

The Critical Link Between

Workforce Organizational Excellence

Say, you want to achieve excellence? The classic paradigm of customer loyalty puts the needs of the customer before all others. It says, in essence, “The customer is always right because the customer comes first.” However, there is a growing body of empirical evidence supporting the view that providers can’t achieve excellence without a satisfied and committed workforce. The turnover, stability, and satisfaction of your staff predict a broad range of other performance parameters, including family and resident satisfaction, clinical outcomes such as falls, use of anti-psychotic medications, and even occupancy rates.

High-performing organizations have three common elements basic to achieving excellence. These core elements form a three-legged platform comprised of:

1. **A culture of excellence**
2. **Workforce commitment**
3. **Leadership strengths**

An organization performs at the highest level that can be supported by its weakest leg. If any leg of this triad is compromised, organizational excellence cannot be sustained. That’s precisely why high-performing organizations have organizational cultures and leadership strengths that drive performance. Workforce commitment—as reflected in low rates of staff turnover, high rates of retention, and low rates of absenteeism—is also critical to achieving excellence.

According to Bernie Dana (a management consultant in long term care and Assistant Professor of Business at Evangel University in Springfield, Mo.), high-performing



organizations recognize the “importance of meeting the expectations of their external customers [residents and families] and internal customers [staff].”

So, what have we learned about the impact of workforce on organizational performance?

Lessons From The Georgia Quality Initiative

The Georgia Quality Initiative, started in July 2003, brought together such stakeholders as the state regulatory agency, the Alzheimer’s Association, the Georgia Health Care Association (GHCA), and nursing facilities throughout the state. According to GHCA President Fred Watson, we are “working with our members and other constituents to make quality improvement a sustainable reality for the long haul.”

My InnerView collected data, created feedback reports, and provided training to introduce the principles of evidence-based management to providers throughout the state of Georgia. My InnerView data show that employee

satisfaction is associated with excellence throughout the organization.

Consider this: A perfect correlation equals one. No correlation equals zero. The correlation between the quality of the work environment reported by employees in Georgia nursing facilities and the level of family satisfaction reported by families is 0.99. That's almost a perfect correlation! Facilities with higher employee satisfaction do better on clinical outcomes, workforce performance, and occupancy. They have:

- More residents without falls
- More residents without acquired pressure ulcers
- More residents without acquired catheters
- Less nurse turnover
- More nurse stability
- Less certified nurse assistant (CNA) absenteeism
- Less nurse absenteeism
- Higher occupancy

What is so striking about these results is just how impor-

tant workforce is to quality. My InnerView analyzed monthly data on clinical outcomes from January 2004 to September 2006, collected for the ongoing Georgia Quality Initiative. To illustrate how workforce affects clinical outcomes, My InnerView created an overall "workforce performance score."

It combines four monthly metrics: a.) nurse retention; b.) nurse turnover; c.) CNA retention; and d.) CNA turnover. Using this score, My InnerView divided Georgia nursing facilities into three groups:

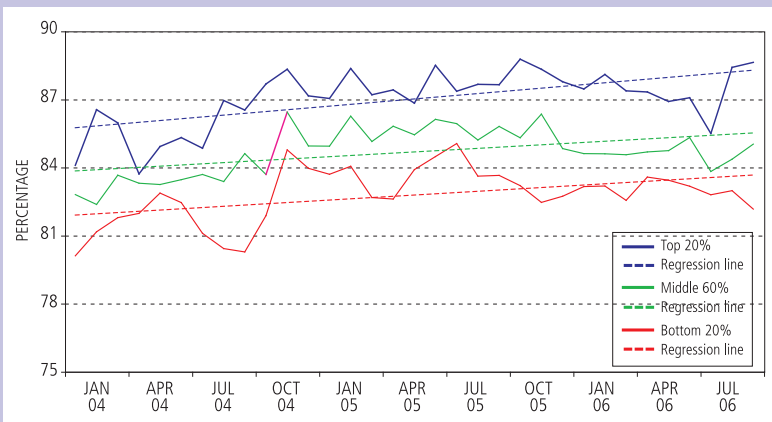
■ **Top 20%** are comprised of the top 20% of facilities with the highest retention rates and lowest turnover for nurses and CNAs.

