

The Data-Driven Prescription for **Leader Engagement**

Best practices for engaging managers and directors

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HR Advancement Center Essay

The Case for Leader Engagement

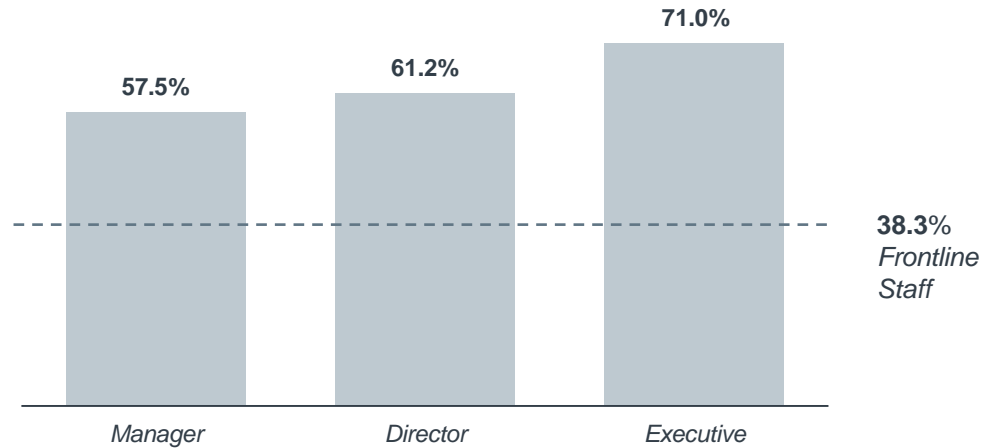
At first glance, leader engagement may not seem to be a pressing problem in health care. After all, the data shown here (drawn from the Advisory Board Survey Solutions' National Employee Engagement Database 2014) quantifies the conventional wisdom that leaders are more engaged than frontline staff. And furthermore, leaders become more engaged the closer they are to the top.

But this data conveys only part of the leader engagement picture. What it doesn't convey is how leader engagement is changing over time. And the news isn't good.

As this data shows, leader engagement is declining rapidly. From 2012 to 2014, leader engagement declined by roughly four percentage points, compared to a decline of only 0.4% for frontline staff. This means leader engagement declined at a magnitude 10 times that of frontline staff.

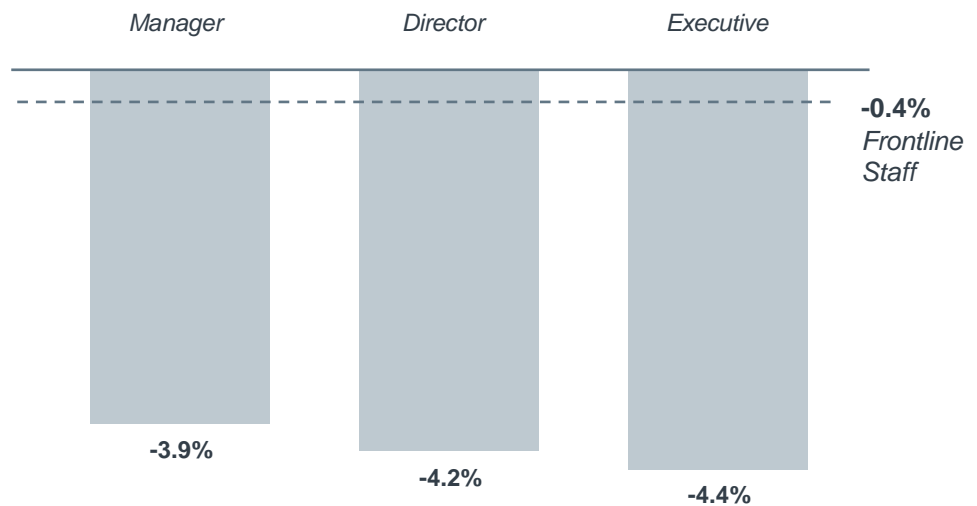
Leader Engagement Can Be a Hidden Problem

