High Performing Organizations:  
Culture as a Bottom-Line Issue

A White Paper by The Beryl Institute
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About The Beryl Institute

The Beryl Institute is the research and educational arm of The Beryl Companies, the leading provider of outsourced customer interaction services in healthcare. The mission of The Beryl Institute is to improve customer service in healthcare.

Through the Institute, Beryl defines best practices around all touch points in the continuum of a consumer’s healthcare experience. Beryl’s vast data resources uniquely position The Beryl Institute to develop and publicize data-based intelligence and benchmarks that can be used to improve customer service.

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High Performing Organizations: Culture as a Bottom-Line Issue

“The stage is set to give the power of choice to the consumer. Hospitals are either becoming more transparent about the quality of their patient care through their own initiative or being persuaded to be transparent by the Centers for Medicare and Medicaid Services [CMS].”

- CMS

Savvy consumers, no longer content with the status quo, are looking for the best blend of service, price, and quality in each healthcare interaction. With quality and price information becoming more readily available, The Beryl Institute believes that customer service will prove to be the key sustainable differentiator in healthcare. And satisfaction, of which service is a key component, is becoming critical in public reporting.

“By the middle of 2007, hospitals will be required to participate in HCAHPS public reporting to receive full CMS reimbursement.”

- Press Ganey Hospital Pulse Report: Patient Perspectives on American Health Care

As quality of care becomes more transparent and patient satisfaction is publicly reported, hospitals are being pushed to perform at increasingly high levels. Many measures and rankings of hospital performance exist from Thomson 100 Top Hospitals: Performance Improvement Leaders to U.S. News and World Report’s Best Hospitals to the Premier/CMS Hospital Quality Demonstration Project. While these may incorporate significant indicators of a hospital’s quality, reputation, or financial condition, they do not provide a blueprint for becoming a high performing hospital.
Employee Engagement at High Performing Hospitals

As part of their initiative to improve patient care and reduce risk, Hospital Corporation of America (HCA) sought to go beyond these conventional lists to identify the characteristics of high performing hospitals. In this ground-breaking study, HCA evaluated more than 170 HCA hospitals to determine the characteristics of top performers. The goal of the study was to identify best practices that could increase employee engagement, patient satisfaction and physician satisfaction throughout the HCA system.

Not surprisingly, the study found that culture and employee satisfaction are highly correlated with outstanding patient care and patient satisfaction levels. Satisfaction with quality of care is directly tied to both employee engagement and physician satisfaction.

Put simply, high performance hospitals:

• Have more satisfied employees, patients and physicians
• Offer better quality with lower risks and claims potential
• Generate higher earnings per facility

Engaged employees are key to high performance. When compared with low performing facilities, employees at high performing facilities were nearly five times more likely to be engaged.

"Engaged employees are builders," according to Curt Coffman from The Gallup Organization. “They want to know the desired expectations for their role so they can meet and exceed them.”


Contrast this with actively disengaged employees who are consistently against virtually everything. By acting out their unhappiness, disengaged employees undermine what engaged workers accomplish. Therefore, the engagement score has obvious implications for both patient care and patient satisfaction.
Employee engagement is also significant for the fiscal health of the hospital. Turnover is considerably less at hospitals with high employee engagement. Over the course of the study, turnover actually increased at low performing facilities, while decreasing substantially at high performing facilities.

To determine the impact of the High Performance Study findings on the organization’s actual performance, a comparison was drawn between high and low performing HCA facilities.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>High Performers</th>
<th>Low Performers</th>
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<tbody>
<tr>
<td><strong>Engagement Ratio</strong>&lt;br&gt;(ratio of engaged to actively disengaged employees)</td>
<td>2.72</td>
<td>0.16</td>
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<tr>
<td><strong>Turnover</strong>&lt;br&gt;All Staff</td>
<td>3.90%</td>
<td>1.40%</td>
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<tr>
<td><strong>EBIDTA</strong>&lt;br&gt;% of Net Revenues</td>
<td>5% higher than low performers (on average)</td>
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Seven Truths of High Performance

The study found that all high performing hospitals had seven traits in common. Known as the “seven truths of high performance,” they include:

1. Visionary leadership
2. Consistent and effective communication
3. Select for fit and ongoing development of staff
4. Agile and open culture
5. Service is job one
6. Constant recognition and community outreach
7. Solid physician relationships

This white paper will explore the “seven truths” of the HCA study and how they are manifested in one high performing hospital, Medical City.

