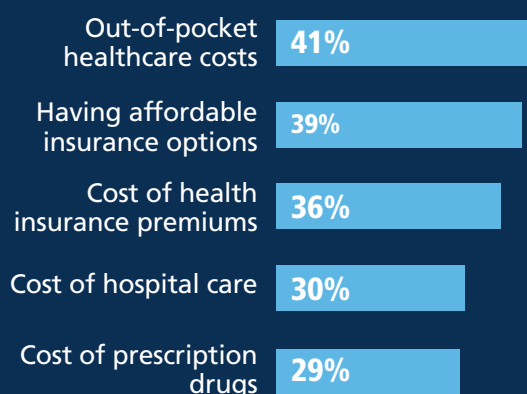
² Fitch Ratings, “2023 Median Ratios: Not-for-Profit Hospitals and Healthcare Systems,” July 25, 2023.

³ Kaufman Hall, *National Hospital Flash Report*, September 2023.

⁴ N. Thomas, “Hospital Cash Flow to Take Years to Recover, Moody’s Says,” *Becker’s Hospital CFO Report*, August 10, 2023.

FIGURE 3

Which healthcare issues are most important to you? (Top 3)



Source: Beryl Institute Ipsos

Leading Financial Stressors

Several factors are complicating provider finances:

- **Reimbursement constraints.** Spiking costs are not being offset by corresponding increases in insurance reimbursement.
- **Affordability issues.** Raising prices is not a viable option given the pressure from the ultimate buyers. Individuals continue to register major concerns about ability to pay for their care (Figure 3).⁵ Employers want to rein in costs that are expected to rise another 8.5% in 2024 for those paying for employee care.⁶
- **Payer policy conflicts.** Payers have been aggressively pursuing prior authorization of procedures. Commercial insurance initial denial rates for inpatient claims reached over 3% in 2023's first quarter, and nearly one-third of claims were not paid for more than three months.⁷

Solutions Being Prioritized

Health systems, hospitals, and practices are mounting vigorous responses to the financial difficulties, including:

- **Expense control.** The year has already seen substantial cuts in labor and other expenditures. Difficult decisions are being made regarding across-the-board versus targeted cuts and deferral of capital projects.
- **Service line rationalization.** Process redesign and greater use of remote care are priorities to streamline service delivery and save clinician time.
- **Automation.** Investment is increasing in automating the many manual administrative processes that prevail in healthcare to generate ongoing cost savings.

Achieving Growth a Critical Success Factor

Growth is another avenue to profitability and is vital to long-term success. Recently, 49% of healthcare executives named growth their top challenge.⁸ Several leading strategies are being employed to raise revenue and volume.

Ambulatory Care

Shifting care "outside the hospital's four walls" is a widely-shared strategic goal. Analysts project outpatient volume growth of 16% overall and 18% for surgeries over the next decade, versus a meager 2% for inpatient.⁹ The ultimate ambulatory site may be the home. Health systems are embracing the hospital-at-home (HaH) movement. HaH pairs patient monitoring technology with remote caregivers to perform various post-surgical treatments. An early 2023 survey found that among those capable of developing a program, 26% had fully implemented one, 13% had partially implemented, and 35% were planning to do so.¹⁰

⁵ The Beryl Institute and Ipsos, *The Beryl Institute - Ipsos PX Pulse: Consumer Perspectives on Patient Experience in the U.S.*, July 2023.

⁶ Aon, "U.S. Employer Health Care Costs Projected to Increase 8.5% Next Year," August 22, 2023.

⁷ Crowe, *Time for a Commercial Break: Crowe RCA Benchmarking Analysis*, May 2023.

⁸ A. Kayser, "The No. 1 Healthcare Challenge, Per 150 Leaders," *Becker's Hospital Review*, August 15, 2023.

⁹ Sg2, *2023 Impact of Change Forecast Highlights*, 2023.

¹⁰ Healthcare Innovation, *2023 State of the Industry Survey*, January/February 2023.

Telehealth

Telehealth helps generate revenue by enabling a variety of remote care offerings. The technology is a priority investment for 28% of health systems, 31% of academic medical centers, and 30% of physician groups.¹¹ Usage statistics bolster the growth case:

- 40% of physicians indicate daily use and another 44% weekly.¹²
- 83% of patients who have tried telehealth plan to maintain or increase their participation, and their satisfaction levels with telemedicine are generally high (Figure 4).¹³

M&A

Non-organic growth via mergers is a central strategy for many. Two-thirds of health systems plan to increase such activity over the next three years (Figure 5).¹⁴

Two trends characterize the current deal landscape:

- The large transactions of recent years are being replaced by smaller “add-ons targeted at expanding into new markets or growing market share.”¹⁵
- Hospitals and systems are combining across regions or markets for broader reach and in some cases to reduce the threat of antitrust issues.

Staffing Shortages Still Prevalent

The pandemic-induced severe staffing problems have abated somewhat, but shortages and disruptions continue to complicate strategic and operational execution. Fitch Ratings believes the industry is “likely still another year away from some level of ‘normal’ ... particularly in terms of labor availability.”¹⁶ Surveys consistently document workforce challenges as a top leadership concern.

11 A. Feinberg, E. Berger, and R. Hammond, “2023 Healthcare Provider IT Report: Doubling Down on Innovation,” Bain & Company Brief, September 12, 2023.

