

Case Study

Mary Lanning Healthcare Transforms Into a Highly Successful Organization Powered by an Engaged Workforce

5.7%

Mary Lanning Healthcare has an operating margin of approximately 5.7% — up from a negative margin of -0.2% just five years ago.

Source: GALLUP

CHALLENGE

MARY LANNING HEALTHCARE (MLH), located in Hastings, Nebraska, began facing steep challenges. MLH had hired four CEOs in a seven-year period. At the same time, the hospital was trying to comply with the vast changes required by the Affordable Care Act. Further, the unemployment rate in Nebraska was so low — 2.8% — that MLH was having trouble finding and retaining high-quality employees. The hospital had the majority of its financial assets tied up in remodeling outdated portions of the building, and staff members were struggling with a failing computer system. In the face of these issues, MLH leaders and staff were disengaged at work, experiencing a high number of safety incidents and workers' compensation claims, and, more seriously, offering less-than-stellar patient care. MLH had to implement fast and rigorous change, so the hospital partnered with Gallup to improve its declining organization.

APPROACH

Based on its 80 years of research and analytics on workforce selection, engagement and development, Gallup began by examining the current state of MLH's employees. MLH also provided details about its balance sheet to Gallup. Gallup found that 49% of employees left the hospital within their first year of employment, and that overall, 22% of employees left MLH for other organizations. Further, MLH reported 25% annual turnover among nurses — an essential component of the hospital's care staff. Most egregiously, MLH was operating at a loss; its operating margin was -0.2%. Gallup also conducted its own research-based employee engagement assessment, the Q¹², and found that MLH's engagement was dismally low compared with other organizations in Gallup's worldwide engagement database.

Based on these dim numbers, Gallup helped MLH focus its recruiting and selection strategies, shifting from simply filling jobs to hiring the right person for the role. This selection suite was utilized for all positions across the organization — from top leaders to front-line employees. These Gallup-designed and analytics-based instruments helped MLH select potential employees with natural talent for a role. In utilizing this selection system, MLH human resources professionals discovered that candidates who were recommended for their roles under Gallup's parameters were much more likely to perform with excellence in those roles. On this basis, MLH began focusing all of its hiring efforts on finding employees who were recommended within Gallup's selection parameters.

Gallup helped MLH initiate engagement-centered programs for all workgroup levels at the hospital. These programs focused on creating action plans to improve employee engagement and on meeting the goals stated in those plans. First, the CEO of MLH publicly emphasized that employee engagement was key to the hospital's culture and success. He made action planning mandatory for all department directors. Then, the director of organizational development began meeting with all new managers and provided one-on-one training for successful action planning sessions. The vice president of HR held two-hour training sessions with all new managers to discuss the organization's approach to employee engagement. Additionally, a Gallup consultant began meeting annually with managers to discuss strategies for increasing employee engagement. Finally, at the front-line level, all teams began participating in action planning sessions and focusing on implementing those goals with their colleagues.

Next, MLH started its journey to becoming a strengths-based organization, where all employees would learn, understand and use their strengths in their day-to-day work. Some workgroups began by completing the Clifton StrengthsFinder — Gallup's assessment that identifies a person's unique strengths. Employees were given desk plaques listing their top five strengths. The hospital's senior management team completed an executive coaching session at Gallup's operational headquarters. Thirty MLH directors and

managers completed individual strengths coaching sessions with Gallup strengths coaches to inspire them to use their strengths and to recognize the importance of a strengths-based environment for all MLH employees. The most successful workgroups at MLH use their strengths every day to maximize their engagement and productivity.

IMPACT

All of these efforts have aligned to dramatically boost MLH's employee selection, engagement and development — and the hospital's bottom line. Gallup-recommended employees are five times more likely to receive a 4.0+ performance rating from MLH patients and 1.6 times more likely to be engaged at work compared with employees whom Gallup has not recommended. By focusing on hiring these high-potential candidates, MLH has increased engagement and patient satisfaction levels.

Additionally, companywide turnover has dropped by 5%. First-year turnover has fallen by an astounding 34%, and RN turnover has decreased by over 13%. Workers' compensation claims and spending at MLH are the lowest they've been in seven years; the organization's workers' compensation payment rate is 20% lower than that of the U.S. workforce overall. At the same time, MLH's engagement GrandMean has improved exponentially. Within five years, its engagement ratio has increased from 2.5:1 (2.5 engaged employees for every one actively disengaged employee) to 18.0:1. The hospital is now in the 93rd percentile of Gallup's worldwide engagement database. MLH is finally turning a profit — no small feat for a rural hospital. It has an operating margin of approximately 5.7%, up from a negative margin of -0.2% just five years ago. Gallup's selection, engagement, development and strengths initiatives have propelled MLH to become an excellent healthcare organization with top-notch employees, effective engagement practices and a strong bottom line.

5%

DECREASE IN COMPANYWIDE
TURNOVER

34%

DECREASE IN FIRST-YEAR
TURNOVER

13%

DECREASE IN RN TURNOVER

Source: GALLUP

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