Percentage Engaged by Level, 2014



Leader Engagement on the Decline

Change in Engagement Level, 2012-2014

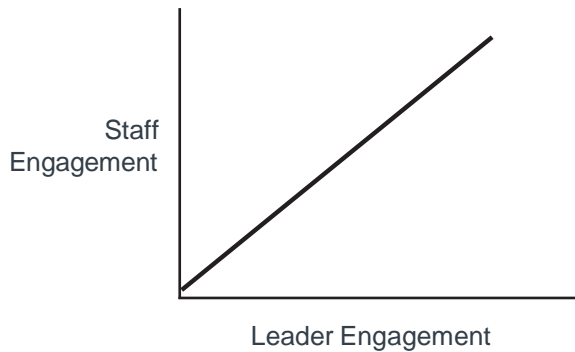


Source: Advisory Board Survey Solutions National Employee Engagement Database, 2014.

There are at least two reasons why this decline in leader engagement should be top of mind for all health care executives. First, leader engagement directly impacts frontline staff engagement. The more leaders are engaged, the more they can engage their frontline staff.

A Rising Tide Lifts All Boats

Correlation Between Leader Engagement and Staff Engagement



The second reason the decline in leader engagement should be top of mind for health care executives is: leaders translate strategy into action. A core leadership responsibility is helping execute strategy. Simply put, an executive team could develop the best possible strategy, but if their leadership team isn't bought into executing the strategy on a daily basis, then the organization will not succeed.

Effective Strategy Execution Depends on Leaders

The Gap Between Strategy Development and Outcomes



C-suite develops strategy

“Strategy Execution”



Organization achieves goals

Leaders must:

- Develop department/unit plans based on organization's strategic plan
- Help frontline staff understand how their actions impact organizational goals
- Implement new policies, procedures, and manage change
- Keep costs within or below budget

But at the time when health care leaders need to be more engaged, market forces make leader engagement more challenging than ever before.

There are at least five market forces that make it harder for health care leaders to be engaged. They are: constant connectivity, acute margin pressure, the increasing pace of change, uncertainty about the future, and the rise in M&A activity.

These are inescapable forces, and the focus of this publication is to find a strategy that will increase leader engagement despite the very real downward pressure these market forces put on it.

Five Inescapable Market Forces Impacting Leader Engagement

Market Forces



Constant Connectivity

Proliferation of smartphones and personal laptops means leaders are available 24/7



Acute Margin Pressure

Leaders have to do more with fewer resources due to changing reimbursement structures



Increasing Pace Of Change

Rapidly changing protocols and procedures leave leaders feeling tired, stressed, and burned out



Uncertainty About the Future

Leaders uncertain about the future of their organization and their job security



Systemization

Industry-wide mergers and acquisitions are changing organizational culture and structure

In fact, the current challenges in the health care environment create so much downward pressure on leader engagement that some executives are asking: should they scale back their goal for leader engagement? Is the current environment so challenging that they should accept that leader engagement will inevitably decline?

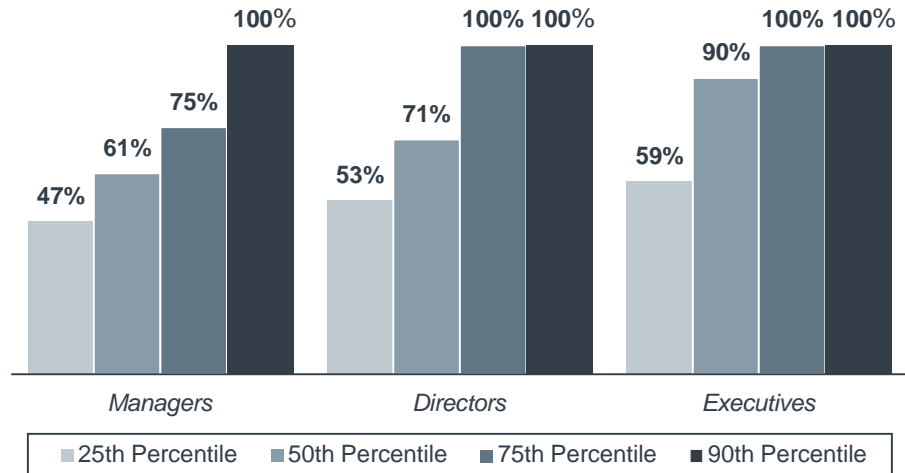
The good news is many organizations are achieving outstanding levels of leader engagement despite facing the very same market challenges. In fact, organizations in the 90th percentile for leader engagement within the Advisory Board's Survey Solutions database achieved 100% leader engagement. And even organizations in the 75th percentile, achieved 100% engagement for all directors and executives.

