


Avoid Them At Your Own Risk!


 STACKPOLE & Associates, Inc.

Quality Transcends Borders

The Transforming Value of Complaints *and* Compliments

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Meeting the Challenge

- What is "Quality"?
 - Quality improves recruitment & retention
- Complaints & Compliments
 - What can we learn from these 'extremes'?
- Creating an Strategic Response System
 - Responses to Complaints and Compliments

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Historical View



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Today's Reality



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Borrowed Wisdom

- We don't know what we don't know
- We can't do what we don't know
- We won't know until we measure
- We don't measure what we don't value
- We don't value what we don't measure

Source: Harry, M & Schroeder, R, Six Sigma

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Quality


What Is Quality?
The degree to which special causes of variation [defects] are controlled or eliminated from a system.*

- Simple
- Elegant
- Powerful
- Demands Measurement

* Deming, WE, Out of the Crisis. Massachusetts Institute of Technology Press, Cambridge MA, 1982


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 **What is Quality?**


- In other words, Quality is the degree to which your service is free of defects/errors.
- Who defines “defects/errors”?
 - The customer / consumer
 - Care providers / carers
 - Regulators
- Use data & behavioral science for *both*
 - Service Errors (Complaints & Errors) and
 - Service Delight (Compliments)

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 **What's It Worth?**

- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. Employee Retention & Productivity
- **Market Differentiation**
 - A Choice-Based Environment:
 - Employees or Customers
 - Happier Employees ⇔ Happier Consumers


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 **Demographic Imperative**

- ↑ Demand for labor
- Current & future consumers - “Silents” and leading edge “Boomers” - are drastically different from previous cohorts
- Challenges & Opportunities:
 - More demanding consumer expectations
 - Static / shrinking / aging labor pool


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 **What's It Worth?**

- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. Employee Retention & Productivity
- Litigation Cost / Risk Avoidance


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 **Who Sues & Why?**

- Lawsuits as extreme / illustrative examples of "service errors" and categorically ineffective responses
 - Data from US & UK
 - Those who sue, report the reason as:
 - The providers did not listen;
 - The providers were not responsive;
 - They want an apology (and didn't get one);
 - Want to protect others & prevent 'this' from happening again, and;
 - Revenge

Source: Young & Phillips; Selbst & Korin

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 **US Claims in Long Term Care**


Severity of closed claims by type of facility

	Type of Facility	Average paid indemnity	Average paid expense	Average total paid
For Profit	Assisted Living Facility	\$114,369	\$26,302	\$134,826
	Nursing Facility	\$81,665	\$30,364	\$102,692
	CCRC	\$87,042	\$21,211	\$100,173
	Independent Living	\$58,427	\$28,593	\$74,588
	Other	\$48,000	\$0	\$48,000

Source: "Comparison of Claims Data in Long-Term Care"

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 **US Claims in Long Term Care**

Severity of closed claims by type of facility

Not-For Profit	Type of Facility	Average paid indemnity	Average paid expense	Average total paid
	CCRC		\$160,823	\$40,813
Other		\$108,333	\$65,898	\$174,231
Independent Living		\$120,926	\$61,097	\$164,202
Assisted Living Facility		\$121,867	\$23,914	\$146,871
Skilled Nursing Facility		\$116,272	\$35,250	\$143,844

Source: "Comparison of Claims Data in Long-Term Care"

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 **Litigation Cost Avoidance**


Risk Recommendations

- ***"Provide ongoing opportunities for communication with residents and families"***
- "Market programs with language that accurately describes, and does not overstate, the services provided."

Source: "Comparison of Claims Data in Long-Term Care"

* Emphasis Added

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 **Litigation Cost Avoidance**


- **Wait for Complaints? → Please, No!**

"One of the surest signs of a bad or declining relationship is the absence of complaints...Nobody is ever *that* satisfied...The customer is either not be candid or not being contacted – probably both."

