



# THE BEST PLACES TO WORK IN THE FEDERAL GOVERNMENT®



## A PRESCRIPTION FOR BETTER PERFORMANCE ENGAGING EMPLOYEES AT VA MEDICAL CENTERS

### INTRODUCTION

Richard Branson, founder of the Virgin Group, a global conglomerate with annual revenue exceeding \$21 billion, describes his philosophy this way:

“Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients.”

Branson’s approach is supported by data.

According to a Gallup analysis of more than 82,000 business units spanning 230 organizations, those scoring in the top quartile of their organization in employee engagement had 41 percent less absenteeism than business units scoring in the bottom quartile. Turnover was 24 percent lower, customer loyalty was 10 percent higher, and the most engaged business units were 20 percent more productive.<sup>1</sup>

Simply put, engaged employees are better employees.

While the link between employee engagement and business outcomes in the private sector has been well-documented, there is considerably less analysis of how employee engagement affects agency performance in the federal government.

To better understand this relationship, the Partnership for Public Service and Boston Consulting Group analyzed data over a three-year period from nearly 150 medical

centers operated by the Department of Veterans Affairs.<sup>2</sup> We found that medical centers with stronger employee engagement had higher patient satisfaction, better call center performance and lower turnover among registered nurses. Our findings, however, did not reveal a direct link between employee engagement and three of the patient health outcomes that VA tracks: patient mortality ratio, the 30-day readmission rate and the rate of preventable in-hospital complications.

VA medical centers are an integral part of a health care system that serves more than nine million veterans each year.<sup>3</sup> While our findings indicate that employee engagement is a key ingredient in veterans getting the high-quality patient experience that they deserve, the relationship between engagement and positive agency outcomes is likely replicated across the federal government.

This issue brief describes the link between employee engagement and VA medical center performance, and highlights strategies employed by medical center directors in Altoona, Pennsylvania, and St. Louis, Missouri, who inherited underperforming facilities with low engagement and successfully reversed course. The results of our study serve as a reminder that fostering engagement is about much more than

<sup>2</sup> For a complete list of the VA medical centers included in our analysis, see Table 2, below.

<sup>3</sup> U.S. Department of Veterans Affairs. Available at <https://bit.ly/2H99lUe>

<sup>1</sup> Gallup, “Gallup Q12 Meta-Analysis Report.” Retrieved from <https://bit.ly/2tThLGF>

creating satisfied and committed federal employees. It's also about providing better service to the public. The strategies shared by medical center directors in Altoona and St. Louis offer a blueprint for federal leaders at all levels across the government who are eager to improve employee engagement and agency performance.

## FINDINGS

Analysis of VA medical center performance data and Best Places to Work in the Federal Government® engagement scores for 2016, 2017 and 2018 revealed a statistically significant link between rising employee engagement and better performance on three quality measures: patient satisfaction, facility call center performance and the rate of turnover among registered nurses.

Patient experience at VA medical centers is one area impacted by employee engagement. Our findings indicate that a one-point increase in the Best Places to Work employee engagement score is associated with, on average, a roughly half-point increase in patient satisfaction with the medical center overall, and a quarter-point increase in satisfaction with a center's primary and specialty care providers.

The importance of this finding is illustrated by a 2017 study of 129 VA and 4,100 non-VA hospitals. This study found that VA hospitals often provide higher quality medical care, but have lower patient satisfaction than

non-VA hospitals.<sup>4</sup> In particular, VA patients were less satisfied with the communication they received from their doctors and nurses, and were less likely to recommend VA hospitals to friends and family than patients at non-VA hospitals. Our findings suggest that VA can narrow the gap by improving the state of employee engagement in its medical facilities.

Another key finding reveals that call center employees perform their jobs more ably at medical facilities where employee engagement is high. Results show that as employee engagement rises, the time it takes to answer the phone decreases, and the percentage of calls that go unanswered declines. On average, it took call centers over 69 seconds to respond to inquiries between 2016 and 2018. Our findings reveal that a 10-point improvement in the Best Places to Work engagement score could reduce that number by nearly 15 percent.

Finally, the rate of turnover among registered nurses was found to decline as employee engagement at VA medical centers improved.

This finding is important as VA faces a critical need to recruit and retain nurses. According to a recent analysis conducted by Stateline, a publication of the Pew Charitable Trusts, nearly 40,000 of the 335,000 positions in the Veterans Health Administration are unfilled—with medical positions accounting for most of the vacancies.<sup>5</sup>

The results of our analysis conclusively reveal that employee engagement drives patient experience and the ability to retain mission-critical talent. Complete results along with an overview of our methodology can be found below.

## STRENGTHENING ENGAGEMENT AND IMPROVING OUTCOMES AT MEDICAL CENTERS IN ALTOONA AND ST. LOUIS

When Keith Repko took the helm as director of the VA St. Louis Health Care System after years of leadership turnover, he inherited a staff suffering from low morale and a facility that underperformed its peers on a host of performance measures.

