



5 REASONS TO OUTSOURCE EMPLOYEE FEEDBACK RESEARCH

The best way to understand employee expectations and intentions is to **ASK THEM**. Many companies continue to make the same error over and over again when conducting employee feedback research.

DID YOU KNOW?

40%

of employees change their response when interviewed by an objective, third party versus an internal employee

The single biggest mistake companies make while organizing employee feedback research is conducting the feedback program internally. The interviews are completed by internal employees, supervisors, HR managers, etc., rather than using an outside, non-biased vendor to collect and distill information so companies can make changes.

If you forgot everything you already know about employee feedback and did this ONE thing – using an outside vendor – you could reduce turnover at your company by **10% in the first year of implementation**.

Our research shows that up to **40%** of the answers you get can change between an internal employee interview and one done by a non-biased outside vendor.

This white paper details the **top five reasons** all companies should outsource their employee feedback research program, a **case study** from a major hospital who learned this valuable lesson, and a simple and powerful **C-Suite one sheet** that highlights everything you need to start the conversation with c-level executives to make changes to your feedback program.

(Source: Hinrichs, J.R. 1975)

The Top Five Reasons Outsourcing Employee Research Should Be Mandatory

- 1 More Trust**

Your employees don't fully trust your organization, so being interviewed in-house often means employees are afraid to share their true feelings about the company, their supervisor, and fellow employees. Fear of retaliation also drives employees to say what they think you want to hear – rather than the actual truth.
- 2 More Time for Implementing Change**

Most HR teams are extremely busy, and don't have the time to pour over data to find turnover trends. And as we mentioned, 40% of the data will be wrong. HR teams should instead spend time interpreting data and developing action plans. Outsourcing this allows your team to spend more time affecting change.
- 3 Quantify Intent to Stay**

Imagine if you were told that 31% of your nurses would leave in the next 9-12 months. If you have the exact reasons why those people may leave, you can act. An outsourced vendor will be able to get this information, allowing you to understand WHY a department is struggling.
- 4 More Targeted**

HR departments often speak to an entire company population to get information. While that is an important research component to have – an outsourced vendor can also focus on specific company populations. Is your call center bleeding? Maybe your IT department? Or sales? If you focus on one or a select group of pockets within your organization at a time, you'll have a more targeted approach, yielding better, quicker results.
- 5 The ROI is Obvious**

At a minimum, your turnover cost is 1/3 annual salary based on a meta-analysis of 21 different companies. The outsourced vendor will provide you with powerful research and trends. If the data is used properly and stops just 10 exits – you just saved your organization \$50,000. In reality, you'll be able to stop many more exits with true reasons for leaving and the financial benefit can be much greater. **We have seen as much as a 20% decrease in turnover within one year.**



DATA EMPOWERS

HOSPITAL LEADERS TO

REDUCE TURNOVER, BOOST QUALITY

Challenge

- Costly Turnover
- High Nurse Turnover
- Lack of Reliable Data

Solution

- Telephonic Exit Interviews

Results

- 36 % Reduction in First-Year Nurse Turnover
- 33 % Increase in Excellent Scores for Onboarding
- 36 % Decrease in Poor Scores for Onboarding
- 65 % Response Rate

Executive Summary

Parkview Health system leaders are dedicated to providing excellent care to every person, every day. To achieve their goals, they needed to reduce turnover among staff – and the answer lay in understanding the real reasons why people left. Partnered with the Work Institute, they uncovered some of the root causes of turnover so they could devise strategies to dramatically increase retention.