12 Doximity, *2023 State of Telemedicine Report*.

13 Ibid.

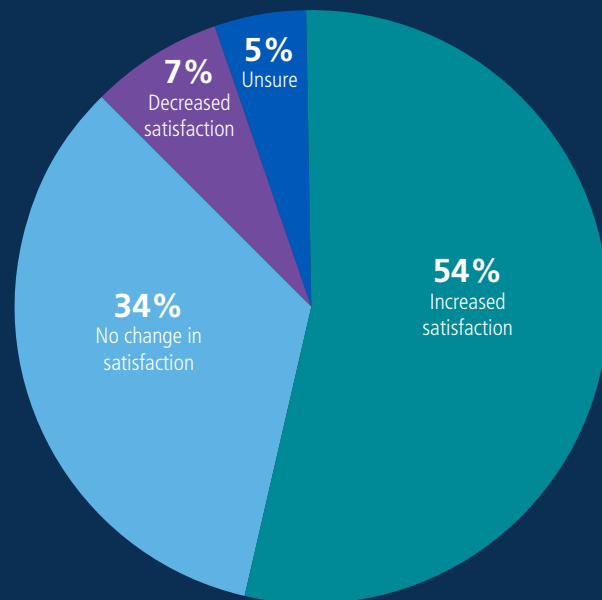
14 HealthLeaders, “Intelligence Report: What’s Driving M&A,” July-August 2023.

15 Ibid.

16 Fitch Ratings, “2023 Median Ratios: Not-for-Profit Hospitals and Healthcare Systems,” July 25, 2023.

FIGURE 4

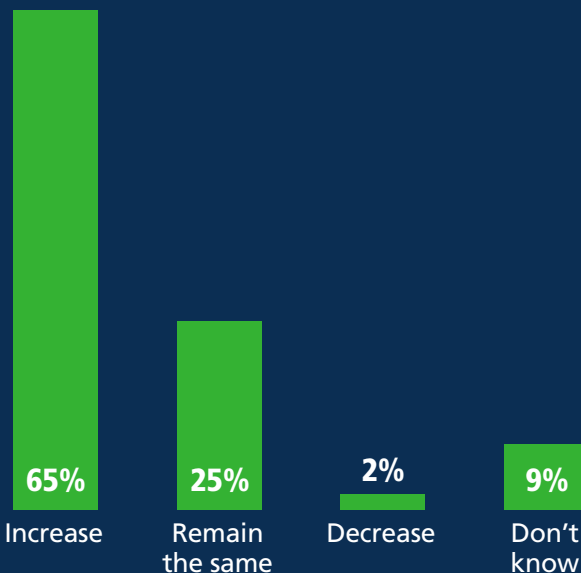
How has virtual care affected your satisfaction with your care?



Source: Doximity

FIGURE 5

Within the next three years, do you expect your M&A to:



Source: HealthLeaders

The nursing situation remains dire. The national vacancy rate has been estimated at almost 16%.¹⁷ AMN Healthcare recently completed the *2023 Survey of Registered Nurses*, which found that:

- 49% of nurses see severe shortages in their areas.
- Almost 90% perceive today's shortages as worse than five years ago, while 80% expect the shortfalls to become much or somewhat worse over the coming five years.¹⁸

Implications

Compensation costs have risen in an effort to recruit and retain talent. S&P predicts these increases will “long remain part of the expense base.”¹⁹ Moody's pegged the median salary and wage growth for permanent staff at a hefty 7.3% in early 2023.²⁰

Shortages also impede growth in procedure volume and create costly increases in patient length of stay. The latter arises from labor problems throughout the post-acute sector that prompt limitations on referrals from hospitals. Home health agencies, for example, have reported rejection rates that increased by 40%.²¹

Durable responses include expansion of virtual nursing and data-driven scheduling/staffing planning programs. Offering hybrid work models is an ongoing strategy, and 35% are anticipated to have such models by 2024.²²

Digital Transformation an Imperative and Requires Strong Talent Management

Healthcare executives are bullish on technology, as a recent survey documented:

- 80% of organizations have increased IT and software spending over the past year.
- 56% see technology as one of the top three current priorities.
- 75% foresee spending growth in the next twelve months.²³

This strong technology push fulfills an imperative to achieve digital transformation and become a “digital first” operation. A major impetus is the formidable competition arising from retail health and non-traditional providers who are rapidly expanding in primary, home, and selected specialty care. Nearly one-third of the U.S. adult population is forecasted to use retail clinics at least once in 2024, with almost 37% visiting urgent care centers.²⁴ Another projection sees non-traditional players capturing 30% of the primary care market by 2030.²⁵

17 Nursing Solutions, Inc., *2023 NSI National Health Care Retention & RN Staffing Report*, March 2023.

18 AMN Healthcare, *2023 Survey of Registered Nurses*, May 1, 2023.

19 N. Thomas, “Nonprofit Healthcare Will Likely Take Years to Recover, S&P Says,” *Becker's Hospital CFO Report*, January 3, 2023.

20 N. Thomas, “Hospital Cash Flow to Take Years to Recover, Moody's Says,” *Becker's Hospital CFO Report*, August 10, 2023.

21 WellSky, “The WellSky 2023 Evolution of Care Report Reveals Critical Changes to Care Delivery In the Past Year,” July 25, 2023.

22 IDC, *Futurescape: Worldwide Healthcare Industry 2023 Predictions*, November 2022.

23 A. Feinberg, E. Berger, and R. Hammond, “2023 Healthcare Provider IT Report: Doubling Down on Innovation,” Bain & Company Brief, September 12, 2023.

24 R. Leventhal, “Primary Care Practices Lose Patients to Alternative Sites of Care,” *Insider Intelligence*, December 1, 2022.