Sigrid Andrew encountered a similar situation when she became director of the James E. Van Zandt VA Medical Center in Altoona, with employee engagement at the facility ranking among the worst in the nation.

Both leaders implemented low-cost, high-impact initiatives to improve the employee experience, and each saw a corresponding boost in the performance of their facilities.

## KEY FINDINGS

As a VA medical center's Best Places to Work employee engagement score increases:



**Patient satisfaction** with the medical center, their primary care physician and specialty care provider all increase.



**Registered nurse turnover** declines.



**Call center answer speed** increases, and the percentage of callers who hang up before their call is answered declines.

4 Eddie Blay Jr, MD; John Oliver DeLancey, MD, MPH; D. Brock Hewitt, MD, MPH; et al, "Initial Public Reporting of Quality at Veterans Affairs vs Non-Veterans Affairs Hospitals," JAMA Internal Medicine 177(6), June 2017, 882-885. DOI: 10.1001/jamainternmed.2017.0605. Retrieved from <https://bit.ly/2XIFK99>

5 Tim Henderson, Stateline, "Too Few Doctors and Nurses for Veterans in Some Areas," November 2018. Retrieved from <https://bit.ly/2ESCf0f>

To right their ships, Repko and Andrew actively solicited employee feedback, acted on what they learned, connected employees to the mission and recognized staff for their good work.

One of Andrew's first steps after taking over at Altoona was to study the VA's All Employee Survey results for her facility and meet with a random sample of 10 percent of the workforce to dig deeper. Andrew asked employees how she could run the facility more effectively, and learned that members of the staff felt bullied and disrespected by management. In response, Andrew established a monthly series of training programs aimed at developing better leaders. Critically, she told employees that she heard them and was taking action.

Repko and his team in St. Louis also invested in developing his facility's leaders. While leadership training had largely been limited to the medical center's senior managers, Repko made it available to leaders at all levels, including first-line supervisors.

"Over the last couple years, we have focused on leaders engaging staff," said Repko. "Leadership development has been one of our foundational initiatives. You cannot have engaged staff if you don't have engaging leaders."

Repko, for example, regularly convenes leadership symposiums. These are opportunities for leaders at all levels to get together and learn about the soft skills, including how to develop relationships, build trust and empower employees.

Participation, while voluntary, has been robust. The first symposium drew approximately 60 people, and the subsequent session attracted nearly 150. To accommodate demand and provide more targeted training, separate follow-up sessions were developed for senior leaders, customer-facing managers and front-line leaders.

Repko and his leadership team also pay close attention to VA's annual All Employee Survey results. Each workgroup at the St. Louis medical center receives its survey results and is required to develop a plan to address employee feedback. To ensure that supervisors are equipped to interpret the survey data and develop a plan that responds to staff feedback, training is incorporated into the medical center's New Supervisor Academy curriculum.

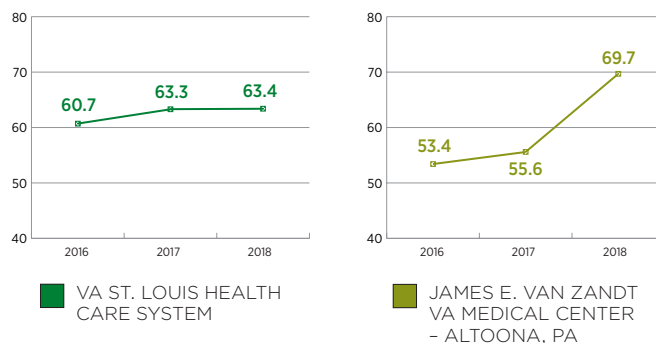
To foster engagement, the leaders at the Altoona and St. Louis medical centers strive to reinforce employee pride in the mission and regularly recognize members of the staff for good work.

Employees in St. Louis recently enjoyed a barbeque to celebrate the facility's improved performance – an activity that created a sense of community and collegiality.

At Altoona, Andrew developed an economic impact statement that highlights the medical center's contributions to the community. For example, it reported that the facility spent \$150 million in service of local veterans in 2018.

"I want our employees to understand how important the mission is. We wear red in the hospital on Fridays to

### Best Places to Work Employee Engagement Scores



**“Leadership development has been one of our foundational initiatives. You cannot have engaged staff if you don't have engaging leaders.”**

#### Keith Repko

Medical Center Director,  
VA St. Louis Health Care System

remember everyone deployed and to remind ourselves and veterans who come through our doors that we are connected to a special mission,” Andrew said.

Andrew and Repko agree that improving the employee experience has led to better outcomes for patients. Repko’s description of the transformation at St. Louis is particularly illustrative.

