The Challenging State of Employee Engagement in Healthcare Today – and Strategies to Improve It
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Numerous factors affect a healthcare organization’s capability to provide quality patient care. But the most powerful key to better patient outcomes isn’t vanguard medical technology, an organization’s number of specialty providers, or even add-on programs designed to promote preventative care. Instead, recent research and practical in-the-field experience demonstrates that healthcare organizations can create the most profound improvements in patient care and satisfaction levels simply by improving employee engagement.

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*What is engagement?* Typically defined as the extra discretionary effort an employee exerts on the job, higher engagement levels correlate to employees that are willing to go the “extra mile.” In all industries, engaged employees are a powerful asset: they are more eager to learn, more likely to be committed to an organization’s goals and success, and tend to have better rates of retention.

For healthcare organizations in particular, truly engaged employees have a tremendous—and quantifiable—impact on multiple measures of patient care. Higher levels of employee engagement are directly tied to:

- **Overall quality of patient care.** The National Database of Nursing Quality Indicators (NDNQI) noted that a 25% increase in nurse job enjoyment over a two-year span was linked with an overall quality of care increase between 5-20%.¹ A Gallup study discovered that higher nurse engagement scores resulted in statistically lower patient mortality and complication indices.²

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• **Patient safety.** A study by Gallup and Loma Linda University Medical Center demonstrated that “baseline engagement and change engagement were the strongest independent predictors of patient safety culture in 2009.”4 According to the NDNQI’s tracking of 18 nursing-sensitive quality measures, increases in nurse satisfaction led to an 87% decrease in infection rate over two years.5

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• **Patient satisfaction and likeliness to recommend.** Employee engagement is visible to patients, too, in a quantifiable way—and even more so now that the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) has standardized patient perspectives on care. In a Tower Watson study of 21 acute care facilities, employee perception of the facility greatly affected patient satisfaction scores. When employees experienced leaders’ commitment to quality, had available career opportunities, and had access to “the right equipment and supplies,” the patient’s likelihood to recommend the facility was 11 percentage points higher.7 In Gallup research, hospitals with high employee engagement (top quartile) scored 10 percentage points higher than hospitals in the bottom quartile on the HCAHPS question, “Would you recommend this hospital to your friends and family?”8

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• **The organization's financial performance.** Engagement levels can significantly affect various fiscal outlays (e.g., malpractice suits, hiring fees, and even patient length of stay). For example, lower nurse engagement scores correlate with higher malpractice fees: according to Gallup, “hospitals with the least engaged nurses pay more than $1.1 million annually in malpractice claims than those with the most engaged nurses.”9

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Engagement also has a “halo effect” on critical workforce behaviors11 (e.g. retention). Research by The Studer Group found that when employee turnover rates fell below 12% (as a comparison, the average nurse turnover rate at acute-care hospitals is 21.3%).12, organizations saw a decrease in patient hospital stays by 1.2 days.13
The State of Engagement in Healthcare Today

If employee engagement is a key factor in ensuring quality patient care, the question then becomes, how are healthcare organizations faring when it comes to addressing it? In 2014, Cornerstone OnDemand conducted a primary research study of employee engagement in healthcare organizations in conjunction with an independent, third-party research firm. Researchers asked 482 participants about four key topics:

1. The engagement levels of employees in healthcare organizations
2. Organizations’ readiness to address low engagement levels
3. Whether human capital management (HCM) software is being used in these organizations
4. Perceptions regarding the ROI of investments in employee training

Participants included healthcare employees in the human resources function that were at the manager level or higher, in both for-profit and not-for-profit healthcare organizations with at least 3,000 employees, and located only in the United States (download the full methodology and questions and survey results at http://go.cornerstoneondemand.com/2014-Healthcare-Survey_Appendix.html)

The Findings

Healthcare organizations are somewhat aware of the need to quantify engagement.
The first step in improving engagement is measuring it. In the Cornerstone survey, almost half of those surveyed stated that they both measured if an employee is engaged and to what extent. However, 25% stated they weren’t measuring engagement at all.