25 American Hospital Association Center for Health Innovation, *Health Care Disruption: 2023 Outlook*, February 2023.

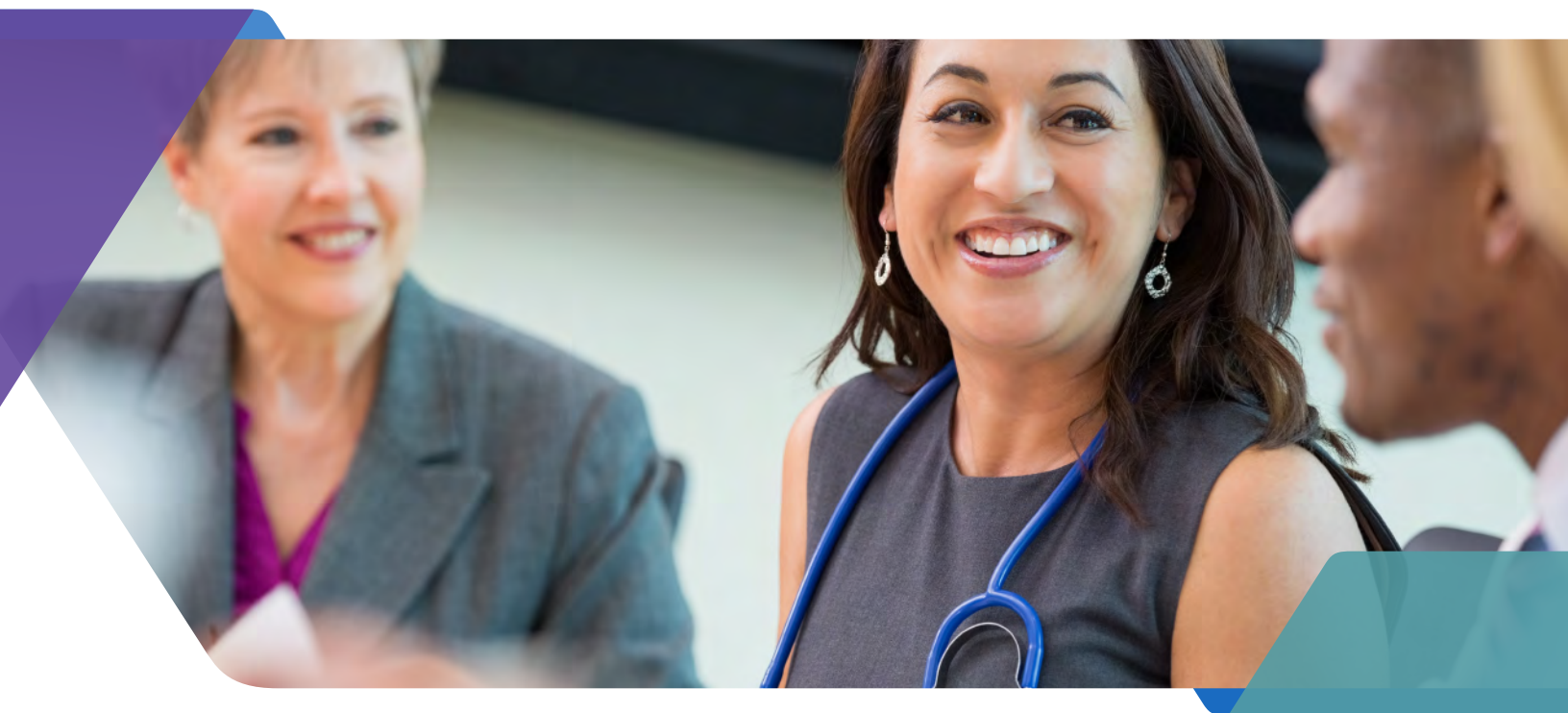


Talent Implications

Digital transformation has several critical talent/workforce management implications:

- **Staff shortages and skills gaps.** A poll of healthcare technology leaders on barriers to digital adoption saw 19% cite staff resource constraints.²⁶ Many organizations are attempting to reskill current employees to close some of the gap.
- **Flexible teams.** As one analyst puts it, “Multidisciplinary digital business teams or fusion teams are critical to successful digital transformation.”²⁷ AMN Healthcare sees this trend playing out in growing demand for adaptive, flexible leadership from both within and outside the organization.
- **Effect of Artificial intelligence (AI) on jobs.** Generative AI, which can produce complete text and images from chat-based prompts, is in the spotlight. One study suggested that 6% of health systems already have a generative AI strategy in place, and nearly 50% are developing one or plan to soon.²⁸ As leaders roll out their AI strategies, they will need to be sensitive to employee fears about job elimination. An interesting speculation, derived from analyzing generative AI’s potential to assume language-based tasks, is that 28% of overall work time in healthcare carries a “higher potential for automation.”²⁹ Academic leaders are also calling for “competency-driven AI instruction” in medical schools.³⁰

Ultimately, the combination of digital transformation and new growth initiatives is changing the nature of health systems. Some vanguard leaders have taken to viewing their organizations as a “health platform” or “family of businesses” to reflect the new fluid reality.³¹



26 Xealth, “Infographic: 90% Adopt Digital Health , Despite Financial Pressures,” August 4, 2023.

27 Gartner, “Why Fusion Teams Matter,” February 14, 2022.

28 A. Feinberg, E. Berger, and R. Hammond, “2023 Healthcare Provider IT Report: Doubling Down on Innovation,” *Bain & Company Brief*, September 12, 2023.

29 Accenture, *A New Era of Generative AI for Everyone*, March 2023.

30 J. Krive, M. Isola, L. Chang, et. al., “Grounded in Reality: Artificial Intelligence In Medical Education,” *JAMIA Open*, July 2023.

31 Becker’s Healthcare, *Core Concerns for the Healthcare C-Suite: 2023 Quarter 3*.

Trends & Observations

The 2023 Healthcare Leadership Trends survey results yield insights across many facets of leadership. The findings are organized into seven themes.

1 Leaders See Better Times Ahead With Varied Growth Initiatives

Leaders showed an improving outlook on the forward health of their organizations (Figure 6). After a steep decline last year, the percentage of respondents foreseeing better overall health over the next 12-18 months leapt 15 points to 52%. No change and worse both decreased, but the latter still means that one-quarter of the population anticipates deteriorating conditions.