The rest of this publication is dedicated to providing a leader engagement framework and best practices that will allow organizations to achieve outstanding leader engagement despite all the challenges in the current health care market.

What's Possible?

Leader Engagement Level Within Organization by Percentile, 2014

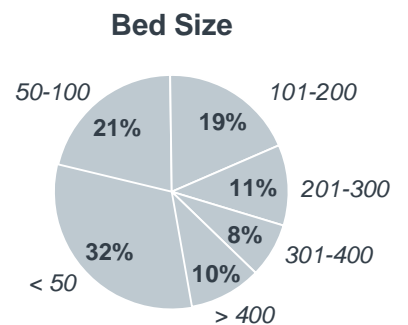
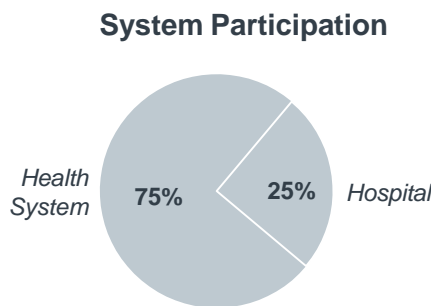
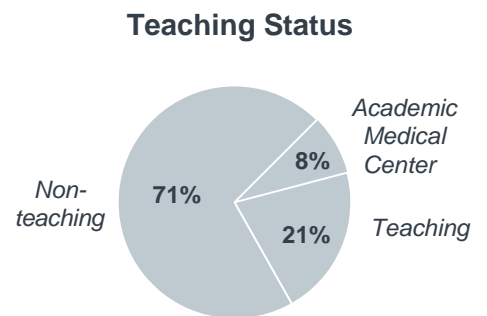
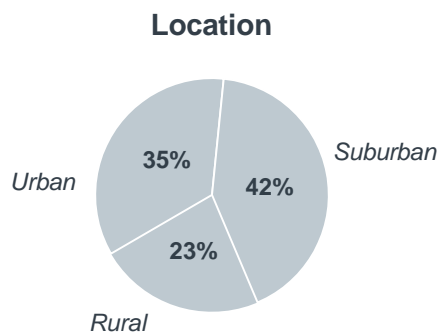
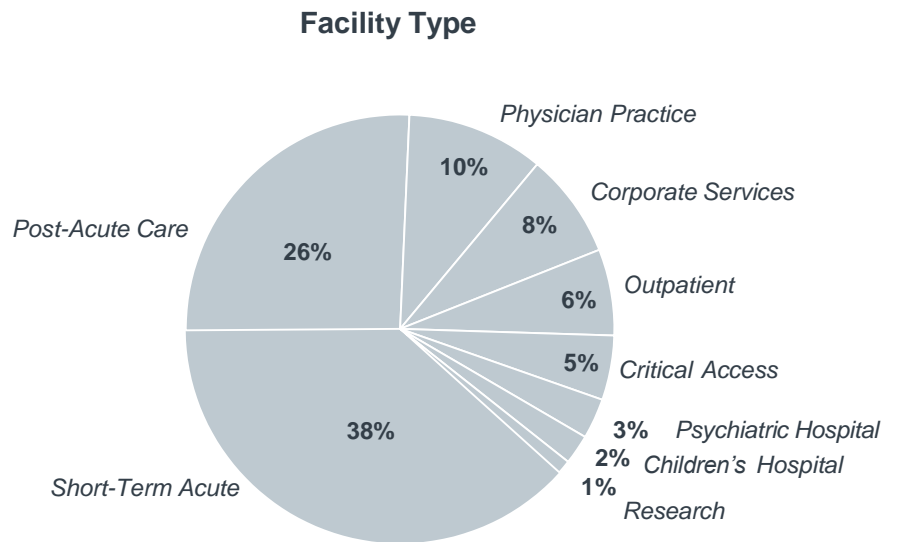
Percentage of Leaders Engaged



To help build our leader engagement framework, Center researchers leveraged the Advisory Board Survey Solutions National Employee Engagement Database, 2014.