Almost half of healthcare workers aren’t fully engaged.
49% of Cornerstone survey respondents said that employees were either “somewhat engaged” or “not very engaged.” That’s almost half the healthcare workforce that isn’t putting in the kind of discretionary effort that directly affects the quality of patient care.

“Change” is seen as the biggest threat to employee engagement.
Change as a whole, from new mandates to turnover to transitioning to electronic records, composed more than half of the perceived reason for lower engagement levels. 26% of respondents thought
the transition to ICD-10, managing HCAHPS, and moving from paper records to electronic records had the biggest negative effect on engagement. Frequent changes of supervisors came in at 25%. Other factors thought to have a negative effect on engagement included communication issues and cost reduction pressures. Significantly, in the wake of the increased focus on patient engagement, 13% of respondents stated that the biggest negative effect on employee engagement was their organization’s narrow focus on patients. These respondents thought their organization viewed employees as merely a means to an end.

13% of respondents felt they were merely a “means to an end” and thought their organization’s narrow focus on patients had the biggest negative impact on engagement.

Organizations think they are prepared to address the negative issues affecting engagement.

More than three-quarters of respondents said that they were prepared to address negative engagement with strategies and HR systems. One-third said they had strategies and HR systems already in place; 46% had “some” strategies and HR systems in place and were aware these were “only the beginning of what is needed.” When it came to taking steps to develop a plan to address engagement, 80% said they had a plan in place or were developing a plan within the next six months. 18% didn’t have anything in place but were developing a strategy or didn’t have a formal strategy in place or in the works at all.

What’s preventing organizations from developing a formal engagement strategy? 19% say “there isn’t enough time in the day.”

What prevents these organizations from developing a formal strategy? Not surprisingly, 28% stated that while they keep trying to develop a strategy, other issues take precedence. This is a common theme; healthcare organizations know engagement is critical, but day-to-day concerns—from patient emergencies to managing the transition to ICD-10—demand immediate attention. In the same vein, 19% stated “there isn’t enough time in the day;” 16% thought that their workplace culture didn’t lend itself to focusing on an engagement strategy.

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Curiously, budget was not a significant factor, with only 14% listing financial constraints as the primary reason for not developing an engagement strategy.

Yet when it comes to an organization’s perceived ability to provide quality patient care and actual engagement rates, there’s still a big disconnect.
Organizations are aware of the connection between patient care quality and engagement. More than three-fourths of respondents agreed that “linking and monitoring employee behavior to patient care, positively affects our organization’s bottom line and our return on the training investment.”

However, survey engagement rates demonstrate that this awareness hasn’t yet translated into concrete action steps. Remembering that 49% of respondents thought employees were either “somewhat engaged” or “not very engaged,” it’s surprising that that 92% rated their organization as “completely prepared” or “in line with where we should be” when it came to what their organizations needed to adequately deliver on providing quality patient care. In short, organizations see the connection between employee behavior and patient care—but there’s a significant disconnect between their perceptions of what their organization is doing and actual engagement rates.

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While 77% agreed that linking employee behavior with patient care affects their bottom line, only 47% were actively linking employee actions and behavior to patient outcomes. They were doing so by aligning employee goals with organizational goals (26%); conducting regular employee performance assessments and tying those in learning opportunities to address skill gaps (25%); and encouraging employees to take training to help them better assist patients and help them grow (21%).

When it comes to managing activities related to engagement, very few organizations take advantage of new technology to improve engagement while reducing administrative burden.

According to Bersin, integrated talent management practices are critical to successful business results. Organizations with integrated talent management processes and systems “show 29% higher scores in employee engagement, 36% higher ratings in leadership development, and 41% higher scores in creating a pipeline of viable successors.” In addition, a mere 15% increase in engagement can result in a 2% increase in operating margin. Yet only 12% of healthcare providers in the Cornerstone survey were using an all-in-one, unified system that managed all areas of HR. 88% of respondents still relied on multiple HR systems and/or paper-based processes, which limited their ability to unify organizational processes like performance, succession, leadership development, learning, and acquisition.