Respondents also weighed in on their top three growth strategies. The initiatives attaining 25% or greater votes were:

- **Existing service line expansion: 56%**
- **Significant cost reduction: 45%**
- **Value-based reimbursement growth: 38%**
- **Significant partnerships with payers or other health systems: 35%**
- **Telehealth: 25%**

Substantial declines from last year's survey were incurred by outpatient care growth, recovery of procedure volume lost during the pandemic, and telehealth. These strategies remain important, but some reordering of emphasis is apparent. After years of heavy investment in new outpatient facilities and physician groups as well as in telemedicine, organizations now may be digesting those moves and favoring expansion of services in place. Two additional observations:

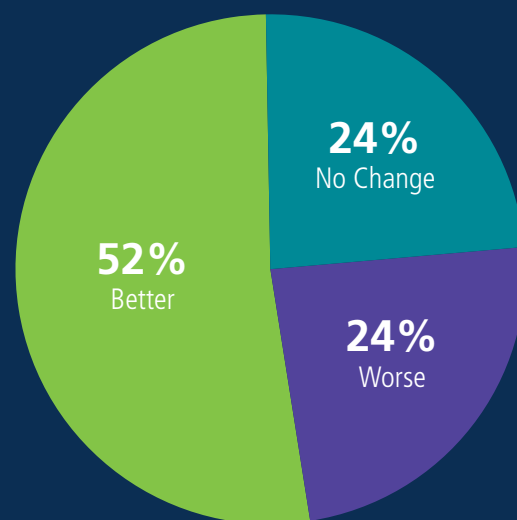
- Leaders clearly see cost reduction as a growth driver as well as a purely defensive move.
- The strong ranking of value-based care (VBC) is interesting and perhaps surprising, given halting progress in this area for years. Leaders may be viewing VBC as a path to long-term financial health and care quality by letting them "enable more upstream intervention to stop adverse outcomes later."³²

Peering further ahead, surveyed leaders deemed two forces as most disruptive to healthcare over the next three years. Financial pressures headed the responses on a rise to 44% from 12% last year. Dropping to second place was serious clinician issues, halving its mentions from 66% to a still-significant 33%. The dominance of these twin forces shows how powerfully they are perceived. Non-traditional competition placed third on the list at 7%, which may imply some skepticism on the ultimate success of retail health.

³² J. LaPointe, "4 Key Areas of Value-Based Care Transformation," *RevCycle Intelligence*, September 28, 2022.

FIGURE 6

Overall Organizational Health in Next 12-18 Months



2 Serious Leadership-Clinician Engagement Gap Persists Despite Improvement

The Trends survey annually queries leaders on their perceptions of engagement levels of their leadership team, physicians, and nurses. Figure 7 displays this year's results. Compared to prior year, the numbers reflect across-the-board improvement. The figures shown for high engagement represent increases over last year of six percentage points for leadership, four for doctors, and eleven for nurses. The strong nursing showing was accompanied by a 16 point decrease in the low rating.

The positive direction is tempered by the continuing engagement gap shown in the chart between leaders and clinicians. Medium and low engagement was ascribed to a bit over one-third of leaders but two-thirds of the clinicians. Closing this gap is a priority.

The Clinicians' Views

It is important to note that these results represent the leadership perspective. Independent clinician studies, including extensive ones from AMN Healthcare, convey significant disengagement and burnout. For example, the recently-published biennial nursing survey uncovered notable declines from prior years on several measures.

- Over 80% of nurses said they experience a great deal or a lot of stress in their jobs.
- 37% strongly agreed they feel burned out most days.
- Due to the pandemic, 30% of nurses are likely to leave the profession, up 7 points since 2021.
- The percentage of nurses likely to encourage others to become nurses dropped 14 points.³³

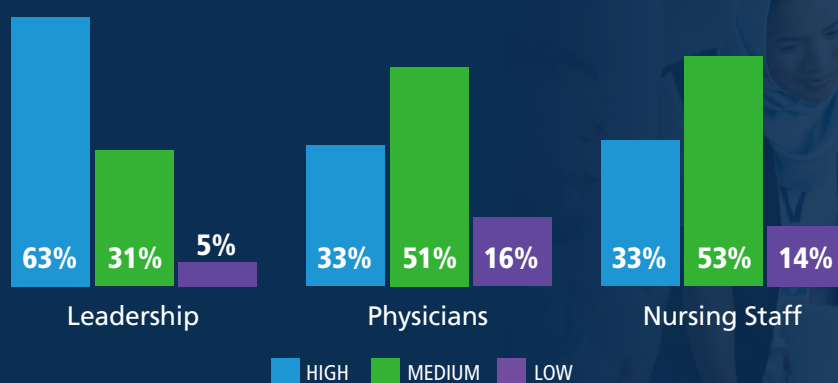
Physicians are also struggling. A significant mid-2023 survey found:

- For the third year in a row, six in 10 physicians often have feelings of burnout, compared to four in 10 in 2018.
- Like their physician colleagues, six in 10 residents often have feelings of burnout.
- 70% of medical students frequently feel burned out.³⁴

Studies point to avenues of improvement. One identified higher clinician burnout associated with lack of workflow control and chaotic workplaces, while efficient teamwork and feeling valued promoted positive engagement.³⁵ Another revealed that 57% of clinicians are more optimistic about their organizations when there is a leadership role dedicated to staff wellness.³⁶

FIGURE 7

Perceived Level of Engagement



33 AMN Healthcare, *2023 Survey of Registered Nurses*, May 1, 2023.

34 The Physicians Foundation, *2023 Survey of America's Current and Future Physicians*, September 14, 2023.

35 M. Linzer, J. Jin, P. Shah, et. al., "Trends in Clinician Burnout with Associated Mitigating and Aggravating Factors During the COVID-19 Pandemic," *JAMA Health Forum*, November 23, 2022.

