
Management Education for Nurses: Hospital Executives' Opinions and Hiring Practices

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Summary

Because registered nurses are assuming expanded roles in hospital management, the appropriate educational preparation for these roles has become a widely debated issue. A national survey of hospital CEOs and CNOs was conducted to assess their personal preferences for management education for nurses and to gather information about their hospitals' policies and practices in hiring nurses for management positions at various levels within the hospital (from unit-level management to executive level). Both CEOs and CNOs preferred the joint MSN/MBA degree option as the best model for graduate management education for nurses, and they perceived greater demand in the future for hospital nurses with graduate management degrees. However, hospital policies and practices with regard to degree requirements and preferences for nurses hired in management positions at all levels varied widely.

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The expanded role of nurse administrators in hospital management has prompted a debate during the last decade about the appropriate educational model for preparing registered nurses (RNs) for management positions at various levels within the hospital (Minnick 1993). Absent from the debate has been national data on employers' opinions and practices. This article presents data from a national survey of hospital chief executive officers (CEOs) and chief nursing officers (CNOs) about their personal preferences for the management education nurses receive and about their hospitals' policies and practices in hiring nurses for management positions at various levels within the hospital, from the unit to executive level. These data provide insight into how hospital employers view the current and future management roles of nurses.

Nurses in Hospital Management

According to the 1988 National Sample Survey of Registered Nurses (Health Resources and Services Administration 1990), 68 percent of an estimated 2,033,032 RNs in the United States were employed in hospitals, and of these, approximately 14 percent had job titles implying some degree of management responsibility within nursing (i.e., head nurse or assistant head nurse, supervisor or assistant, administrator or assistant). This figure probably underestimates the number of nurses in hospital management positions, however, since a growing number of nurses are thought to hold nonnursing management positions in areas such as quality assurance and utilization review, marketing and planning, and finance (Mick and Moscovice 1993). However, no national data exist to document this trend.

Most nurses employed in management positions in hospitals do not have graduate-level training in management. Historically, promotion to management positions has been a key pathway by which hospital staff nurses advance their careers, and these promotions typically occur before the nurse has acquired any formal management training. In the aforementioned 1988 survey, only 6 percent of RNs nationwide held master's degrees and only 20 percent of master's-prepared nurses held degrees with a primary focus in supervision or administration (Health Resources and Services Administration 1990). The majority of master's degrees (52 percent) were in clinical practice, 24 percent were in education, and 3 percent were in other areas.

According to the *1991 Report of the Hospital Nursing Personnel Survey* (American Hospital Association 1993) of over 2,900 short-term, acute care hospitals in the United States, 1 percent of hospitals required a minimum of a master's degree (type of degree unspecified) for nurse manager positions, and 54 percent required a master's degree for the chief nurse executive. Forty-one percent of the chief nurse executives in the surveyed hospitals held

master's or doctoral degrees in nursing, and an additional 25 percent held graduate degrees in nonnursing areas. A recent survey of a random sample of 386 nurse executives who were members of the American Organization of Nurse Executives (AONE) found that the highest degree attained was a master's degree in nursing for 51 percent of respondents and a nonnursing master's degree for 25 percent of respondents; 61 percent of the nonnursing master's degrees were in business or health administration (Krugman 1990).

Recognition of the expanded management roles of hospital nurses has prompted much discussion of the skill requirements for these roles. It has been noted that nurse executives now manage large budgets, are responsible for major resource allocations, participate in fiscal and health services planning at the institutional level, and define and evaluate new ways of organizing work for maximum efficiency and effectiveness (Fralic 1989). Some hospitals have expanded the nurse executive position to that of vice president of patient services, in which the nurse is responsible for a number of services, such as nursing, pharmacy, or dietary (Souhrada 1990). This type of position is seen as a response to both patient care and financial concerns: it has potential to improve coordination among patient services and also reduces the number of executive positions in the hospital. Further, nurses may be preferred for these new roles because of their clinical credibility and because the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) requires that an RN have executive responsibility for nursing services.

In addition, nurse managers at the unit level (formerly "head nurses") now have an expanded role that includes managing both human resources and large budgets, financial decision making, and linking clinical practice with organizational policies (Mark, Turner, and Englehardt 1990; Eubanks 1992).