“Initially, we tried to improve our performance, but had little success. Then, we took a step back and really focused on improving employee engagement,” said Repko. “Our engagement scores have moved from the bottom 20 percent [of VA medical centers] to the top half. At the same time, we’ve moved from a low 2-star to a provisional 4-star facility. I firmly believe it is no coincidence that we first invested in engaging our employees, and that’s driven our improvement in quality.”

## CONCLUSION

Analysis of data from nearly 150 VA medical centers over a three-year period revealed that facilities with stronger employee engagement had higher patient satisfaction, better call center performance and lower turnover among registered nurses. The examples of the VA medical centers in Altoona and St. Louis illustrate the transformative effects of investing in employee engagement, often at very little cost. The Partnership for Public Service and BCG hope the results presented in this issue brief will compel leaders at all levels across the federal government to invest in the engagement of their employees—not because it will make them happier, but because it will result in better performance and improved services for the public.

## METHODOLOGY

Nearly all the data used to test the relationship between employee engagement and VA medical center performance comes from Strategic Analytics for Improvement and Learning reports.<sup>6</sup> SAIL reports, generated quarterly by the VA, function as report cards that assess each medical center’s performance on a range of quality measures.

The Partnership and BCG compiled three years of SAIL data (fiscal 2016, 2017 and 2018) for each medical center, resulting in a total of 438 observations.<sup>7</sup>

Next, we used a statistical technique called Ordinary Least Squares regression to test the relationship between employee engagement and a host of VA medical center performance measures. The following data was used in our analysis:

### The Independent Variable (also known as the causal variable)

- Best Places to Work in the Federal Government engagement scores for 2016, 2017 and 2018 were used to estimate the state of employee engagement at each VA medical center. Scores are determined by calculating the percentage of positive responses to three Federal Employee Viewpoint Survey questions:<sup>8</sup>
  - ▷ I recommend my organization as a good place to work.
  - ▷ Considering everything, how satisfied are you with your job?
  - ▷ Considering everything, how satisfied are you with your organization?

Engagement scores range from 0-100, with higher scores indicating stronger employee engagement.

### The Dependent Variables (also known as the outcome variables)

- Overall patient satisfaction with the medical center<sup>9</sup>

<sup>6</sup> U.S. Department of Veterans Affairs. Available at: <https://bit.ly/2XLxncP>

<sup>7</sup> SAIL data was compiled for fiscal 2016-2018. We used Q4 data for fiscal 2016 and 2017, and Q3 data for fiscal 2018. VA’s All Employee Survey, which we used to measure employee engagement, was administered at these times. Outliers for each variable were reset at one unit above or below the largest or smallest observations that did not register as outliers. The analysis was replicated with outliers left unadjusted, but the direction and significance of coefficients did not change in any instance.

<sup>8</sup> For more information, please visit: <https://bestplacestowork.org/about/methodology/>

<sup>9</sup> Patients are asked to assign a score between 0 and 10 to their overall medical center experience, their primary care provider and their specialty care provider. A score of 0 is the worst possible assessment and a score of 10 is the best. Patient satisfaction with their overall experience, primary care provider and specialty care provider is calculated by taking the percentage of responses that are 9s or 10s.

- Patient satisfaction with their primary care provider
- Patient satisfaction with their specialty care provider
- Call center answer speed, as the average number of seconds it takes to answer a phone call
- Call abandonment rate, as the percentage of telephone calls that are terminated by the caller before being answered by a staff person
- Registered nurse turnover rate
- Acute care in-hospital mortality ratio, as the number of in-hospital deaths divided by the number of expected in-hospital deaths
- Hospital-wide 30-day readmission rate
- Rate of preventable in-hospital complications

### The Control Variable

The Department of Veterans Affairs categorizes each of its medical centers by their level of complexity. Facilities are categorized into one of five groups, ranging from least complex to most complex. The most complex facilities have high volume, high risk patients, complex clinical programs, and large research and teaching programs. The least complex facilities have low volume, low risk patients, few or no complex clinical programs and small or no research and teaching programs.

It is conceivable that a medical center’s level of complexity could influence how it performs on the SAIL quality measures. For example, high volume facilities with high risk patients might be more stressful places to work, resulting in greater turnover among nurses. Alternatively, a patient’s satisfaction with a medical facility might be influenced by the sophistication of its clinical programs.

To test the unique impact of employee engagement on the SAIL quality measures—in other words, filtering out any impact that a facility’s level of complexity might have—we held medical center complexity constant.<sup>10</sup>

The positive relationship between employee engagement and medical center performance held even when controlling for facility complexity.