36 Deloitte Center for Health Solutions, *Addressing Health Care's Talent Emergency*, November 2022.

3 Culture, Compensation, Colleagues Key to Mitigating Retention Risk

Leadership retention prevents costly turnover and minimizes strategic disruption. Trends delved into an array of retention variables to obtain a more granular understanding.

Career Satisfaction

A bedrock factor in likelihood to stay in a position is overall satisfaction with one's job and employer. Satisfaction levels on both measures tracked positively. Regarding their current jobs, 38% of leaders said they are extremely satisfied and 44% are somewhat satisfied. Both numbers are in line with 2022. C-Suite and VP respondents showed 7 to 8 point higher satisfaction than directors. Tenure also matters. Job satisfaction varied from 91% for those at their positions for under one year to 78% for 1-5 years, 83% 6-10 years, and 85% greater than 10 years. Focusing on earlier-stage leaders may pay retention dividends.

Respondents' satisfaction with their organizations recorded similar numbers, with 30% extremely satisfied and 44% somewhat. A clear exposure is heralded by the 18% who expressed neutral to extremely dissatisfied feelings about their jobs as well as the 26% in the same status regarding their organizations.

Intention to Leave Position

Another way to calibrate retention strength is through leaders' stated intentions. Equal to last year, 34% of Trends respondents said they do not intend to leave their current positions, That leaves two-thirds of an organization's leaders at some level of vulnerability to departure. Of that cohort, 38% are planning a 3 to 5 year horizon. However, a more restive group of 62% intends to leave within one year. Twelve percent are seeking an immediate change. As might be expected, individuals dissatisfied with their jobs expressed greater intention to move - 29% immediate, 63% within one year.

Opportunity to Move

The urgency to attend to retention is underscored by evidence on leaders being approached to leave. Figure 8 shows that 4 in 5 respondents were approached with a credible job opportunity within the past six months. This level is up slightly from 2022.

The good news is that 62% of leaders did not pursue the overture, although a significant 17% did. Among those who expressed dissatisfaction with their job, 37% pursued the competitive opportunity. Additional vulnerability was seen at the VP level with 29% of that cohort having pursued it.

This offer activity poses risks of heightened turnover rates, which are already significant. Hospital CEO turnover was 16% in 2022.³⁷ Overall hospital worker and nurse levels have been calculated at just under 23% each.³⁸ Physician turnover across all practice sites over the past decade has hovered in the 5% to 8% range.³⁹

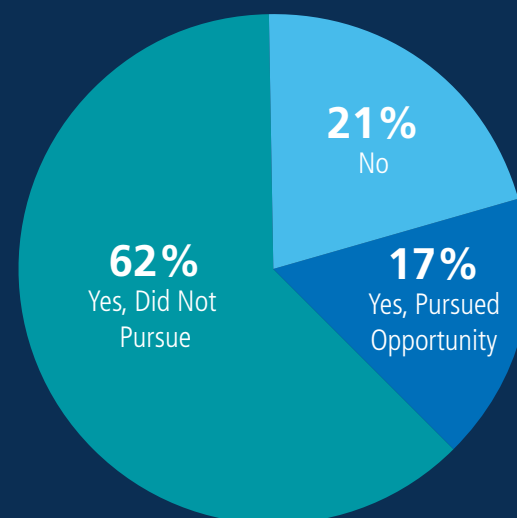
³⁷ American College of Healthcare Executives, "Hospital CEO Turnover Rate Remains Steady," August 8, 2023.

³⁸ Nursing Solutions, Inc., 2023 NSI National Health Care Retention & RN Staffing Report, March 2023.

³⁹ A. Bond, L. Casalino, M. Tai-Seale, et. al., "Physician Turnover in the United States," *Annals of Internal Medicine*, July 2023.

FIGURE 8

Approached with Credible Job Opportunity in Last Six Months



Factors Fostering Retention

Multiple factors influence decisions to stay. Asked to name the top two, leaders produced the ranking displayed in Figure 9.

Several observations emerge from this list:

- Culture, compensation, and colleagues have occupied the leading responses for several years. These “three Cs” remind leaders that creating a positive, thriving organizational culture is far more than a “nice to have.”
- Colleagues led last year’s list, as the pandemic drove employees to derive support from their co-workers in a fraught time. With the crisis waning in intensity, the broader cultural considerations may be coming to the fore.
- Management’s role placing only fifth, on a drop of 8 points from 2022, suggests an opportunity to enhance the management team’s retention skills.

Advancement Potential

One additional variable in Figure 9 deserves elaboration. Career potential ranked fifth and increased five points over last year. Perceived advancement opportunity within an organization is a key inducement to stay for many leaders. Only 25% of Trends respondents stated they are currently on an advancement track, an uptick from last year’s 20%. Conversely, 21% believe they must leave their employer if they wish to move ahead – 40% among those dissatisfied with their jobs.

Respondents mostly claimed a lack of available positions, but a number of organizational barriers were observed. Representative comments are shown in Figure 10.

Analysis by level shows that 15% of C-suite, 21% of SVP/VP, and 27% of directors believe they must leave. Some of these individuals are at the top of their organization’s career ladders. Thirty-one percent of respondents indicated being in this status, with a breakdown of 44% C-suite, 35% VP level, and 19% directors.

Management experts stress the value of broad career development efforts, including greater attention to middle managers. These executives are “essential to helping businesses navigate rapid, complex change.”⁴⁰

40 E. Field, B. Hancock, and B. Schaninger, “Don’t Eliminate Your Middle Managers,” *Harvard Business Review*, July-August 2023.

