Quantitative and qualitative research suggests that hospitals with structured performance management processes and an automated performance management system benefit from higher HCAHPS survey scores.

The Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey measures patient perceptions of their hospital experience. When it comes to earning high scores, the stakes are high.

There are 27 questions and most require an “always,” “usually,” “sometimes,” or “never” response. Facilities receive higher reimbursement rates from the Centers for Medicare and Medicaid Services (CMS) if they have a higher percentage of patients whose needs are “always” met. As a result, more and more healthcare organizations are striving to establish a “culture of always,” where every employee feels accountable for patient satisfaction. How can hospitals achieve this type of accountability? Quantitative and qualitative research suggests that hospitals with structured performance management processes and an automated performance management system maintain higher HCAHPS survey scores.
In May 2012, Dr. Frederick P. Morgeson, PhD, Professor of Management in the Eli Broad College of Business at Michigan State University, conducted extensive research on hospitals and HCAHPS survey ratings. Dr. Morgeson’s analysis compared HCAHPS results for healthcare organizations using HealthcareSource Performance Manager® with those of hospitals not using this software. The research focused on the following dimensions:

- Eight HCAHPS summary measures. These include communication with nurses, communication with doctors, responsiveness of hospital staff, cleanliness of hospital environment, quietness of hospital environment, pain management, communication about medicines, and discharge information.
- Two HCAHPS global items. These include an overall hospital rating and whether a patient would recommend the hospital to friends and family.

Hospitals using Performance Manager had markedly higher results on key HCAHPS measures related to patient-employee interactions:

<table>
<thead>
<tr>
<th>Performance Manager Hospitals</th>
<th>Other Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients who felt the hospital staff was always responsive</td>
<td>57.61 percentile</td>
</tr>
<tr>
<td>Patients who felt nurses always communicated well with them</td>
<td>57.53 percentile</td>
</tr>
<tr>
<td>Patients who felt their pain was always managed satisfactorily</td>
<td>55.79 percentile</td>
</tr>
<tr>
<td>Patients who felt they were always given comprehensive discharge information</td>
<td>59.26 percentile</td>
</tr>
<tr>
<td>Patients who felt that their room/bathroom was always clean</td>
<td>55.46 percentile</td>
</tr>
<tr>
<td>Patients who felt they always received satisfactory communication about their medicine</td>
<td>53.22 percentile</td>
</tr>
<tr>
<td>Overall rating of hospital</td>
<td>54.55 percentile</td>
</tr>
<tr>
<td>Patients who would recommend the hospital to friends and family</td>
<td>55.72 percentile</td>
</tr>
</tbody>
</table>

Note: Percentile scores range from 0 to 100 and reflect a hospital’s score relative to all other hospitals in the sample. For example, if a hospital has a percentile score of 60, this means that its score is higher than 60 percent of all other hospitals. Higher percentile scores indicate more favorable HCAHPS ratings.
The findings from the HCAHPS Technology Study suggest that hospitals that use a structured approach to performance management are more likely to have positive patient experiences. This conclusion was consistent with information gathered from conversations with numerous industry leaders. These discussions reinforced the importance of linking HCAHPS with employee goals, performance appraisals, and feedback mechanisms.

Once employees join a healthcare organization, they must be nurtured and encouraged to do a good job. One way to accomplish this is by clearly communicating expectations around behaviors related to HCAHPS measures.

1. Identify the employee behaviors critical to patient satisfaction

Patient experiences and resulting HCAHPS scores are heavily influenced by the behaviors that employees engage in. Even though healthcare professionals have devoted their careers to patient care, they may not clearly understand how their actions affect patient satisfaction. As Susan Grady, President of SM Grady Strategic Human Resources, has observed, the various functions within a hospital often have different attitudes toward patient satisfaction. These differences can even exist between different levels of the nursing department. One way to address this disconnect is to actively promote the employee behaviors that will move patient satisfaction scores in a positive direction. Grady noted, “We need employees to be informed about HCAHPS, understand why it is important, and how workers’ individual and team efforts contribute to patient satisfaction.”

