Why reducing turnover is Job 1 in addressing the staffing crisis

Whether employees stay or stray depends on multiple factors. None is more important than their relationship with their boss.

Burl E. Stamp, FACHE
President | Founder, Stamp & Chase

Stamp&Chase

Hemorrhaging is the word we're hearing most often to describe the staffing crisis in many healthcare organizations. And if that's the problem, stopping the bleeding must be leadership's top priority. That starts with reducing turnover and the number of new hires organizations must find each month just to stay even.

Key Takeaways

- Before an employee thinks about joining another organization, they have to start thinking about leaving their current employer and workgroup.

- Beyond just compensation and benefits, employees who begin to think about leaving a job often lack – or have lost – a meaningful connection to their work team and organization.

- The saying that employees don't leave a company, they leave their boss is supported by research. Gallup research shows that 70 percent of the variance in employee engagement can be explained by the manager an employee reports to.

Without question, healthcare employee turnover is one of the most far-reaching issues facing provider organizations today. The problem of not being able to retain staff impacts organizational success in multiple ways: patient experience, operational efficiency, meeting community needs, quality, and finance.

With the "great resignation" and changing labor force dynamics, most industries are losing workers at higher rates than in the past. But why is turnover so high in healthcare?

It is easy to write off higher turnover only to the stress of the pandemic, but the causes of employee turnover in healthcare are more complex. Research confirms that multiple aspects of the work environment itself, which can vary from department to department in the same organization, contribute to individuals wanting to leave or stay. Many of these same characteristics are the root causes of burnout.

Industry-wide recruitment strategies designed to help may in fact be contributing to the problem. Given aggressive recruiting by provider organizations and staffing agencies, even healthcare professionals who weren't thinking about a job change are tempted to explore options.

This Stamp & Chase **LeaderBriefing** focuses on the most compelling, often complicated reasons that employees decide to leave *that are within an organization's control*. While the pandemic has created a sense of inefficacy and loss of control, the good news related to turnover is that research shows that strong leadership does indeed make a major difference. Specific practices that leaders must adopt to re-engage, support, and retain their best employees are the same ones that will contribute to their own personal success and recovery from the pandemic.

The Power in Connections

Multiple issues affect any individual employee's level of satisfaction in his/her job. But at the heart of the problem of turnover in healthcare is the extent to which a staff member feels a meaningful sense of connection to the organization, his/her manager, and customers/patients.

Connecting to Purpose

Understanding and leveraging purpose in organizations has emerged as one of the most talked about issues – and opportunities – in companies today. CEOs who are part of the prestigious Business Roundtable recently signed a new statement on the "Purpose of a Corporation." No longer is simply driving shareholder value the top priority, they said. The statement recognized an organization's role in serving all stakeholders: customers, employees, suppliers, communities, and shareholders.

Many health care professionals would argue that the industry has always understood purpose. After all, isn't serving our fellow human beings at some of the most vulnerable times in their lives the ultimate noble purpose? But recent research and insights into how purpose can and should be leveraged in organizations, especially among frontline staff, gives us important things to think about.

"When Work Has Meaning" proclaimed the cover story of the July/August, 2018, issue of the Harvard Business Review. Like the profound statement from the Business Roundtable, this article turns long-standing business principles and theories on their head. Authors Anjan Thakor, the John E. Simon Professor of Finance at the Olin Business School at Washington University in St. Louis, and Robert E. Quinn, professor emeritus at the University of Michigan's Ross School of Business and cofounder of the school's Center for Positive Organizations, found that the traditional "principle-agent model" describing the economic relationship between a company and its employees precludes the notion of a fully engaged workforce.

"People who find meaning in their work don't hoard their energy and dedication," the authors emphasize. "They give them freely, defying conventional economic assumptions about self-interest. They do more – and they do it better."

One of the authors' most important and insightful messages is that the power of purpose doesn't just naturally happen and improve the work environment, even when that underlying purpose is as mighty as it is in health care. Leveraging

purpose must be intentional, authentic and central to how work gets done in the organization.

Connecting to Family

Leaders of some of the most successful, creative companies in the world, including Southwest Airlines, Chick-Fil-A and Costco, have referred to their organizations as a "family" when describing corporate culture and how they think about and support employees.

In healthcare provider organizations, a supportive family culture may be even more powerful and appropriate. Is there another business where employees have the opportunity to become an extension of a customer's family more than in healthcare? This is especially true in primary care, long-term care, acute rehabilitation, home care and senior living.

If one of a leader's most important jobs is modeling the behaviors and attitudes they expect their staff to exhibit toward customers, then supporting an employee team should take on some of the best aspects of "family," including caring about one another beyond the strictly defined tasks of the job.

