

Employee Engagement: What Is the Board's Role?

By Ryan Donohue, NRC Health

A Google search of the phrase “employee engagement” returns 256 million results. In the business world, employee engagement has had a wonderful decade-plus run describing every effort to engage employees everywhere. Employee engagement was at first a welcomed heir to its much-maligned predecessor: employee satisfaction. Companies of all verticals have come to agree that simply satisfying employees is not enough, nor is it particularly easy to do. Employees need to be thoroughly *engaged* in their work.

The State of Employee Engagement

The employee engagement movement begs the question: are most employees engaged in their work? The short answer is no. Engagement means truly connecting with your work and having your purpose fulfilled. It's a high bar, especially for hourly workers and those new to the workforce. Simply satisfying employees is also not widespread—2017 was the first year the number of U.S. workers who consider themselves satisfied with their jobs had crossed 50 percent (at just 51 percent) in the past decade.¹

It seems the conversation around employee engagement is more prevalent than engagement itself. At a recent Governance Institute Leadership Conference, I asked an audience comprised of CEOs, board chairs, and board members

what activity they most closely associated with employee engagement. The consensus was their annual employee engagement survey. This echoes conversations I've had across healthcare—we focus on employee engagement because we measure it.

HR Surveys: A Mountain of Measurement

Measuring something is different than committing to it. In fact, measurement can even become a barrier to action. I spoke with several human resources executives of hospitals and health systems large and small and one commonality surfaced: the annual employee engagement survey is a massive undertaking. Even with help from outside firms, most HR managers do much of the survey building themselves—by getting input from just about every department. Eliminating past questions can be a sensitive exercise and adding new questions causes concern about question order and survey fatigue. One HR manager mentioned the process can take up to six months if all potential stakeholders are involved. The top reasons managers gave for dissatisfaction with the annual survey are that “the data isn't timely” and surveys “don't account for a regularly changing workplace.”²

Key Board Takeaways

Potential action steps boards can take to rethink employee engagement include:

- Form a board subcommittee on employee engagement, or place the responsibility in an existing committee such as quality, if there is bandwidth there to address the issue appropriately.
- Consider breaking out of the annual survey rut and asking new questions, even if it affects trending.
- Experiment with a pulse survey in between annual surveys—or even replace the annual survey with smaller, more user-friendly surveys throughout the year.
- Define what “employee engagement” means for your organization specifically and share this definition with employees.
- Communicate with employees directly and let them know that engagement in all its forms is important.

Then there's the actual survey deployment. Internal campaigns must be conducted to coax and convince as many employees as possible to complete the survey. A low completion rate casts doubt over results and can be a signal of low engagement before reading any results. A high completion rate requires an intense amount of effort to get the last 5 to 10 percent to complete the survey. All of this requires energy from a department that isn't spilling over with available resources.

The annual employee engagement survey has taken on a life of its own and the benefits are foggy—even at the top. Just 26 percent of organizational leaders said employee engagement is “very important.” Only 31 percent of managers strongly agreed that their companies consider engagement a top priority and 16 percent outright disagreed.

Regardless of how much energy is spent engaging employees, there's clearly a discord on how important the topic is to an organization. As a board, how much is employee engagement discussed? Is it something that comes up regularly—as with the one in four leaders who feel it's important? Or does it fall in the “nice to know” camp and isn't on the board's radar? Should it even be on the board's agenda? When



¹ Lauren Weber, “U.S. Workers Report Highest Job Satisfaction Since 2005,” *The Wall Street Journal*, August 29, 2018.

² NRC Health's Employee Engagement studies, 2018.

it does come up, what solutions are offered to boost employee engagement?

A common option to boost employee spirits across the board is a pay increase. If we boost salaries and wages enough, won't people be happier in their jobs? The simple answer is yes. Glassdoor.com studied the relationship between an increase in employee salary and an increase in employee satisfaction and there *is* a relationship. For every 10 percent increase in salary, an employee's satisfaction only increases 1 percent.³ Even massive, across-the-board raises don't boost employee satisfaction in any meaningful way.

The Link between Employee Engagement and Patient Engagement

According to NRC Health's Employee Engagement survey results, only 41 percent of employees felt the organization was delivering on the patient experience. These same studies reveal a correlation between high patient satisfaction and high employee engagement. The inverse is also true: low employee engagement in an organization greatly increases the chances it also suffers poor patient satisfaction. Nearly all the organizations I spoke with had not looked at their patient and employee

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data sets together, even though it's clear the two worlds are linked.

Crosswalking employee data with other pertinent feedback isn't the only way to boost employee engagement efforts. The concept of a pulse survey arose as an answer to the massive, bogged down annual survey. Pulse surveys are more frequently deployed to employees (anywhere from quarterly to weekly) but are much shorter in length. They allow for quicker feedback on a broader range of topics and offer a lessened risk of survey fatigue on the employee taking them.

A Hard Benefit of Employee Engagement

Diversicare, a Tennessee-based senior living system, found that a boost in employee engagement also had another positive side effect: a decrease in employee turnover. By boosting their employees "would recommend" scores just 9 percent, they saw a 27 percent decrease in employee turnover over the next nine months.⁴ Besides the obvious

financial benefits of stemming turnover, it's much easier to engage an employee audience that isn't heading for the exits.

The Heightened Need for Employee Engagement in Healthcare

Employee engagement can be truly difficult to attain and maintain. But healthcare is a special calling and those who provide it deserve every opportunity to be engaged in their work. Boards often take a passive role, when their expertise outside healthcare can be beneficial to boosting engagement. When a vital metric like patient satisfaction is linked to employee engagement, it becomes a board-level issue. In the coming year, consider thinking about—and measuring—employee engagement differently and consider doing so from the boardroom to the breakroom. Engaged employees make for a better patient experience, which leads to a higher-performing organization.

The Governance Institute thanks Ryan Donohue, Corporate Director, Program Development, NRC Health, and Governance Institute Advisor, for contributing this article. He can be reached at rdonohue@nrchealth.com.

3 Mario Nuñez, "Does Money Buy Happiness? The Link between Salary and Employee Satisfaction," Glassdoor, June 18, 2015.

4 NRC Health, "Workforce Engagement Improves Culture and Decreases Turnover," 2019.