

CASE STUDY

THE CHALLENGE

Cincinnati Children’s Hospital (CCHMC) had an annual turnover rate of nursing-related staff that exceeded the United States average of 10.5 percent at nursing facilities. This high amount of turnover was placing undue stress on employees and there was a fear that patient care was being compromised.

THE SOLUTION

- The Work Institute implemented an exit interview program targeting five specific hospital units
- Exit interview program used quantitative and qualitative methods to get supervisor ratings, turnover rates and costs & discern employees' real reasons for leaving.

IMPACT

- Reduced turnover by as much as 34 percent, totaling about \$257,000
- Decreased overall turnover as much as 70 percent
- The reasons for leaving have changed from supervisor-driven to non-hospital-driven
- Overall turnover for the Patient Services Division, which includes the hospital's most expensive workers to lose, went down 11 percent from 2007 to 2013.
- Over 4,000 exit interviews have been completed to date.

TURNOVER REDUCTION SAVES HOSPITAL MILLIONS

TURNOVER CAN COST AS MUCH AS 150 PERCENT OF THE REPLACED WORKER'S PAY. FIND OUT THE REAL REASONS EMPLOYEES ARE LEAVING AND REDUCE TURNOVER COSTS BY USING EXIT INTERVIEWS TO DRIVE ORGANIZATIONAL CHANGE.

The job wasn't what they expected. They weren't the right fit. There was no room for growth or advancement. They didn't receive any coaching. They didn't feel valued. These are just a handful of factors leading to an increase in voluntary turnover in the health care industry. The voluntary turnover rate—the rate at which employees willingly leave their positions—increased in health care from 8.9 percent in 2011 to 9.5 percent in 2012, according to a Pricewaterhouse Coopers 2013-14 Human Capital Effectiveness report. Nurses had the highest voluntary separation rate at 9.6 percent, while 6.3 percent of physicians left voluntarily.

Reducing the costs of turnover while increasing employee engagement can save a hospital hundreds of thousands, if not millions of dollars, and it will help ensure patients continue to receive the best care. But, controlling these costs is not always easy. That's why it's critical to get a full picture of employees' real reasons for leaving an organization. Once hospital leaders understand employees' preferences, expectations and intents, they can begin to increase engagement among current employees, improve productivity, reinforce an employee's intent to stay and

reduce turnover. And in the end, it's the patients and families who win—they can continue to rely on the specialized, compassionate, one-of-a-kind people who work within the nation's children's hospitals.

Granted, a reasonable level of employee turnover is to be expected and is healthy. But by focusing on employee retention, a hospital will save money and reduce the costs associated with lost productivity, temporary replacement workers, overtime, recruitment, hiring, training, administration of the separation, continued benefits, background checks and so on. Retaining top talent will also prevent a significant loss of operational knowledge, maintain

The voluntary turnover rate—the rate at which employees willingly leave their positions—increased in health care from 8.9 percent in 2011 to 9.5 percent in 2012, according to a PricewaterhouseCoopers 2013-14 Human Capital Effectiveness report. Nurses had the highest voluntary separation rate at 9.6 percent, while 6.3 percent of physicians left voluntarily.

Just by focusing on employee retention, a hospital will save hundreds of thousands, if not millions of dollars.

uninterrupted patient and partner service, alleviate undue stress on other employees, minimize interruptions in productivity, increase employee engagement and increase the performance of individuals.

The foundational phase of developing a comprehensive retention strategy begins with assessing the reasons why employees decide to leave the organization. Employees who leave are also a representative sample of employees who are considering exiting the organization. Therefore, exiting employees provide a window into the preferences, expectations and intents of current employees.

In 2007, Cincinnati Children's Hospital Medical Center (CCHMC) entered on to a path to lower its human capital costs. Human capital is all of the knowledge, talents, skills, abilities, experience, intelligence, training, judgment and wisdom possessed individually and collectively. Hospital leaders knew they needed to leverage a competitive advantage and retain key talent in critical departments.

The voluntary turnover rate—the rate at which employees willingly leave their positions—increased in health care from 8.9 percent in 2011 to 9.5 percent in 2012, according to a PricewaterhouseCoopers 2013-14 Human Capital Effectiveness report. Nurses had the highest voluntary separation rate at 9.6 percent, while 6.3 percent of physicians left voluntarily.