■ **Middle 60%** are comprised of the middle 60% of facilities with workforce performance between the top and bottom performers.

■ **Bottom 20%** are comprised of the bottom 20% of facilities with the lowest retention rates and highest turnover for nurses and CNAs.

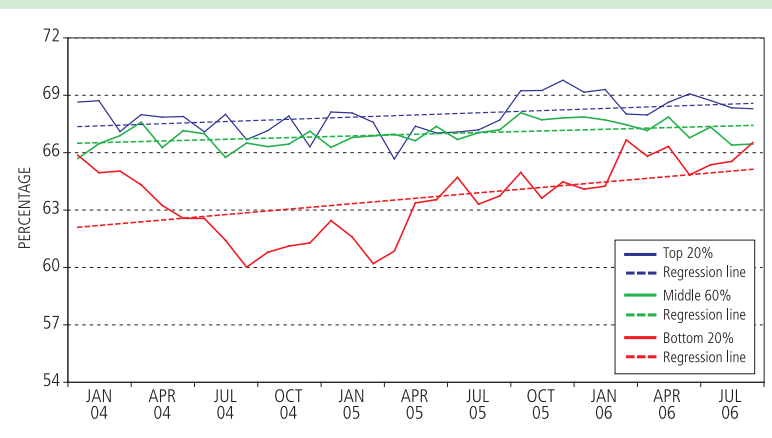
Residents Without Falls

Look at trends in falls among top, middle, and bottom performers on workforce retention and turnover will show that top performers outperform middle and bottom performers on resident falls, and middle performers outperform bottom performers. Right, a trend line is fitted into each set of monthly data points showing improvement in falls over time. The positive slope of each trend line shows steady incremental improvement in the incidence of falls over time.



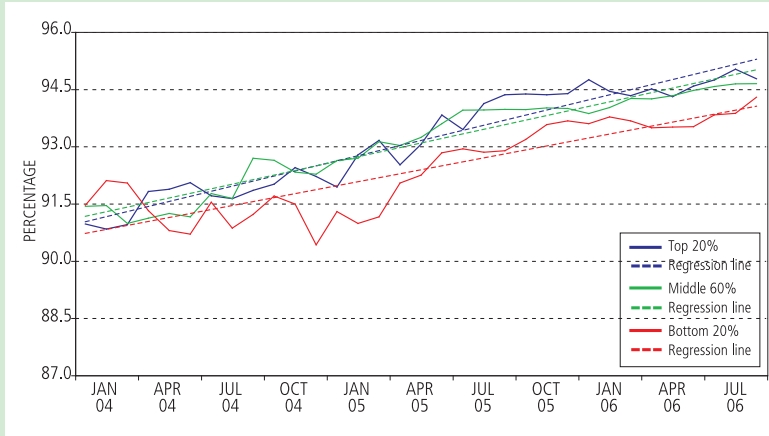
Residents Without Anti-psychotic Medications

Three trend lines are shown (right) for the same groups in the percentage of residents without anti-psychotic medications: top 20%, middle 60%, and bottom 20% on turnover and retention of nurses and CNAs. Top performers do better than the middle and bottom performers on anti-psychotic medications. The positive slope of each trend line indicates that steady improvement occurred in the use of anti-psychotic medications over time.



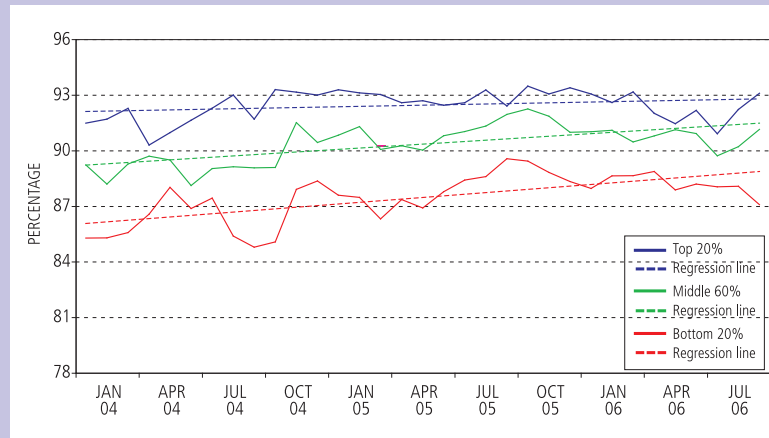
Residents Without Physical Restraints

Look at the percentage of residents without physical restraints (right) reveals that again, three groups are defined by looking at turnover and retention among nurses and CNAs. The bottom performers do worse than the top and middle performers on physical restraints. The positive slope of each trend line shows steady improvement in the use of physical restraints over time.



