

Rules of Engagement: Assessing and Addressing Employee Engagement and Readiness for Change

Measuring and improving action-planning readiness at the work-unit level can help mid-level managers engage employees in improvement efforts.

Executive Summary

Employee engagement is a barometer for the cultural health of an organization and a core tenet of patient-centered care. High levels of employee engagement reflect a positive organizational culture in which employees feel valued and respected, while low engagement signals a culture in need of repair. Because disengaged employees represent an important improvement target for health care organizations, this report focuses on strategies for identifying and addressing the underlying drivers of disengagement at the work-unit level and overcoming barriers to action planning in this population by enhancing the leadership competencies of mid-level managers.

With the growing body of evidence demonstrating significant correlations between employee engagement and the key safety, quality and experience outcomes that define a high-performing organization,^{1, 2, 3} a highly engaged workforce is necessary in order to manage today's complex patient populations. For this reason, the effective management of human capital has become a strategic priority for health care organizations as they strive to adapt to a very different, and continually evolving, health care marketplace.

More than a singular metric, engagement is a reflection of multiple influences, including job requirements, work environment, management and organizational factors. Therefore, building a culture that supports engaged workers must be a similarly multidimensional effort. At the most fundamental level, the effectiveness of engagement-building strategies depends on employees' current level of engagement and their readiness for change.

Adopting a data-driven, analytical approach to measure and assess employee engagement and action-planning readiness at the work-unit level provides the necessary insight to inform improvement efforts.⁴ To prepare low-engagement work units for action planning and the engagement journey, organizations must

- Analyze engagement survey data to identify the drivers of disengagement
- Assemble a team to assess and support unit leaders
- Use these analyses and assessments to triage units for customized improvement planning
- Provide the unit leader with the structure and resources to adapt his or her leadership style to meet the team's needs and build trust among its members

Introduction

Engaged workers are committed to their employer, satisfied with their work and willing to give extra effort to achieve the organization's goals. Engagement also positively influences employee retention, job performance, absenteeism and recruitment, and hospitals and health systems with highly engaged employees perform better on safety, quality and experience measures.

By contributing to performance across all of these critical outcomes, high workforce engagement gives health care organizations a competitive advantage in today's consumer-driven health care marketplace. Low employee engagement, on the other hand, can negatively influence safety, quality and experience outcomes, impeding forward progress on the path to patient-centered, value-based care and hurting market share.

Although simple in concept, nurturing and sustaining high levels of engagement is challenging in practice. It is not the outcome of one or multiple short-term initiatives, but rather requires a long-term commitment to ongoing dialogue and continuous monitoring and improvement. And because the levels and drivers of employee engagement can vary dramatically by work unit, it also requires a strategy for identifying those differences and adapting improvement strategies accordingly.

As with all successful business strategies, employee engagement must be driven from the top, by senior leadership who themselves are highly engaged. Importantly, however, it can only be executed effectively from the middle, by employees' immediate managers who are responsible for empowering those they lead, coaching them for success, setting clear goals, recognizing achievements, communicating openly, listening carefully, providing honest feedback and making employees feel valued. Mid-level managers are the core leaders of any organization and are essential for the health of the culture and the success of the organization.

Measuring and analyzing engagement at the work-unit level is a gauge for how well managers are able to achieve these objectives. When combined with organization-level key driver analyses, these unit-level insights can identify engagement deficits and inform targeted improvement efforts. Importantly, engagement metrics should be evaluated at frequent, regular intervals—monthly or quarterly, for example—to accurately capture the pulse of an organization's engagement culture.

Because the needs and improvement opportunities differ substantially depending on the level of work-unit engagement, there is no one-size-fits-all improvement solution. To create meaningful change, solutions must be customized to meet the needs of individual groups. This can be achieved by differentiating work units by tiers of engagement based on a proprietary set of items that reflect key drivers of workforce engagement nationally.