FIGURE 9

Factors That Most Influence Intent to Remain at Current Organization

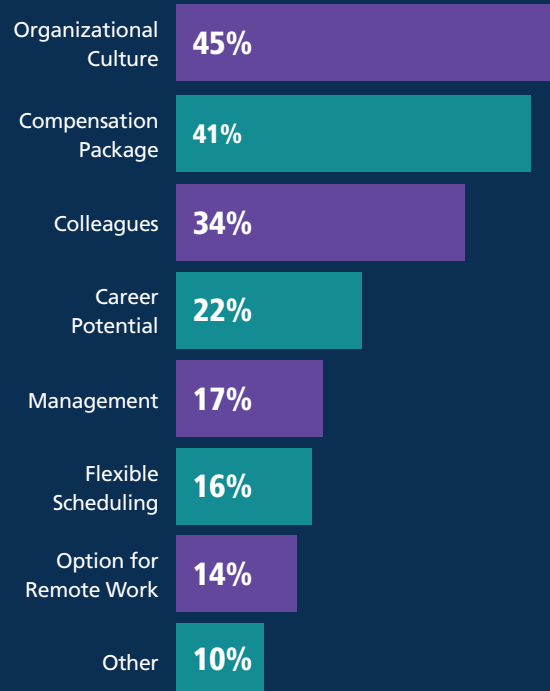


FIGURE 10

Cutbacks

- “Leadership roles are being eliminated or diminished.”
- “The next level are national roles that are being restructured.”
- “We are on a hiring freeze and promotions not an option at this time.”

Cultural Issues

- “Internal politics.”
- “Communication related to upcoming positions/opportunities and open positions internally is minimal to nonexistent.”

Structural Barriers

- “Our organization is very flat without levels between CNO and unit director.”

Bias Against Internal Candidates

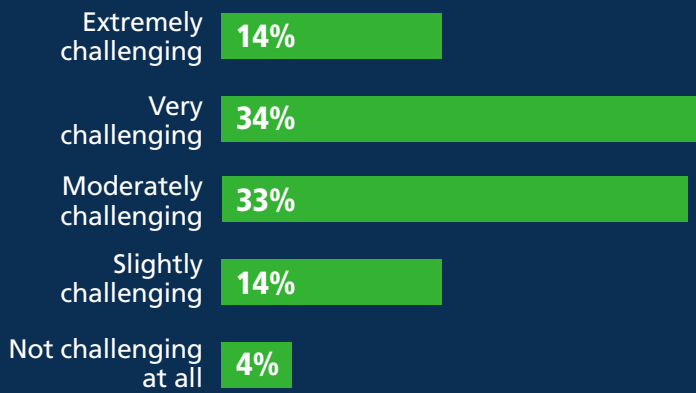
- “No priority to hiring existing employees into current openings.”
- “Leadership prefers outside candidates.”

Lack of Leadership Development

- “The organization is not skilled at creating career growth for professionals who have specialized knowledge.”
- “Organization has not built a structure to advance nursing employees.”

FIGURE 11

Difficulty Finding Quality Candidates



Source of Greatest Recruitment Difficulties

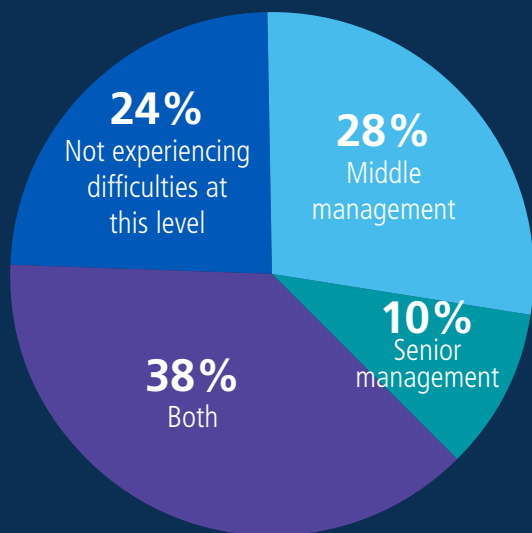
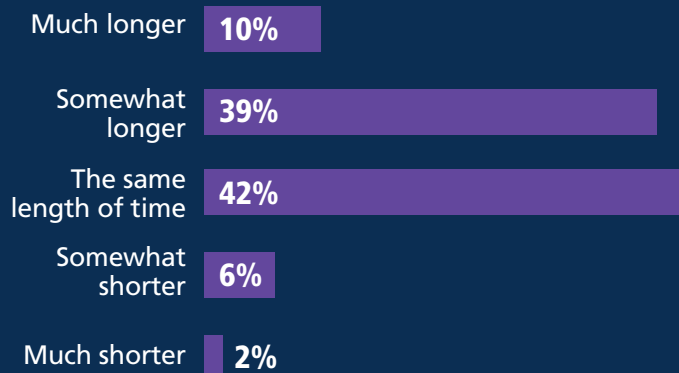


FIGURE 12

Length of Time to Fill Executive Vacancies Compared to Recent Years



4 Leadership Recruitment Challenging Across Management Levels

News headlines emphasize layoffs and hiring freezes, but many providers are maintaining leadership recruiting to develop their teams for growth. Trends looked into how they are faring.

Finding Quality Candidates

The survey charted a seven-point jump from last year to 48% of respondents saying they are very or extremely challenged to find quality candidates for executive vacancies (Figure 11). Another one-third reported moderate challenges, implying some degree of difficulty. Smaller hospitals indicated greater challenges than their larger peers.

The companion chart in Figure 11 shows that 38% of those citing recruiting difficulties are experiencing them across both senior and middle management tiers. This number is up from 29% last year, revealing a mounting challenge. Add in the 28% for mid-level and 10% for senior executives and the scope of the problem becomes apparent.

