



EXECUTIVE REPORT



What Leading Systems Are Doing Next

Executive Report

CoreWorks / 2026

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➤ Executive Summary

The healthcare workforce has entered a new phase.

The crisis that defined the past several years—marked by extreme shortages, escalating labor costs, and heavy reliance on agency staffing—has begun to stabilize. But stability should not be mistaken for resolution.

What remains is a fundamentally reshaped workforce environment:

- Nurses are more selective, not more available
- Labor costs remain structurally elevated
- Traditional staffing models are increasingly misaligned with workforce expectations

The core issue is no longer staffing. It is workforce design.

Organizations that continue to treat workforce challenges as episodic hiring problems will struggle to sustain performance. Those that shift toward a system-based approach—integrating retention, recruitment, and deployment—are already pulling ahead.

Three defining imperatives have emerged:

- **Stabilize** the core workforce and reduce reliance on premium labor
- **Build** predictable, differentiated talent pipelines
- **Optimize** how resources are deployed across the system

This is not a return to pre-COVID norms.

It is the beginning of a new workforce era.

➤ The 2026 Workforce Reality

Many health systems are experiencing signs of progress:

- Reduced agency utilization compared to peak levels
- Improved baseline staffing in key units
- More controlled labor spend

Yet beneath these gains, structural challenges persist.

Key dynamics shaping the workforce:

1. Stabilization without security

Workforces are more stable—but remain fragile. Turnover has slowed, not disappeared.

2. The shift from burnout to selectivity

Nurses are no longer just exhausted—they are making intentional choices about where and how they work.

3. Persistent cost pressure

Even with reduced agency usage, total labor costs remain elevated due to wage inflation and competition.

4. Fragmented workforce ownership

In many organizations, workforce strategy remains split across HR, finance, and nursing—limiting alignment and impact.

The result: Health systems are operating in a more controlled environment, but not a more sustainable one.

➤ The 5 Defining Workforce Shifts

1. From Crisis Staffing → Structural Workforce Design

Short-term fixes are giving way to long-term system thinking. Leading organizations are redesigning how workforce functions—not just filling gaps.

2. From Agency Reliance → Internal Workforce Ownership

The goal is no longer simply reducing agency spend. It is replacing external dependency with internal capability.

3. From Recruitment → Continuous Talent Pipelines

Hiring is no longer episodic. High-performing systems are building always-on pipelines across early career, experienced, and alternative labor pools.

4. From Scheduling → Workforce Experience

Flexibility, autonomy, and predictability are now core drivers of retention—not perks.

5. From Volume Hiring → Precision Deployment

The question is no longer “Do we have enough staff?” but “Are we using the staff we have in the most effective way?”

➤ Why Traditional Approaches Are Falling Short

Despite progress, many organizations remain anchored in outdated approaches:

- **“Hire more” without fixing underlying model inefficiencies**
- **Reducing agency spend without replacing workforce flexibility**
- **Investing in tools without changing behavior or accountability**
- **Treating workforce as a departmental issue instead of an enterprise priority**

These gaps create a recurring cycle:

Shortage → Spend → Temporary relief → Repeat

Without structural change, stability will remain temporary.

➤ The Workforce Transformation Model

Sustainable workforce performance requires an integrated approach across three core areas:

Stabilize | Workforce Sustainability

Focus: Strengthening the core workforce

- Reduce premium labor dependence
- Improve retention and engagement
- Establish consistent baseline staffing models

Executive lens: Risk reduction, cost control, operational consistency

Build | Workforce Acquisition

Focus: Creating predictable access to talent

- Develop differentiated recruitment strategies
- Expand and diversify talent pipelines
- Compete on more than compensation

Executive lens: Growth enablement, market competitiveness

➤ The Workforce Transformation Model

Optimize | Workforce Deployment

Focus: Maximizing workforce efficiency and flexibility

- Implement internal float pools and flexible staffing models
- Improve scheduling and resource allocation
- Enable system-wide workforce visibility

Executive lens: Productivity, margin improvement, scalability

Individually, these strategies create improvement.

Together, they create sustainability.

➤ What Leading Systems Are Doing Differently

Across the market, a clear pattern is emerging among top-performing organizations:

They are elevating workforce to a strategic priority.

Key actions include:

- **Centralizing workforce strategy** under aligned executive leadership
- **Building internal staffing capabilities** to reduce external dependency
- **Aligning finance and clinical leadership** around shared workforce goals
- **Investing in flexibility as infrastructure**, not a temporary fix
- **Measuring workforce performance as a system**, not siloed metrics

These organizations are not waiting for the market to improve.

They are redesigning how they operate within it.

➤ The Evolving Role of the Nurse Leader

For nurse leaders, this shift is redefining their role within the organization.

Historically focused on staffing execution, today's nurse leaders are increasingly expected to operate as:

Strategic workforce architects

This requires:

- Translating clinical realities into financial and operational impact
- Influencing enterprise-level decision-making
- Partnering more closely with CFOs, COOs, and CEOs

For many organizations, the CNO is uniquely positioned to bridge a critical gap:

Connecting workforce experience with business performance

This is particularly important in environments where workforce decisions are often evaluated primarily through a financial lens.

The ability to reframe workforce investments as drivers of:

- Stability
- Efficiency
- Growth

...is becoming a defining leadership capability

➤ What to do Next: A 12-Month Action Framework

Next 90 Days

- Establish a shared definition of workforce success across CNO, CFO, and COO
- Assess true reliance on premium labor and its root causes
- Identify the highest-impact workforce gaps

Next 6 Months

- Pilot internal workforce solutions (e.g., float pools, flexible staffing models)
- Redesign scheduling approaches to improve flexibility and utilization
- Strengthen targeted recruitment pipelines

Next 12 Months

- Reduce agency reliance through internal capability expansion
- Implement a system-wide workforce strategy across facilities or departments
- Track workforce performance using integrated clinical, financial, and operational metrics

Closing Perspective

The past several years forced health systems to respond to an unprecedented workforce crisis.

The next phase will require something different:

Intentional design.

Organizations that succeed will not be those that simply recovered from the crisis—but those that used it to fundamentally rethink how their workforce operates.

The future will not be defined by who can staff.

It will be defined by who can sustain.

About CoreWorks Healthcare Solutions

CoreWorks Healthcare Solutions partners with health systems to design and implement enterprise workforce strategies that drive long-term sustainability.

Through an integrated approach across:

- Workforce Sustainability
- Workforce Acquisition
- Workforce Deployment

CoreWorks helps organizations move beyond staffing challenges toward a more stable, scalable workforce model.

Connect with us at AONL to explore your workforce strategy, visit us online at www.coreworkshealthcare.com, or request more info at info@coreworkshc.com.



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