Connecting to Responsibility

Perhaps one of the most powerful connections created between human beings is a sense of responsibility and commitment. The same idea is true for individuals and organizations. When employees feel valued and sincerely believe that their colleagues and patients are counting on them, they may think twice about leaving an organization. Of course, underlying this assumption is the employees' confidence that the work they are doing *truly is making a difference* in the lives of others – and that it is appreciated.

Rethinking strategies and practices that encourage staff to stay — or stray

With these philosophic underpinnings that emphasize employees' connection to the organization, leaders at all levels need to rethink specific strategies and practices that either encourage loyalty or – often inadvertently – contribute to resignation.

Compensation and benefits

In the heat of battle to keep services adequately staffed, operational and HR executives understandably spend lots of time and money on hiring. If base compensation is aligned with major market competitors, many organizations turn to signing bonuses and similar incentives as a differentiator to attract more candidates.

Organizations often promote this strategy internally as supporting existing staff. "We know you're exhausted, and we're just trying to get you more help fast" is the frequent message. Leaders espouse similar reasons in their zeal to hire more agency or travel staff.

But tired frontline professionals we talk with have one burning question: *"What about our pay?!"*

While well-intentioned and driven by a desire to take care of all patients at seemingly any cost, these aggressive recruitment strategies do little to recognize and reward **loyalty**.
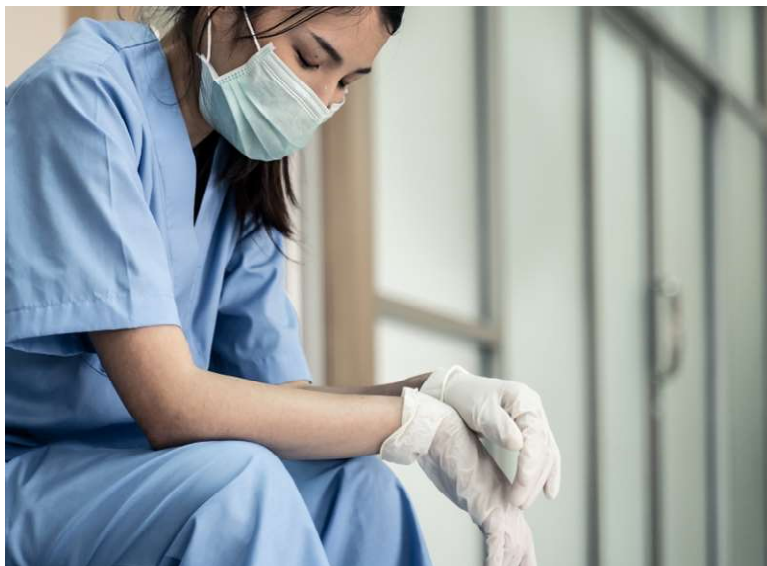
Unfortunately, loyal staff in this environment are feeling anything but valued. More often, they feel taken advantage of, forgotten, and even foolish for staying while colleagues pursue better paying alternatives. At the extreme, they feel angry and disillusioned.

Pay strategies that prioritize recruitment of new employees over retention of existing staff can't be flipped overnight. Even health systems that have said they will close beds to reduce agency expenses and overtime have struggled to implement this financially logical strategy. When push comes to shove, it is tough to turn away patients who need care – and the physicians who want to refer or admit them.

Rather, a thoughtful, structured transition from emphasizing outside recruitment to valuing loyalty must be effectively planned and communicated. While each

organization and market will have unique challenges, there are common themes all providers should explore, such as:

- Leveraging current workforce capacity by creating ways for employees to accept open shifts across the organizations on their terms (Overtime is almost always less expensive than hiring travelers, and it encourages loyalty.)

- Setting realistic targets, strategies, and timeframes for ramping down agency and travel positions

- Treating travelers respectfully but differently from permanent staff, emphasizing that they are temporary visitors, not part of the family

- Post-COVID surge, insuring more predictability in schedules for hourly clinical staff

- Incenting current staff to contribute to recruitment through more generous referral bonuses

Staff recognition

Especially in large organizations, major operational or strategic initiatives often take on the characteristics of bureaucracies with rules, requirements, and restrictions. Simply, we've found that reward and recognition programs based on points and prizes just miss the mark.

In our years of working with organizations both large and small, dedicated frontline caregivers tell us that nothing means more than someone taking the time to look them in the eye, acknowledging something they've done, and sincerely saying, "thank you." Any staff recognition effort that is not based on this foundational practice risks cheapening expressions of gratitude and appreciation.

Employee growth and development

A very specific form of individual recognition is key to reducing turnover, especially for an organization's "stars." Dedicated team members need to know that leaders are interested in their personal and professional development.

While organization-wide tuition reimbursement or professional development workshops are appreciated, their impact on turnover pales in comparison to a leader sitting down with an employee to say, "I want to help you be successful, to grow, and to be more fulfilled in your job."