Medical City is a 592-bed tertiary care center located in the heart of North Dallas. The hospital is home to Medical City Children’s Hospital, the world-renowned Dallas Craniofacial Center and is one of the top Transplant Centers in the country.

Medical City has 2,600 employees and over 1,300 physicians who practice more than 95 medical specialties. This team supports 22,500 admissions, 82,000 outpatient visits and over 51,000 emergency room visits per year.

Besides being an HCA high performing hospital, Medical City has received numerous awards locally and nationally:

- The Dallas Business Journal named Medical City to the top ten “Best Places to Work” list in 2003 and 2004; in 2004, ranked #1 among the 10 finalists
- Medical City was the first hospital in North Texas to be recognized as a Magnet hospital by the American Nurses Credentialing Center (ANCC) for excellence in nursing care.
- Medical City received the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility; this award honors employers nationally and locally for the exemplary use of workplace flexibility to meet both business goals and employee needs.
- Medical City was listed in Texas Monthly as one of the “50 Best Companies to Work For in Texas.”
- Medical City earned the 2006 Texas Award for Performance Excellence (TAPE), the state’s highest honor for quality and organizational performance.
Visionary Leadership

The study defines visionary leaders as “available, approachable and open with minimal micro-management.” Britt Berrett, CEO, Medical City, exemplifies this leadership profile.

As CEO, one of his significant accomplishments is the leadership development program known as Medical City Dallas University. This program helps managers understand their goals and what development activities are necessary to achieve them. The success of the university is obvious – within and outside of HCA. Of nearly 175 managers and directors who have gone through Medical City Dallas University in the last seven years, 21 have been promoted to senior executive positions including CEO, COO, and CNO.

To foster team spirit, Berrett hosts quarterly senior leadership team meetings at his home. The team is encouraged to share honestly, debate vigorously and build on each other’s strengths to “continuously achieve more.”

Medical City has been recognized for its outstanding culture and work environment. Texas Monthly listed Medical City as one of the “50 Best Companies to Work For in Texas” and the hospital has also received numerous awards as a “Best Place to Work For” in Dallas. This external recognition mirrors employee satisfaction rates which have increased dramatically over a six-year period.

Overall Employee Satisfaction

[Graph showing overall employee satisfaction over years for Medical City and HCA]
Consistent and Effective Communication

According to the study, excellent communication is “multi-way.”

“Information is both shared and sought out without fear of retribution.”

- HCA High Performance Facility Study

At Medical City, communication is frequent and consistent. All employees know that the hospital is “committed to the care and improvement of human lives.” The five tenets of the organization are shared and repeatedly reinforced. They include:

1. Employee pride
2. Patient loyalty
3. Physician engagement
4. Fiscal performance
5. Community involvement

These five key success indicators are introduced at new employee orientation by the CEO and communicated through ongoing employee forums. In addition, every employee is evaluated on these five criteria.

The communication strategy is successful. The initial Gallup research revealed that Medical City had a 38% disengagement score. This has been cut to less than a third and is now 11%. World-class organizations typically have five engaged employees to each disengaged one. Medical City has far exceeded the world-class numbers.

Select for Fit and Ongoing Development of Staff

High performing hospitals were “willing to wait for the right person and had the courage to let go of the wrong.” At Medical City, this starts with the leadership team. That team is well trained in leadership skills ranging from conflict resolution to diversity. As a team, they can then be more selective on the fit of each employee. The hospital goals and service standards are clearly communicated during the recruitment process. As Berrett explains, “We do incredible things on a daily basis.

1. HCA High Performance Facility Study
But passion is associated with responsibility in healthcare. The key is to inspire and motivate everyone to achieve more.”

Employees are routinely evaluated for both performance and fit during informal leadership retreats. This streamlines the promotion process. When a candidate was ready for promotion in the cardiac catheterization lab, the leadership team members were familiar with her strengths and abilities – having been kept apprised of her development in the leadership team meetings. Approving her promotion was an easy decision.