Research shows healthcare organizations with siloed HR processes have a decreased capability when it comes to identifying high potential, high performance talent, planning for the future, and creating ongoing engagement. Organizations with paper-based processes are at an even more profound disadvantage: as healthcare facilities grow, paper review and tracking not only inhibit the “big picture view” of talent key to making succession decisions but can adversely affect compliance (e.g., prior to a Joint Commission audit, it’s far more effective—and less likely to result in disciplinary action—to be able to access training records in one, unified database than to have to search for paper records).
When compared to organizations in multiple industries overall, the healthcare organizations surveyed saw higher engagement rates by 42%.\textsuperscript{15} This is good news from a financial perspective: Gallup’s Q12 analysis of 49,928 business units and 1.4 million employees discovered that engagement directly affects performance outcomes: organizations in the top-quartile of engagement scores had 21% higher productivity and 22% higher profitability.\textsuperscript{16}

Yet for the healthcare industry, employee engagement isn’t just about profit. The direct correlation between patient care quality, safety, and employee engagement necessitates healthcare organizations place an ever higher priority on ensuring their workforce is committed, skilled, and engaged.

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Unlike other industries, lower employee engagement scores in healthcare organizations rarely stem from apathy in general. Healthcare providers bring their own sense of meaning to the field (e.g., they believe they make a difference in patients’ lives). Instead, the disconnect is more often the result of an organization’s lack of employee support systems—access to learning and development opportunities, the provision of regular and meaningful feedback, a connection to the organization’s future through succession planning, and the alignment of employee goals with organizational goals. Towers Watson likens the failure to create these support systems as “asking a talented athlete to win the sport’s top prize without giving him or her any training, equipment, physical therapy and practice time.” \textsuperscript{17}

While healthcare employees feel their work is meaningful, they do not feel adequately supported in the areas of development, performance feedback, or career planning.
The good news for healthcare? Providing support systems around engagement is far simpler—and easier to quantify—than addressing apathy. People often choose healthcare as a profession for reasons of passion: making a difference, alleviating suffering, satisfying intense intellectual curiosity about health and disease. Healthcare organizations can harness this existing passion and commitment by instituting tangible measures and support systems designed specifically to promote engagement.

**Consider these six strategies to better support employees:**

1. **Create career paths through succession planning.**

   In the Cornerstone study, a combined 55% stated succession planning was their talent management concern. It’s not only critical for organizational longevity; it’s a key driver of engagement, as employees who have access to career planning development opportunities are more engaged and less likely to leave the organization. In a 2012 study, researchers compared 4 variables to succession and discovered that levels of employee satisfaction, engagement, and commitment increased with an organization’s succession planning.

   Succession is especially crucial for healthcare organizations; the nursing shortage and Baby Boomer exodus of drive the need for organizations to keep the employees. When a multi-facility healthcare system in Marlton, NJ, developed a comprehensive succession plan, they not only improved retention of their best people but improved their engagement scores—so much so that in 2009, they were ranked number one by HR Solutions International for employee engagement, employee focus on patient care, and overall job satisfaction.

   When a healthcare system in NJ developed a succession plan, they improved engagement scores so significantly, they were ranked #1 by HR Solutions International for employee engagement, employee focus, and job satisfaction.
2 Provide opportunities for recognition.

Research shows HR leaders saw an increase in key metrics after implementing recognition programs—63% saw an increase in employee productivity and 61% saw an increase in engagement. And Bersin found a 31% lower voluntary turnover rate in companies with “recognition-rich” cultures. Recognition is especially critical for nurses and other on-the-floor clinical staff. According to Gallup, surveys often show that nurses feel as if “no one cares whether they do a good job.” Gallup recommends recognizing nurses for their good work to encourage positive behavior and quality of care. A caveat: creating these cultures of recognition does require improving existing performance management processes; recognition and reward systems can’t function effectively when performance activities are annual events.

3 Make learning and development a priority.

Organizations that deliver “meaningful learning and development opportunities” have the most engaged workforces, and organizations with high-quality development plans experience 27% lower turnover and see double the revenue per worker. Healthcare organizations that provide ongoing learning opportunities can see improved performance, as well as employee confidence, both key to engagement and quality care. For one organization, BJC HealthCare, making on-demand training a priority for their 26,000 employees resulted in better patient care and improved safety and compliance.

