

Employee Engagement: A Strategic Game Changer for Senior Living Providers

A Holleran White Paper

Imagine an environment in which the potential of your organization's human capital is harnessed to maximize performance, outcomes and satisfaction. Your employees are committed and contributing. Your residents are vibrant and invested in your community and its future. Everyone feels proud to be associated with your organization on a consistent basis. That's community engagement. It's a feeling you get when you walk onto a campus, it's the way people interact with each other, and it's a state of flow, where people truly enjoy what they are doing and what they contribute.

Most senior living organizations experience this engaged environment from time to time – during a crisis when everyone rallies together and gives extra effort, when the campus receives special recognition or an award, or after a particularly difficult assignment or challenge has been successfully met.

But what if you could create a culture of engagement where the majority of people living and serving in your community were in sync almost each and every day? This would not only be a pleasant environment, but all would look forward to being together, and show up with anticipation of positive energy and outcomes; a place where the mission is lived at an intrinsic level and gratitude abounds. *Is it too good to be true?*

Community Engagement

Community engagement is the personal and emotional connection your employees, residents, family members, volunteers, donors and local communities feel to your organization. Engagement determines how much these stakeholders will give to defend it, refer it, appreciate it, support and advance it. Engagement is the key to creating a flourishing enterprise where people work and live in harmony and synchronicity with profound enthusiasm, passion and productivity. Where everyone is pulling in the same direction, with mutual intent, living daily in the possibilities of a thriving place to work and live.

How can this possibly happen? What does it take to help your employees approach their work and lives with high energy, enthusiasm and creativity? Holleran, through its extensive research and proven methods, is committed to helping your organization achieve these high levels of engagement. We

invite you to partner with us, so we can all thrive as a sector, prepare for the future, and elevate workplaces and living spaces to new heights of engagement.

Let's admit it – satisfaction alone is no longer sufficient. The workplace has evolved.

Engagement is the **single most critical business lever** your organization has to not only sustain itself, but also thrive in the future. It is a strategic imperative that drives real business outcomes. The first step in the journey of achieving high levels of engagement in the organization is to acknowledge that measuring and addressing satisfaction alone is no longer enough. Satisfaction measurement and improvement initiatives have served our field well, but in today's age of workforce turnover, competition from other health entities for employees and customers, and a desire by seniors to age in place, satisfaction isn't enough. Satisfaction is one piece of the engagement puzzle, but it is not the whole picture. So, let's review what makes satisfaction and engagement different.



Satisfaction

Satisfaction typically measures how happy and content employees and residents are, not how connected they are to the organization. It doesn't encourage interaction between stakeholders and the organization, but is instead a one-way street. As a stakeholder, satisfaction measures "what's in it for me?" While satisfaction can be a great measure of basic needs, it's only one piece of the puzzle.

Engagement

Engagement on the other hand, quantifies how passionate and committed someone is to your mission or cause. Instead of a one-way street, engagement is like a contract, measuring "what's in it for us?" The larger the number of people in the highly engaged category, the more likely your organization will flourish. Everyone wants to be engaged, so it's up to you to unlock the potential within your key stakeholders.

Solutions

Organizations are continually evolving and changing. Whenever a major initiative launches, organizational structure shifts, or an unexpected event occurs, you need "all hands on deck." At that juncture, maximum buy-in and discretionary effort from the team are imperative. Imagine the difference between thirty percent of your staff being "highly engaged" versus fifty percent engaged. The difference could be critical to your success as an organization. Having a highly engaged group of employees allows the organization to be proactively prepared for whatever happens – a natural disaster, a challenge to your tax exemption, a new competitor in your market, or consideration of your campus as an Accountable Care Organization partner with a hospital.