<sup>10</sup> VA categorizes each medical center as either “highest complexity,” “high-complexity,” “mid-high complexity,” “medium complexity,” or “low complexity.” In constructing the control variable, codes ranging from 1-5 were assigned to each facility, with the “low complexity” facilities receiving a code of 1, and the “highest complexity” facilities receiving a code of 5. To ensure that treating the facility complexity data as interval-level data would not affect our results, we also dummy coded the facility complexity data and re-ran our analysis. In no instance did the direction or statistical significance (or lack thereof) of a coefficient change.

**Table 1: Results**

	Employee engagement	Facility complexity	Model summary
Overall patient satisfaction with the medical center	<b>.480 ***</b> (.063)	<b>-1.42 ***</b> (.247)	N = 382 R <sup>2</sup> = .201
Patient satisfaction with their primary care provider	<b>.258 ***</b> (.049)	.265 (.180)	N = 438 R <sup>2</sup> = .064
Patient satisfaction with their specialty care provider	<b>.253 ***</b> (.042)	<b>-.557 ***</b> (.153)	N = 438 R <sup>2</sup> = .103
Call center answer speed (in seconds)	<b>-1.02 **</b> (.354)	.207 (1.29)	N = 437 R <sup>2</sup> = .019
Call abandonment rate	<b>-.102 **</b> (.035)	-.188 (1.29)	N = 437 R <sup>2</sup> = .024
Registered nurse turnover rate	<b>-.086 ***</b> (.019)	-.078 (.071)	N = 438 R <sup>2</sup> = .045
Acute care in-hospital mortality ratio	.001 (.003)	<b>.078 ***</b> (.010)	N = 388 R <sup>2</sup> = .135
Hospital-wide 30-day readmission rate	-.011 (.010)	<b>.368 ***</b> (.041)	N = 388 R <sup>2</sup> = .174
Rate of preventable in-hospital complications	.003 (.004)	<b>.076 ***</b> (.016)	N = 388 R <sup>2</sup> = .058

Standard errors are in parentheses. Coefficients marked with \* are significant at the p < .05 level. Coefficients marked with \*\* are significant at the p < .01 level, and those marked with \*\*\* are significant at the p < .001 level.

**Table 2: VA Medical Centers by Veteran Integrated Services Network (VISN)**

<b>VISN 1</b>	<b>VISN 2</b>	<b>VISN 4</b>	<b>VISN 5</b>	<b>VISN 6</b>	<b>VISN 7</b>
Bedford	Albany	Altoona	Baltimore	Asheville	Atlanta
Boston	Bath	Butler	Beckley	Durham	Augusta
Connecticut	Bronx	Coatesville	Clarksburg	Fayetteville NC	Birmingham
Manchester	Brooklyn	Erie	Huntington	Hampton	Charleston
Northampton	Buffalo	Lebanon	Martinsburg	Richmond	Columbia SC
Providence	Canandaigua	Philadelphia	Perry Point	Salem	Dublin
Togus	East Orange	Pittsburgh	Washington	Salisbury	Montgomery
White River	Hudson Valley	Wilkes Barre			Tuscaloosa
	New York	Wilmington			
	Northport				
	Syracuse				
<b>VISN 8</b>	<b>VISN 9</b>	<b>VISN 10</b>	<b>VISN 12</b>	<b>VISN 15</b>	<b>VISN 16</b>
Bay Pines	Lexington	Ann Arbor	Chicago	Columbia MO	Alexandria
Gainesville	Louisville	Battle Creek	Danville	Kansas City	Fayetteville AR
Lake City	Memphis	Chillicothe	Hines	Leavenworth	Gulf Coast HCS
Miami	Mountain Home	Cincinnati	Iron Mountain	Marion IL	Houston
Orlando	Murfreesboro	Cleveland	Madison	Poplar Bluff	Jackson
San Juan	Nashville	Columbus	Milwaukee	St Louis	Little Rock
Tampa		Dayton	North Chicago	Topeka	New Orleans
West Palm		Detroit	Tomah	Wichita	Shreveport
		Fort Wayne			
		Indianapolis			
		Saginaw			
<b>VISN 17</b>	<b>VISN 19</b>	<b>VISN 20</b>	<b>VISN 21</b>	<b>VISN 22</b>	<b>VISN 23</b>
Amarillo	Cheyenne	Anchorage	Fresno	Albuquerque	Central Iowa
Big Spring	Denver	Boise	Honolulu	Phoenix	Fargo
Dallas	Grand Junction	Portland	Las Vegas	Prescott	Fort Meade
El Paso	Montana	Puget Sound	Palo Alto	Tucson	Hot Springs
Harlingen	Muskogee	Roseburg	Reno	Loma Linda	Iowa City
San Antonio	Oklahoma City	Spokane	Sacramento	Long Beach	Minneapolis
Temple	Salt Lake City	Walla Walla	San Francisco	Los Angeles	Omaha
	Sheridan	White City		San Diego	Sioux Falls
					St Cloud