4 Unify performance management with learning and other employee lifecycle stages.

Creating high-performance employees requires both being smarter about recruiting and onboarding—improving sourcing and starting onboarding earlier—and delivering more frequent, actionable performance feedback, that in turn is linked with learning opportunities. In healthcare, creating a unified performance/learning feedback loop ensures employees have the opportunity to continually improve skills—critical to providing quality patient care—in response to ongoing evaluations.
Start engagement activities early.

Engagement begins before day one on the job. According to Katherine Jones, Vice President, HCM Technology Research, at Bersin by Deloitte, “An employee is unlikely to ever be more engaged than on the day she or he accepts a job.” Delivering training and setting goals before the first day on the job not only shortens time to productivity but creates a sense of expectations and community key to ongoing engagement. In a healthcare environment, early onboarding—networking with coworkers, completing paperwork—ensures new hires can make a meaningful contribution on their very first day. When a Washington, DC, hospital began onboarding nurses before day one on the job—introducing nurses to the team, sending a welcome card—they witnessed a significant decrease in attrition.

Align employee goals with organizational goals.

Healthcare employees are intrinsically motivated by the need to serve; an organization that demonstrates this same passion for service—through not just mission but actionable goals—can more effectively kindle employee loyalty to the organization itself. The Studer Group calls this “connecting to the why.” In addition, healthcare organizations that integrate employee passion and organizational goals with learning and development opportunities and performance management have greater capacity for effective succession planning.
For healthcare organizations, improvements in employee engagement can have a positive, quantifiable effect on the quality of patient care. As healthcare workers are already committed to their work, the challenge organizations face is making it easier for them to connect to the organization, feel valued and rewarded, and improve skills. Unified talent management software—single platform systems designed to help track, manage, and report on every phase of the employee lifecycle—can greatly aid in creating and managing support systems designed to increase engagement. In fact, Josh Bersin of Bersin by Deloitte said that a talent management system should be called a “true employee ‘system of engagement’.”

Bersin also makes the distinction between old “systems of record”—ERP systems—and “systems of engagement”—collaboration, social networking, and learning systems. UTM provides a single talent management solution that unifies people and processes across multiple hospitals, clinics, and facilities, critical for organizations managing growth through mergers and acquisitions. A unified talent management (UTM) platform is one such true system of engagement. UTM beyond traditional “integrated” systems—separate modules living on multiple platforms—and provides entire employee lifecycle management capabilities on one platform, in a single location, with one login.

**UTM systems ensure healthcare organizations can improve employee engagement by**

- **engaging new hires** before day one with comprehensive onboarding and social networking capabilities.
- **improving employee skills and inspiring career development** with on-demand, targeted learning opportunities.
- **creating meaningful, ongoing performance reviews** that integrate with learning opportunities and compensation plans.
- **motivating employees and encourage commitment to the organization’s goals** with succession planning capabilities.
- **sourcing hard-to-find talent** both inside and outside the organization with powerful social networks.
Perhaps the most significant benefit to a unified talent management system is the end result of it: top quality patient care. A Unified Talent Management solution enables you to find top talent, help them reach their potential, and keep them engaged. Consider it an investment in your organization and an investment in the future health and care of your patients.

1. "Inspired care comes from inspired nurses." National Database of Nursing Quality Indicators.
5. "Inspired care comes from inspired nurses." National Database of Nursing Quality Indicators.
6. "Inspired care comes from inspired nurses." National Database of Nursing Quality Indicators.
15. Thirty-percent engaged according to Gallup over multiple industries to the Cornerstone survey’s healthcare organizations’ 51%.
18. Succession planning concerns included “managing employees to their highest potential” (20%), “attracting people with the right qualifications to fill our open positions” (24%), and “creating plans for employees to move to increasingly higher levels of responsibility, if desired” (11%).

Cornerstone OnDemand is a world class leader in unified talent management solutions and is used by more than 825,000 healthcare executives and employees worldwide to meet the demands of the rapidly changing healthcare workforce. To learn more, visit csod.com/healthcare.