Impact On Occupancy

Monthly trends in occupancy from 2004 to 2006 (right) show that top performers consistently have higher occupancy rates than the middle and bottom performers. The positive slope of each trend line shows increasing occupancy over time.



Conclusion

The Georgia Quality Initiative provides evidence of steady and incremental performance improvements in nursing facilities throughout the state between January 2004 and September 2006. Successful quality improvement efforts may be more “evolutionary” than “revolutionary.” More importantly, Georgia nursing facilities with less turnover and higher retention among professional and paraprofessional nursing staff consistently outperform their counterparts. These results show that workforce drives organizational excellence.

Strategies For Strengthening Your Workforce

Here are some strategies to strengthen your workforce:

Take care of your employees. High-performing organizations take care of both external customers (residents and families) and internal customers (staff). If you don’t take care of your employees, you are not likely to achieve excellence in other areas. Workplace safety and support with stress and burnout are frequently cited by staff as high-priority areas for improvement in their work environment.

Moreover, leadership teams who care about employees by showing appreciation and by valuing employees achieve better workforce performance, clinical outcomes, customer satisfaction, and financial performance.

Monitor workforce performance. Keep score to measure your success in cultivating your staff. If you don’t know how your employees would recommend your facility as a place to work, you are operating in the dark. If you don’t track staff turnover, retention, and absenteeism, you can’t effectively manage core operational processes that affect clinical and financial performance within your organization. Customer satisfaction, workforce performance, clinical outcomes, and financial results are all interdependent.

Value employees. Workers often do not feel valued or respected by their employers, especially their supervisors. “My supervisor cares about me as a person, shows appreciation for a job well done, and gives me important work-related information” are commonly cited areas of concern among frontline workers. Develop the supervisory skills of all members of your management team. Listen to what

your employees are saying without making judgments, and follow up with real actions to improve the situation.

Involve your workforce in decisions. Many workers are excluded from decision making across a broad range of issues. Although direct care workers have more interaction with residents than many other members of the care team, their voices are not always heard by management. Develop a style of management among your management team to create greater opportunities for participation of workers in decision making.

Understand the needs of your workforce. Understanding the

needs of your employees is especially useful when it comes to maximizing the potential of your workforce. Better wages and benefits are not usually enough to achieve a motivated, high-performing staff. In fact, the things that matter most to employees are not related to pay. The top three concerns are:

- 1. Management cares about employees**
- 2. Management listens to employees**
- 3. Help with stress or job burnout**

Address those needs that are the most critical to your employees.

Variation In CNA Absenteeism

The charts at right show monthly rates of CNAs without absenteeism. The variation around the mean (three standard deviation limits) are depicted separately for the top, middle, and bottom performers. CNAs without absenteeism is the frequency at which CNAs actually show up for their scheduled shifts. In other words, it is 100% of scheduled shifts minus the rate of “no shows” or “call-ins” (when CNAs do not report to work as scheduled).

The rate of CNAs without absenteeism is highest among top performers and lowest among bottom performers. The variation around the mean (three standard deviation limits) is smallest among top performers and largest among bottom performers. These data show that absenteeism fluctuates much more dramatically from month to month among bottom performers compared to the middle and top performers. The variation during any month is also much greater among bottom performers than middle and top performers. These data show that top-performing facilities have much less absenteeism among CNAs compared with their counterparts.

This article was written by Dr. Leslie A. Grant, Associate Professor of Healthcare Management in the Division of Health Policy Management and Director of the Center for Aging Services Management at the University of Minnesota.

My InnerView Inc. is an applied research company that promotes evidence-based management practices in long term care facilities throughout the United States.