Satisfaction and engagement are both important concepts; however, satisfaction studies are about "what's in it for me?" Engagement, by contrast, provides a barometer of "what's good for the overall

organization?" It fundamentally identifies how committed employees are to contributing to the greater good of the organization. It recognizes that a flourishing enterprise is contingent on the intersection of "how satisfied am I personally?" with "what can I personally contribute to the organization?" John F. Kennedy recognized this innate desire that all people want to contribute to something larger than themselves when he stated in his 1961 inaugural address to the nation:

"Ask not what your country can do for you, but what can you do for your country. (Kennedy, 1961)"



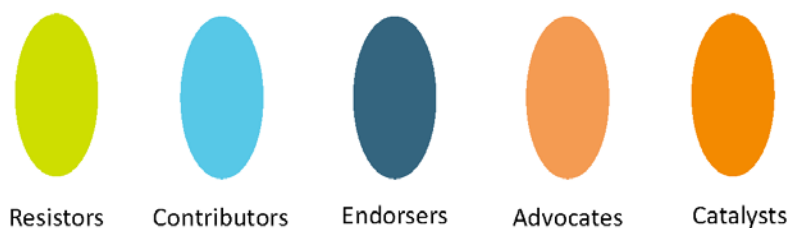
Organizations must recognize that people want and deserve to have their individual needs met AND realize a sense of purpose in their community.

We are entering an age of transformation, where employees want to make a difference with their lives. Assuming that most of their basic needs are met at work (wages, benefits and working conditions), the collective deepest heart's desire is to find meaning that feeds the soul. Why shouldn't our workplaces facilitate this objective of finding meaning? Employees typically spend more hours per day at work than they do with their families. Don't our missions and visions call us to be more, to do more and to serve more? Let's tap into this unique and intrinsic passion within our business. Let's go back to our roots. Let's find a way to make our communities safe, nurturing and engaging environments where everyone wants to live, learn and thrive. In the process, our organizations will become stronger, more financially vibrant and more willing to look beyond our four walls to the needs of the greater community. It's a win-win-win proposition that ensures long term viability and success!

Here's the Roadmap to Engagement

First, recognize that we must approach our work differently than we have in the past, for the good of all employees. We must embrace the idea of measuring and quantifying not only how satisfied your employees are, but more importantly, how engaged they are. Through the use of Holleran's Employee Engagement Report, you can acknowledge where your organizational engagement currently stands and commit to maximizing your greatest asset – your employees. To further understand how potential can be harnessed for the greater good of the organization, let's take a look at how Holleran categorizes engagement.

Holleran Engagement Categories



Orange Zone

The Orange Zone is full of Catalysts and Advocates who are highly engaged and radically committed to organizational success. Beyond personal fulfillment, these individuals are highly engaged and invested in the overall success of the organization. We call these individuals Catalysts because they are cheerleaders and facilitators of culture change. These are the people who are solidly in your court and leveraging their energy and passion ensures that your organization will thrive if you understand how to capitalize on it.

As an example, the Orange Zone Catalysts respond affirmatively to the engagement factor, "I would recommend this community as a great place to work." Employee endorsement and referrals are invaluable to any organization.

Blue Zone

The Blue Zone includes Endorsers and Contributors – they show up, they do their job, and the majority of them are satisfactory employees. But would they fall on their sword for your community? – probably not today, but after implementing some basic strategies, many of these employees can advance into the Orange Zone, which is the optimal landing place, maximizing your organizational value. As most of your employees will likely fall into the Blue Zone, we've created two sub categories for further distinction: Endorsers (dark blue) are worthy of extra effort by supervisors, as sometimes they simply need more coaching and feedback to ignite their passion and shift to the Orange Zone. Contributors (light blue) can often slip into the Green Zone if not managed properly and while some might be capable of becoming more engaged, it will likely require a lot of effort from their direct supervisors. Members of this group typically hide from management, keep their noses out of trouble, and often are difficult to read.

