Improving Employee Satisfaction in Healthcare through Effective Employee Performance Management
Introduction

The following quotes are comments made by HR professionals from U.S. healthcare providers who participated in a forum called Community Conversations™ hosted by HealthcareSource®. During this facilitated discussion, participants explored strategic healthcare business issues and discussed how they can be addressed through effective talent management practices.

- “I have employees who refuse to work with people who are not competent. They tell me to fix it or they are out of here.”

- “Part of the transition in healthcare is that we are not used to focusing on people, we are used to focusing on fixing problems, and this is a huge paradigm shift.”

- “On our employee survey, we ask ‘is your performance appraisal meaningful?’ and the responses were not great. This was impetus for us to change.”

- “The biggest effect on employee satisfaction from software is having the reviews actually done on time. Our success rate in meeting our policy on performance reviews went from around 60% on time to nearly 100% on time. And it absolutely trickles into employee satisfaction because who doesn’t want their review done on time? It makes the employees feel valued.”

This white paper summarizes the findings from this forum on improving employee satisfaction through effective employee performance management.

The Business Issue: Employee Satisfaction

In healthcare, employee satisfaction is more than just a “feel good” initiative. It is a strategic imperative for two reasons:

1. **Employee satisfaction directly affects patient satisfaction.** The healthcare providers we spoke to, and most experts agree, that there is a direct correlation, if not cause and effect, between high employee satisfaction and high patient satisfaction. Drive up your employee engagement scores, and your HCAHP scores will follow. Higher patient satisfaction results in higher reimbursement and revenue.
2. **Employee satisfaction directly affects retention.** Happy employees stay, unhappy employees go – this is obvious. And while the economic situation has created relief to the extreme recruitment and retention challenges healthcare once faced, the hospital HR professionals we spoke with characterized this relief as temporary. With healthcare reform creating more demand for services, the competition for talent will only get more extreme. Lose good employees, and your ability to provide quality care is limited. Lose good employees, and your labor expenses for temporary and overtime staff go through the roof. So, it is then also obvious that retention will be critical and healthcare providers will need to keep the people they have happy.

**Addressing the Business Issue: Improving Employee Satisfaction through Effective Employee Performance Management**

After discussing the problem, the conversation quickly turned to practical solutions. All of the participants have, or are in the process of implementing, HealthcareSource Performance Manager® employee performance management software. The conversation focused on how to use this software along with process change to affect employee satisfaction. Virtually all of the participants have some form of formal employee satisfaction survey, and some have full employee engagement programs. From these conversations, common causes of employee dissatisfaction were pinpointed and key strategies were identified for addressing them.

**Strategy #1: Provide clarity on job function and expectations**

**Employee point of view:** “I don’t know what competencies I am supposed to have, what job functions I am expected to perform, what I am evaluated on, or when I will be evaluated. Other than that, everything is fine.”

A major cause of employee dissatisfaction is the lack of clarity about what is expected of them. Because implementing performance management software in healthcare requires up-to-date competency-based job descriptions for each employee, the simple process of “cleaning up” the job descriptions and getting the employees to sign off on them can have a big effect.

Specific strategies and experiences the participants shared were:

- Before you implement software, you will need to gather and update all the job descriptions. This is a time-consuming, yet important project. Use this
as an opportunity to create relevant, useful, competency-based job descriptions.

- Through software, the act of electronically signing the job description is an important one, and provides a great opportunity for dialogue between employee and manager on expectations.

- “We beefed up the physical requirements section, and through this process, we identified an employee safety issue with chemical exposure. I don’t know if this affects employee satisfaction directly, but I know it helps us avoid a potential issue that could result in significant employee dissatisfaction.”

- “We use the tool to build very individual job descriptions and job expectations. This system allows more flexibility. You can hire two RNs, one fresh out of grad school and one experienced, and you can’t really have the same competency expectations, so we use this tool to individualize expectations and that person knows exactly what is expected of them their first 30 days, their first three months, first six months, and thereafter.”

- “Employees appreciated that we want to get their job descriptions right.”