Selecting for fit and subsequently developing staff has significantly reduced the turnover rate at Medical City which dropped from nearly 37% to less than 7% in eight years.

<table>
<thead>
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<th>Vacancy Rates</th>
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<tbody>
<tr>
<td>1998</td>
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<td>2004</td>
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<td>2005</td>
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The employee retention rates are also significantly above both national and local norms. This is particularly apparent for nurses. With a national nurse vacancy rates above 15%, Medical City’s nurse vacancy rate is only 7.2%. Reducing nurse vacancies and keeping turnover to a minimum has strong implications for both care delivery and the bottom line.
A “blame-free” environment is key to a high performing organization. Employees in these organizations often feel part of a “family.”

At Medical City, employees are encouraged to make decisions. The decision-making process, including taking risks, is also highly valued. This is essential in the extremely competitive Dallas environment. Dallas is considered ground zero for healthcare joint ventures. Medical City competes with traditional non-profit hospitals as well as a heart hospital and internal medicine hospital owned by the largest internal medicine group in the city.

To compete in this dynamic environment requires collaboration and an almost “subterranean agility.” That requires a culture of inclusion and honesty. When things go wrong – from leaking ceiling tiles to a medical crisis – honest feedback and confrontation are essential. By fostering open dialogue and honesty at the senior leadership level, Berrett avoids the creation of silos and a “protective” mentality.
Service is Job One

According to the study, “strong standards put patients first and include family, physicians and colleagues.” Medical City has a stringent set of service standards, including:

**Accountability**
We meet our customers’ expectations and expect to be held accountable.

**Appearance**
We acknowledge that our customers expect a professional personal appearance and an impeccably clean facility.

**Attitude**
We will exceed our customers’ expectations. They are not an interruption or a distraction; they are our mission.

**Call Lights**
We accept that our customers will have urgent needs. We will meet those needs in a manner that is consistent with exceptional customer service.

**Commitment to Co-workers**
We recognize a common mission and only by treating one another as professionals deserving courtesy, honesty, respect and dignity can we achieve that mission.

**Communication**
We are committed to making open and timely communication with our customers an everyday occurrence.

**Customer Waiting**
We understand that our customers’ time and comfort is very valuable.

**Elevator Etiquette**
We recognize elevator interaction as a valuable positive customer service opportunity.

**Privacy**
We respect the customers’ right to privacy and dignity and take necessary steps to protect the same.
Stewardship
We take pride in our job as well as the values and mission of this organization.

Team
We actively engage in the spirit of “team” and recognize that organizational success relies on each of us belonging to and participating on a variety of teams.

Telephone Etiquette
We recognize the telephone as a valuable communications tool and, as such, a staple of our business. We believe in the power of a smile and a polite, “How may I help you?”

Berrett explains, “These standards are a tangible way to show our patients our dedication and commitment.”

At Medical City, patient service is not confined to medical treatment. Free wireless Internet access is available throughout the facility for patients and their families. In addition, beeper services keep relatives of critically-ill patients in constant touch with the hospital while allowing them to run important errands or even return home briefly. Patients and their families can use Medical City’s concierge services as well as City Gourmet food services. Patients may call down and order a meal – and have it delivered to their room within 45 minutes. And the food is not typical hospital fare. In fact, the chef recently won a local restaurant competition.

“Our goal [at Medical City] is to treat every patient and their family members as if they were part of our own family.”

- Britt Berrett, CEO

To realize this goal, the service standards are communicated and reinforced throughout the organization via in-service educational sessions, videos, and informal meetings with the CEO. Fun is a key component – and it is not unusual to find the CEO dressed as a super hero (Batman is a favorite) to reinforce the “patient first” philosophy.
Constant Recognition and Community Outreach

“High performing organizations have robust formal and informal recognition programs.”
- HCA High Performance Facility Study

Medical City commits $100 per employee for reward and recognition. Each department has flexibility in spending this money. For example, the engineering team sponsors an annual barbecue. By contract, the respiratory therapists spend their money on education programs.

These individual department initiatives are augmented with hospital-wide recognition during Hospital Week. The most sought after recognition is the “Berrett Carrot.” This stuffed carrot is awarded to individuals who have gone “above and beyond” in patient service.

