Building Employee Loyalty

Golden Rule and R-E-S-P-E-C-T

Encourage Employee Loyalty

By David Ollier Weber

Over the past six years, not a single doctor among the 32 who staff the emergency rooms of Pennsylvania’s Lehigh Valley Hospital & Health Network has left for another job.

“In emergency medicine that’s very unusual, to have zero attrition,” says department head and interim chief medical officer Michael Weinstock, MD. There are no job openings for registered nurses at Austin Medical Center, a 99-bed Mayo Health System hospital in Austin, Minn.

At a time when the nationwide hospital nursing vacancy rate tops 16 percent, Mayo’s director of human resources, Rod Nordeng, has a waiting list in case any of the 125 RNs on his facility’s payroll decide to leave. He politely declines the services of expensive agency nurses and recruiters.

Nordeng negotiates contracts with unionized staff without a lawyer in the room. No reason to be adversarial toward people he works with every day, he reasons. It took him all of four sessions to forge an agreement during the latest round of bargaining. And in a recent survey of the hospital’s 750 non-executive and non-physician employees, 96.5 percent said they would recommend AMC to a friend as a place to work.

Among Fortune magazine’s 100 Best Companies To Work For, Baptist Health Care, in Pensacola, Fla., ranks 15th. The organization’s “no-secrets” policy means housekeepers are privy to the same financial information as the CFO, the magazine reports, adding that every employee received a $100 check as thanks for the hospital’s scoring in the top percentile for patient satisfaction.

Indeed, when you click on Baptist’s Web site (www.ebaptisthealthcare.org) the first thing that pops up on the screen is not a picture of a building or a list of services but a boldface proclamation: “You’ll Like the Way Baptist Cares for Our Employees.”

Seething and churning

Why is it that a few organizations stand out as tranquil islands in a roiling sea of wage-earner disillusionment, disgruntlement and rampant turnover?

• According to the American Organization of Nurse Executives, one in five hospital-based nurses will submit a resignation this year.¹

• Nearly half of all health care workers, according to a recent study, said they’d “begun to think about or make plans to leave their current organization.”²

• Data from a 1999 study of primary care physicians under the age of 45 indicate that 55 percent will switch practices in the next four years—and 20 percent will quit twice during that period.³

The costs of this seething and churning—both in dollars and diminished quality of care—are beyond reliable calculation.

Earlier this year, The Physician Executive queried some of its members by e-mail in search of advice and insights on how to encourage employee loyalty. The response was an eager spate of nearly 200 suggestions. A few who answered wanted to unload about what does not promote workforce loyalty.

“After 15 years as a physician executive,” wrote David Epstein, MD, in Marietta, Ga., “I am profoundly disappointed at the treatment afforded medical directors, nursing executives and other clinical professionals by non-clinical management executives…. It’s about honesty and respect—two qualities in very short supply.”
David Olsen, MD, was “loyal to the bitter end,” he says. Olsen is the former chief medical officer at the Ceres Group, a life and health insurer headquartered in Cleveland, Ohio. “It’s supposed to be bad form to speak ill-ly of your former employer,” he acknowledges. “But a lot of promises weren’t kept.”

However, he adds, he continues to enjoy close relationships with many of the people he himself used to supervise. “They’re incredibly loyal to me. This happens to be one of my greatest strengths as a manager.”

And amid all the suggestions involving acts of positive reinforcement—courtesy, openness, appreciation, tribute—there were also some nods to the unpleasant task of eliminating the negative.

“If one of my physicians acts out with a nurse,” says Ben Knecht, MD, medical director of Wenatchee Valley Hospital, a 16-bed physician-owned medical/surgical unit attached to a large outpatient clinic in Wenatchee, Wash., “I speak to the physician the next day or soon after the event. I ask that they apologize to the person and mend their interpersonal conduct as it relates to our nurses.

“The word is out that this is what happens. There has not been a problem for close to twelve months, but it has taken nearly four years to get to the point where the physician stuffs the frustration or anger and takes it to me or others higher on the food chain…. They know we do act.”