Once hospitals understand the actions they want from employees, they should encourage them through formal performance management programs. As a part of this process, it’s important to take a holistic view of what will be measured. This can prevent situations that may lead to patient dissatisfaction. Dr. Morgeson commented, “Sometimes hospitals measure and reward employees for behaviors that are at odds with HCAHPS related objectives. For example, they may evaluate employees based on the number of patients they see in a specified time period. This motivates healthcare professionals to work as rapidly as possible and can negatively affect both patient perceptions and HCAHPS scores.” Proactively taking a broad view of all the behaviors that are formally evaluated can minimize those tensions in the workplace.
2. Set performance goals and incorporate them into job evaluations

After identifying the employee behaviors that are most desirable, hospitals should set clear performance goals related to HCAHPS measures and incorporate those goals into every job description and performance evaluation. For example, when Trinity Health System in Steubenville, Ohio updated its standards of behavior, all new employees were required to commit to them. They did this by signing off on the new standards in their Quest Best University account which transfers into their Training and Assessment Folder within Performance Manager. Both new and current employees are held accountable through their initial and annual performance evaluations as well.

Many hospitals are adopting organization-wide goals related to service and quality of care and cascading those down to the frontline. Employees and managers then work together to create individual goals that align with the hospital’s overarching objectives. John Barry, Product Manager at HealthcareSource, said, “Cascading goals is the direction that healthcare organizations are headed.” According to Barry, a best practice is for employees to create goals within the performance management system that are SMART (specific, measurable, attainable, relevant, and time-bound). Ratan Tavawala, Solutions Manager at HealthcareSource, has found that assigning individual goals improves employee engagement because people clearly see how their work contributes to their hospital’s success.

3. Conduct regular performance appraisals that include expectations about HCAHPS

Developing job descriptions that include performance goals is a good first step towards improving HCAHPS ratings, but it’s not enough. Hospitals must measure whether or not employees have met those goals through regular performance appraisals. Holy Cross Hospital in Fort Lauderdale, Florida requires managers to perform evaluations four times a year for every employee. This practice has significantly opened up the lines of communication between managers and employees about all kinds of issues, including those related to HCAHPS.

Industry experts agree that performance goals are most effective when they are evaluated over the course of the year. Barry said, “It’s important for organizations to continually monitor progress toward hospital-wide service and patient satisfaction objectives. With Performance Manager software, Human Resources can run a report that tracks the state of every organizational goal and each of the supporting employee goals. This is a powerful way for hospitals to identify mid-year whether additional effort is needed to meet their targets for dimensions related to HCAHPS.”

Transparency in performance results is also essential. Carol Statter, Employment Services Manager at Infirmary Health in Mobile, Alabama said, “When organizations
are transparent about performance, it makes employees feel more involved, and it also stimulates healthy competition between groups to improve.” HCAHPS ratings are a compelling indicator of how well teams are meeting patient satisfaction goals. Overlake Hospital Medical Center in Bellevue, Washington takes a very public approach to performance management. The organization publicizes its employee satisfaction survey results, which include information about which employees are meeting performance goals. Lisa Brock, Vice President of HR at Overlake, said, “Our ‘no secrets, no excuses’ environment motivates and inspires top performers.”

4. Capture feedback about performance between evaluations

Gathering feedback about staff who “go the extra mile” on the job has a positive impact on employee satisfaction. As Tyler Newton, Employment Supervisor at Sonora Regional Medical Center in Sonora, California, has observed, employee satisfaction helps drive HCAHPS scores up.

One informal approach to gathering employee feedback between formal performance evaluations is through storytelling. Overlake Hospital Medical Center, for example, starts every meeting from the executive level down to staff meetings with stories of outstanding patient service. Brock noted, “Storytelling is a way to focus the organization on behaviors that should be emphasized. It’s a practice that can really change an organizational culture for the better.”

It’s also valuable to capture feedback about opportunities where employees can improve.

Kathie Pasquarella, Director of Training and Education at Trinity Health System said, “We use Performance Manager’s feedback function for Manager Notes to keep anecdotal information about employee behaviors that need modification. This information is accessible to managers for review at any time throughout the year for education and training, performance management improvement plans, and performance evaluations.”

Feedback from managers is instrumental in helping employees meet their performance goals. Barry commented, “Performance Manager offers a Facebook-like interface where employees can enter notes about their work on a specific goal. Managers are notified and can also make comments. Managers can also be reminded to proactively check-in with their teams about their work.”

HCAHPS HR Readiness Review Survey Results

The HCAHPS HR Readiness Review was a blind survey conducted in March 2012 with more than 100 healthcare professionals. This survey shows that many hospitals have already taken positive steps to incorporate HCAHPS into their performance management processes.