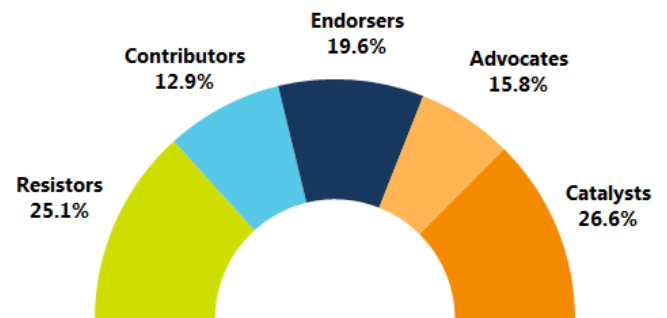
Green Zone

The Green Zone consists of active or passive Resistors who are the most disengaged. They become the whiners, naysayers, and possibly even toxic individuals who threaten the culture of your organization. They resist change, mock your initiatives behind your back, and discourage others. Worse still, the Green Zone Resistors often don't quit and leave, they **quit and stay**, taxing important organizational resources. Their attitude suggests it's all about them and their needs. We as leaders may spend too much energy on the drama this category creates. There may be one or two Resistors working to improve, but in the words of Jim Collins, author of *Good to Great* (Collins, 2001), they likely need to "get off the bus" because they sow seeds of negativity at every opportunity. Engaging a Resistor cannot be done without a tremendous amount of effort that is often diverting focus from other important initiatives. These disengaged types undermine what their engaged coworkers accomplish and negatively impact the morale of the team. They can do tremendous damage to any organization.

How do Senior Living Providers Stack Up?

You're likely to be wagering a guess as to how your organization's employee engagement stacks up, so to give you a better idea we've provided a peek into our benchmark. Here's where the senior living not-for-profit sector ranks with regard to employee engagement:

Keep in mind that the data set for these engagement scores are limited to a subset of progressive senior living organizations that have decided to take the leap from pure satisfaction to measuring *both satisfaction and engagement*. The employee engagement benchmark will change as more cases are added to the dataset, so these numbers are not stagnant, but provide a good approximation for our field.

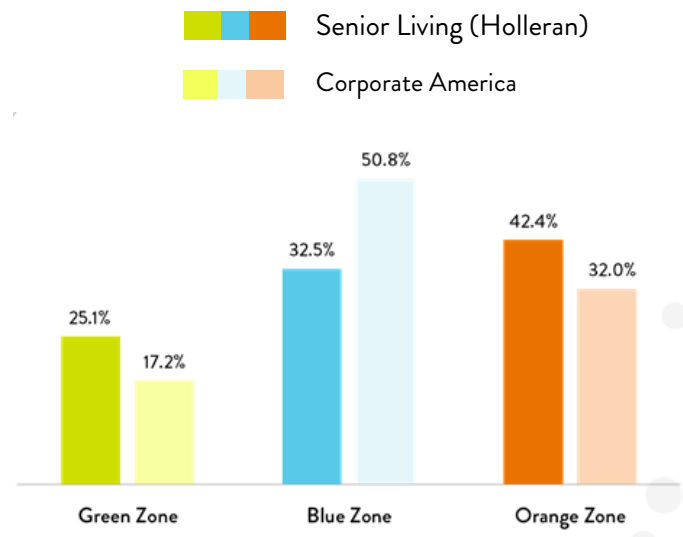


How Does Senior Living Compare to Corporate America?

As many would expect, the senior living sector has more Catalysts than corporate America (42.4% versus 30.0%) (Gallup, Inc., 2015). This is not surprising, given that providing care and hospitality typically attracts more passionate and engaged employees. However, what might surprise you is that the senior living sector has more Resistors/highly disengaged employees than corporate America (25.1% versus 17.2%) (Gallup, Inc., 2015).

If this spread doesn't alarm you, it should. In a workplace that has an advantage in harnessing and attracting engaged employees, we are failing miserably. And what's worse?

Disengaged employees are holding back organizational potential and value. We must commit to an evolution beyond satisfaction, where employee engagement is a top priority. So, if we've agreed that we must enhance employee engagement – it's simply the "right thing to do" but what is the payoff? The good news is that employee engagement is a fruitful endeavor and the return on investment has been well documented.



Higher Productivity

- Orange Zone Catalysts and advocates are 38% more likely to have above average productivity than their Blue or Green Zone counterparts (Workplace Research Foundation, 2012).
- Blue Zone Endorsers and Contributors are on average 25% less productive than Orange Zone Catalysts and Advocates (Gallup, Inc., 2013).

- Green Zone Resisters are on average 50% less productive than Orange Zone Catalysts and Advocates (Gallup, Inc., 2013).
- The more engaged employees are with their organizations, the more likely business outcomes will be achieved (Gallup, Inc., 2013).
- Organizations with highly engaged work forces (more than 35% in the Orange Zone) outdistance the business results of those organizations lagging in engagement by 25% or more (Gallup, Inc., 2013).