Designating Tiers of Engagement

Designating work units as Tier 1, Tier 2 or Tier 3 using a proprietary approach based on a set of questions that reflect historical key drivers of workforce engagement allows organizations to customize engagement efforts to the needs of individual groups and leaders. This allows the metrics to be used as a tool to help focus resources on the developmental needs of managers.

Units that achieve Tier 1 designation are those that perform in the top percentile range of key engagement drivers, whereas Tier 3 units perform significantly poorer on the same drivers. Certain defining characteristics are associated with each engagement tier. For example, employees in Tier 1 work units are the most loyal and intend to stay with the organization, whereas those in Tier 3 may be more vulnerable to burnout, attrition and medical errors. Importantly, the different tiers of engagement require different follow-up strategies.

An analysis of the national distribution of hospital work units by engagement tier shows that 41% of work units fall into Tier 1, 36% fall into Tier 2 and 23% fall into Tier 3, based on their performance on key engagement drivers. As reported in a previous white paper, “Building a High-Performing Workforce,” Tier 1 workgroups and Tier 3 workgroups require very different follow-up approaches, particularly in terms of the necessary level of work-unit action planning, as well as the readiness of the work unit to begin action planning.

By definition, a Tier 3 work unit needs more support than a high-performing unit, so attempting to fit the same engagement approach to both would be ineffective and inefficient. In contrast, identifying engagement tiers as part of the planning process, and targeting efforts and resources accordingly, allows organizations to uncover specific improvement opportunities at the work-unit level and optimize resource allocation to address them.

Differentiating and Triaging Tier 3 Work Units

Targeting engagement solutions to the needs of each work unit is especially important for Tier 3 units. A Tier 3 designation is a signal flare for a unit in distress. Unless these work units are identified and the barriers to engagement removed, the well-being of the employees and the safety, quality and experience of care they provide will continue to be at risk.

Although they share low levels of engagement, not all Tier 3 work units face the same improvement challenges. The differences largely reflect the circumstances that led to the low engagement score, and whether they're deep-seeded or tied to a specific event or condition that is subject to change. For example, the low engagement of a work unit that has undergone fundamental changes—new management, policy revisions or technology changes, for example—might be transient, reflecting the challenges associated with the transition, while the low engagement of a work unit being managed by a leader who lacks the skills or motivation to effectively lead the group will likely persist until the manager acquires the necessary skills, motivation, or is replaced.

These differences influence the work unit's readiness for action planning, which can be assessed by calculating an Action Planning Readiness (APR) score. This assessment is an essential first step to a successful engagement strategy for Tier 3 units. The next step is a deep dive into engagement survey results in order to triage the units for customized improvement planning. Typically, this involves delving into the leadership style and capacity of the managers in charge of the units, identifying barriers that might be inhibiting their teams' readiness to embark on an improvement path, and working with the manager to remove those barriers.

Measuring Action Planning Readiness

For most organizations, action planning is the first step in the process of driving change. Action planning includes reviewing engagement data, selecting specific metrics of focus, setting achievement goals and implementing strategies for reaching those goals and improving performance on the chosen metrics.

Not all Tier 3 work units are ready to action-plan right from the start, however. One way to evaluate their readiness is to calculate their APR score, which is derived from a proprietary set of survey items. A low APR score indicates the unit is not ready to begin action planning, often because of communication and trust issues between unit managers and their teams.

Not surprisingly, Tier 3 work units are more likely than Tier 1 or Tier 2 units to have low APR scores. An analysis of national APR scores by tier designation (Figure 1) shows that 45% of Tier 3 work units nationally fall into the bottom APR group, compared with only 3% of the Tier 2 work units and none of the Tier 1 work units. In other words, nearly half of the Tier 3 work units are ready for detailed action planning and problem solving with their manager.

Figure 1

	% High APR	% Mid APR	% Low APR
Tier 1	95%	5%	0%
Tier 2	54%	43%	3%
Tier 3	8%	47%	45%

Building Trust, Improving Communication

Although a low APR score largely reflects the preparedness of a manager to lead his or her unit through the action-planning process, it should not be perceived as a sign of a bad manager. In fact, it should be viewed as an important improvement opportunity and a chance to demonstrate to mid-level managers that the organization appreciates their value as key agents of change. This is mission-critical. The role of mid-level leaders is often underappreciated in the managerial hierarchy, yet these individuals are the conduit between the executive level and the front line. As such, they play a vital role in the accomplishment of organizational goals.