- **Management of HCAHPS Goals**
  - 52.5% of senior management and 52.5% of management team members have clearly defined HCAHPS performance goals. More work needs to be done, however, to establish individual HCAHPS performance goals for staff members. Only 32.5% of organizations report having HCAHPS objectives defined for individual employees.

- **Job Descriptions**
  - 67.5% of respondents agree or strongly agree that their job descriptions are up-to-date and include HCAHPS goals.

- **Performance Appraisals**
  - 65.9% of respondents agree or strongly agree that their managers consistently conduct performance appraisals that include HCAHPS expectations.

- **Capturing Feedback**
  - 68.3% of respondents agree or strongly agree that they capture positive feedback about employees between annual evaluations.
5. Use feedback to reward employees and reinforce desired behaviors

Motivation is a key contributor to employee performance. While many outstanding healthcare professionals are driven by intrinsic sources of motivation, such as personality traits, interests, and values, Dr. Morgeson believes that consistent performance management reinforces the importance of extrinsic sources of motivation, such as workplace recognition and monetary compensation. “To promote patient-centric behaviors, organizations need to measure how employees behave and then, give positive feedback to reinforce customer-focused behavior and negative feedback to correct potentially detrimental behavior. Then they must link rewards to those desired behaviors.”

By capturing information about employee performance, healthcare organizations can recognize employees whose actions support HCAHPS goals. For example, if a department at Trinity Health System gets greater than a 75 percent HCAHPS rating on a quarterly basis, Fred Brower, President and CEO, presents the manager with a framed certificate at a monthly management meeting. The certificate is displayed prominently in the department and shared with employees.

Many hospitals also tie employee compensation to patient satisfaction-related behaviors. Holy Cross Hospital has set organization-wide performance goals related to HCAHPS and connected them to employees in a meaningful way. Patricia Ellison, Recruitment Coordinator, commented, “Employees cannot participate in Holy Cross Hospital’s gain-sharing program unless the organization meets its HCAHPS goals.”

Feedback can also be useful to identify when coaching is needed to help individuals get closer to desired behaviors. Kathie Pasquarella noted, “We use the coaching, constructive, and positive feedback feature in Performance Manager to support our positive discipline process. If an employee receives a low rating on his or her performance evaluations, the manager immediately creates an action plan to follow over a set timeframe.”

Performance Management at Award Winning Healthcare Organizations

Robert Wood Johnson University Hospital Hamilton and Heartland Health won the prestigious Malcolm Baldrige National Quality Award in 2004 and 2009 respectively. Both institutions have adopted performance management systems to engage employees and deliver higher quality healthcare to patients.

**Robert Wood Johnson University Hospital Hamilton**

Robert Wood Johnson University Hospital Hamilton implemented a performance management system approximately two years ago. Managers and employees are all more engaged, thanks to the ease of the performance management process. Managers often ask their staff to complete a self-assessment, then supervisors and employees review the performance evaluations together with the director. A cross-functional employee recognition team also created an organization-wide recognition plan. As a part of this plan, managers capture positive feedback about employee behaviors within the performance management system.

**Heartland Health**

Heartland Health uses its performance management system during 30 and 90 day conversations with new hires, as well as during annual performance appraisals. On-time evaluation data is fed into the organization’s balanced scorecards. By using a performance management system, Heartland Health has increased the percentage of on-time evaluations and decreased labor costs associated with performance appraisals.
Performance Management Means Better Employee-Patient Interactions and Higher HCAHPS Scores

Performance management is about more than an annual meeting between managers and their employees. Top healthcare organizations illustrate that performance management processes touch employees throughout the year, ranging from well-understood performance goals that are tied to job descriptions to mechanisms for capturing feedback and rewarding positive behaviors. HR is a revenue savings department versus a revenue generating department. Improving HCAHPS scores is a way to prevent lost revenue. Therefore, when it comes to HCAHPS and performance management, HR’s role is to ensure employees receive clear communication about expected behaviors and truly understand the importance of patient satisfaction.

As Newton observed, “When managers are trained to set expectations for their teams and do so over time, HCAHPS scores improve.”

Don’t Be Scared, Be Prepared: 5 Best Practices for Implementing an Automated Performance Management System

Download our white paper to learn best practices, lessons learned, and questions to consider before implementing an automated performance management system from three healthcare organizations who have successfully made the transition, making life easier for everyone in their organization.
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