The pie charts shown here provide a snapshot of respondent demographics. The data set consists of engagement survey responses from over 21,000 leaders, at more than 250 organizations.

Introducing the Advisory Board's Survey Solutions National Employee Engagement Database



Source: Advisory Board Survey Solutions National Employee Engagement Database, 2014.

The measure of engagement used in the Advisory Board Survey Solutions Employee Engagement Survey is shown here. All survey respondents are asked to rate their level of agreement with each statement on a six-point Likert scale. Based on their responses, participants are grouped into one of four categories: disengaged, ambivalent, content, or engaged.

To be classified as engaged, a respondent must strongly agree with at least two of the four statements and—at a minimum—“agree” with all of the statements.

How We Define Engagement

Employee Engagement Survey Questions

The screenshot shows a web browser window with the following content:

- Statement 1: "This organization inspires me to perform my best." with radio buttons for Strongly Disagree, Disagree, Tend to Disagree, Tend to Agree, Agree, and Strongly Agree.
- Statement 2: "I am willing to put in a great deal of effort in order to help this organization succeed." with radio buttons for Strongly Disagree, Disagree, Tend to Disagree, Tend to Agree, Agree, and Strongly Agree.
- Statement 3: "I would recommend this organization to my friends as a great place to work." with radio buttons for Strongly Disagree, Disagree, Tend to Disagree, Tend to Agree, Agree, and Strongly Agree.
- Statement 4: "I am likely to be working for this organization three years from now." with radio buttons for Strongly Disagree, Disagree, Tend to Disagree, Tend to Agree, Agree, and Strongly Agree.



Setting a Principled Bar

To be considered "engaged," respondents must answer "Strongly Agree" to at least two of the four items listed above, and no less than "Agree" to any item.

The Advisory Board's Employee Engagement Survey

In addition to the four questions shown on the previous page, the Advisory Board Survey Solutions Employee Engagement Survey asks respondents to rate their level of agreement with the 42 engagement drivers listed across these two pages.

These engagement drivers were identified using the following methodology. Researchers began with a list of 150 potential engagement drivers. The first step in narrowing the list was to remove drivers that measured intrinsic personal traits of the respondent (rather than organizational characteristics). The next step was to remove drivers that were not actionable at either the manager or executive level.

Communication and Input

1. I am kept informed of the organization's future plans and direction
2. My ideas and suggestions are valued by my organization
3. My manager communicates messages that my coworkers need to hear, even when the information is unpleasant
4. My manager is open and responsive to staff input
5. My manager stands up for the interests of my unit/department

Employee Support

6. My manager helps me balance my job and personal life
7. My organization does a good job of selecting and implementing new technologies to support my work
8. My organization helps me deal with stress and burnout
9. My organization supplies me with the equipment I need
10. My unit/department has enough staff

Feedback and Recognition

11. Executives at my organization respect the contributions of my unit/department
12. I have helpful discussions with my manager about my career
13. I know what is required to perform well in my job
14. I receive regular feedback from my manager on my performance
15. My organization recognizes employees for excellent work

Professional Growth

16. I am interested in promotion opportunities in my unit/department
17. I have the right amount of independence in my work
18. I receive effective on-the-job training
19. My current job is a good match for my skills
20. My manager helps me explore other jobs within my organization
21. My manager helps me learn new skills
22. My most recent performance review helped me to improve
23. Training and development opportunities within my organization have helped me to improve

The third step was to ensure each driver strongly correlated with the overall engagement index. The resulting survey instrument has been thoroughly vetted for reliability and validity through a combination of individual driver correlations, multivariate regression analysis, Cronbach's alpha tests, and factor analysis.

It would be impossible for any organization to focus on all (or even half) of these engagement drivers to improve leader engagement, so the HR Advancement Center used the formula shown on the next page to filter the list of 42 engagement drivers to a more actionable number.