Before action planning can begin in Tier 3 work units with low APR scores, resources must be directed toward building trust and improving the manager’s communication with the unit. This can be facilitated by small team meetings including senior managers, human resources (HR) leaders and a few key team members who together can provide the necessary support and structure to assist the unit manager in adapting his or her communication style to meet the team’s needs. The goal is to reinforce the manager-employee relationship and encourage joint ownership of the improvement strategy.

In some instances, it may be useful to employ the services of an outside organization to facilitate tailored training for managers of Tier 3 work units, focusing on specific, critical leadership skills such as delivering difficult feedback and listening empathically.

Triaging Units for Customized Planning

The focus of Tier 3 work-unit improvement revolves around the capabilities of the unit leader, but the goal is to build up the team, not to criticize individuals. For this reason, it is important to refer to the manager as the leader of a Tier 3 work unit, rather than as a Tier 3 manager—a subtle but meaningful distinction that can have a lasting impact on planning and improvement efforts.

Although HR leaders should guide and support the triage and planning process, they should be considered strategic advisors, and senior leadership should be actively involved because they, together with the leader of the Tier 3 work unit, are responsible for enacting change and are accountable for the critical engagement metrics being tracked.

The optimal improvement strategy for a given Tier 3 work unit will depend on its action-planning readiness. As outlined in Figure 2, leaders of Tier 3 units with a high APR score can move directly into the development of an action plan for improvement with their team, while the efforts of those with low APR scores must first focus on building trust, improving communication and developing the necessary leadership capacity to successfully manage the team.

Enhancing the leadership competency of mid-level managers in this way is a human capital investment that pays off in the development of an engaged, stable workforce. Because it is the job of mid-level managers to convert plans and strategies developed by top management into action at the unit level, supporting these individuals' ability to do so by assessing their ability, motivation and environment and providing help where needed will enhance their own performance and that of the employees they lead.

An example of this approach in practice can be seen in the engagement journey of John Muir Health, a not-for-profit integrated system of doctors, hospitals and other services based in the San Francisco Bay Area. Historically a high performer in employee engagement, the health system began to see a sharp decline in engagement scores after it implemented systemwide changes aimed at cost reductions in 2012. For the first time ever, a substantial number of work units fell into the Tier 3 engagement category, based on performance measured in its 2014 Employee Voice Survey.

Viewing the declining performance as a call to action, senior and HR leaders developed and implemented a comprehensive recovery plan to coach unit managers and supervisors through action planning, employee feedback sessions and communication processes. A key component of the plan was a structured, six-month leader-development program that was implemented after unit leaders shared the results of the Employee Voice Survey with employees at all levels using a prescribed template that focused on organization-wide and department-specific results. The template also included discussion items around the key engagement drivers as well as the highest- and lowest-performing items.

The next phase of the program was dictated by APR scores. For units with high APR scores, supervisors held structured employee feedback sessions, after which they incorporated the feedback, ideas and suggestions into action plans.

Units with low APR scores did not progress directly to action planning. Instead, these units were assigned trained facilitators to share departmental survey results and conduct the employee feedback session without the department leader present, to ensure the employees would feel comfortable providing candid feedback. The facilitator shared the feedback with the unit leaders, who then participated in leader-development activities, including workshops focusing on problem-solving, collaboration and leveraging strengths, as well as one-on-one coaching from third-party professional coaches.

