



Taking The Pulse Of Employees

Employee surveys show that high staff turnover is often a symptom of management issues such as inconsistent treatment or lack of recognition.

WHILE SURVEYS OF PATIENTS and family members have become a common means of gauging customer satisfaction in long term care, many providers do not survey one of their most valuable constituencies—their employees. Yet employee satisfaction surveys can be a valuable tool for reducing costly turnover while improving both staff and patient satisfaction.

Typically, employee surveys are comprised of three to five pages of paper-and-pencil questions designed to elicit information about the perceptions and experiences of employees concerning issues such as hiring and retention, relationships within the organization, and general satisfaction with the workplace. Questions can touch on issues such as the quality of relationships with peers, supervisors, management, and owners as they impact job performance and loyalty; commitment of the organization to service excellence; availability of tools and resources to perform job duties; and specific issues of interest to the particular employer.

A well-drafted employee survey will pinpoint problem areas within an organization as well as clarify its strong points.

What Some Surveys Are Finding

Managers may believe an employee survey is not necessary, incorrectly attributing turnover to any number of issues—especially low salaries. But while salary was the deciding factor for 6 percent of employees in a survey of 28,000 health care workers who left their jobs, approximately 25 percent

left their jobs because of reasons relating to “bad managers,” citing issues such as inconsistent treatment of employees, lack of communication with supervisors, lack of recognition for employees, limited employee input, and quality and productivity standards. The study, “Why Healthcare Workers Quit,” was published January 2003 in *JWT Specialized Communications*

Understanding the intricacies of the role managers play in retaining employees is a key goal of an employee satisfaction survey. “Satisfaction with the manager is the single most reliable predictor of whether a health care employee will quit,” according to the health care workers study. “Employees may be dissatisfied with many aspects of their jobs yet still remain in them, but when they are dissatisfied with their managers, they are highly likely to quit or be terminated,” the authors said.

A case in point occurred at Fairhaven Nursing Home in Lowell, Mass., where the facility was facing an unusually high turnover rate for certified nurse assistants (CNAs). An independent survey revealed that the interpersonal skills exhibited by a supervisory-level staff member were hurting employee morale and causing CNAs to leave the facility. The intervention that was suggested and implemented was for Administrator John Kain to provide one-on-one job coaching for the supervisor to help her develop better skills for interacting with staff. This strategy helped reduce turnover at the facility.

“By working closely with our super-

visors, we were able to reduce turnover and improve employee morale by focusing on issues that our staff identified as management problems,” says Kain. “The recommendations that came with the survey results gave me a list of things to do that were immediate and easy to implement. The results came quickly.”

Examining The Costs

In these days of tight budgets, employee surveys may seem like a luxury, with the cost of a basic paper-and-pencil survey ranging from \$20 to \$25 per employee, according to estimates.

However, staff turnover is a costly, time-consuming, and troublesome problem for nursing facilities. The direct costs of hiring and training are compounded by indirect costs such as low morale and disruption of care, all of which have a direct impact on the financial bottom line. Employee satisfaction survey results can be used as a tool for retention. According to some calculations, saving one employee from leaving can more than pay for the cost of the survey itself.

In order to understand the costs of losing employees, providers should first calculate the facility’s annual turnover rate, then break that down to turnover rates for specific high-priority positions such as registered nurses (RNs) and CNAs (*see box, page 44*)

The second key factor in under-

ELIZABETH ZIEMBA is a senior associate at *Stackpole & Associates, Brookline, Mass.*, a health care marketing and research organization.

standing the financial impact of losing staff is the accurate measure of turnover costs. Turnover costs vary from facility to facility and are comprised of numerous factors, including costs of temporary help and advertising fees, all of which must be considered to ascertain the true cost of losing one

employee and hiring another (*see box*). Once a provider has made those calculations, he or she can ascertain whether an employee survey would be cost-effective. The cost of a survey is based on the number of employees surveyed; survey method; length of survey; and other factors, including accommoda-

tions for employees for whom English is a second language. Surveys can be traditional paper-and-pencil surveys or conducted in person, by telephone, or over the Internet.

While the price may vary based on a number of specific factors, on average the cost of a basic paper-and-pencil survey for a facility with 200 employees (at \$20 to \$25 per employee) runs approximately \$5,000.

Let's assume that the cost of turnover is \$7,000 per employee replaced, as it was in the health care workers study cited earlier. Management is faced with the decision of paying the turnover cost or using that same amount of money to retain employees by allocating the replacement cost to study the reasons employees stay or leave their jobs.

Impact On Patient Satisfaction

In addition to direct cost savings due to staff retention, improved employee satisfaction has a direct positive correlation to patient satisfaction. The quality of the relationships among staff, patients, and family bear a direct relationship to satisfaction among all parties. If an employee is happy at work, he or she has a better attitude toward work, and this attitude often translates into better relationships with patients and families. Strong positive relationships between staff and patients translate into improved ratings on the customer-satisfaction surveys, said Susan Eaton in her report, "What a Difference Management Makes: Nursing Staff Turnover Variation Within a Single Market."

Relationships are disrupted by constant changes in caregivers and are negatively reflected in patient satisfaction surveys, she said. ■

For More Information

■ The author can be reached at EZiemba@stackpoleassociates.com or (800) 844-9934.

Calculating Turnover Rates And Costs

COMPUTING TURNOVER RATES

An annual facilitywide turnover rate is calculated by dividing the total number of employees who left during the year by the total number of employees on staff and then multiplying that number by 100.

In other words:

$$\frac{\text{Number of employees who left/terminated during the year}}{\text{Average number of full-time employees during the year}} \times 100 = \text{annual turnover rate}$$

For example:

$$\frac{80 \text{ employees left or were terminated during 2002}}{280 \text{ FTEs were employed during 2002}} = \frac{80}{280} = 0.2857 \times 100 = 28.57 \text{ percent}$$

The facility has an overall turnover rate of 28.57 percent.

The same formula can be used to calculate the turnover rate within a job category. For example:

$$\frac{10 \text{ RNs left or were terminated during 2002}}{26 \text{ RNs employed full-time during 2002}} = \frac{10}{26} = 0.3846 \times 100 = 38.46 \text{ percent}$$

MEASURING TURNOVER COSTS

According to researchers Straker and Atchley, turnover factors include:

- Costs of employee leaving. These include exit interviewer's time, employee wages during exit interview, administration-paperwork, separation pay, increased unemployment tax, and additional overtime and temporary help. Terminating an employee may have additional direct costs if mediation or litigation is involved.
- Costs of a new hire. These include paperwork-benefit sign-up, advertising for position, interviewer's time, testing costs (drug, skills), medical exams, staff orientation time, background and reference checks, formal and informal training, and reduced efficiency-productivity of new worker.
- Additional direct-hiring costs. These may include factors such as relocation payments, recruiter fees, attorney fees for visa processing for hiring foreign-trained workers, and other benefits paid to new hires.

Once an accurate dollar figure has been determined, an informed management decision can be made in terms of budget allocation.

For example, if the cost of turnover is \$5,000 per employee who leaves or is terminated and 80 people are replaced each year, the total cost to the facility is \$400,000.