COMPENDIUM 2.0

Redefining Total Rewards for Nurse leaders

Aligning incentives, support and development to improve nurse leader retention and impact.

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1. A Message from AONL Leaders

Developed through the contributions of nurse managers, academic leaders and health system executives across the country, the American Organization for Nursing Leadership's (AONL) Compendium 2.0 builds on the foundation of our original compendium. It elevates proven, practical strategies that strengthen nursing leadership and improve workforce sustainability.

Compendium 2.0 identifies seven essential domains where strategic action has the greatest impact. This chapter is focused on total rewards, exploring how organizations align salary, benefits and incentives with workforce expectations, recognizing that competitive pay alone is not enough without supportive work environments and leadership development opportunities.

To make Compendium 2.0 as accessible and actionable as possible, we are releasing it in three phases. The first release includes this chapter, as well as sections exploring:

- Academic practice partnerships, where education and practice leaders collaborate to create innovative models that prepare, develop and retain nurses while improving care quality.

- A healthy work environment, in which respect, well-being and psychological safety are core tenets. Healthy work environments require teamwork, reduced administrative burden and attention to workplace violence and burnout.

Visit www.aonl.org/compendium2.0 to read each chapter. Additional sections will follow in September and October, addressing the following domains:

- Talent attraction and recruitment, exploring how role design, early engagement and internal partnerships help organizations appeal to candidates and meet the expectations of today's nursing workforce.

- Retention, addressing how organizations create environments where nurses choose to stay and grow.

- A culture of inquiry, where curiosity is supported, communication is open and leaders model the behaviors needed to question assumptions and improve care.

- Leadership, exploring how organizations grow the "leader within," invest in transition-to-practice programs, offer advancement pathways and create systems for support, mentorship and succession planning.

Whether you're reading the first chapters or returning for later releases www.aonl.org/compendium2.0, we hope this work not only informs your strategies but also inspires new ideas, bold questions and shared accountability for shaping the future of care.

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2. Introduction

Health care organizations need comprehensive total rewards strategies to retain nurses and nurse leaders. Through real-world examples, this chapter examines how to build sustainable reward systems that attract, retain, and develop nursing leadership talent.

3. Process Overview

The methodology used was based on the understanding that while salary and incentive compensation create immediate costs, they also generate returns through reduced turnover and improved clinical outcomes. This perspective guided how we evaluated best practices from Compendium 1.0. We prioritized them through committee voting and ultimately selected two compensation-focused exemplars for further analysis.

4. Themes From Compendium 1.0 Exemplars

We believe that health care organizations must establish reasonable job expectations and provide competitive compensation packages relative to staff roles to successfully recruit and retain nurse leaders. Organizations can attract and retain these leaders by by providing robust behavioral health benefits and linking a portion of compensation directly to patient experience and clinical outcomes. This approach creates both fair rewards and accountability for leadership performance, and supports the mental health of nurse leaders in the organization.

We recognize that compensation alone isn't enough — even well-paid nurse leaders will struggle with job satisfaction if they're working in difficult or unsupportive environments. In addition to the compensation package, nurse-manager retention efforts must focus on the leader's work environment, development opportunities and well-being or support (Lyle-Edrosolo, et. al, 2023). Improving both workplace conditions and compensation leads to lower turnover and better patient outcomes, ultimately reducing costs and potentially increasing revenue through improved CMS star ratings.

In revisiting Compendium 1.0 best practices, we examined two real-world implementations that address both workplace conditions and nurse leader support. One focuses on reducing administrative burden and the other on structured flexibility to prevent burnout.

Best Practice Example 1: Support Role Cuts Nurse Manager Turnover in Half

As nurse managers shouldered expanding responsibilities, a large, Midwestern not-for-profit health system found an unexpected solution: asking nurse managers directly what they needed. Their feedback led to a new support role that has helped cut its leadership turnover by more than half.

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The organization created unit service coordinator positions in 2022 to handle timekeeping and patient rounding tasks. Now implemented in 45 units across half its hospitals, the program has helped reduce nurse manager annual turnover from 18% to 8%, with current retention at 98%.