Mission and Values

24. I believe in my organization's mission
25. I understand how my daily work contributes to the organization's mission
26. My organization gives back to the community
27. My organization provides excellent care to patients
28. My organization provides excellent customer service to patients
29. Over the past year I have never been asked to do something that compromises my values
30. The actions of executives in my organization reflect our mission and values

Teamwork

31. Abusive behavior is not tolerated at my organization
32. Conflicts are resolved fairly in my unit/department
33. I have good personal relationships with coworkers in my unit/department
34. I receive the necessary support from employees in my unit/department to help me succeed in my work
35. I receive the necessary support from employees in other units/departments to help me succeed in my work
36. My coworkers do a good job

Baseline Satisfiers

37. I have job security
38. I have a manageable workload
39. My organization pays me fairly for my job
40. My organization supports employee safety
41. My organization understands and respects differences among employees
42. The benefits provided by my organization meet my needs

For more information



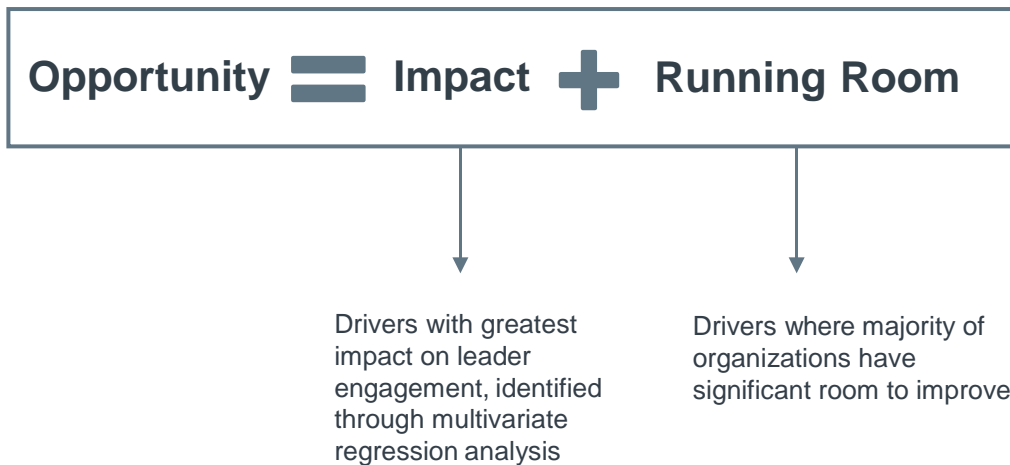
To learn more about our comprehensive suite of [Survey Solutions](#), please contact Lauren Scully at scullyl@advisory.com.

We used the formula shown here to winnow the list of 42 engagement drivers to a shorter, more actionable list.

To do so, we focused on identifying those engagement drivers which have a large impact on leader engagement, as well as substantial running room for improvement. Our rationale is that organizations should focus on the subset of engagement drivers which are most important to leaders—and where leaders believe there is substantial room for improvement.

The shortlist of drivers with the greatest impact on leader engagement is shown on the following page.

Finding the Opportunities to Improve Leader Engagement



1) Defined as drivers for which 50% or fewer of managers and directors strongly agreed with the driver.

Source: Advisory Board Survey Solutions interviews and analysis.

These are the 10 engagement drivers with the greatest impact on leader engagement. To identify them, Center analysts performed a multivariate regression analysis on all 42 engagement drivers against the engagement index shown on page 15.

The good news is there is substantial overlap in the top 10 engagement drivers for managers and directors. The drivers with the greatest impact on executive engagement are different, and can be found online. The rest of this publication will focus on increasing engagement for managers and directors.

While impact is half of the equation for identifying the top opportunities for improving leader engagement, the second half is running room. On the next page we consider drivers with high impact and significant room for improvement.

Access the top impact drivers for executives at advisory.com/hrac/engageyourleaders.

