

4 ways to support healthcare workers during mergers and acquisitions



M&As can cause extra stress and worry for healthcare workers and can lead to higher turnover rates. **In fact, nearly 50% of employees reconsider their employment after an M&A.**⁸ Earning the trust of your workforce is shown to help, and potentially could attract and retain qualified employees.

The state of the healthcare workforce

Two themes continue to be strong in healthcare:

- ① Challenges with attracting and retaining qualified healthcare employees
- ② Continuing high rates of mergers and acquisitions (M&As)

1

Challenges with attracting and retaining qualified healthcare employees

2023 Healthcare industry reports show that:

All Healthcare workers

50% are Millennials or Gen Z¹

78% are women¹

Nurses

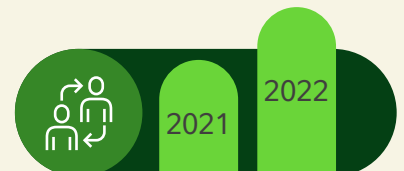
52% are Millennials or Gen Z²

86% are women²

As the workforce trends younger, short tenured employees leave their jobs at a higher rate, and these trends are even stronger among nurses.

1 in 3 healthcare workers leave their employer in their first 2 years, and 60% of those were Millennials or Gen Z.¹

The turnover rate among nurses in 2022 was 27%, 8.4% higher than previous year³, and 1 in 2 nurses who left their employer had a tenure of < 5 years.^{4,2}



Meanwhile the healthcare industry continues to trend toward high rates of mergers and acquisitions in 2024. Experts expect the rate of mergers and acquisitions to continue to increase.⁵

The three primary drivers of mergers and acquisitions at healthcare organizations⁶ are:



Ongoing staffing challenges



Higher wages



Inflation

This type of organizational change can lead to distrust in leadership:

Only **48% of healthcare workers trust senior leaders** to make the right decision in situations that affect their experience at work compared to 55% in other industries.

Almost **3 in 10 healthcare workers report that employees and senior leadership are at odds**, and are also less likely than workers in other industries to report complete alignment.⁷

Two of the top concerns associated with mergers and acquisitions⁸ are:

Potential job loss

Job cuts

It also creates additional stress for a workforce, who are already dealing with stressors such as:²



Stressful work environment



Lack of emergency savings



Student debt

Employees will now have to grapple with:

Salary grade adjustments

Benefits changes

Policy updates

Only **1 out of 5 employees surveyed felt fully supported** during an M&A.⁸

Nearly **50% of employees reconsider their employment** after an M&A.⁸

How can your organization best support your workforce during a transition to drive your retention goals?
We asked healthcare employees, and this is what they said.

Four ways to earn trust with your healthcare workforce during M&As

1

Transparency from leadership

Recent Fidelity research⁷ found that feeling aligned with senior leadership directly corresponds to employee job satisfaction and turnover intentions.



It takes time to rebuild trust, but clear, open, honest and accurate communication is the first step to improve the relationship between senior leaders and the workforce.⁸

2

Clear communication

Given varied work schedules and the 24/7 nature of healthcare organizations, having options for employees to learn about changes, and sharing information through multiple methods will improve overall understanding among the workforce.⁸



87% of respondents preferred receiving information by email.⁸



But when it comes to learning about changes, employer-provided communication, benefits portals and virtual workshops resonated most.⁸

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3

Offering resources on benefits changes

Mergers and acquisitions often result in a realignment of benefits offerings between the two organizations that are merging.



Resources on new benefits and support selecting benefits were noted as most wanted by employees during an M&A.⁸

4

Providing clarity on pay and compensation changes

77% of employees included job security assurance as most important to them during an M&A.⁸

This is an important issue to address during an organizational transition given the high rate of turnover in healthcare.



While it can take time to determine what changes are needed, clear and honest communication and transparency from leadership about potential changes can help assure the workforce and reduce concern.

Transparency, clear communication, and supportive resources can help build trust with your workforce and slow turnover rates during transitions.

For more information, reach out to your Fidelity representative.

¹ Based on data from the Fidelity [2023 Healthcare Industry Report](#)

² Based on data from the Fidelity [Nurses' Financial Wellness and Retirement Readiness Report](#)

³ Based on [2022 NSI National Health Care Retention & RN Staffing Report](#)

⁴ Based on Fidelity record-kept data for Nurses terminated from their employers in 2022

⁵ Chief Healthcare Executive, [Hospital merger activity is projected to increase in 2024](#)

⁶ Chief Healthcare Executive, [Nonprofit hospitals face 'another tough year' in 2024, Fitch Ratings says](#)

⁷ Based on data from the Fidelity [Thriving Workplace research](#)

⁸ Based on data from Fidelity Mergers & Acquisitions Study, January 2023