Initial plans called for coordinators to split their time between timekeeping and patient rounding. Internal data shows each activity takes about 25% of coordinator time, with remaining hours covering environmental, nutrition and safety rounds. This evolution of duties has revealed both opportunities and challenges in defining the role's scope.

The organization plans to further reduce nurse manager workload through a centralized scheduling platform. The executive teams emphasize the importance of hearing directly from nurse managers what they value, noting that emotional impact often matters more than task reduction.

For organizations seeking to replicate this work, this health system recommends creating space for open discussions about workflow challenges. Hospital leaders conducting similar initiatives should start with a deep assessment of nurse manager workload before creating support roles. While coordinators prove valuable, nurse managers still report significant administrative burden, suggesting the need to examine span of control and task distribution. Without clear boundaries, coordinator duties have expanded to include equipment checks, supply ordering and wayfinding.

Success requires demonstrating how feedback shapes solutions and acknowledging that while administrative support helps, it's just one piece of creating sustainable leadership roles. As one leader noted, "We often create processes around what we think is valuable, not what we hear is valuable."

Best Practice Example 2: Nurse Manager Remote Work: Structure Before Flexibility

A mid-sized acute care hospital in North Texas put in place structured remote work schedules to address nurse manager burnout and retention. The program allows managers one remote workday per pay period and a monthly professional development afternoon, contingent on meeting patient satisfaction scores and clinical leader rounding targets.

Program participation requires pre-scheduled remote days, onsite leadership coverage and availability to return as needed, and all activity is tracked in a shared leadership calendar. Guidelines prohibit combining remote work with paid time off, consecutive Friday-Monday scheduling or remote work during travel. Monthly professional development activities include mentor meetings and leadership education, with required documentation to senior leaders.

Early issues arose when managers tried combining remote days with vacation or posting to social media from non-work locations during remote days. The organization responded by creating specific rules: Managers must be able to come to the hospital if needed, cannot schedule remote days next to vacation time and must have another leader covering their unit. These boundaries helped the program run smoothly while ensuring units always had leadership support.

While approximately 80% of eligible managers participate in the program, the organization has not yet collected specific data on its impact. Leaders report anecdotal improvements in retention, noting that managers who leave typically do so for promotions rather than burnout or going to work for competitor organizations. Future evaluation will measure program effectiveness through manager surveys and retention metrics. Organizations implementing similar programs should establish baseline measurements for retention, task completion rates and manager satisfaction before launch to assess impact.

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5. Assessment of Current Best Practices

While the aforementioned best practices highlight the importance of compensation, job design and workplace conditions, they also point to broader strategies that support nurse leadership. To further explore successful approaches, we examined additional best practices among health care organizations nationwide.

Key Takeaways from Best Practices

Across these initiatives, common themes emerged:

To directly impact well-being and reduce burnout-related turnover, nurse leaders can implement practices that promote psychological safety, emotional recovery and day-to-day resilience, such as:

- **Impactful Compensation and Incentive Models.** Performance-based incentives help organizations retain nurse leaders by complementing base salary structures. Short-term financial rewards help close compensation gaps between managers and staff while reinforcing leadership accountability.

- **Collaboration.** Human resources (HR) and nursing departments achieve more when they work as partners.

- **Investments in Leadership Development.** Programs that support career advancement improve retention and engagement. Retention initiatives demonstrate that the organization values its leaders, which will ultimately impact employee engagement (Morel, 2023).

The following case examples summarize our research findings:

Note: For information about the organizations featured in case studies and contact information, please see the references section at the end of this chapter.

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Nurse Manager Incentive Plans

A large not-for-profit health system implemented an annual incentive plan (AIP) to drive performance and retain nurse managers through targeted bonuses. The program focuses on three performance areas: system-wide balanced scorecard, unit/department metrics and individual goals.

Goals cascade from senior leadership to managers before each fiscal year, with nurse managers' incentives weighted heavily toward care site and individual performance to maintain direct accountability. Their goals align with nursing strategic plans through their supervisors and chief nursing officers.