Identifying Engagement Drivers with the Most Impact

Results from National Multivariate Regression

Driver	Manager Rank ¹	Director Rank ²
I believe in my organization’s mission	1	2
The actions of executives in my organization reflect our mission and values	2	3
My current job is a good match for my skills	3	5
My organization recognizes employees for excellent work	4	6
My organization provides excellent care to patients	5	1
I understand how my daily work contributes to the organization’s mission	6	10
Training and development opportunities offered by my organization have helped me to improve	7	4
I have job security	8	9
My ideas and suggestions are valued by my organization	9	8
I am interested in promotion opportunities in my unit/department	10	13

1) 2014 model includes 21 of 42 drivers with an r² of .55.
 2) 2014 model includes 19 of 42 drivers with an r² of .54. Director rank 7 is "My manager stands up for the interests of my unit/department."

Source: Advisory Board Survey Solutions National Employee Engagement Database, 2014.

These are the 11 drivers with the greatest impact on leader engagement as well as the greatest opportunity for improvement. In other words, these are the 11 best national opportunities for driving leader engagement.

We have shaded three engagement drivers on the bottom of this page. These three drivers also have significant impact and running room, but we won't explore them in this publication because they have limited national opportunity for improvement. More specifically while many leaders face significant obstacles with adoption of new technologies, the drivers behind leader dissatisfaction with technology vary significantly between organizations. Second, pay and benefits are baseline drivers—organizations should aim to be competitive in their market, but pay and benefits cannot buy engagement. Third, organizations should be careful of large percentages of leaders indicating they “strongly agree” they have job security—as this could indicate they do not feel accountable for their performance.

A quick note on our methodology: it can be tempting to map an engagement strategy to these 11 drivers. But if you develop a strategy without a deeper understanding of each driver, you risk building the wrong strategy. On the following page we explain our strategy for learning more about each driver.

A Short List of Drivers with the Most Opportunity

Top Impact Drivers with Running Room

- 1 Executive actions reflect mission and values
- 2 Training and development help me improve
- 3 Interested in promotion opportunities in my unit/department
- 4 Executives respect contribution of department
- 5 Manager has helpful discussions with me about my career
- 6 Kept informed of organization's plans
- 7 Organization recognizes employees for excellent work
- 8 My ideas and suggestions are valued
- 9 Organization helps me deal with stress and burnout
- 10 Performance review helps me improve
- 11 I have a manageable workload



Setting Aside Drivers with Limited National Opportunity

- **Organization does a good job selecting and implementing new technologies:** Multitude of possible root causes behind low performance on this driver; no single national opportunity
- **Pays me fairly for my job and Benefits meet my needs:** If pay and benefits are reasonably competitive, this driver should not hold organizations back from achieving high engagement
- **I have job security:** Important for leaders to feel secure enough to take appropriate risks, but not necessary to have absolute agreement with the driver

In order to better understand what drives leader engagement—and develop a strategy for achieving it—Center researchers complemented our survey analysis with qualitative data. In addition to digging into engagement survey responses, Center analysts also analyzed focus groups, interviews, and open-ended comments from almost 12,000 managers and directors.

This qualitative analysis, paired with our engagement survey analysis, allowed us to develop the framework for leader engagement shown on the following page.

Digging into What Health Care Leaders Really Want

Data Sources



**Advisory Board
Employee Engagement
Database**



**Focus Groups
with Leaders**



**Open-Ended
Survey Feedback**



**Interviews with HR
Leaders in Health Care
and Other Industries**

The Data-Driven Prescription for Leader Engagement

Translating Top Improvement Opportunities into Pointed Action

These two pages contain our national prescription for leader engagement. We recommend executives and HR leaders follow the strategies shown here to improve leader engagement within their organizations.

The first column contains the 11 drivers that have the greatest impact on leader engagement and opportunity for improvement. The drivers are grouped into five categories that are based on themes that emerged in leader focus groups. Those themes are reflected in the second column: “What Leaders Really Want.” The third column answers the question: why aren’t leaders getting what they want?