To do so, human resources (HR) needed to provide the essential analytical data to drive the organization's retention and talent management initiatives. The question then became how to capture this information.

Just like many other organizations, CCHMC conducted annual performance reviews, granted promotions, raises and bonuses,

and conducted surveys to optimize the engagement of their employees. Yet, as the recession of 2007-09 loomed, CCHMC leaders found themselves with annual turnover rates of nursing-related staff that exceeded the United States average of 10.5 percent at nursing facilities. This high amount of turnover was placing undue stress on employees and the hospital. To gain real insight, CCHMC needed to go beyond the numerical ratings-based surveys and gather both quantitative and qualitative workforce intelligence to provide clear evidence of the priorities that CCHMC should adopt to reduce turnover.

BEYOND THE ANNUAL REVIEW

Every company loses employees, but successful organizations understand why, and they constantly make improvements to retain their best employees. The key is transforming departing employees into valuable company improvement consultants through the use of quality, strategic exit interviews. HR practices generally rely on annual or semi-annual surveys or ratings-based exit questionnaires to assess the overall engagement of a workforce or review employee experiences. HR departments then analyze, interpret and share the results. Reports are typically numerically based because of the ease of using this kind of information for making broad statements about a group of people. But within the broad analysis lies the rub. What can a HR director actually do with this information? The true indicators for employee turnover lie within the experience of the employee. Reports based on quantitative surveys only point the way towards some of the causes of turnover but do not provide the overall context.

By drawing on a mixed-method, interactive approach where questions are formulated during the interview based on responses to

Every company loses employees, but successful organizations understand why and how to make improvements to retain top people.

previous questions, researchers can generate and verify insights about the organization during the same survey. This process increases the validity, credibility and applicability of the findings. The result also serves as a strong foundation for presenting strategic decisions for management to implement. The questions asked can be shaped by the issues highlighted within a traditional quantitative report. If a survey identifies compensation as an issue, great! But what aspects of current compensation create problems? Why is compensation the leading cause of employee turnover? What does the

organization and obtain the best information from departing employees.

This program was designed to explore supervisor ratings over time, along with turnover rates and costs; to understand employees' overall rating of the hospital compared to the employees' intent to stay and his or her productivity; and to discern employees' real reasons for leaving. When tested research building blocks are in place, a strategic exit interview program will identify issues such as employee satisfaction, patient satisfaction, and hospital profitability to see if there's a correlation.

BY USING A THIRD PARTY LIKE THE WORK INSTITUTE FOR EMPLOYEE REACTIONS, AN ORGANIZATION CAN COLLECT DATA FROM EMPLOYEES THAT WILL BE MORE ACCURATE AND VALID THAN INFORMATION COLLECTED INTERNALLY.

employee's experience say about the compensation situation, and what can be done to improve it? By also asking these kinds of questions, HR managers can develop rich, accurate and actionable information about the workforce. Unlike focus group interviews, which are ripe for bias resulting from both participants and facilitators, strategic exit interviews glean insights from the individual in an anonymous and protected manner to uncover authentic insight.

To tackle the issue, CCHMC augmented its engagement studies with a new strategic exit interview program outsourced to a third party. According to several studies, employees change their responses 40 percent of the time when comparing an interview conducted by an impartial third party to an internal coworker. An objective and unbiased process allows exit interviews to address areas of importance to the

COLLECTING DATA

As CCHMC began implementing its exit interview process to understand experiences in key departments, one of the first considerations was the extent of the exiting population to include in the interview program. It's important to note that a hospital-wide survey process, rather than a department- or area-focused process, provides a basis for understanding whether the issues facing a specific sector are similar to or different from the issues facing the hospital or organization overall. By understanding if the same issues persist across different departments, CCHMC is able to better determine a range of action steps to address the problems. Properly devised exit interviews serve as an ongoing monitoring process and a best practice tool to proactively manage turnover. As CCHMC learned, exit interviews are a means to identify changes in employee behavior as

Today, the hospital has continued to use strategic exit interviews as an essential component of its employee retention and talent management strategy.

economic and organizational conditions evolve.

IMPROVE ENGAGEMENT

The results of the interviews combined with CCHMC financial metrics provided critical analytical data and intelligence to drive meaningful, successful, organizational strategies and improvements. By analyzing and understanding the reasons why employees left the hospital, CCHMC implemented immediate changes in the critical departments, made commitments about issues needing further investigation and followed through on initiatives that directly addressed root causes of employee discontent.