Medical City is strongly committed to improving the quality of life in Dallas while creating a greater sense of community involvement among staff and their families.

- Medical City offers free seminars on current health topics taught by top-ranking specialists.
- Throughout the year, more than 100 organizations, including the Lions Club, the Boy Scouts of America, the Vogel Alcove Center for abused women, WFAA Family First, and the American Heart Association’s Go Red for Women, benefit from financial assistance.

As a team, Medical City employees contribute substantially to the Dallas community through:

- Annual fund-raising drive – Employees select a new charity every year and set a fund-raising goal. Each year’s drive has exceeded the employees’ goal.
- Employee Request for Sponsorship – Employees can request up to $250 in funds per year to help support any number of community activities where they or their families are involved.
- Volunteering – Employees are encouraged to support community organizations through giving of their time.
Solid Physician Relationships

The study demonstrates that high performing organizations “take ownership for facility outcomes and accountability for behaviors.”

At Medical City, physicians are accountable for meeting and upholding the same values as all members of the community. The physician code of conduct, embraced and enforced by the physician leaders, promotes strict adherence to Medical City’s service standards. The medical staff leadership conducts rigorous peer reviews and ensures that poor performers leave the organization – regardless of the revenue implications. Removing disruptive physicians contributes to retention of other key staff (i.e. operating technicians). Since the medical staff has a reputation for excellence, recruiting and retaining physicians who desire to provide an outstanding patient experience is easier.

Medical City understands that outstanding patient care depends on attracting and retaining outstanding physicians. Physicians are part of every key decision at Medical City. More than 70 physicians participate in the strategic planning group. The hospital hosts a yearly meeting for physician past presidents seeking input on critical hospital decisions. Free continuing medical education (CME) courses are routinely offered in the conference center.

HCA routinely measures physician satisfaction. Medical City consistently scores in the top quartile of all hospitals.

Tips for Increasing Performance

These tips to becoming a high performer can be implemented immediately:

Start at the top – but don’t stay there – The senior leadership team must be actively engaged in the high performance process – but they must have the skills to “pay it forward” actively engaging the entire organization.

Put patients first – The hospital team must have the necessary equipment, information and support to create a “patient first” environment.
Set up formal and encourage informal communication channels – Having numerous open and diverse communication avenues will prevent the development of silos and the resulting unproductive behaviors.

Communicate honestly, even when it hurts – Give crucial feedback and encourage open dialogue. If resentments build up and employees fear management reprisal for honestly discussing a situation, employees will quickly become disengaged.

Establish standards – Service is key and is not limited to a job description. Develop and reinforce service standards of excellence throughout the organization and reward outstanding performance frequently and consistently.

Engage the community – Being a good corporate citizen attracts employees, patients and community support. Building relationships with patients begins long before they walk through the door of the hospital.

Be courageous in hiring and firing – Ensure that each new hire understands and supports the organization’s mission – and has the skills necessary to do the required job. Provide the coaching and support to help each employee succeed. If this is not possible, swift changes are best for the organization and the individual.

Develop the team – Actively “engage” employees and inspire them to perform above expectations. Develop inclusive cross-functional teams, a combination of clinical and non-clinical representatives, to plan and execute organizational goals. Welcome and celebrate successes but also commemorate “attempts” that pave the way for future accomplishments.

Be passionate – Health care is a serious business. Patients and their families expect high quality and excellent outcomes. Inspire and motivate people to deliver.

Be Curious – Constantly explore and develop new ways to deliver outstanding patient care and engage employees.
Conclusion

The purpose of the HCA High Performance Facility Study was to leverage the successful behavior of “high performers” throughout the HCA organization. High performing organizations were those that had:

- Lower turnover
- Higher quality
- High employee engagement scores
- Higher EBIDTA

While the Study uncovered seven truths of high performance, it also concluded that there is no “high performing” silver bullet. Successful hospitals will be those who can customize the seven truths, as Medical City did, to create a vibrant culture and achieve the related bottom-line results.
APPENDIX A: About the Study

HCA is the nation’s leading provider of healthcare services, composed of locally managed facilities that include 173 hospitals and 108 outpatient centers in 20 states, England and Switzerland.