Basic questions

Just what are the hot buttons that turn employee allegiance on or off?

Extrapolating from some 80,000 workplace interviews, the Gallup Organization concluded that “the core elements needed to attract, focus and keep the most talented employees” can be measured by 12 simple questions.

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission/purpose of my company make me feel my job is important?

9. Are my co-workers committed to doing quality work?

10. Do I have a best friend at work?

11. In the last six months, has someone at work talked to me about my progress?

12. This last year, have I had opportunities at work to learn and grow?

Interestingly, note the authors, pay isn’t on the list. There is an assumption that it will be at least fair and competitive.

As David Watlington, MD, who runs a solo obstetrics/gynecology practice in McMinnville, Tenn., warns: “Money isn’t everything, but people will change jobs if there is a significant wage difference—even if they are happy at their current job.”

Just five of the questions—1, 2, 3, 5 and 7—bear the strongest correlation with retention, the authors add. In fact, they say this makes clear that although “so much money has been thrown at the challenge of keeping good people—in the form of better pay, better perks and better training—in the end, turnover is mostly a manager issue.”

The Ochsner Clinic Foundation in New Orleans monitors staff morale using the Gallup questions. At Ochsner, facilitators are dispatched to meet with employees to work out solutions to problems brought up in twice-yearly surveys of the organization’s 500 physicians and 2,000 clinical and clerical personnel, reports Ochsner board member and satellite center physician manager Patrick Torcson, MD. “We recognize the relationship between employee satisfaction and patient satisfaction.”

Recognition and reward

Robert Michaels, MD, medical director of United Medical Associates, a 140-physician multispecialty group practice in Johnson City, N.Y., gives high marks to a consultancy he’s engaged to pump up employee esprit. United Medical and some 350 other health care organizations nationwide are using the schema, techniques and terminology of the Studer Group of Gulf Breeze, Fla.

Quint Studer set a mediocre Baptist Health Care system on the road to Fortune 100 glory as its president from 1996 to 2000. Then, he created a Baptist Leadership Institute that has tutored almost 6,000 health care managers in his concepts, which are also propounded by Studer Group consultants.

Superiority in health care, Studer asserts, rests on “Five Pillars” (service, quality, cost, people and growth) and “Nine Principles.”

1. Commit to excellence
2. Measure the important things
3. Build a culture around service
4. Create and develop your leaders
5. Focus on employee satisfaction
6. Build individual accountability
7. Align behavior with goals and values
8. Communicate at all levels
9. Recognize and reward success

A lot of emphasis falls on that ninth principle. Managers are urged to “round” frequently to reinforce a sense among the troops that “I have a relationship with my boss… my boss is approachable… I’m listened to… my systems are fixed… I have
Managers have a quota of personal thank-you notes to send each month to subordinates who perform well. Truly exceptional employees are singled out as “Firestarters” and receive a brass pin to affix to their nametag.

At the Penn State Milton S. Hershey Medical Center in Hershey, Pa., Firestarters can drop a “wooden nickel” on anyone they spot doing a good deed, says Anthony Ardire, MD, former medical director, clinical improvement and safety officer at Hershey and now a medical director at Stude. Recipients can redeem the nickels in the cafeteria or accumulate them to trade in for goods like mouse pads, umbrellas, tote bags, videos or the like.

Although not a Studer client, Nordeng attributes much of Austin Medical Center’s extraordinary employee fealty to a similar program. For the past year and a half, the people who work in the Minnesota facility have been saluting one another for follow-through and thoroughness, mutual respect, initiative, problem-solving, teamwork, “going above and beyond” and leadership by logging on to the hospital’s Great Place Web site and sending a card that confers an “AwardperQ.”

Like Penn State’s wooden nickels, except they are virtual, AwardperQs build up in employee accounts and can be spent on items in an online catalog of high-grade merchandise, from brand-name toys to a motorcycle. The program was designed and is run by BI, a Minneapolis business improvement company (www.biworldwide.com). Managers have an allotment of AwardperQs to hand out each month, but anyone can grace anyone else whenever appropriate.