Time to Fill

The challenges manifest themselves in longer times to fill vacant leadership positions. The results in Figure 12 very nearly tracked the previous year. Forty-nine percent said hiring is taking somewhat or much longer than in recent years. Mid-size and larger health systems specified more extended fill times than their smaller counterparts.

A few independent metrics are available for specific roles, and these corroborate lengthy fill times:

- The annual nurse recruiting “difficulty index” is now 95 days.⁴¹
- Filling senior-level revenue cycle management vacancies takes 207 days on average, and mid-level requires 153 days.⁴²

⁴¹ Nursing Solutions, Inc., 2023 NSI National Health Care Retention & RN Staffing Report, March 2023.

⁴² Akasa, No Resignation: Solving Today's Greatest Staffing Challenges in the Healthcare Revenue Cycle, January 26, 2022.

Assessing HR Department Efficacy

Human resources (HR) departments play an important leadership recruiting role. The survey asked how leaders currently rate the quality of their internal people and processes. The response formed a bell curve in which 5% said excellent, 21% very good, 36% good, 27% fair and 10% poor. It is a solid scorecard, but the fair/poor numbers also reveal an industry-wide need to address deficiencies in order to be competitive and attain leadership acquisition goals.

Improving Recruiting

A new survey question inquired about tactics to improve recruiting outcomes. Most frequently mentioned were expanding the scope of recruiting (49%), increasing HR resources (46%), and leaning more on technology (44%). One in three respondents is also leveraging outside executive search help.

5 Expanded Use of Interim Leadership Enhances Flexibility

Trends respondents painted a relatively positive picture regarding leadership shortages. A rough split emerged in which 56% cited few to no shortages among their leadership cadre while 44% did have them. Most of the latter were characterized as “moderate.”

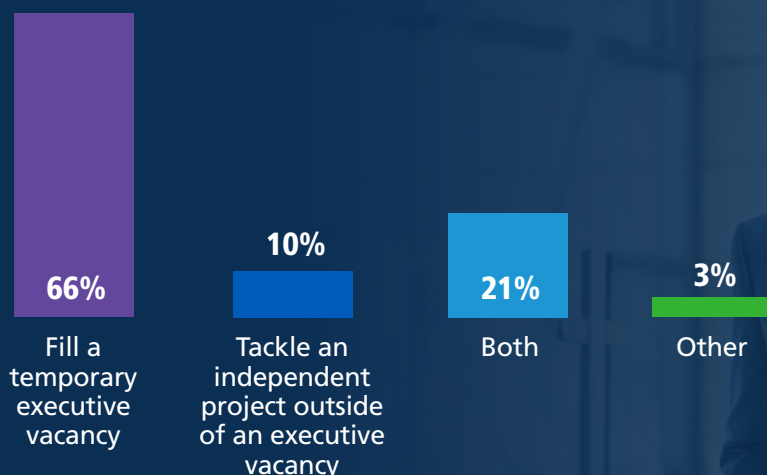
All organizations are trying to “do more with less.” That makes augmenting existing leadership an increasingly prominent need. Adding complementary skills and specialized knowledge boosts agility in a period of multiple priorities, a premium on speed, and decreasing margins for error. External interim leadership (IL) has long been a vital tool in this arsenal. As in previous surveys, Trends probed both the level of interim usage and the motivations for engagement.

Twenty-six percent of respondents deployed external IL over the past year. Two-thirds did so to fill a vacant leadership position temporarily (Figure 13). But 10% have expanded the use case by contracting an interim to fulfill a specific project independent of a vacancy, and another 21% have exercised both interim models.

AMN Healthcare refers to the project-based approach as adaptive leadership. Its use supports a flexible workforce ecosystem, defined as “a structure that encompasses actors, from within the organization and beyond, working ... with interdependencies and complementarities among the participants.”⁴³

FIGURE 13

Reasons for Using External Interim Leadership



43 E. Altman, D. Kiron, J. Schwartz, and R. Jones, “Manage Your Workforce Ecosystem, Not Just Your Employees,” *MIT Sloan Management Review*, Summer 2023.

6 Clinical Roles, Strategic Skills Headline Leadership Requirements

Optimizing the leadership team involves defining the necessary roles and ensuring they are occupied by individuals possessing the required attributes to succeed. Trends examined both of these high-stakes endeavors.

Leadership Attributes

Respondents first ranked their most preferred leadership traits and competencies. The top four were:

- **Vision/Strategy: 31%**
- **Integrity and Trust Building: 19%**
- **Ability to Build Positive Cultures: 14%**
- **Communications: 12%**