Engagement Drivers	What Leaders Really Want	Organizational Challenge
<ul style="list-style-type: none"> Executive actions reflect mission and values 	<p>Executives as visible role models</p>	<p>As organizations get larger, managers and directors are farther away from executives in the C-suite. Managers and directors have fewer opportunities to interact with executives, which means every interaction carries more weight.</p>
<ul style="list-style-type: none"> Kept informed of organization’s plans My ideas and suggestions valued by organization 	<p>Respect for me as a leader</p>	<p>Organizations are changing at a rapid pace. Executives are continuously receiving new information and making decisions. Managers and directors may not know about decisions until they’re announced to all staff.</p>
<ul style="list-style-type: none"> Organization recognizes employees Executives respect contributions of my department 	<p>Respect for my team’s contributions</p>	<p>Leaders aren’t sure how to get executives’ attention for the great work their team is doing. Much of the recognition they see across the organization seems one-off and subjective.</p>
<ul style="list-style-type: none"> Organization helps me deal with stress and burnout I have a manageable workload 	<p>Sustainable workload</p>	<p>Organizations must outperform on a growing list of objectives to succeed in a competitive market. There are few additional resources, so everyone must do more with less.</p>
<ul style="list-style-type: none"> Performance review helps me improve Manager has helpful discussions with me about my career Interested in promotion opportunities Training and development help me improve 	<p>Customized professional growth</p>	<p>Organizations have limited resources to invest in leader development, so they offer one-size-fits-all training opportunities.</p>

The most important column is the “Solvable HR Challenge.” This is what HR leaders need to address to overcome the organizational challenge.

The final two columns give HR leaders a specific strategy and best practices to overcome each “solvable challenge.” The rest of this publication provides additional guidance on each strategy and best practices.

Solvable HR Challenge	Strategy	Best Practices
Executives don't take full advantage of opportunities to role model mission and values	Promote Executive Ownership of Engagement	<ol style="list-style-type: none"> 1. Starter List of High-Visibility Opportunities for Executives 2. Executive-Led Engagement Initiatives 3. Engagement-Focused Executive Incentives
Leaders lose credibility when they can't answer staff questions	Tell Leaders First—and Help Them Tell Staff	<ol style="list-style-type: none"> 4. Tiered Communication 5. Nurse Manager “Doomsday” Exercise 6. Alumni Advisors
Team recognition is ad hoc	Recognize Leaders Individually and Through Their Teams	<ol style="list-style-type: none"> 7. Executive-Led Stay Interviews 8. Principled Recognition Triggers
Leaders don't feel they have permission to disconnect from work	Set Guardrails Around Work-Life Balance	<ol style="list-style-type: none"> 9. Evening Email Blackout 10. Meeting-Free Calendar Blocks 11. Picklist for Encouraging Leader PTO Use
Few customized development options exist for non-succession candidates	Decouple Development from Promotion	<ol style="list-style-type: none"> 12. Formalized Individual Development Conversations 13. Alternative Care Setting Experience for Leaders 14. Peer-Led Book Club



Strategy 3

Recognize Leaders Individually and Through Their Teams

7. Executive-Led Stay Interviews
8. Principled Recognition Triggers

This representative leader feedback illustrates the “solvable HR challenge” we will tackle in this section: leaders aren’t sure how to get executives to recognize their team’s strong performance, and as a result much of an organization’s recognition feels ad hoc and subjective.

To address the “solvable HR challenge” of recognition seeming ad hoc and subjective, HR must partner with senior executives to ensure every leader—and their team—receives appropriate recognition. The goal is to ensure recognition efforts extend “beyond the usual suspects” of employees in direct care roles, and that awards have clear criteria and cannot be perceived as subjective.

The two best practices in this section will equip HR leaders to execute this strategy. Both focus on non-financial recognition for leaders and their teams. However, to achieve a greater impact, the Center recommends pairing these non-financial recognition practices with financial incentives. The Center’s publication, *Best Practices for Ensuring Individual Performance Goals Motivate Staff Year-Round*, provides guidance that equips you to ensure leaders at your organization have financial incentives that are meaningful and financially sustainable.

The Solvable HR Challenge

Team Recognition Is Ad Hoc

Representative Open-Ended Feedback from Leaders

“

“I feel staff go unrecognized for their work. The same people are awarded. I try to let them know they are needed but that only does so much coming from me.”

“

“Managers work very hard on a daily basis and I think because we are between senior management and our frontline colleagues we are the forgotten folks.”

“

“I think it would go a long way in staff satisfaction if encouragement and praise didn’t come from just the department leadership.”

“

“Recognition programs tend to only reward people who have contact with patients.”