Year-end evaluations assess performance across all levels, rating managers as "unsuccessful," "successful" or "exceptional" after calibration reviews. These ratings determine bonus amounts.

The AIP is associated with a voluntary turnover rate of 2% among nurse managers in 2024, which includes both administrative and clinical nurse manager roles. The program also helps address compensation gaps between managers and staff nurses, who often earn more through differentials and incentives. According to several published compensation surveys, only 40% to 45% of health care organizations offer similar short-term incentives to nurse managers, setting this health system apart in recruitment.

Human Resources-Nurse Manager Partnership

Nurse managers face pressure to address staff needs quickly in a challenging labor market. While benefit changes require months of planning and approvals across the organization, nurse leaders who understand HR processes can better support their staff through both immediate and long-term improvements.

A large, not-for-profit health system demonstrated how this partnership should work when addressing mental health needs during the pandemic. It created a behavioral health council that included nurse leaders, behavioral health specialists, chaplains and HR representatives.

While HR leaders began the months-long process of enhancing counseling, benefits and provider networks, nurse leaders made immediate improvements to existing employee assistance programs (EAPs), which provided confidential counseling and support services to employees. For example, the council emphasized that EAP counseling records stayed separate from medical files, getting ahead of provider concerns about licensing and privacy.

Council members organized resources by urgency level, educated staff about counseling privacy and encouraged providers to share stories normalizing behavioral health support. When a senior nurse leader developed a break coverage program, pairing nurses to ensure scheduled breaks, HR leaders helped expand this grassroots initiative to other hospitals.

The organization applied this model broadly. HR representatives and nurse leaders participated in joint leadership meetings to get feedback on programs such as parental and maternity leave and educational assistance programs focusing on loan forgiveness options.

Organizations seeking to build similar partnerships should establish regular HR participation in nurse leadership meetings. Leaders recommend HR provide transparent communication about planning cycles and constraints, while nurse leaders share real-time feedback about workforce needs. Success requires both teams acknowledging mutual goals, celebrating shared wins and maintaining open dialogue about emerging challenges.

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Nurse Manager Leadership Development Programs

A nurse manager residency program at a nonprofit academic medical center has strengthened leadership development and retention for novice nurse leaders since 2020.

The Assistant Nurse Manager (ANM) Residency Program provides clinical supervision and development through a structured curriculum. ANMs receive orientation guides, access to an interactive electronic resource center with discussion forums and admittance to four quarterly classes: Effective Teams, Effective Communication, Facilitating Change, and The Healthy Work Environment. Executive nurse leaders award completion certificates.

Since the program's launch in 2020, more than 700 ANMs from 18 cohorts have participated, with 90% reporting satisfaction across all courses. The program maintains a 90% retention rate, and 11% of participants have advanced to nurse manager roles. Regular evaluations ensure the curriculum addresses current challenges and incorporates feedback.

Nurse Management Succession Planning

A health system's leadership pathway to help assistant nurse managers eventually become directors begins with a six-month program designed for high-potential leaders. This program prepares participants for smooth transitions into nurse manager roles through practical application of leadership concepts.

Candidates must hold a master's degree (or be enrolled in a program), possess a clinical or leadership certification and receive endorsement from their nurse manager or senior director. The selection process includes a behavioral competency assessment through written essays and requires completion of a change management project.

The program provides comprehensive support through peer networks available at all nursing levels, active mentorship and orientation with a dedicated preceptor partner. Participants also join a tri-annual leadership development program led by the chief nursing officer. needs.

6. Recommendations

Partner with Human Resources

HR departments design and manage organizational processes including compensation frameworks, benefits programs and job designs that attract, retain and develop talent organization-wide.

As key stakeholders in these HR processes, nurse leaders provide insights into their workforce's unique challenges and needs. Managing most of the organization's staff through post-pandemic complexities, workforce shortages and burnout risks, nurse leaders can offer valuable feedback on the reward strategies that will resonate with their teams.

By working collaboratively, HR and nurse leaders can bridge the gap between organizational policies and front-line realities, ensuring total rewards strategies drive engagement, satisfaction and retention.

The table below outlines common compensation challenges nurse leaders face, along with ways HR collaboration can help address them.