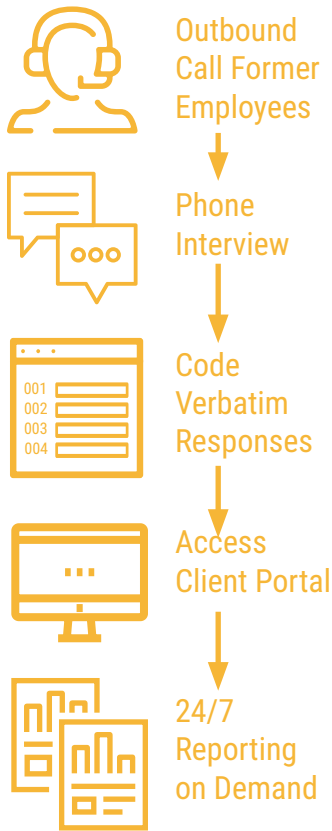
About Parkview Health

With 11,000 employees and 415 physicians, community-owned Parkview Health serves northeast Indiana and northwest Ohio through 11 hospitals and other affiliated health services. Parkview Health clinical teams provide compassionate care, equipped with state-of-the-art technology and facilities. Parkview is a partner with civic leaders on the frontlines of safety, wellness and prevention.

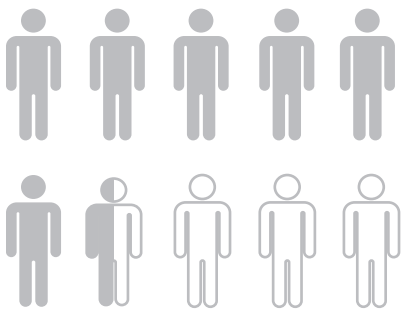
Its work has won awards and recognition including US News' Best Regional Hospitals Top 5 in Indiana, 2017 Advisory Board Workplace of the Year, 15 Top Health Systems 2017 by Truven Health Analytics and more.

"We have gleaned great insights from the exit interviews, so our leaders are now empowered with the real reasons employees leave as they develop effective strategies." Hallie Custer, Director of HR

Exit Interview Process



65% Exit Interview Response Rate



Challenge

Parkview recognized that turnover is not only costly, but also affects quality care. Leaders set a strategic goal of reducing turnover, particularly among first-year nursing staff.

At the time, Parkview managers completed a formal notice of separation process and recorded a reason for leaving. But the reason for leaving data was not aggregated, tracked nor used to shape retention strategies. Additionally, there was no confidence that internal reason for leaving data was accurate and no ability to deep-dive into specific reasons why people left. Leaders were forced to act upon common assumptions, including that pay was the number one reason that employees were leaving Parkview.

Solution

Exit Interviews

In 2013, Parkview turned to Work Institute as one of the strategies to reduce turnover, as the company's evidence-based exit interview methodology produces accurate, detailed and actionable data to inform strategies to reduce turnover.

Partnered with the Work Institute, Parkview conducted exit interviews with former employees using an outbound telephonic method that achieved a solid 65% response rate. Work Institute's trained interviewers used a behavioral interview process to ask open-ended questions and probe for specific details following each answer.

For example:

- Former employees were asked to provide all the reasons why they left Parkview Health, and then asked to identify the most important reason.
- Next they were asked to rate onboarding, supervision, compliance and the organization on a scale of one to five, where one was poor and five was excellent.
- Interviewers then asked former employees for specific reasons why they provided each rating and asked them to offer suggestions for improvements to each.

Work Institute interviewers captured detailed verbatim responses to each question, coded each verbatim response using a numeric system and then stored each response in an online portal. This allowed Parkview management to review data on demand, analyze data quantitatively at scale and obtain critical details by drilling down to qualitative responses.

Key Findings

The reliability of the data and detailed responses gathered through Work Institute's telephonic interviews empowered Parkview managers with the real reasons that employees left. And it gave them a detailed roadmap for improvements at the regional, unit and department levels.

A few key findings:

- Interviews revealed that pay was not the number one reason employees left.
- Leaders learned that expectations for the job were the top drivers of turnover.
- Management learned that their onboarding processes could be improved.
- Data analysis uncovered regions and business units that needed additional assistance.
- Leaders were able to focus efforts on accurate and specific areas that achieved results.

