UNCOVERING THE CONNECTIONS BETWEEN THE EMPLOYEE EXPERIENCE, TURNOVER, AND PATIENT SATISFACTION

BACKGROUND – STUDY

In 2016, SMD published a white paper that examined the impact Engagement had on Patient Satisfaction and employee turnover in the healthcare industry. Continued focus on Engagement as a panacea for organizational performance necessitated a comprehensive review of the impact that engagement truly had on these critical metrics. SMD found that engagement was not a strong driver of outcomes over and above other employee experiences commonly assessed in employee surveys such as Job Fit, Senior Leadership, and Management skills. In fact, Engagement was only a key driver about a third of the time.

By:

Hannah Spell, Ph.D.,
Director of Research & Analytics

INTRODUCTION – 2017 STUDY

This year, SMD expanded on this initial study to include additional client data collected over the past year focusing on the key factors impacting two important healthcare metrics – **employee turnover and patient satisfaction** (HCAHPS). These outcomes are critical for healthcare organizations to function effectively. Most directly, HCAHPS scores are a factor in the reimbursement rates from the Centers for Medicare and Medicaid. Thus, poor performance on a hospital's HCAHPS is tied directly to the bottom line. Employee turnover is another crucial metric for the healthcare industry as turnover for patient-facing employees can have direct impact on the costs to the organization, increases in patient care ratios, increases to workload for remaining clinical staff, as well as negative impacts to patient care outcomes. Specifically, it has been found that registered nurses (RNs) have an average turnover rate of 14.2%. Loss of one RN costs a hospital between $44,000 and $64,000, equating to an estimated loss of $4M to $6M a year[1]. Finally, because of the increased patient load on the remaining staff, it has been found that there is a 7% increased likelihood for failure to rescue or patient death for each additional patient[2]. Taken together, these factors underscore the importance of healthcare facilities taking strategic aim at reducing employee turnover, as well as providing an employee experience that links to improving the patient experience and HCAHPS scores.

STUDY OVERVIEW

This work outlines the key drivers of both outcomes across nearly 500,000 employees in the past 3 years of survey and analytic work with SMD's healthcare clients. The clients included in this study represent a variety of healthcare organizations, including large integrated systems, small community hospitals, behavioral health facilities, and long-term care facilities. These organizations also range in size from less than 500 employees to more than 75,000 employees. SMD examined data across more than 200 hospitals, 1,000 care centers, and 100 long-term care facilities, with a total of nearly 500,000 employees.

TABLE 1. HEALTHCARE STUDY RESULTS

Survey Category	Voluntary Turnover	Patient Satisfaction/ HCAHPS	Percent of Cases Significant Across Outcomes
Senior Leadership	9	12	67.7%
Job Fit	9	8	54.8%
Management	10	6	51.6%
Engagement	7	4	35.5%
Customer Focus	2	9	35.5%
Quality	1	8	29.0%
Safety	4	5	29.0%
Teamwork	5	3	25.8%
Career Development	5	2	22.6%
Tools/Resources	2	4	19.4%
Mission/Vision/Values	2	3	16.1%
Work-life Balance	2	3	16.1%
Compensation	3	0	9.7%
Communication	0	1	3.2%

*Green cells are drivers found in five or more organizations; blue cells are drivers found in four or fewer organizations.

CONSISTENT KEY DRIVERS OF TURNOVER & HCAHPS

In table 1, the results indicate that the strongest and most consistent drivers of both voluntary turnover and HCAHPS scores are: Senior Leadership, Job Fit, and Management. These three key drivers are consistent with SMD's earlier work and remain critical factors in organizational outcomes. As such, it is important for leaders to have a clear understanding of how their employees view these topics.

Senior Leadership
Senior Leadership encompasses a variety of perceptions about the top levels of leadership in the organization – that they are visible and convey the organization's goals, mission, and vision; that employees feel confident in their leadership; and that employees feel senior leaders care about and value their contributions. Senior leaders must be prepared to help front-line managers address any employee concerns pertaining to senior leadership. This can be by providing candid, transparent information directly to staff whether it is by email, town halls, webinars, or rounding. In addition, managers can impact Senior Leader perceptions by sharing information in a timely manner, ensuring messages are accurately and completely conveyed to staff, and inviting more senior leaders to attend staff meetings and discuss employee concerns and feedback.