In AONE's 1990 study of 280 nurse managers, over 80 percent reported that their current most frequent job functions were to develop patient care standards, monitor patient outcomes using standards, and train personnel.

Educational Models

Currently, nurses have several options for graduate management education (Tilbury 1992). These include: Master of Science in Nursing (MSN) programs that offer a concentration in nursing administration or Master of Nursing Administration programs located in schools of nursing; Master of Business Administration (MBA) programs located in schools of business; master of health services administration programs of various types (including the MHA degree); Master of Public Health (MPH) programs with concentrations in management; joint degree programs combining the MSN with a generic degree in management (most notably, joint MSN/MBA programs); and various doctoral programs.

One key issue in the debate about graduate management education for nurses is the relative value of programs based in nursing schools as compared with more generic programs based in business schools or schools of public health. In 1989, the AONE and the American Association of Colleges of Nursing (AACN) issued a position statement that "educational preparation for nursing administration should take place in collegiate schools of nursing offering specialized graduate programs in nursing administration" (AACN and AONE 1989). However, this pronouncement did not end the debate.

Another issue is the appropriate mix of content areas (e.g., finance, planning, human resources management, organizational theory) that should be covered in management programs for nurses. Scalzi and Wilson (1990) conducted a survey of the job functions of 184 chief nurse executives in various types of settings as a means of providing an empirical basis for nursing administration curricula. They found that the most important content areas identified (according to time spent in them and their perceived importance), in declining order of importance, were: health care law and policy, organizational behavior, organizational strategy, finance, quality assurance, and marketing (Scalzi and Wilson 1990).

National data on hospital employers' opinions about appropriate educational models are not available. The *1990 National Nurse Manager Study* conducted by the AONE (1990) measured hospital and nurse administrators' opinions about the need for graduate management education for nurse managers only, not for nurse executives, mid-level managers, or nurses in nonnursing management positions. From a random sample of hospitals based on the AONE mailing list, Scalzi and Anderson (1989) surveyed 103 nurse executives and 60 CEOs (representing response rates of 68.6 percent and 40 percent, respectively) about the nurse executive position only and found a preference for the joint MSN/MBA over the MSN with a business minor and the doctorate in nursing administration. Other degree options were not studied.

Methods

Sample and Data Collection

The target population for this survey of employers' opinions and practices was all U.S. hospitals likely to employ nurses with graduate management education. To target such hospitals, a random sample of 100 hospitals was selected from the 1992 roster of the American Hospital Association (AHA). Inclusion was limited to urban, nongovernment hospitals located in the contiguous 48 states and having 300 or more beds. Previous AHA surveys and surveys of nurses with management education (Minnick 1991, 1992)

suggested that hospitals with these characteristics would be most likely to employ nurses with graduate management degrees. The 100 sampled hospitals were 12 percent of the eligible population.

In the sampled hospitals, both the CEO and CNO were mailed letters requesting their participation in a 20- to 25-minute telephone interview to be scheduled at their convenience. The goal was to interview a knowledgeable informant from both hospital and nursing management in each hospital in order to compare opinions from both perspectives. We accepted interviews with knowledgeable stand-ins if delegated by the CEO or CNO; in all, 2 percent of CNO interviews were conducted with stand-ins (usually the personnel director) and 36 percent of CEO interviews (usually with the COO or executive vice president). For convenience, we refer to the respondents as CEOs or CNOs.

The questionnaire was constructed by a panel of six experts in nursing and hospital administration and in health care management education and covered the following topics: opinions about the need for and value of graduate management education for nurses in different types of management positions in hospitals; opinions about the best model for graduate management education; opinions about future need for graduate management training given trends in the industry; hospital policies and practices with regard to hiring nurses with various types of management education and supporting management education for nurses; and personal characteristics (type of education, management experience, and sociodemographics).

The survey was conducted between mid-October 1992 and mid-January 1993. In all, 88 percent of hospitals participated with at least one respondent; 56 percent ($N = 56$) of CEOs and 82 percent ($N = 82$) of CNOs responded. The higher response rate among CNOs was expected due to the nature of the survey topic. In 50 hospitals, both the CEO and CNO responded. Compared with responding hospitals, nonresponding hospitals tended to be located in the South and to have smaller average bed size.