Challenges	Solutions
Organizational Timelines: Updates to pay ranges are department-led processes that can take months, requiring extensive market analysis, budget approvals and alignment across departments. Large-scale adjustments often require board-level awareness.	**Organizational Timelines:** Updates to pay ranges are department-led processes that can take months, requiring extensive market analysis, budget approvals and alignment across departments. Large-scale adjustments often require board-level awareness.
Leader Limitations: Individual nurse compensation adjustments must often stay within existing pay bands, even when market conditions suggest otherwise.	**Leader-controlled Actions:** Evaluate individual nurse compensation using HR-provided market data or dashboards (if available). If tools aren't accessible, leaders must rely on HR to provide this information. Use retention bonuses or temporary shift differentials to address immediate team needs. While approval may be required, these tools offer short-term relief.
Limited Training for Nurse Managers on Compensation Methodology: HR departments may not have dedicated sessions to teach managers about pay methodology.	**Training for Managers:** Nurse leaders should request training materials to help them understand compensation frameworks and advocate for their teams.

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Maximize Benefits to Support Nurse Leaders

Strong benefits packages help retain nursing talent, especially given challenges like workplace violence and mental health strain. While tuition reimbursement and mental health resources are valuable, their availability varies between organizations.

Challenges	Solutions
Long Organizational Timelines: Expanding benefits requires vendor negotiations, budget approval and system-wide implementation — often taking a year or more. Many organizations use benefits advisory committees (including nursing, physicians, finance and HR) to evaluate needs, costs and potential returns.	**Organization-level Actions:** Expanding mental health resources, tuition reimbursement or other benefits requires organizational commitment. Leaders should engage HR in specific discussions about unmet team needs. Recognizing that contract modifications take time and establishing reasonable timelines ensures that organizations can expand benefits.
Leader Constraints: While nurse leaders can advocate for benefits, they cannot directly implement new programs.	**Leader-level Actions:** • Help employees use existing programs. • Promote available tuition reimbursement and guide staff in accessing it. • Suggest strategies to maximize benefits (e.g. spreading coursework across calendar years to maximize the $5,250 allowable federal tax-free education reimbursement). • Have program beneficiaries share their experiences with other staff. • Inform staff about external resources, including Public Service Loan Forgiveness programs available to nonprofit employees.

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Design Career Growth Pathways for Nurse Leaders

Job design influences career progression and role satisfaction. Crafting roles that emphasize lateral growth and deeper specialization can retain nurse leaders and reduce turnover.

Challenges	Solutions
Organizational Constraints: Career pathways and compensation for specialized roles usually require HR approval and significant organizational investment.	**Organization-led Initiatives:** Advocate for career frameworks that allow lateral growth, such as tracks focusing on clinical expertise or operational excellence.
Leader-controlled Influence: Leaders can redesign responsibilities within existing roles but need to partner with HR to formally change job titles or pay structures.	**Leader-controlled Actions:** Offer informal opportunities for skill enhancement within the team, such as leading projects or mentoring peers. Recognize and reward contributions through non-monetary means, such as public acknowledgment or additional responsibilities aligned with personal interests.

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7. Take Action/Application

Understanding what you can directly influence as a nurse leader versus what requires broader organizational involvement is key to making meaningful progress in compensation, retention and support strategies. While some actions can be implemented immediately within your team, others require long-term advocacy and alignment with HR and executive leadership.

Within Nurse Leader Control

These are actions nurse leaders can take immediately to support and engage their teams:

- Evaluate team members against current compensation ranges.
- Utilize retention bonuses, shift differentials or nonmonetary recognition to address short-term retention challenges.
- Encourage use of existing resources, such as EAPs and tuition reimbursement, to enhance well-being and career growth.
- Create informal growth opportunities within the team, such as mentorship, stretch assignments or leadership exposure.

Long-term, Organization-led Changes

These initiatives require organization-wide planning, budget approvals and systemic policy changes:

- Adjusting pay ranges, which typically follows an annual or biannual review process.
- Expanding system-wide benefits like tuition reimbursement or enhanced mental health support, which often requires executive approval and financial investment.
- Developing formal career frameworks and pathways to provide structured leadership growth opportunities.
- Adjusting approaches to incentives, such as modifying performance-based bonuses or restructuring compensation models.