The bottom line: The process of updating and centralizing job descriptions and getting employee acknowledgement, provides better clarity and understanding of responsibilities, and improves employee satisfaction.

**Strategy #2: Increase the frequency of job-related communication between manager and employee**

**Employee point of view:** “Hi, I am your employee. It’s nice to finally get a chance to speak with you.”

The healthcare environment does not lend itself to regular employee-manager communication. Twenty-four hour work days, shared work spaces, shared employees, and other environmental issues make this more difficult. And healthcare as an industry has not traditionally built cultures that embrace and reward regular employee-manager communication. But when an employee does not have regular communication with his or her manager, they don’t know how they are performing, what their career path will be, or what opportunities there are for development. Software can help address this by creating a structure and reminder system that encourages regular dialogue.
Specific strategies and experiences the participants shared were:

- Move to a 360-degree or peer review. While this is difficult in a manual system, with software, it can be performed more easily. This helps create a fuller view on employee performance and takes some of the subjectivity out of the review, which employees appreciate, especially when managers don’t directly interact regularly with that employee.

- “Before automating, we had a question on our employee survey on whether the employee felt they received constructive feedback from their manager, and we didn’t do so well on this.”

- “On our employee survey, we ask, ‘Is your performance appraisal meaningful?’ And the responses were not great. This was impetus for us to change. While the software alone doesn’t make it meaningful, we now use it to monitor where people are at, and we can help make this process more satisfying for the employee.”

- “We stress to managers that software is simply a tool and it is no better than the person who uses it, but we take away the excuses and challenges they have with regular dialogue and coaching. This lets us expect more from them. We do not want the software to create a situation where it is electronic ‘ping pong’ – it has to be the basis for dialogue.”

- “Through the self-evaluation process, we get a lot of positive feedback from employees on what is good about working here. This information, along with the negative feedback, is then provided to senior management so they have a clearer understanding of employee engagement. We didn’t capture the positive comments before when we used a paper-based system.”

- “With a paper system, it was much harder to disseminate information on specific employee performance issues to the full chain of command. It is so much easier with software. And this lets us act more quickly, which helps us attack the underlying issues that are affecting employee satisfaction.”

- “The biggest effect on employee satisfaction from software is having the reviews actually done on time. Our success rate, meeting our policy on performance reviews, went from around 60% on time to nearly 100% on time. And it absolutely trickles into employee satisfaction because who doesn’t want their review done on time? It makes the employees feel valued.”

- “We wanted to increase the frequency of discussion around performance and goals. Software makes this easier with reminders and a structure to follow.” One participant noted that they schedule follow-up appraisals 120 days after a negative review to ensure that not only performance has improved, but that the employee is still engaged.
- Some commented on the fact that they now had frequency and structure around the appraisal process, the good performers felt better about them as an employer. “Good performers can get really frustrated if they don’t feel other people are competent and they don’t feel others are paying attention to it.”

The bottom line: The participants noted how the performance management software actually drove regular and meaningful interaction between manager and employee, something that was often lacking. Because managers get regular reminders, are required to document goals, feedback, and performance evaluations online, and because employees sign off and can view these online, it creates an impetus for discussion. Participants noted that more than just software is needed; it requires change management and management coaching to get them to recognize the importance and value of regular face-to-face performance discussions with employees. But the software helped HR monitor the managers and helped create a framework and driver for these conversations.

**Strategy #3: Provide clarity on employee goals, and track and communicate progress**

**Employee point of view:** “My goals? You mean the words they say at the beginning of the year and then never discuss again? I have no clue how I am doing.”

For any healthcare provider to implement change, organizational goals must be set, and these goals must be communicated to employees as employee goals. For individuals to grow and change, the same thing must occur. They need clear goals and progress needs to be tracked against those goals. Goals setting and management of these goals were a big discussion point with participants. Most agreed that clarity and communication around goals leads to higher employee satisfaction. With software, participants noted how it is easier to implement individual goals.