Recognize Leaders Individually and Through Their Teams

What Leaders Really Want	Solvable HR Challenge	Strategy	Best Practices
Respect for my team’s contributions	Team recognition is ad hoc	Recognize Leaders Individually and Through Their Teams	7. Executive-Led Stay Interviews 8. Principled Recognition Triggers

For more information



To learn how the HR Advancement Center can help you advance your organizational goals, please contact Lauren Scully at scullyl@advisory.com.

Practice 7: Executive-Led Stay Interviews

Practice in Brief

Executives hold proactive “stay interviews” with high-performing leaders. The goal is to retain high-potential leaders by having an executive formally recognize their strong performance, understand their professional goals, and proactively surface any retention risks.

Rationale

While proactive stay interviews are a known strategy for retaining high-performing frontline staff, they are less commonly used with leaders. Yet stay interviews are a low-cost, highly effective way to recognize and retain high-performing leaders.

Implementation Components

Component #1: Identify a Small Number of Top-Performing Leaders Who Are Critical to Retain

The goal is to identify a sufficiently small cohort of high-performing leaders so that an executive can meet with each leader individually. It is better to err on the side of feasibility and start small; the number of high-performing leaders can always be increased over time.

Component #2: Senior Leaders Ask Top-Performing Leaders Targeted Questions About Their Ideal Role

A senior executive conducts a one-on-one interview with each top-performing leader. The executive asks specific questions that help them understand the high-performing leader’s professional goals and surface potential retention risks.

Practice Assessment

This practice is a highly effective strategy for recognizing and retaining high-performing leaders. It requires an up-front investment of executive time, but nearly always saves executive time in the long run by reducing turnover of high performing leaders (and reducing the time spent in exit interviews, interviewing, and onboarding). Organizations can scale this practice by focusing on a small number of leaders and asking a limited set of questions.

HR Advancement Center Grades

Practice Impact: A

Ease of Implementation: A

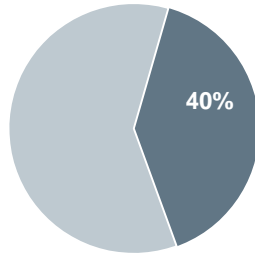
Component #1: Identify a Small Number of Top-Performing Leaders Who Are Critical to Retain

The first component of this practice is to identify a small number of high-performing leaders who are critical to an organization’s future success.

This was done by executives at Carroll Hospital Center in Westminster, MD, as they prepared for an upcoming merger. Executives realized the potential disruption of the merger could cause some of their top performers to depart. So executives identified a limited number of high-performing mid-level leaders they especially wanted to retain.

Enlist Executives for One-on-One Leader Recognition
Carroll Hospital Executives Conduct Stay Interviews with Select Leaders

Percentage of Leaders Receiving Stay Interviews



Interviewer Criteria

-  Senior Executives
-  No Direct Oversight of Interviewees



Case in Brief: Carroll Hospital Center

- 193-bed hospital based in Westminster, Maryland; recently merged with LifeBridge Health
- In 2014, implemented stay interviews with high-performing leaders with high flight risk; started interviews due to impending merger
- CEO and VPHR conducted majority of interviews

Component #2: Senior Leaders Ask Top-Performing Leaders Targeted Questions About Their Ideal Role

The second component is to prepare senior executives to conduct individual, proactive stay interviews with high-performing leaders. Senior executives should use a targeted set of questions that reveal the leader’s ideal role and assess retention risk.

At Carroll Hospital Center, the CEO and VPHR led most of the stay interviews. They asked each leader the five questions shown here. The individual attention from the CEO provided needed recognition for each leader, and helped Carroll’s executives understand how to retain each high performer.

Equip Executives with Interview Questions to Guide the Conversation

Carroll Hospital’s Stay Interview Guide

- 1** What is your dream job and what can we do to support your progress toward it?
- 2** What might entice you to leave?
- 3** Are we fully utilizing your talents?
- 4** What is the one thing that would make your job more satisfying and rewarding?
- 5** Do you feel we recognize you? What kind of recognition is most meaningful to you?

Source: Carroll Hospital Center, Westminster, MD; HR Advancement Center interviews and analysis.