Respondents

Of the 88 hospitals responding to the survey, 93 percent were private not-for-profit, and 7 percent were for-profit. Forty-two percent were members of a multihospital system. Thirty percent were located in the North Central region of the country, 30 percent in the South, 28 percent in the Northeast, and 12 percent in the West. The average number of beds in responding hospitals was 452, and the average occupancy rate was 73 percent.

The CEO and CNO respondents differed substantially. While both were on average 48 years of age, the CEOs had more average years of management experience (22 years among CEOs versus 19 among CNOs) and were more likely to hold a graduate degree in management (93 percent of CEOs versus

70 percent of CNOs). Among CEOs, the most frequent types of management degrees held were the master's of health services administration (50 percent of CEOs) and the MBA (36 percent of CEOs). Among CNOs, the most frequent type of management degree was the MSN with a concentration in management (34 percent of CNOs). Seventy-five percent of CEOs and 26 percent of CNOs were affiliated with the American College of Healthcare Executives (as either associates or fellows), and 96 percent of CNOs were members of the AONE. All but one CNO respondent was a nurse, and 89 percent were women. Among the CEOs, 88 percent were not clinically trained and 12 percent were women.

Results

Opinions

The opinions of CEOs and CNOs with regard to the need for a master's degree in management (type unspecified) for various types of management positions that might be held by nurses are displayed in Table 1. These types of positions include unit managers (head nurses), mid-level nursing management positions (above the level of unit manager but below the level of nurse executive), nurse executives, and nonnursing management positions (in areas such as marketing or finance); 98 percent of the CEOs reported that their hospitals have hired nurses in nonnursing management positions. For all types of positions, CNOs were more likely than CEOs to believe that a master's degree is "always necessary." CEOs and CNOs agreed, however, that a master's degree in management is most necessary for the chief nurse executive. Only 7 percent of CEOs and 17 percent of CNOs believed it was always necessary for unit managers. Asked to specify the conditions under which a master's degree might be necessary for unit managers, the typical response was, "if the unit is very complex" or has "a large budget."

Respondents were asked to rank the importance of four types of qualifications for nurse executive positions: clinical experience, management experience, a graduate degree in a clinical area, and a graduate degree in management. Both CEOs and CNOs ranked *management experience* as most important and a clinical graduate degree as least important. A graduate degree in management was ranked second in importance by both.

Table 2 shows respondents' opinions of "the best model for graduate management education for nurses." The joint MSN/MBA degree is favored by 41 percent of CEOs and 79 percent of CNOs. (Only one respondent, a CNO, held a joint MSN/MBA degree.) The MBA degree alone ranks a distant second, with 29 percent of CEOs and 20 percent of CNOs favoring it. CEOs were twice as likely as CNOs to prefer the master's of health services administration.

Table 1
CEO and CNO Opinions about the Need for a Master's Degree in Management†

	CEOs (N = 56)	CNOs (N = 82)
Percent believing master's degree in management is always necessary for:		
Unit managers (head nurses)	7	17
Mid-level nursing management positions	29	65*
Nurse executives	73	89*
Nonnursing management positions‡	29	58*

†For each type of position, the question was, "Do you believe that a master's degree in management is always necessary, sometimes necessary, or never necessary?"

‡Nonnursing management positions were defined as "management positions in nonnursing areas such as marketing or finance."

*The CEO-CNO difference is statistically significant ($p < .05$) by the chi-square test.

Table 2
CEO and CNO Opinions about Alternative Educational Models for Preparing Nurses in Management†

	CEOs (N = 56)	CNOs (N = 82)
Joint MSN/MBA‡	41%	79%*
MBA	29%	20%
MSN with concentration in management	18%	12%
Master's of health services administration	23%	10%*
MPH	2%	2%
Any master's degree	4%	2%
Other	0%	1%
None (no degree needed)	0%	0%
No opinion	7%	1%

†The question was: "There are several educational models for preparing nurses in management at the master's level. For example, there is the Master of Science in Nursing (MSN) with a concentration in management; the Master of Business Administration (MBA); joint degree programs combining the MSN and the MBA; the Master of Public Health; and various degree programs in health services administration. Which of these do you think is generally the best model for graduate management education for nurses?" Percentages total to more than 100 percent because 25 percent of CEOs and 27 percent of CNOs named more than one type of degree.