Gallup calls these Stay Conversations. Others call them Re-recruitment Talks. We call them *Development Dialogues*.

Regardless of what you call them, the distinguishing characteristic of these interactions is listening. Letting a staff member tell you what they need and then finding ways to individualize their experience as an employee is key to convincing them to stay instead of stray.

During the pandemic, we've recommended adapting the Development Dialogue to explore how the COVID crisis has affected them personally. As a starting point, here are the types of questions to consider:

- *What has been most difficult for you recently?*

- *What accomplishment are you most proud of?*

- *What do you hope leadership really understands about what you've been through?*

- *How can your experience and skills contribute in an even bigger way to our team's success and recovery from the pandemic?*

- *How can I and other members of the team best support you right now?*

The idea of the Development Dialogue is to encourage richer, more meaningful conversations with individual employees. As a leader, your job is to open the door, not drag an employee through it. Individuals will accept the invitation in different ways depending on their own level of comfort and trust in their relationship with you.

Teamwork and sense of community

In the **Staff and Patient Experience Snapshot** we use to assess organization culture, we often ask employees, "Why do you stay?" Invariably, "because of the people I work with," is one of their top answers.

Frontline leaders often believe they alone must carry the burden for supporting each member of their team, especially during times of crisis. But one of the core characteristics of strong, resilient teams is support for one another.

Rather than just thinking about how they personally can support each employee, exceptional leaders focus on ways to build teamwork so that colleagues help and encourage one another.

Synergistic teamwork that produces better, more sustainable results than individual effort can be nurtured in a number of straightforward ways:

- Regular, inclusive team meetings that encourage dialogue and meaningful discussion across the team

- Huddles at the beginning of each shift that encourage staff to work through problems and challenges together

- Effective work group leading goals that inspire teams to achieve success together

- Small but frequent performance improvement teams that promote group problem-solving

- Recognition of individual employees who provide support to their colleagues, which signals that the effort is appreciated and recognized by the leader

- Counseling for employees who fail to support their colleagues and who do not work well with others

The path to a better experience for frontline staff runs directly through frontline leaders

The research is unequivocal: an employee's feelings and opinions about a company are shaped primarily by the manager s/he works for. Gallup research shows that approximately 70 percent of the variance in staff engagement is explained by employees' direct supervisor.

Ongoing research from Gallup reports a particularly concerning trend: managers are reporting more stress and burnout than the people they manage. And based on surveys conducted in 2020 and 2021, manager burnout is only getting worse.

In addressing the problem of staff burnout and turnover, it is easy to see why organizations would be reluctant to pursue any strategy that asks more of middle managers. That's understandable.

But the key to changing the relationship between managers and their teams is not asking them to do more. The key is helping them lead differently. Specifically,

evidence-based communication and leadership practices can help managers be more successful, less stressed, and more likely to develop employees who are engaged and loyal.

T.E.A.M. – a comprehensive leadership roadmap for engaging staff and improving performance

Stamp & Chase has developed a comprehensive framework that empowers managers with skills and tools to consistently increase engagement, improve performance and

coach for improved results. Using the acronym **T.E.A.M.**, which stands for **Teach**, **Empower**, **Align** and **Mentor**, this model is grounded in evidence-based approaches that improve overall workplace environment, retention, and individual success.

Inherent in our model are four key characteristics that make leadership communication more powerful:

- **Frequent** to capture instances of both positive and problematic behaviors as they occur,
- **Aligned** with team priorities and goals for improvement,
- **Specific** to reward positive individual performance and help employees develop the skills that lead to success, and
- **Two-way**, reflecting the manager's opportunity to improve his/her own performance by encouraging input from staff and colleagues

Built on these fundamentals, the scaffolding of specific management practices that lead to improved engagement are incorporated into a comprehensive curriculum and software platform called **MyTEAM**®. Each part of the T.E.A.M. model focuses on a different core competency of successful leadership practice.

Teach – Providing Effective Leadership to the Team as a Whole

Staff look to their manager to establish clear priorities and direction, and then provide focused support for the team to successfully achieve defined goals. As a teacher, the manager offers the expertise and wisdom that shapes the course of the workgroup. Of course, a strong teacher also is a continuous learner, benefitting from the knowledge and contributions of individuals to make the team stronger as a unit.