It's important to note that the reasons for leaving in the key departments actually varied greatly and changed over time. To see, understand and interpret this data, the departmental report summaries included coded responses as well as verbatim responses detailed by question. Further queries allowed a view by demographic factors in the departments of the hospital in order to find root causes embedded within the verbatim comments. After defining those issues, the team created an action plan for each issue.

Many organizations that are attempting to improve retention make the critical mistake of trying to implement organization level initiatives. Retention and engagement are typically impacted most effectively when actions are taken at a departmental or business unit level. The varied reasons for leaving within the hospital support the notion that specific interventions in the affected areas will have the most impact.

CCHMC targeted five specific units within the hospital that were experiencing the most challenging turnover rate trends.

These included On-Call Nursing, Hematology/Oncology, Bone Marrow Transplant & Immunodeficiency, Adolescent/Child Psych, and Transitional Care.

Some of the initiatives put into action included:

- ✓ Bi-weekly HR and nursing administration meetings to address nurse recruitment and retention
- ✓ A nursing career ladder allowing pay for experience and enticing nurses to obtain advanced degrees and oncology specific certifications
- ✓ Partnerships with a local university and the local union to provide increased tuition assistance for nurses
- ✓ Strategic removal of several poor performing nurse managers and realignment of outpatient clinics to ensure adequate supervision
- ✓ A revamped orientation and onboarding process to better prepare staff members for new jobs

REDUCE TURNOVER

Today, the hospital has continued to use strategic exit interviews as an essential component of its employee retention and talent management strategy. To date, more than 4,000 exit interviews have been completed. CCHMC's revised, more deliberate HR initiatives have allowed the organization to be more competitive and cost effective. Employee turnover in the departments where it was disproportionately high was reduced with all of the associated cost savings and obvious increase in employee performance and satisfaction. In each case, the workforce units of focus achieved improvements in the rate of turnover. Not only has the turnover rate decreased, and in some areas as much as 70 percent since

The Work Institute is a leader in workforce intelligence combining workforce research, human capital analytics and financial metrics to provide decision support intelligence to help companies attract, hire and retain talent, improve performance, diminish risk and manage human capital cost.

We provide:

- Recruitment Studies
- On-boarding Studies
- Employee Engagement & Experience Studies
- Stay Interviews
- Exit Interviews
- Vulnerability Studies
- Key Talent Studies
- Leadership Assessments
- Post-merger Analysis
- Student Retention Research
- Customer Research

Make your company one of the best places to work.

Call today. 888-750-9008

2009, but the reasons for leaving have changed from hospital- and supervisor-driven concerns to personal, non-hospital-driven issues. There has also been a shift in former employees' views of their supervisors.

When viewed with a financial lens, CCHMC racked progress and measured results in a way that all executives could see. The average annual cost of turnover in the key departments of focus has decreased by as much as 34 percent, totaling about \$257,000 in the five departments alone from 2009 to 2013. When you look at the effects of these five units on the Patient Services Division made up of 168 patient-facing departments, the impact of strategic exit interviews has been significant. Overall turnover for the Patient Services Division, which includes the hospital's most expensive workers to lose, went down 11 percent from 2007 to 2013.

MOVING FORWARD

CCHMC brought all three elements of workforce intelligence together: HR analytics and metrics, financials and workforce research. The results revealed a powerful picture of the correlation of day-to-day dynamics operating in the hospital. This new human resource process for CCHMC employees, supervisors and managers enabled the organization to gain knowledge, which continues to benefit the organization going forward. But perhaps the most significant realization for CCHMC: using strategic exit interviews is a powerful supplement to engagement studies because the two work in tandem to identify current employees' areas of concern and then identify why people actually leave the hospital.

CCHMC's future plans for strategic workforce research include continuing the integration of results of engagement surveys and exit interviews; expanding the reporting to additional business unit leaders to provide feedback and accountability at the department level; and, supporting initiatives and change from within business units. As the organization has learned, implementing and sustaining human capital analytics is no longer an option. Organizations want, expect and need human resources to provide critical analytical data to drive organizational strategy and success. Workforce intelligence provides the actionable information that organizations need to improve. When combined with a hospital's financial metrics, there is a clear correlation between a hospital's talent management strategy and the hospital's bottom line performance.