Turnover Reduction

- Orange Zone Catalysts and Advocates as a group are 87% less likely to leave their organizations than the other engagement categories (Corporate Leadership Council, 2004).
- Turnover rates, on average, decrease from 15% to 4% in organizations where a critical mass of Orange Zone Catalysts and Advocates are found [Note: this percentage is not specific to not-for-profit senior living organizations, where turnover rates among nursing staff are typically much higher] (The Hay Group, 2001).
- There is a 43% correlation between engagement levels and turnover – they are directly related (The Hay Group, 2001).
- Furthermore, the average cost of turnover per employee is now calculated at 50% of the employee's salary. For registered nurses, the true cost of turnover is over \$65,000. In the state of Minnesota, 85% of the new nursing graduates start off in senior living, and by the end of 12 months, only 25% of them remain (Minnesota Nurse Association, 2013). Talk about the high cost of turnover!

Lower Absenteeism

- Absenteeism among Orange Zone Catalysts and Advocates is approximately half of what it is for the remaining engagement categories.
- Organizations with high employee engagement have 56% lower absenteeism rates (Gallup Consulting, 2006).

Additional interesting and disturbing facts:

- Engagement scores decline with longer employee tenure; employees with the deepest knowledge of the organization and its residents are often the least engaged.
- Engagement scores decline as you move down the organizational chart, meaning highly engaged senior executives are likely to grossly underestimate the disengagement among front-line employees.
- Engagement levels are lowest among those who have the greatest direct and daily interaction with residents, which impacts resident engagement (Kaufman & Markey, 2014).



What are the key drivers of engagement?

There are many potential factors to measure in determining engagement levels of employees. Some scholars suggest that engagement is predicted upon learning and growth opportunities, recognition and trust (Karsan & Kruse, 2011). Others believe that autonomy/empowerment and mastery (learning new skills) and purpose are what motivate employees to be engaged (Pink, 2009). Building upon existing engagement theory, Holleran has identified the following engagement factors*:

1. Overall, I am satisfied with my job.*
2. I would recommend (Community) as a great place to work.*
3. I think I will be working at (Community) in three years.*
4. I believe (Community) is living up to its mission and goals.*
5. At work, my opinions count.*
6. (Community) cares for its employees.*
7. At work, I have the opportunity to do what I do best every day.*
8. I trust the leadership of (community).*
9. I feel I'm part of a team that is producing meaningful results for the organization.*
10. I feel I personally make a difference here.*
11. I often leave work feeling good about the work I did.*
12. I have friends at work.*
13. I know what is expected of me.*
14. My Supervisor offers positive recognition for a job well done.*
15. This last year, I have had opportunities at work to learn and grow.*
16. The physical safety of employees is protected.
17. Staff issues, including conflicts, are resolved fairly.
18. The workload of my team is distributed fairly.
19. I am given the necessary tools and equipment to do my job.
20. I believe our employees provide residents with the best possible care.
21. I have respect for my Supervisor.
22. I am given training on all the important parts of my job.
23. My performance review is completed and shared with me on time.
24. Communication is good at (Community), both on my team and with other teams.
25. I am paid a competitive wage compared to similar positions in the industry.

These engagement factors have been field-tested in communities throughout the country and when the responses are combined, provide an accurate assessment of the level of engagement – Green, Blue and Orange Zone categories. This research can also help your organization reach higher levels of engagement.

Conclusion

Every senior living housing and services organization in America today is facing a daunting set of day-to-day challenges that make it difficult to see where the major opportunities lie. Employee engagement is a straightforward and logical way to leverage your human assets from the inside out to maximize your organization's value. Here are the benefits of implementing employee engagement within your organization:

- **Receive higher informational value – the engagement index is provided to your organization at no additional cost.**
- **Supplement the engagement survey with individual engagement leadership assessments and a comprehensive blueprint for engagement improvement throughout your organization.**
- **ROI – Increase productivity in a time of workforce instability, decrease turnover and absenteeism.**
- **Identify your greatest organizational asset – the orange zone Catalysts – and learn how to leverage their power for the good of the organization.**

As a partner with Holleran, you will not only survive the daunting challenges which you face as a leader, you will thrive as an organization because you have applied your most important business lever – community engagement.

Please join Holleran in creating a national movement with your not-for-profit senior living and services peers around engagement, by getting on board and saying “yes” to community engagement. To learn more, contact Holleran via holleran@holleranconsult or telephone at 1.800.941.2168 today.

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