

INSTRUCTIONS: Read the article below entitled “Area hospitals jockey for position atop salary ladder.” What is the key focus of this article? Don’t just summarize the article, instead you should provide your own insights into the issues contained in this article. Your responses should be grounded in the Porter’s Five Forces framework.

Area hospitals jockey for position atop salary ladder

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Six weeks away from college graduation, Stephanie Blackwell's biggest concern is not getting a job. Her biggest issue is deciding which job to take.

That's because Blackwell, an honors student at Samford University, is graduating with a nursing degree in the midst of a nationwide nursing shortage.

"There are so many options," said Blackwell, 21.

The nursing shortage hits the Birmingham area particularly hard because the area is home to many large hospitals. Several are expanding and will need extra nurses at a time when they already have unfilled vacancies.

A Birmingham News survey of the area hospitals' starting pay for new nurse graduates reveals just how stiff competition is. Many hospitals' rates are within pennies of each other, and once hospitals at the bottom of the scale learn their ranking, they often up the ante.

St. Vincent's Hospital had been toward the bottom of new-graduate hourly pay, but it increased rates in January to take the number two spot. However, just four months later, that pay puts them fifth among area hospitals surveyed. In February, Brookwood Medical Center's new-nurse pay was near the bottom. Today it's above St. Vincent's. UAB Medical West shot up to tie UAB Hospital for the number-two spot last week after learning its latest ranking.

UAB Hospital, the largest in the state, keeps close tabs on the Birmingham market to ensure it stays among the top three in nursing pay. The teaching hospital's new-graduate starting rates rose from \$23.79 an hour in October 2014 to \$28.23 as of last week, for an increase of 18 percent in 3 years.

"We've been there in the top three for the last eight years since I've been here," said Cynthia Barginere, the hospital's nursing director.

Avoiding price war:

But Barginere said UAB wants to avoid the price wars that hospitals in Atlanta have fought. "We try to stay market competitive but not make huge increases," she said.

The VA Medical Center has held the top spot in new-graduate pay for several months, but Greg Eagerton, the hospital's associate director for patient and nursing services, said he doesn't expect that to last forever.

"Others' starting salaries may be behind us now, but they start moving once they see where they stand," Eagerton said.

Eagerton said pay is only part of the equation to attracting nurses.

"The newer generation of nurse is placing more emphasis on work life, but you've got to use salaries to get them in the door," Eagerton said.

St. Vincent's has found that offering a good quality of life is even more essential than pay, especially when rates are so close, said Joel Windham, the hospital's vice president of human resources. Hospitals have to accentuate their niche to distinguish themselves, he said.

"For us, we're really focused on the individual and helping them develop a career ladder and showing them they can go as high as they want to go," Windham said.

The mission factor:

St. Vincent's and Baptist Health System also say their religious identity can be a draw.

"We are a very mission-based, religious institution, and that allows nurses to fulfill their whole mission in many cases," said David Jarrard, Baptist's spokesman.

Although for now Baptist ranks toward the bottom in starting nurse pay, Jarrard said the system offers other perks such as fewer weekend shifts for new hires and paid time off to prepare for the nurse licensure exam.

Blackwell said in weighing her job options, a hospital's management, staff and mission are more important to her than salary, although she suspects she may not hold the majority view.

"There are a lot of nurses who are out there for the pay, but sometimes with the big pay, there are some big negatives," she said.

The county's Cooper Green Hospital offers the lowest new-graduate nursing salary, at least for registered nurses with two-year, associate's degrees. But Huberta Howe, in charge of human resources, said that's not the hardest part about attracting new hires to the Jefferson County-run hospital.

"The hardest part is working for Cooper Green - the perceived instability of working for Cooper Green," she said.

Howe said after a few years at the charity hospital, nurses' pay usually catches up with other hospitals' rates. But she said the Jefferson County Personnel Board's protracted hiring procedure and Cooper Green's lack of the latest technology make it difficult to get people in the door.

For Blackwell, when she goes on job interviews, she's interviewing the employers as much as they're interviewing her.

"Nursing is my passion, my calling," the Tallahassee native said. "Anybody who's in it just for a job is not going to make a good nurse."