There are three specific practices included in the Teach module of the **MyTEAM®** model:

*The **Teach** and **Mentor** modules in the **MyTEAM®** application make it easy for managers to capture key information during rounding, flag needed follow up, and document feedback to staff members.*

Integrated Rounding

- Providing frequent visibility and support to the team as well as to patients and family members
- Focused on meaningful conversations with all key stakeholder groups to better understand strengths and opportunities for improvement
- Designed to check **in** on staff, not check **up** on staff

Daily Huddles

- Brief stand-ups lasting just 5 minutes
- Focused on key issues for that shift and helping staff be successful **today**
- Emphasis on sending staff "on the field" inspired, not discouraged

Inclusive Staff Meetings

- Most effective forum for meaningful dialogue among the team when leaders strive for a **50/50** ratio of giving vs. receiving information and ideas

Empower – Getting Staff More Involved in Decision-Making

Central to all contemporary performance improvement methodologies – including LEAN and Six Sigma – is the idea that better solutions emerge when you involve the people who are closest to the work. While larger, complex projects often involve cross-functional groups drawn from departments throughout an organization, managers have the opportunity to launch smaller, more focused, intradepartmental projects that involve team members in decision-making within the workgroup.

Additionally, leaders should embrace empowerment as a core aspect of day-to-day interactions with the team. Simply, posing straightforward questions during rounding, huddles and staff meetings communicates that a leader values input and the team's help in problem-solving:

- What do you think?
- What can we do better?
- What are your ideas for improving teamwork and the care environment?

Align – Establishing Workgroup Goals to Drive Performance

Most organizations have mastered the art of setting well-defined, specific, measurable goals at the corporate level. But to influence behaviors and the performance of workgroups and individuals, more specific, tactical goals should be established at the departmental/unit level. Setting, tracking, consistently reporting and then discussing progress against these goals helps the workgroup

strengthen a sense of purpose around priority initiatives to improve quality, service, efficiency or other aspects of care.

The **Align** module in the **MyTEAM™** application offers one consolidated location to efficiently enter, track and report departmental goals in quality, customer experience or other areas.

The **MyTEAM**® platform makes it easy for managers to structure, track and report leading indicator goals related to quality, customer service, marketing, finance, people, and/or other organization-specified areas. Attractive summary reports can then be printed for use during departmental meetings. Consistent tracking and reporting encourages teams to celebrate accomplishments – and course-correct when results are falling short of expectations.

Mentor – Providing Consistent Feedback to Individuals

In the Mentor module, the real power of the **MyTEAM**® framework comes together. Focused on more frequent and meaningful positive feedback (which reinforces desired behaviors) and constructive criticism (which corrects problem behaviors), three recommended leadership practices provide a platform for continuous individual and team improvement:

Daily Coaching
- In-the-moment comments on a job well done or areas for improvement
- Balanced positive and negative feedback, striving for a 5-to-1 ratio of appreciative vs. constructive comments

Development Dialogue
- More structured conversations regarding individual performance and development, held a minimum of twice per year
- Focused on career development and personal well-being
- Tone: "You are an important member of our team. We want and need you to stay."

Observation
- Consistent, direct observation of employees in their environment doing their jobs, offering the most powerful opportunities for Daily Coaching and/or Development Dialogues
- Focuses on the *how*, not just the *what*

Summary

Smart organizations and their leaders know that there is no silver bullet for reducing turnover. Ultimately, creating a workplace culture that encourages people to stay rather than stray requires a structured, consistent approach that clearly communicates one straightforward message to staff: you are critical to this organization's success. We want and need you to stay.

About the Author

Burl Stamp, FACHE, is the President/Founder of Stamp & Chase, Inc. With broad-based experience working alongside health care professionals from the boardroom to the bedside, Burl has helped major health systems, academic medical centers and community hospitals improve bottom line, patient experience, staff engagement and patient safety results.

Prior to launching Stamp & Chase over 18 years ago, Burl served several leading health care organizations in executive roles. As president and CEO of Phoenix Children's Hospital, he spearheaded development and construction of the first comprehensive, freestanding health care campus in Arizona dedicated to pediatrics. He developed the first strategic planning and marketing department at St. Louis Children's Hospital, where he started the highly successful Answer Line in 1989 to provide reliable, accessible health advice to families. He went on to lead pediatric services development for BJC Healthcare/Washington University Medical Center.

Burl is the author of *The Healing Art of Communication*, a health care professional's guide to improving communication. He is a faculty member of the American College of Healthcare Executives and a frequent speaker on communication, leadership, organizational culture and business development strategy in health care organizations.

About Stamp & Chase

Stamp & Chase partners with leading healthcare providers across the country to improve the care experience by improving leadership and communication competencies and practices among frontline caregivers and leaders. At the heart of the firm's work are two comprehensive sets of tools and strategies to support care teams:

CAREmunication® provides a comprehensive curriculum for frontline staff focused on building competencies and practices that improve communication with both patients and colleagues

MyTEAM offers a robust portfolio of cloud-based platform of leader tools and approaches that sustain performance improvement through more effective manager coaching, goal-setting, mentoring and accountability

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CORTEX Innovation Community ◆ 20 S. Sarah Street ◆ St. Louis, MO 63108
314.299.9373 ◆ www.stampandchase.com