“There’s a correlation between those who send cards and those who receive them,” says Nordeng (whose own AwardperQs account now stands at about $1,200.) “You wonder if people who don’t get any—there are a few—ask themselves why no one’s sending them cards. A secretary recently said to me, ‘It’s too bad we couldn’t have this in the whole community.’”

“Employees love to be recognized,” agrees William Cors, MD, chief medical officer at Somerset Medical Center in Somerville, N.J. “It sounds corny, but they do.”

Indeed, since instituting its own elaborate rewards and recognition program along the same lines as Austin’s, Somerset has seen turnover sink to 8 percent and Press-Ganey scores soar to the top 1 percent nationally.

Among RNs, says Cors, the vacancy and turnover rates sank below 5 percent. That’s helped, no doubt, by other imaginative Somerset nurse satisfiers like a “Sunshine Suite” on the pediatric floor where a nurse’s sick child can be cared for during a shift and a “9/3” program that allows nurses with school-age children to take the summer off and be assured of a job in September.

R-E-S-P-E-C-T

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“I have publicly and privately told each of my employees that if a better work opportunity presents itself to them and they want to leave that I will not stand in their way, but will offer whatever assistance I can to help make the transition successful for them,” says Larry Jones, MD, president of Specialty Surgeons of Pittsburgh.

He is proud of the fact that “as a result, I have had two physicians leave our practice…to become directors of their own programs in other hospitals.”

Maintaining a balance between the demands of the workplace and those of outside life is another important way to prevent discontent and burnout, say many physician executives.

“Though the average income of our group does not meet the MGMA (Medical Group Management Association) mean for internists,” admits Roger Stagg, MD, medical director of St. Luke’s Internal Medicine in Boise, Idaho, “neither do we meet the mean for RVU production. We place a major emphasis on quality of life and the time to enjoy our families and lovely surroundings.” Since 1992, his hospital-owned practice has ballooned from two physicians to 26.

“R-E-S-P-E-C-T”
Herbert Weinman, MD, chief executive officer of Professional Management Services in Dallas, Pa.—who credits his training in labor relations to osmosis of his father’s methods as owner of a successful flooring and lumber business—believes strongly in distribution of “unexpected goodies.” They might include tickets to a show, dinner out or massage gift certificates, he notes. And on his office’s 10th anniversary, he took everyone to Club Med Cancún! On its 20th, they all sailed together on a Caribbean Windjammer cruise.

Typical of Internet startups, QuickCompliance, Inc., a San Rafael, Calif., HIPAA e-training company, offers equity shares as an “initial enticement and for subsequent high performance,” says founder-CEO John Danaher, MD. He also envisions, “when the time is right, providing vacation opportunities/trips for stellar performance.”

Mel Twiest, MD, chief medical officer of Erlanger Health System in Chattanooga, Tenn., signals the value he places in nurses by donning scrubs every fifth week and spending half a day at a nurse’s elbow.

“Having practiced general surgery for 21 years, I assumed I knew a bit about nursing, but of course I knew very little from the nurse’s perspective. I’ve learned a tremendous amount.

“Nurses feel beat up,” he continues, “that they never get any attention. This is a way to give them recognition and make them realize that their interests will be listened to on the physician side. I can advocate for them now—at budget time, I’ll speak up: ‘If the nurses say this is important, you listen to ‘em!’

“I intend to expand this,” Twiest adds, “probably to rad techs. That’s another group where there’s a huge shortage."

—David Weber

Meanwhile, as the nursing workforce ages and becomes disgruntled, grow-your-own-RN programs have become widespread.

These carry an up-front pricetag. David Evelyn, MD, vice president of medical affairs at A.O. Fox Memorial Hospital in Oneonta, N.Y., says his organization’s foundation annually contributes $65,000 to $85,000 to a program that began by grooming LPNs to become RNs, but now helps employees enjoy upward mobility by becoming CNAs, LPNs, echocardiology techs, coders, pharmacists and bachelor-level RNs.

“Not only do we get motivated employees,” he says, “but we have reduced our recruiting costs and turnover rate is very low.”