Results

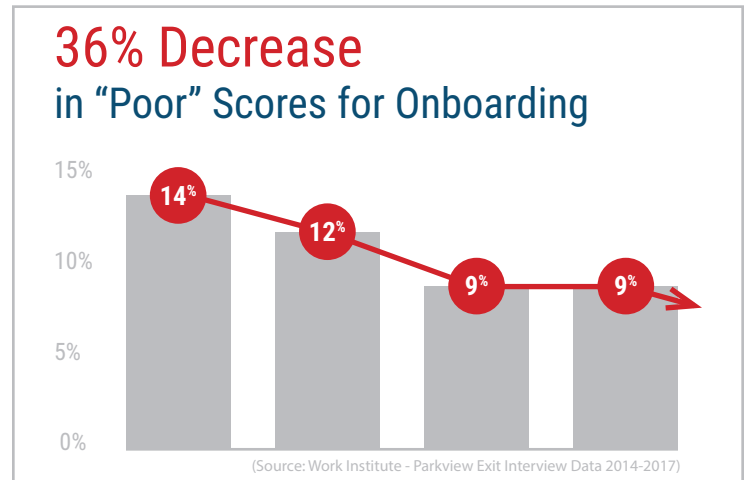
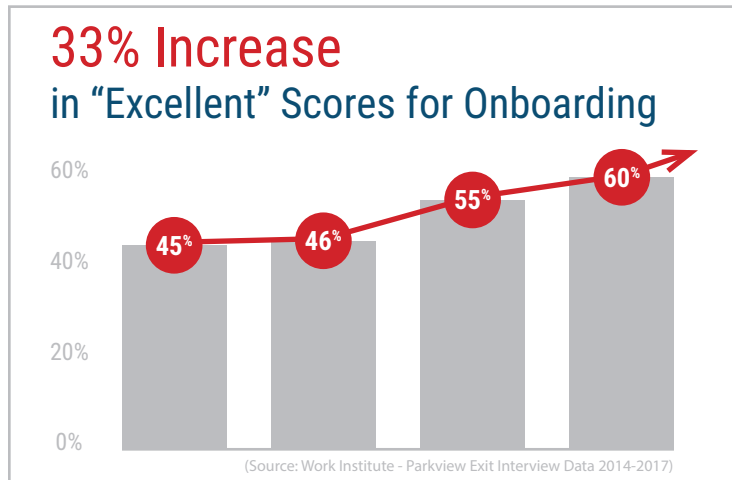
Parkview leaders developed strategies and implemented initiatives to address key findings from exit interview data, focusing on the reduction of first-year nursing turnover and the improvement of onboarding for new employees.

Onboarding

Leaders further asked employees for feedback to review and redesign the onboarding process. Through best practice literature reviews, co-worker focus groups and manager focus groups, leaders obtained input and built support for a new onboarding process. The team arrived at a new onboarding process that consisted of three stages: Pre-Arrival, System Orientation and

Department or Unit Specific Orientation. One of the main goals of the redesigned onboarding program was to ensure clarity of job expectations. The System Orientation stage involved the new employee attending new hire orientation and clinical orientation. In the last stage, the new employee was assigned a leader, preceptor and other team members for mentoring and training for job-specific tasks and their role on the team.

New strategies and improvements to onboarding resulted in consistently increased excellent ratings and consistently decreased poor ratings for the onboarding process, measured through exit interview data.



Hiring Process

Parkview leaders also used exit interview data to add critical new elements to the hiring process to ensure the best candidates were hired and that potential new employees had a clear understanding of the job.

To develop a more robust candidate pool, Parkview also has included referral bonuses, welcome bonuses and has initiated an international nurse recruitment program.

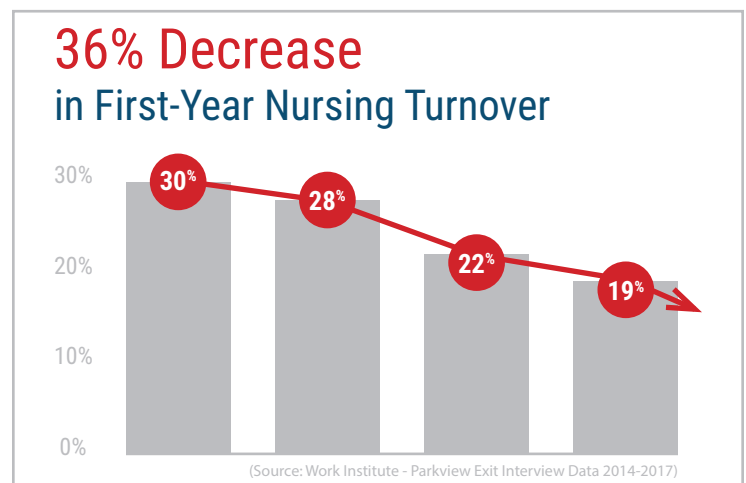
Elements of the hiring process that were re-built included:

- Adding a pre-hire assessment
- Expanded the peer interview process
- Providing a detailed realistic job preview

First-Year Nursing Turnover

Leaders addressed detailed exit interview feedback and have consistently cut first-year nursing turnover annually. In addition to the onboarding and hiring process improvements, programs put in place to improve retention include an RN competency ladder to provide a career path for nurses, an emeritus nurse program, a nurse residency program, a JumpStart nursing orientation and a tuition assistance program to help nurses earn advanced degrees. Parkview also reduced the RN-to-patient ratio to 1:4 and currently offers co-worker incentives based upon financial and service excellence goals.

The new strategies resulted in a consistent reduction of turnover among first-year nurses at Parkview, totaling an 11 percent reduction from 2013 to 2017 (YTD).



Closing

Parkview leaders asked employees for feedback, using a proven methodology, and then acted upon the data, resulting in improved perceptions of the onboarding process, improved perceptions of the organization and reduced first-year nursing turnover.



There is no magic solution.

There is no direct or effortless solution

to the challenges of retention & engagement.

Hallie Custer, Director of HR

Create a Better Workplace

Work Institute is your go-to partner, providing expert support – every step of the way – to increase engagement, retention and profits.



Increased Retention



Increased Performance



Increased Profits

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C-SUITE ONE SHEET

OUTSOURCING EXIT INTERVIEWS & EMPLOYEE ENGAGEMENT RESEARCH

The following sheet contains all of the information to have an informed conversation with your leadership teams about adding outsourced employee engagement research into your operating budget.

Consider how much you're losing year over year in employee turnover, and explain your solutions in numbers as leadership teams can only make decisions based on true data.

Internal employee research is actually costing your company money – because the answers employees are giving you ARE NOT TRUTHFUL.

AN EXAMPLE OF COST SAVINGS

cost of turnover:

\$10,000 per employee

At a minimum, turnover cost is 1/3 annual salary based on employees making \$30,000/year. Your employees may make more, which means your turnover cost is actually much higher.

Imagine getting the true information you need through an objective, third party vendor to save 10 employees:

\$100,000 in savings

Our research shows that up to 40% of the answers you get can change between an internal employee interview and one done by a non-biased outside vendor.

With large companies who have thousands employed it is not uncommon to see turnover costs skyrocket to the hundreds of thousands, if not millions of dollars.

Imagine taking the amount your company is losing in turnover costs and reduce it 20% - our research has shown that's the kind of ROI our clients see in just the first year of working with us.

Outsourcing pays for itself over and over again because:

It's More Trustworthy

The protection of a third party helps your employee understand there is a place they can really tell the truth and it acts as a security barrier between them and you – the employer.

It Affords More Time for Implementing Change

An outsourced vendor whose entire job is to manage your research programs, get true data and identify trends gives HR teams back the time they need to do what they do best – manage people.

It Can Quantify Intent to Stay

Imagine if you were told that 31% of your IT department would leave in the next 9-12 months. If you have the exact reasons why those people may leave, you can act. An outsourced vendor will be able to get information like this and also will be able to understand WHY the IT department is struggling with turnover.

It's More Targeted

HR departments often speak to an entire company population to get information. While that is an important research component to have – an outsourced vendor can also focus on specific company populations. Is your call center bleeding? Maybe your IT department? Or sales? If you focus on one or a select group of pockets within your organization at a time, you'll have a more targeted approach, yielding better, quicker results.

BUILD A BETTER WORKPLACE.

Work Institute specializes in workforce solutions for companies of all sizes. We provide comprehensive research studies, data analysis, reporting and consulting to help organizations make the most of their human capital investment.

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