Figure 2

TIER 3 WORK UNITS

High APR	Low APR
<p>Work with Unit Leader to Develop an Action Plan for Improvement</p> <ul style="list-style-type: none"> • Review and understand the unit’s engagement data. • Select two or three workgroup priorities on which to action-plan. • Develop an action plan, specific to the workgroup, that includes customized action items to drive change. <ul style="list-style-type: none"> a. Staff/physicians should be included in this discussion. b. Root causes of issues should be identified prior to selecting solutions. c. Brainstorm solutions with staff. • Set time-bound goals for assessing performance and progress on action items. 	<p>No Action Planning until communication and trust are addressed. Eventually, they will get to that piece.</p> <ul style="list-style-type: none"> • Leaders of Tier 3 work units with low APR scores typically do not have enough trust from their staff and often have not developed the necessary communication skills and channels to successfully lead the unit through action planning.
<p>Provide coaching and training on leadership competencies:</p> <ul style="list-style-type: none"> • Can be facilitated through third-party consulting and training interventions, including the following: <ul style="list-style-type: none"> a. 1:1 leader coaching b. Leadership development on key competencies c. Learning management systems to gain insight into leadership competencies • Can be achieved through a mentorship or co-mentorship program pairing managers of lower-performing units with those of high-performing units, whereby <ul style="list-style-type: none"> a. The manager of a lower-performing unit learns tips and ideas for improving his or her own managerial skills. b. The manager of the lower-performing unit feels he or she is important enough to the organization to direct resources toward improvement. c. The mentor gains competence in high-level leadership functions, potentially as a path toward senior leadership. 	<p>Conduct focus groups and feedback sessions to better understand the “why” behind the disengagement.</p> <ul style="list-style-type: none"> • For best results, this should be facilitated by a third party. • Define the root causes behind the issues. • Brainstorm solutions for key drivers of engagement. • Collect feedback on building trust and improving communication from the unit employees’ perspective.
<p>Evaluate progress toward engagement goals via frequent, regular Pulse Surveys and full-scale engagement surveys.</p>	<p>Provide coaching and training on leadership competencies facilitated through a third party and involving the manager’s direct supervisor to ensure sustainability:</p> <ul style="list-style-type: none"> • 1:1 leader coaching on building trust and improving communication • Customized coaching based on insights from focus groups designed to uncover root causes and solutions
	<p>Evaluate progress toward action-planning readiness via regular Pulse Surveys and full-scale engagement surveys.</p>

The leaders of low-scoring units were divided into cohorts that met over six sessions to debrief, share ideas and best practices, identify team-building opportunities and discuss challenges. Individualized coaching took place in between the cohort sessions, providing the coach and the unit leader with a “safe” space to discuss personal challenges and talk about strategies for leveraging strengths and overcoming leadership obstacles.

Following the intervention, interim Pulse Survey outcomes have shown significantly improved engagement across the units with previously low engagement, especially in areas with high levels of support from senior leadership. By breaking down unit-level engagement performance by tier and further delineating unit readiness for action planning, John Muir Health has been able to deliver targeted interventions to unit leaders that need them most.

Conclusion

The return on investment for building and sustaining an engaged health care workforce is improved performance across measures of patient and caregiver safety, quality and experience and a competitive advantage in today’s value-based health care marketplace.

Maximizing employee engagement, however, requires more than identifying and implementing best-practice strategies across an organization. It requires measuring engagement at the work-unit level; analyzing the collected data to discern engagement gaps and deficiencies; assessing low-performing units’ readiness for action planning; evaluating and enhancing the leadership skills of managers of low-readiness, low-engagement units to prepare the units for action planning; and developing customized improvement strategies based on the specific needs of each work unit.

When fueled by robust survey data, deep dives into unit-level analytics and customized, targeted improvement programs, the progression through these steps leads the way to a highly engaged, high-performing workforce.

¹ Workplace Engagement and Workers’ Compensation Claims as Predictors for Patient Safety Culture. 2012. *J. Patient Saf.* 8(4):194–201.

² Inspired care comes from inspired nurses [Online]. [Cited 2013.] Available from www.nursingquality.org/Content/Documents/NDNQI-Inspired-Care-Infographic.pdf.

³ Employee Engagement and the Transformation of the Health Care Industry. Perspectives. 2013. Willis Towers Watson.

⁴ Building a High-Performing Workforce. 2016. Press Ganey white paper.

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