

TO IMPROVE EMPLOYEE ENGAGEMENT... START AT THE TOP

We know that a lot of you are concerned about the loss of talent in your aging services organizations—and for good reasons. Research conducted in 2011 revealed that approximately 40% of Nursing Home Administrators leave their jobs each year, and Directors of Nursing leave their position at a slightly higher rate.¹ As if this isn't alarming enough, loss of management leadership has been directly linked to turnover issues staff-wide. A 10% increase in top management turnover is associated with a 21% increase in the odds that a facility will have a high turnover rate of nurse aides and a 30% increase in the odds that a facility will have a high turnover rate for registered and licensed practical nurses.² A study by The American Health Care Association found that annual retention rates within the long-term care industry are only 49%.³ Sum it up and the news is daunting: **Combined research shows that up to half of all nursing home or long-term care workers leave their jobs in the course of a year.**

The costs of this can be staggering, especially right now in the midst of all of the Medicare and Medicaid reimbursement cuts you are facing. According to an MIT Sloan study, the cost of employee turnover is up to 150% of an employee's remuneration package, and Christopher Mulligan, CEO of TalentKeepers claims that the direct and indirect cost of losing a valued contributor averages roughly \$155,000.⁴



Let's do the math: According to Mulligan's findings, for a long-term care organization with 25 healthcare centers experiencing Nursing Home Administrator and Director of Nursing turnover of 40% at an average wage of \$80,000, these costs could easily amount to \$2,400,000 annually.

When asking support staff for their reasons to depart, the most frequent answer given is this: **"If management does not want to work here, why should I?"** Obviously, it's important to your success that you keep your management team in place and committed to your organization's mission. But . . . how can you *do* that? There has been a lot of talk about getting employees engaged with their work. We agree. But we believe *this has to start with your management team.* Engagement efforts have been shown to not only increase management retention rates, but also reduce *overall* staff turnover, have a positive impact on increased employee satisfaction levels, and equally important, lead to higher levels of resident care, which we know firsthand is a primary goal for each of our clients—that's why you chose this profession in the first place. But

organization-wide efforts often fail, because you've got to start with your leaders first. Make sure you have leaders in place that are energized by and enthusiastic about their work, and *then* implement staff-wide strategies. Nothing will short-circuit your efforts to increase employee engagement more quickly than putting a great deal of effort into increasing retention rates for nurses and aides who report to individuals who aren't really on board with the organization, and who don't stick around.

Research shows that too often, disengaged leaders are the rule. Based on over 20,000 surveys conducted over ten years using research sponsored by The Commonwealth Fund associated with the University of Pittsburgh's Research Network provides these startling statistics:

- NHA/DON probability of remaining in the same position for three years is less than 33%
- Administrators had an average turnover rate of 43% per year
- Less than 23% of facilities have NHA and DON turnover stability exceeding 2 years in tenure



YIKES! We've all heard of "trickle-down economics." But what we have here is a clear-cut argument for what we call "trickle-down engagement." If you want to reduce turnover (and we know you do), start at the

top. The formula is simple: If you want to increase your level of quality, you've got to keep your employees. And that boils down to this: You've got to make sure your leaders are keepers. Let's talk about how.

What are the signs of Engaged Leaders?

After 23+ years working with mission-driven aging providers to find and retain today's top leaders, we have discovered the following key characteristics of engaged leadership:

- **They build trust.** Leaders who are unable to gain the trust of their support team are not going to be able to foster engagement. The key to gaining trust? Evidencing trust in others. If your leaders don't trust their staff, why were they hired, and why are they still there?
- **They mentor their staff.** The relationship between the leader and the direct report is critical to how engaged employees will be. Employees need feedback—they need to hear from their leaders *on a regular basis* about how they are doing and that their leader cares about them.
- **They include their team.** If an employee feels like an outsider, there goes the incentive to take ownership. Keeping staff informed and part of important decisions is key to being an engaged leader.
- **They share the organization's vision with their team.** In order for support staff to feel connected to the success of the organization, they need to know what the mission, purpose, values, and vision are. Does your leader communicate this information on a regular basis? An engaged leader will.
- **They develop their teams.** Are your leaders initiating training that capitalizes on team members' strengths and creating opportunities for further

improving performance? If not, you probably lack engaged leadership. Those who understand the potential for success (and are committed to your organization) will invest time in building a high performing team.

- **They show appreciation . . . and often.** Today, more than ever, all of you are constantly called upon to do more with less. Make sure your leadership staff thanks their team members for the hard work they do. In today's hectic environment, all too often this simple, but vital step, is overlooked more often than not. Rewarding staff with a sincere "Thank you for not only doing your job, but doing it well," might sound obvious, but we can't tell you how often job seekers tell us they are on the market because they simply did not feel valued or appreciated by their current organization.



References

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