Specific strategies and experiences the participants shared were:

- “We use feedback functionality for coaching and constructive feedback and document for employees how they might do things better, faster, and provide deadlines and action plans for follow up.” With software, they can document and easily follow up on action plans “it is the go-to-tool for action plans and we have eliminated 97% of the paper for this.”

**KEY FINDING**

Setting, tracking, and managing employee goals is very difficult in healthcare. Patient care demands that employees focus on the urgent issues of the day, not necessarily on important long-term goals. Employee performance management software makes this much easier by providing a structure and a reminder system that keeps focus on goals and creates an easy system for documentation, follow through, and dialogue.
- “All the goals that the employees have will be in their performance review, and they have to tie back to our strategic plan. We will measure results in our employee satisfaction surveys.”

- “We focused on getting them to use the goals and have employees and managers look at the goals and review throughout the year.

- “I encourage managers to set regular due dates for discussion and review so they remember. Getting a reminder can make a difference.”

- Basing the evaluation on the job description puts more attention on the job description. “Even with a manual system, we always had the evaluation form based on the job description. But for some reason, once we started using software and had the evaluation online, you wouldn’t believe all the calls we got that ‘this is wrong, you are missing that’. We made many corrections to the job descriptions. For some reason seeing this electronically made them look more closely. I don’t know why, but it did. We fixed a lot of things that needed fixing.”

- “We are adopting the Five Pillars philosophy and each team comes up with the metrics and goals that they need to focus on. This takes subjectivity out of the employee appraisal. Our CEO has instructed all managers to use the goal section in the software to set metrics and meet with each employee in their department every six months and set goals. This is how the individuals will be measured. And this helps ensure that the individual has clear goals, they are aligned with the organization, and they get feedback. We think this improves employee satisfaction.”

- “We use the results of our employee satisfaction surveys and have managers create goals for themselves around the areas we, or they, need to improve. We can track this in the software to see how they are performing.” One hospital extended this to the employees, asking them to create action plans for issues they said exist.

- One participant encouraged managers to develop employee specific goals on that employee’s self-assessment. This allows the manager to help the employees act on self-development plans.

The bottom line: Setting, tracking, and managing employee goals is very difficult in healthcare. Patient care demands that employees focus on the urgent issues of the day, not necessarily on important long-term goals. Employee performance management software makes this much easier by providing a structure and reminder system that keeps focus on goals and creates an easy system for documentation, follow through, and dialogue.
Strategy #4: Document and communicate positive feedback

Employee point of view: “Aw shucks, you finally noticed.”

All good managers know that employees are motivated by more than just compensation. And each employee is motivated by different things. But employee recognition is generally regarded as a universal motivator and driver of employee satisfaction. As with goals, the work environment of healthcare makes it more difficult to regularly provide employee recognition. Participants commented on how they use the software to both encourage and ease the process of capturing and delivering positive employee recognition.

Specific strategies and experiences the participants shared were:

- “We use the software to capture positive feedback. When a manager gets feedback from a patient that what the employee did was marvelous, we have them put that in Performance Manager. We encourage the managers to scan and attach notes from patients and use this in the performance discussion, even if it is a year from then. Paper tends to grow legs, but in software, it is there and easy for the manager to remember the positives, because the employees always remember the positives.”

- “We encourage managers to use it for positive feedback. Sending praise through the system, or if patient remarks on their care, that increases frequency of use in the software and helps with adoption. This also helps them build up information for the manager to use when doing the annual appraisal since the information is all right there in the software.”

- “We added to our evaluation a section called, ‘Maximizing your Potential’ that the employee answers in their self-evaluation. It asks, what motivates you; the greatest gesture of recognition you’ve received; what your career goals are. This helps drive the back and forth discussion between employee and manager on these issues.”

- “Once HR and senior managers reinforce that feedback is used for not only corrective but also positive feedback, and the managers use it for both purposes —it is really exciting.”
- A few participants encouraged others to use the software to capture all forms of feedback. They scan certificates, notes, and other documents and attach them to the employee record. “Our big emphasis is to get off of paper, I call the software the ‘employee library’—if an employee has a training certificate, notes or any documentation related to their career, scan it and put it in. Keep a full record of all the employees’ accomplishments in one place.”