One QuickCompliance client is the U.S. Defense Department. With more than 100,000 health care personnel stationed around the globe, “there is not always the flexibility to provide ‘on-the-spot’ cash bonuses to workers, or provide immediate promotions and the like,” concedes assistant secretary of defense for health affairs William Winkenwerder, MD. Nevertheless, he says, “public recognition, special awards or medals and similar programs are the most visible way we have to further our efforts at employee loyalty.”

But underlying every program described, every list of Top-10 tips for maintaining a happy, productive, committed workforce, there is one fundamental concept, expressed in the lyric of an Aretha Franklin standard: R-E-S-P-E-C-T.

The word “respect” appears with great frequency in the e-mail responses to The Physician Executive’s query. Its absence in his dealings with insurers and administrators is what Epstein found so profoundly disappointing; its centrality to his management style is why Olsen’s former staff still hold him in such high esteem.

“Treat your employees—I call them colleagues and associates—as equal, but unique, human beings,” Olsen stresses. “Never be condescending…. This is the same advice I give doctors about interacting with patients. It’s golden.”

“I don’t think that there is anything special here,” observes Philip Garrod, MD, after describing the principles by which he restored morale at Capstone Health Plan, in Flagstaff, Ariz. The small non-profit for the developmentally disabled had just undergone a major downsizing when he took over as administrator three years ago. “The key,” he concludes, “is to treat employees the way you would like to be treated.”

“In health care we take simple things and make them complex,"
agrees Studer. “The trick is making the complex simple.”

What could be simpler than applying the Golden Rule?

Yet —given human frailty and organizational dynamics—what could be more complex? /

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References:


What’s Working

Austin Medical Center leads the pack in employee satisfaction

Austin Medical Center has reason to celebrate — its commitment to continuously improving staff satisfaction is paying off. In the Mayo Health System 2004 Employee Satisfaction Survey, Austin Medical Center rated highest among the 11 participating organizations in 14 of 25 measures of satisfaction and ranked second or third in another eight measures.

To what does Austin Medical Center attribute its success?

“We’ve undertaken multiple initiatives to improve staff satisfaction, with the ultimate objective of improving patient satisfaction — something we always focus attention on,” says Rod Nordeng, director of Human Resources at Austin Medical Center. “It’s impossible to identify one reason for our high ratings in the health system survey. I believe staff recognition and trust are major factors in staff satisfaction, so we have changed our culture to focus on what co-workers do right rather than wrong.”

Nordeng says contributing components to Austin Medical Center’s high level of staff satisfaction include:

- **Great Place Recognition Program** — Began in 2001; a Web-based reward and recognition program that encourages staff, managers and physicians at all levels to acknowledge each other’s outstanding efforts. The “currency” of the program is points distributed for recognition and peer-to-peer cards sent between staff. In an average month in 2004, staff members sent recognition cards to co-workers more than 2,500 times. More than 30,000 recognition cards were sent in 2004 — an increase of 10 percent from 2003.

- **Servant Leadership development program** — Began in 2004, part of ongoing leadership development program; focuses on practicing stewardship and community building, fostering the natural feeling of wanting to serve, acting for the common good, and promoting value and growth of people. All managers, supervisors and physician leaders will participate in the program during the next four years.

- **Annual staff recognition party** attended by more than 600 of the organization’s 800 allied health staff and 70 physicians.

- **Practice of providing the same benefits for all staff** regardless of union or non-union status of staff or management status.

- **RISEN program** (Re-Investing Spirituality and Ethics in our Networks) to enhance spiritual needs of patient-care staff and to help them be aware of spiritual needs of patients; part of organization’s leadership development education opportunities. More than 250 staff members have participated.

Nordeng and his colleagues at Austin Medical Center were delighted with its placement in the systemwide satisfaction survey. However, they weren’t necessarily surprised.

In its fall 2004 Staff Member Recognition Survey, Austin Medical Center learned that staff members recognize their co-workers, feel recognized by peers and managers, feel they work in a respectful and engaging environment and value the organization.