‡The concentration of the MSN component was not specified in the question.

*The CEO-CNO difference is statistically significant ($p < .05$) by the chi-square test.

When asked their reasons for their stated degree preference, those favoring the joint MSN/MBA degree typically described it as the "best of both worlds" (i.e., combining focused discipline-based training through the MSN with more general business training through the MBA). Other reasons for preferring the joint degree included its seeming compatibility with total quality

management and its enhancement of the nurse's credibility both within nursing and among peers in management. Those respondents preferring the MBA degree alone stated that nurses already have sufficient nursing background by the time they enter management positions, and therefore require the addition of a business perspective for these positions. These comments imply that the MSN with a concentration in management is perceived to be a degree in nursing rather than one in management.

All respondents (100 percent) agreed with the statement that "nurses increasingly will be called upon to manage budgets and to make financial decisions in U.S. hospitals." Seventy-nine percent of CEOs and 86 percent of CNOs agreed that "hospital demand for nurses with graduate management degrees will increase by the year 2000." And 66 percent of CEOs and 71 percent of CNOs stated that "a graduate degree in management makes a nurse a more effective manager." With regard to the MBA specifically, 91 percent of CEOs and 92 percent of CNOs agreed that "an MBA degree is likely to make a nurse a more effective financial manager." However, when asked their opinions about what the entry-level degree for nurses entering management positions in the year 2000 would be, the most frequently identified degree was the bachelor's degree (52 percent of CEOs and 48 percent of CNOs), followed by the MSN (16 percent of CEOs and 27 percent of CNOs), and "no specific degree" (16 percent of CEOs and 14 percent of CNOs). Only 7 percent of CEOs and 5 percent of CNOs identified the MBA, and 0 CEOs and 9 percent of CNOs identified the joint MSN/MBA. Thus while they personally prefer the joint MSN/MBA degree (as shown in Table 3), the respondents do not believe that such degrees will constitute entry-level management training by the year 2000.

Policies and Practices

Table 3 shows whether any type of master's degree in management is required or preferred for nurses hired in four types of positions in the responding hospitals. CEOs and CNOs report similar information for all positions. According to both CEOs and CNOs, a master's degree in management is most likely to be required for the chief nursing executive and least likely to be required for unit managers. Seventy-five percent of CEOs and 76 percent of CNOs reported that a master's degree is required for the chief nursing executive position in their hospitals.

However, among the CEOs and CNOs who reported that their hospitals either require or prefer a management degree for the nurse executive, 53 percent of both CEOs and CNOs reported that *any* management degree would satisfy the requirement (see Table 4). When a *specific* management degree was named, it was most often either the MBA or the MSN alone. Only 9

Table 3
CEO and CNO Reports of Hospital Policies and Practices in Hiring Nurses for Various Management Positions

	CEOs (N = 56)	CNOs (N = 82)
<i>Unit manager positions</i>		
Master's degree in management is:		
Required	2%	6%
Preferred	57%	58%
Neither	36%	35%
Don't know	5%	0%
<i>Mid-level nursing management positions</i>		
Master's degree in management is:		
Required	34%	50%
Preferred	59%	42%
Neither	7%	8%
Don't know	0%	0%
<i>Chief nursing executive positions</i>		
Master's degree in management is:		
Required	75%	77%
Preferred	23%	22%
Neither	2%	1%
Don't know	0%	0%
<i>Nonnursing management positions</i>		
Master's degree in management is:		
Required	34%	25%
Preferred	54%	55%
Neither	12%	10%
Don't know	0%	10%

percent of these CEOs (N = 5) and 5 percent of these CNOs (N = 4) reported that their hospitals required or preferred the joint MSN/MBA degree for the nurse executive. This nonspecific degree requirement held as well for the other types of management positions for which hospitals required a master's degree in management.