- “Our employees like the system because they have access to their information online. The employees used to feel like their employee file was a big secret and they could never access it, but having online access to it now makes them feel more positive about working here.”

- Though the software makes positive feedback easier, it does require culture change for some. Getting managers to adopt this was a challenge for a number of participants. Advice was given by one, who has used the software for three years, to “stay with them, stay with them, stay with them. Some might go biting, scratching, and kicking, but they will get there.”

- Another participant suggested using managers to teach managers. “I hear all the time from managers how much they love the ability to document feedback in the software. We use them to encourage their peers to do the same. It adds a little peer pressure, I admit, but this works great for us.”

The bottom line: Software makes it easy to document positive employee feedback. And because it is easy to document and is visible and accessible, it creates an environment that encourages managers and employee documentation of employee accomplishment. This promotes recognition, which drives higher employee satisfaction.

**Strategy #5: Communicate and educate**

**Employee point of view:** “Don’t bring up change or strategic initiatives once and never reference again. Teach me how to contribute. Inform me on progress. Keep me in the loop.”

Participants also discussed the value of regular communication and training opportunities for employees. Enabling online training was an area of great satisfaction for most employees. Being able to easily access courses they need to not only maintain competencies and certifications, but to improve their skills for future growth, is very well received by employees. The software allows for not only online training, but for employee communications to be disseminated. For example, after an
employee engagement survey, management can put a memo or video out on the results and confirm that employees reviewed it.

Specific strategies and experiences the participants shared were:

- “We have improved employee satisfaction by providing more online training. The manager can go over the options and assign and track employee training, based on goals or feedback.”

- “We communicate how the hospital is tracking toward its goals.”

- “We use it to communicate meeting minutes. We take the minutes from the monthly department meetings and have the unit manager add unit-specific issues. These are sent out to all employees in the unit. It solves two problems for us – first it ensures that the employees have the information from these meetings, but second, it helps us monitor the managers to make sure they are having these important monthly face-to-face monthly meetings.”

The bottom line: Most employees want communication and training. Employee performance management software can provide a good vehicle to efficiently deliver both, and makes sure the employee acknowledges the communication. Online training provides employees the opportunity to address competency gaps, or to improve their skills for advancement. Both of which can drive higher employee satisfaction.

**Summary and Conclusion**

**The Final Word: Improving Employee Satisfaction through Effective Employee Performance Management**

Patient satisfaction is a universal goal for healthcare providers and can be impacted through highly satisfied employees. But high employee satisfaction doesn’t just happen. It requires work and focus. Software like Performance Manager from HealthcareSource provides structure and processes to drive specific initiatives that improve employee satisfaction. The participants of this forum provided good anecdotes and ideas on improving employee satisfaction by using the software to better manage appraisals, goals, online training, feedback, and more. But the key point they made is that software is just the starting point for what really drives employee satisfaction and engagement – people communicating with people.
About HealthcareSource

For over a decade, HealthcareSource has been the leader in helping healthcare providers recruit, develop, and retain top talent. With over 1,500 healthcare facilities using our solutions, we are the clear leader in talent management software for healthcare.

HealthcareSource solutions help healthcare organizations acquire, develop, and retain the best workforce possible in order to maximize the quality and efficiency of patient care. Our performance management solution, Performance Manager helps reduce the risk and leverage the opportunities of a good performance management system. It helps healthcare organizations manage employee performance by automating the content and workflow for performance appraisals, competency management, and learning management.

Performance Manager starts with clear job descriptions, a competency library, and organizational goals. From these foundational elements, Performance Manager drives paperless employee performance appraisals, ongoing communication between employee and manager, tracking of appraisal workflow, competency tracking, in-service, and other learning-opportunity tracking. Performance Manager was developed specifically for healthcare, is intuitive and easy to use, and quick to implement – all at a fair cost with an excellent return on investment.

For more information on HealthcareSource, Performance Manager, or any of our other leading talent management solutions designed specifically for the healthcare industry, please visit www.healthcaresource.com or call 800.869.5200.