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8. Evaluation Methods

To determine the effectiveness of compensation strategies and leadership initiatives, organizations should measure key performance indicators that reflect both immediate and long-term outcomes.

Track these key metrics to demonstrate the impact of your retention strategies:

- Reduced nurse leader turnover, especially within the first three years. The money saved by reducing early nurse leader turnover can fund the bonus programs that help retain them.

- Decreased sick days among nurse leaders.

- Improved engagement scores for leaders and their teams.

- Better clinical outcomes with fewer hospital-acquired events.

- Enhanced patient-experience ratings.

Reduced nurse leader turnover will be the earliest indicator of success. The other metrics — improved retention, better clinical outcomes and enhanced patient experience — will develop more gradually and may eventually improve CMS Star ratings. Revenue increases will be the last benefit to materialize.

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9. Leading the Future: A Message from AONL's Workforce Committee Chairs

Nurse leaders' career paths are changing. The 2025 AONL Foundation study reveals that 46% of nearly 3,000 nurse leaders surveyed are considering significant career moves, with 23% intending to leave their roles.

Recognizing the need for timely, practical support, AONL convened the Workforce Compendium 1.0, a collaborative effort pulled together swiftly to help support nurse leaders' immediate post-pandemic needs. In the original Compendium, AONL published case scenarios of how leaders tackled complex problems that nurse leaders were confronting daily, while committing to collecting the data and analyzing the results in a future rendition.

The Compendium 2.0 accomplishes our goal and expands on 1.0's practical examples. The forward-thinking organizations featured in this iteration demonstrate how investments in leadership development, workflow redesign, and partnerships tangibly improved outcomes, engagement, and patient experience. Total rewards represents one of seven interconnected domains in Compendium 2.0, recognizing that while competitive compensation matters, nurse leaders also need administrative support, flexible work options and clear career pathways to thrive.

These insights are designed to meet you where you are — whether you're redesigning team structures, seeking to create a culture of inquiry or re-evaluating your talent attraction and retention strategies. With constant change, nurses at all levels need practical tools and the confidence to question the status quo while building workplaces that sustain and inspire the next generation.

Thank you to all the nurse leaders who courageously pioneered these approaches. Their bold strategies are reshaping our industry and amplifying nurses as leaders in health care.

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10. Recommended Resources

AONL & Laudio Report on Nurse Manager Retention
This report examines the impact of nurse manager turnover, offering data-driven insights into factors influencing retention, common challenges and successful intervention strategies. https://www.aonl.org/news/AONL-Laudio-Release-Report-on-Nurse-Manager-Retention

AONL Nursing leadership Survey
This survey provides longitudinal data on the state of nursing, nurse leadership engagement and satisfaction, helping organizations track trends over time. https://www.aonl.org/resources/nursing-leadership-survey

11. References

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12. Assessment of Current Best Practices: Organization and Contact Information

1. **Best Practice Example: Incentive Plan**

   Contact: garrett.yau@ohiohealth.com

2. **Best Practice Example: Human Resources-Nursing Partnership**

   Contact not listed at this time

3. **Best Practice Example: Leadership Development**

   Contact: nurseleadershipacademy@ccf.org

4. **Best Practice Example: Leadership Development and Succession Planning**

   Contact: kathleenann.demarco@nyulangone.org

13. Acknowledgments

The "Total Rewards" subcommittee first thanks our recruited human resource executive colleagues Eric Feinstein, Daniel Gandarilla and Trevor Walker. From our first meeting to our last, your commitment, investigation into best practices and thoughtful comments were invaluable. This commitment between nurse leaders and human resource leaders is a testament to what value we all bring when sharing collaboratively. Thank you to all our members for your commitment to this work. Thank you to Lori Wightman and Genevieve Diesing as AONL support staff for this work. Special thanks to our two nurse manager colleagues, Sharon Howell and Laura Spitaleri, for your candor and insight in your role as nurse managers.

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