Overall, only 12 percent of CEOs and 18 percent of CNOs reported that their hospitals generally hire nurses externally for management positions. Most hospitals, furthermore, provide some assistance for nurse employees seeking management education. Virtually all respondents reported that their hospitals provide tuition benefits for nurses to attend master's degree programs in management on a part-time basis or to attend short-term nondegree programs in management. However, only 38 percent of hospitals provide benefits for full-time management study. There was no pattern to the type of hospital that provides support for full-time study.

Table 4
Type of Graduate Degree Required or Preferred for Nursing Executive Position†

	CEOs (N = 55)	CNOs (N = 81)
MSN	22%	35%
MBA	22%	26%
Joint MSN/MBA	9%	5%
MPH	0%	1%
Master's of health services administration	13%	12%
Doctorate	6%	2%
Any management degree	53%	53%
Other	2%	5%
Don't know	0%	0%

†Among those who reported that a graduate degree in management was either "required" or "preferred," these are the types of degrees named. Respondents could name more than one type of degree.

Conclusions and Implications for Hospital Management

Many respondents to this survey stated a personal preference for the joint MSN/MBA degree as the best model for graduate management education for nurses, and they strongly supported the concept of graduate management education, particularly the MBA degree, for nurses in a variety of management positions. They also perceived greater demand in the future for hospital nurses with graduate management education, particularly due to increased responsibility among nurses for financial decisions. In general, however, they regarded management experience as a more important job qualification than a management degree.

The policies and practices of respondents' hospitals' were not always consistent with their personal preferences. Although most hospitals either required or preferred a master's degree in management for nurses in a variety of types of management positions, the requirement as to type of degree tended to be nonspecific. This could, of course, reflect the reality of the marketplace, in which very few nurses with the joint MSN/MBA degree or with MBA degrees alone are available. Nonspecific degree requirements also may be preferred because they maintain flexibility in hiring decisions and reflect administrators' general belief that management experience is more important than the educational credential. Another possibility is that administrators have not observed differences in job performance by type of management degree earned.

The concept of the joint MSN/MBA degree program is a relatively recent one (Foster and Boerstler 1990; Minnick 1993). Advocates of the joint degree emphasize its relevance to the changing roles of nurse executives within cost-conscious hospitals and to the expansion of alternative delivery systems (Fralic 1989; Boerstler and Suver 1989). Currently, 34 schools are known to offer the joint MSN/MBA degree; most of these programs were initiated between 1990 and 1992, and ten received support from The Commonwealth Fund to develop their programs between 1989 and 1991. The average enrollment in these programs in 1992 was 4 students, for a total of 139 students enrolled in all MSN/MBA programs. The total number of graduates of these programs is not known.

The programs report that a substantial barrier to increased enrollments is the financial cost and time required for a nurse to obtain the joint degree (Minnick 1992). On average, 18 to 30 months are required by these programs to complete the joint degree on a full-time basis. Furthermore, the majority of hospitals do not provide tuition benefits to nurses attending full-time graduate management programs.

Given that hospital and nursing administrators perceive an increased need for nurses with graduate management education—and in particular, business training—in the future, several implications are suggested by this study. Hospital and nursing administrators could reconsider their hospitals' recruitment strategies for nurses in management positions. Is it appropriate to assume that on-the-job experience can provide the level of management sophistication that is required to manage increasingly complex organizational units and increasingly large budgets? Should there be a minimum management education requirement for nurses assuming management positions at the unit level, at mid-level, and at the executive level? Do current job requirements tend to reflect assumptions about the local nursing market (even the internal hospital market) rather than the hospital's needs and the availability of nurses in a wider market if the hospital were willing to recruit on a regional or national level? From where is the future supply of management-trained nurses likely to come?

Hospital and nurse administrators might also consider providing incentives for nurses to obtain graduate management education. Mechanisms might include extended leaves of absence to attend at least a portion of a graduate program on a full-time basis; tuition benefits for full-time study in exchange for the nurse's future employment in a management position in the hospital; arrangements with local university-based management programs for part-time or on-site programs for nurses who wish to maintain their employment while obtaining their degrees. More nurses are not likely to obtain graduate degrees in management without formal hospital recognition

of the value of these degrees and financial assistance from the hospital to obtain the degrees.

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