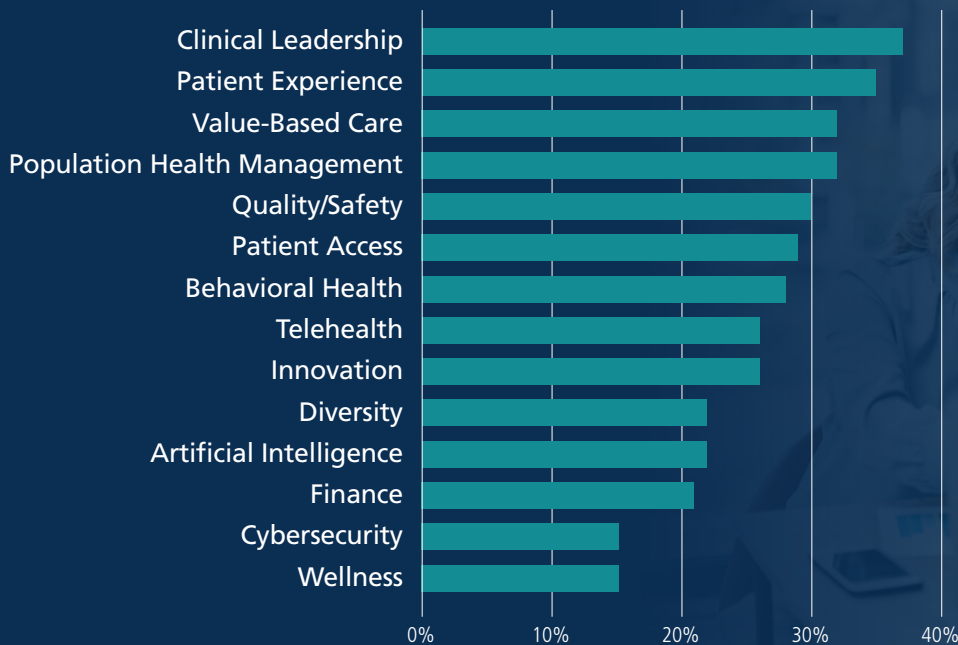
It is likely that the lessening of the COVID-19 crisis contributed to the trust and communications attributes relinquishing their top results from last year. The elevation of vision/strategy this year conveys the high value placed on ability to navigate today’s serious challenges and chart a path to sustainable growth. Trust building, culture development, and communications skills can be seen as a connected set of “softer skills.” Their combined total confirms that a sizeable cohort of respondents sees these skills as crucial.

Roles Growing in Importance

Healthcare continues to expand and refine existing leadership roles and create new ones. Trends annually asks which roles leaders anticipate growing most in importance during the coming year. A clear sense of priorities emerges from analysis of the results shown in Figure 14.

FIGURE 14

Roles Currently Growing in Importance



Clinical leadership retained the top role despite a 25-point decline from last year. Chief medical, nursing, and other clinical officers are essential in guiding strategic growth and addressing clinician disengagement. Patient experience leaders have ranked highly for several years in recognition of their importance in overseeing investment in patient-centric technologies and policies.

A renewed emphasis on population health management and value-based care is evident from the strength shown by these two leadership roles, both of which recorded a rise of seven points over last year. As discussed earlier, organizations regard VBC as a viable path to growth in the face of expanding government mandates and the financial risks inherent in fee-for-service reliance.

Technology roles are also prominent. Telehealth fell from third to eighth place in the ranking. AMN interprets the result as indicating a maturation of virtual care in most organizations after rapid expansion during the pandemic. Artificial intelligence positions garnered a strong 22% response in the category's inaugural appearance on the Trends list. AI titles are part of a broader technology management landscape that has produced roles such as chief digital officer and chief analytics officer.

All told, the significant response shown in Figure 14 for over a dozen categories denotes the range and complexity of leadership role management today.

7 Organizations Maintain Focus on Workforce Diversity & Mental Health

AMN Healthcare engages extensively with clients as they seek to improve both the mental health and the diversity of their workforces. This year's survey canvassed respondents on one aspect of each of these two important objectives.

Mental Health

A varied menu of initiatives is being undertaken to address staff emotional and mental health concerns. The survey produced the following ranking:

- **Increased leadership communication and expressions of empathy: 60%**
- **Stress management and well-being programs: 60%**
- **Flexible work scheduling and staffing adjustments: 49%**
- **Education and training for managers and peers to recognize signs of problems: 45%**
- **New or expanded specific counseling programs: 41%**

The action set shows a blend of personal attention and programmatic help. A word of caution is in order for senior leaders regarding communicating empathy. Mismatched perceptions often exist between leadership and staff. A cross-industry study found that only 59% of employees and 68% of HR professionals viewed their CEO as empathetic.⁴⁴

Diversity

Comparing their perceived progress on diversity with other healthcare organizations, 29% of leaders considered themselves more diverse, 46% as equal, and 25% less diverse. These results showed promising improvement over last year as more diverse increased 8 points and less diverse decreased a solid 12 points.

The emphasis on workforce diversity is expected to continue given the momentum generated to date and the broader drive to improve equity for all healthcare participants. Diverse leadership is clearly a major goal. Almost half of surveyed search firms indicated that 30% or more of their clients had a diversity threshold for the C-suite.⁴⁵ Others have called for "proactive career management" for underrepresented groups, encompassing performance ratings, access to career accelerator roles, reporting relationships, and understanding the impact of flexible working schedules.⁴⁶

⁴⁴ Businessolver, *2023 State of Workplace Empathy Study*, May 17, 2023.

⁴⁵ "Looking for a Leader," *Modern Healthcare*, April 17, 2023.

⁴⁶ H. Nalbantian, "Opening Access to the Fast Track for Career Equity," *MIT Sloan Management Review*, Summer 2023.

Conclusion

The survey reflects signs of improvement for healthcare leaders and their organizations. Progress was recorded in overall outlook, engagement, diversity, and other measures, while aspects such as career satisfaction held steady from last year. However, serious headwinds persist, led by financial stresses along with recruitment challenges, retention risk, clinician wellbeing concerns, and more.

Many of the leadership trends identified in the report have long-run implications. Solutions described by survey respondents suggest that leaders understand that strategic and workforce initiatives will likewise require long-term commitments. AMN Healthcare Leadership Solutions believes that programs need to be integrated and make flexible use of internal and external resources. This game plan improves the odds of tackling the pressing issues and propelling the progress underway well into future.

About AMN Healthcare Leadership Solutions

AMN Healthcare Leadership Solutions is the largest provider of interim leadership, physician, and executive search services, with a powerful track record of diverse placements across all specialty areas. Through a comprehensive and tailored approach to interim leadership and executive search, we help organizations deliver on strategic objectives for patient care, growth, and innovation.

For more information on how we can help you navigate your talent needs, contact us today at **LeadershipSolutions@amnhealthcare.com** to request a call from one of our client partners.



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