Source: Levitt, T

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- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. **Employee Retention & Productivity**
- Problems occur often between resident / care giver

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- **Cost (Direct & Indirect) of Turnover***
 - Direct Costs ~ £2,600 / per position
 - Indirect Costs ~ 1.25 - 1.75 of Direct Costs
- **Why Do Healthcare Workers Quit?***
 - Relationship with direct supervisor
 - I don't have any friends here
 - Lack of feedback (positive)
- **Employees As Competitive Advantage**

*Source: Ziemba, E, *Taking the Pulse of Employees*
**Source: *Why Do Healthcare Workers Quit?*, and Buckingham, *First Break At the Rules*

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 **Complaints & Compliments**

- Complaints *and* Compliments
 - Considered together, they are both opportunities to address critical management requirements


Complaint	Compliment
Delivered from high emotion (unpleasant)	Delivered from high emotion (pleasant)
Represent key operational issue (negative)	Represent key operational issue (positive)
To be addressed promptly (risk avoidance)	To be addressed promptly (secure benefit)
Damage to staff if mis-managed	Loss of benefit to staff if mis-managed

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 **Collecting the Data**

- How to reliably uncover issues *before* they turn into complaints
 - Remember that most issues occur close to the “point of service” → Comment Cards / Point of Service Questionnaires
 - Effective measurement → Routine Surveys
 - Interviews
 - Focus Groups

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 **Satisfaction Measurement**

- Measure satisfaction among residents, families and referral sources
- Measure many different ways
- Measure by self-reported ratings, e.g.,

	Completely Disagree	Completely Agree
Overall, I am completely satisfied with the dining services.	1 2 3 4 5 6 7 8 9 10	


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 **Who Doesn't Complain?**

- What they ***aren't*** telling you
- Customer behavior in the face of poor service
 - Less than 30% complain
 - They tell on average 11 people
 - How many others have heard about the service problem before you?
- Effective Response Strategy


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 **Response Strategy**

- For ***both*** Complaints & Compliments
 - **Prompt**
Speed of response is correlated to satisfaction
 - **Authoritative**
Don't equivocate – tell the consumer what will be done
 - **Follow up**
Do what you say will be done
 - **Measurement**
Measure effectiveness afterward

Source: Chase & Dasu; Reicheld: Denove & Power

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 **Response Strategy**

- **Prompt**
- Speed of the response is related to satisfaction with outcome

Complaint	Compliment
“I am sorry that...”	“Thank you...”

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 **Response Strategy**

- **Authoritative**
Don't equivocate
Do tell the person what will be done, when & ask permission


Complaint	Compliment
"I will do [.....] right way, alright?"	"I would like to share this with [], OK?"

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 **Response Strategy**

- **Follow up**
Do what you say will be done
Consequence of *not* following up...
- **Measurement**
Measure effectiveness by asking
Add this to surveys?


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 **Type of Response**

- **Type of Response –**
 - Varies by Type of Complaint
 - Tangible Errors – e.g., lost or damaged articles, wrong meals, wrong Rx, wrong Tx
 - Recovery
 - ✓ Apologize
 - ✓ Compensate
 - ✓ Remind


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 **Type of Response**

- **Type of Response –**
 - **Varies by Type of Complaint**
 - **Process Specific Errors –** rude behavior or brusque behavior (actual or perceived), schedule delays, missed appointments
 - Recovery**
 - ✓ Apologize
 - ✓ Explain
 - ✓ Demonstrate
 - ✓ Remind

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 **The Barriers**

- **Effective Response Strategy**
 - **The Barriers**
 - Personal Defensiveness
 - Professional Pride
 - Culture of CYA
 - Loss of Wisdom → Turnover
 - “Task” focus vs. “person” focus


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 **Recommendations**

- Measure satisfaction – several ways
- Give families and residents ample opportunities to report their experiences
- Implement effective response strategy
 - Build relationships & avoid litigation
- For both Complaints and Compliments
 - Transform regulatory requirements into standards of excellence

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Please remember to complete the program evaluation!

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