Job Fit
Job Fit concerns employee perceptions of being in a role that they enjoy, that their skills and abilities are being utilized effectively, and that they have positive challenges at work. Managers can impact employees' job fit by understanding their current skill level, providing opportunities for positive challenge or new responsibilities, and by ensuring the employees that are hired are well suited for the work required of the role.

Management
Finally, Management is a construct that gives employees an opportunity to assess the relationship and feedback they are getting from their manager. This can include performance feedback, career discussions, effective communication, being valued and listened to, having input into decisions, and feeling supported. Managers can start by understanding their employee needs. They should ensure they provide performance recognition and feedback on a regular basis, not only during annual performance evaluations. Managers should also check in with staff consistently to know they value employee feedback and have genuine concern for their employees. Managers can also put measures into place so that employees feel they are welcome to provide feedback and suggestions on the organization, the work they do, as well as decisions that impact their work.

While these areas consistently relate to outcomes for SMD's clients, it is still important to validate drivers of outcomes in your own organization. While these areas may come up as drivers, other nuanced drivers may be found in other organizations depending on the survey focus, organizational culture, and employee makeup.

ENGAGEMENT – APPROPRIATE USE

Engagement is a leading indicator of voluntary turnover, but **only when** the items that make up that category are about employee commitment or intentions to stay with the organization. SMD utilizes two to three items from the engagement category as an outcome metric in client analysis – referred to as Turnover Risk. These are the engagement items that directly reference intentions to remain employed at the organization, such as, "I would like to be working at this organization 3 years from now." Used in this way, it is examined as an outcome of various employee experiences rather than a driver. This allows managers to focus on more actionable areas to directly impact employee commitment to the organization to stave off voluntary turnover.

UNCOVERING DRIVERS OF TURNOVER

To directly assess the connections between the employee experience and subsequent turnover, SMD revisits client survey data a few months after the survey administration. Using a file of employees who have since voluntarily exited the organization, SMD can flag employees in the survey data as turned over or still employed. This allows for an analysis of the direct drivers from the employee experience that are related to turnover. From here, organizations know exactly what to focus on improving to reduce the likelihood that employees will exit. They also can review survey scores of those employees who remain with the organization by supervisor or department and know exactly where in the organization there is the most near-term risk of high turnover, based on the key drivers that are identified. Organizations are then equipped to make targeted, strategic steps to intervene and get in front of turnover.

Seeing the ROI

Two recent examples of clients following this strategy resulted in significant return on investment. In one instance, the client reduced their RN turnover from 19.8% to 11.8%, 8 full percentage points. In another example, the client reduced their turnover rate from 28% to 24% across the organization, resulting in a savings of more than $8 million.

To understand the impact that these key employee experiences may play in HCAHPS, SMD examined facilities within the client organizations and compared those that scored high across the key drivers and those who scored poorly on the key drivers. On average, there was a difference of top box scores of 74.2% for facilities with high scores across key drivers versus 67.7% in the low scoring facilities.

SUMMARY

Taken together, these findings illustrate the important role that the employee experience that an organization creates for staff can have direct impact on critical outcomes. For healthcare organizations, the experiences of their patient-facing staff can be even more critical due to the direct patient contact they have on a daily basis. These face-to-face interactions can be the difference between a favorable or unfavorable patient experience, and thus impact resulting HCAHPS scores. Moreover, across employee types, understanding the experiences that lead to improved employee retention can have a direct impact on cost saving for the organization, along with building more tenured and committed employees.

References

1. Nursing Solutions, Inc. (2014). 2014 National Healthcare and RN Retention Report. www.nsinursingsolutions.com

2. Aiken LH, Clarke SP, Sloane DM, Sochalski J, Silber JH. Hospital nurse staffing and patient mortality, nurse burnout, and job dissatisfaction. JAMA 2002; 288(16): 1987–93. doi:10.1001/jama.288.16.1987

SMD is the *only* firm in the survey and analytics industry to offer results-based pricing. By utilizing our expertise in data integration, surveys, and the most advanced analytics, all delivered through our patented reporting and action planning platform, we've maintained a remarkable track record of improving business outcomes (e.g., voluntary turnover reduction) for our customers. Learn more at www.smdhr.com and contact us at info@smdhr.com