In late 2004, HCA’s Organizational Effectiveness Team initiated the High Performance Facility Study to examine top performing facilities and determine the characteristics of high performers. Performance at all HCA facilities was reviewed and the high performing facilities in the study were selected based on four criteria:

- Employee Engagement (as measured by Gallup) – ratio of 4.0 or higher
- Patient Satisfaction (as measured by Gallup) – top quartile in 2004
- HCA Chief Nursing Officer Report – top quartile in 2004
- Employee turnover (internal measurement) – under 20% in 2004

Financial indicators including EBIDTA as a percent of Net Revenue were also included.

After reviewing the initial data, twelve high performance facilities were identified and invited to participate in the study. Site visits took place between May and September of 2005. Visits were two days in length and included interviews and focus groups. The study encompassed:

- More than 150 interviews with senior leadership and directors/managers
- 64 focus groups including more than 700 staff members

The objective of this study was to identify best practices and characteristics that make high performing organizations employers of choice and healthcare providers of choice. The data led to proven results in the areas of increased employee engagement, patient satisfaction and physician satisfaction.
About the Authors

The Beryl Institute is grateful to the following adjunct faculty members who contributed to this White Paper, Britt Berrett, CEO, Medical City and Jason Wolf, M.Ed., SPHR, Director of Organization Development for the Eastern Group of HCA.

Britt Berrett has served as president and chief executive officer of Medical City since April 2000. He oversees strategic planning and operations for both Medical City and Medical City Children’s Hospitals, guiding the hospital in its mission to be a dynamic learning healthcare organization that sets the standard of excellence for its employees, patients, physicians and community.

While on a two-year mission in Peru, Berrett developed a great appreciation for the role that healthcare providers can play in improving the quality of life for an entire community. It is his concern for the quality of life in the community that makes him a passionate advocate for excellence in healthcare and a perfect fit for Medical City.

Prior to joining Medical City, Berrett served as chief executive officer of Sharp Chula Vista Medical Center, a 306-bed facility located in San Diego and Daniel Freeman Memorial Hospital in Los Angeles. He received his bachelor’s degree in finance from Brigham Young University and his master’s degree in hospital administration from Washington University School of Medicine in St. Louis.

Berrett is a fellow of the American College of Healthcare executives and faculty member of The Beryl Institute. His numerous board memberships include: Green Oaks Psychiatric Hospital, Dallas-Forth Worth Hospital Council, American Heart Association, The Health Industry Council, and the Texas Business and Education Coalition. In addition, he is on the Advisory Board for Ronald McDonald House, a member of the Dallas Assembly, and on the Executive Committee of the Greater Dallas Chamber of Commerce. He has received numerous awards and industry recognition and was featured as a Modern Healthcare Rising Star as well as 40 Under 40 in the Dallas Business Journal.

Jason Wolf is the Director of Organization Development for the Eastern Group of HCA and primary author of HCA’s 2006 High Performance Facility Study. He joined the company in 2004 as Senior OD Consultant, bringing 12 years of Organization Development and Change Leadership experience. Prior to joining HCA, Wolf was founder and principal of 4results – Workplace Solutions, a high-impact consulting firm, serving such organizations as Owens Corning, Ingersoll-Rand, Deutsche-Bank, Sprint PCS, and Vanderbilt University, and served as the Leader of Organization Effectiveness, for INTEGREX, a wholly-owned subsidiary of Owens Corning. His early career involved him in training and development, staffing, communications and operations.

Wolf is currently pursuing his Ph.D. in Organization Development at Benedictine University in Chicago, exploring his continued interest in high performance healthcare organizations and developing unparalleled cultures of service. He earned his Masters in Human Resource Development from Vanderbilt University and a BS in Foreign Service from Georgetown University. Wolf served as a member of the Board of Trustees of the Organization Development Network from 1999-2002.
About The Beryl Companies

Beryl helps organizations grow revenue and build lasting customer relationships by connecting people to healthcare. As a leading provider of outsourced telephone and Web-based communications, Beryl delivers 24/7 exemplary customer service to more than three million consumers each year.

Since 1985, hundreds of healthcare organizations have relied on Beryl for best-practices insight and data they can use to make more informed decisions about customer acquisition and retention.

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