

Fall 2008

The Forum Report is a newsletter for participants of the Forum for People Performance Management and Measurement, an organization affiliated with the Medill Integrated Marketing Communications graduate program at Northwestern University, and other interested parties.

- [Healthcare Case Study: The Link Between Employee Engagement, Patient Satisfaction, and Perception of Hospital](#)
- [New White Paper: Exploring the Building Blocks of Employee Lifetime Value](#)
- [New White Paper: The Workforce Model Every Organization Should Use](#)
- [Economy Fuels Job Security Fears](#)
- [Overstock.com Garner Customer Kudos](#)
- [Is Your Company Customer-Centric? Really? New Study Explores Best Tactics](#)

Healthcare Case Study: The Link Between Employee Engagement, Patient Satisfaction, and Perception of Hospital

At the recent Motivation Show, Camela Morrissey, vice president, public affairs and marketing at New York Hospital Queens, and Frank Mulhern, Northwestern University, presented the first phase of findings from a study the Forum is conducting with the hospital on employee engagement relating to patient experience and satisfaction. These preliminary results are applicable to any healthcare facility. Here is a brief synopsis:

Situation:

The large and growing healthcare facility has very challenging people issues in a highly diverse environment (i.e. multiple languages spoken). There exists a general feeling among leadership that better engaged employees would have numerous benefits, including employee retention, better patient experience, and more efficacious (higher quality) healthcare.

Goals:

1. Improve hospital performance with respect to patient care and financial outcomes; and
2. Understand how to drive performance through people by exploring the relationship between employee engagement and employee satisfaction and how this relationship relates to patient care and satisfaction.

Tactics:

Analyze existing published employee satisfaction research in the health care arena, and then conduct an online “forum” with over 30 administrators, managers, and directors of the hospital to set forth a future agenda for addressing and improving employee engagement. Quantitative data was collected independently on mean employee satisfaction as well as mean patient satisfaction.

Issues:

Ineffective **internal communications** (multiple languages plus the tendency of employees to not read communications) and lack of **employee empowerment** (a common challenge in healthcare where strict protocols must be followed) were identified.

Results:

There is a statistically significant difference in patient experiences between the departments with high versus low employee satisfaction. Fundamentally, in the departments with higher employee satisfaction, there are higher patient scores for:

- “Likelihood the patient recommends the hospital to other potential patients”
- “Overall rating of patient care”

- “Overall patient satisfaction”

Next Steps:

Future research will include:

1. More empirical testing using disaggregated data;
2. More complete *engagement* survey constructed based on the qualitative findings from the interviews and literature review;
3. Feedback from key informants on most valuable motivational programs and strategies; and
4. Potential testing of interventions such as communications, rewards, or recognition.

New White Paper: Exploring the Building Blocks of Employee Lifetime Value

Historically, employees have been treated as cost creators, rather than as value creators. While it has been relatively easy to associate value with sales performers who generate revenue, the value non-sales performers contribute to an organization has been much more difficult to quantify. Now, new technology enables managers to accumulate extensive information about organizational performance at an individual employee level. Any organization – regardless of industry, size, revenue, or number of employees – can take the first steps towards estimating the value contributed by their employees. The white paper *Exploring the Building Blocks of Employee Lifetime Value (ELTV)* examines properties shared by ELTV and Customer Lifetime Value. It answers the critical question “What is Employee Lifetime Value?” and explores areas where employees create value for their firm that can be systematically quantified. This white paper, and the full report upon which it is based, were produced by the Forum for People Performance Management and Measurement and the Performance Improvement Council of the Incentive Marketing Association. [Click here](#) to download this white paper.

New White Paper: The Workforce Model Every Organization Should Use

Businesses regularly measure cash flow, revenue, market capitalization, growth, and profitability. Now, human capital can be added to the list of regularly measured variables. In coming years, the term Return on Talent is likely to be as pervasive in the business lexicon as Return on Investment. A white paper entitled *The Workforce Model Every Organization Should Use* is now available from the Forum. This white paper is based on a comprehensive study conducted by the Forum for People Performance Management and Measurement entitled *Linking Employees to Organizational Performance: A Framework for Driving Success*. Among other valuable insights, the authors of the study (Frank Mulhern, Associate Dean for Research, Medill School, Northwestern University and Manya Wang, a former graduate student in Medill’s Department of Integrated Marketing Communications) introduce a new model that illustrates how employee performance can be connected to corporate performance in a systematic way. The Workforce Measurement Model incorporates a set of human capital drivers, gleaned from academic and industry literature, which relate to organizational performance. Those drivers are:

1. Leadership: The supervisory and executive skills of the managers to eliminate barriers, provide feedback, and inspire confidence.
2. Communications: Management’s communication is open, relevant, and effective.
3. Learning Capacity: The willingness to learn and pursue excellence, and welcome innovation.
4. Corporate Values: The core values of the company, that is, something employees can genuinely support.
5. Company Reputation: Good company reputation can facilitate the excellence of human capital.
6. HR practice: This is the hiring, selection, and monitoring system. This also includes training, education, career development, and total rewards (benefits, compensation, work-life, and recognition). It also includes HR’s strategic role in human capital, such as acquisition, deployment, retention, attrition rate, and turnover.
7. Technology: As the driver of information sharing and efficiency, this is becoming increasingly important because of intranets and online communities.

When managed properly, these seven drivers generate employee engagement and positive behaviors that directly affect performance. [Click here](#) for the entire white paper.

Economy Fuels Job Security Fears

Not surprisingly, employees are growing increasingly concerned about job security because of the current economic crisis. A national survey of working adults commissioned by benefits company Workplace Options reveals that a large percentage of workers (40 percent) feel their employers have not done enough to explain how the financial crisis could affect their workplace. Other key findings include:

- More than half of workers are cutting back on personal spending because of fear;
- Nearly a third are working more hours and taking less time off; and
- Twenty-five percent said they are actively looking for a new job or updating their resume because of growing unease.

With the instability of the stock market and other financial indicators, workers may find themselves more distracted and struggling with personal and financial worries. Employers are strongly encouraged to be especially vigilant about adopting work-life services to maintain morale among employees and protect their bottom line. “The economic situation is a major distraction for everyone right now,” said Alan King, president of Workplace Options, in a press release. “Now more than ever, employers are recognizing the value and convenience of work-life services to help workers navigate these tough times, empower their workforce and maintain productivity.”

Overstock.com Garners Customer Kudos

Overstock.com is number one when it comes to customer service. Gartner, an IT research company, recently announced Overstock.com, the online retailer offering brand-name merchandise at discount prices, as the winner of its inaugural “Gartner & 1to1 Customer User’s Choice Award.” The award is given to a company that most clearly demonstrates exemplary customer relationship strategy and an unrivaled level of excellence in delivering customer experience. The finalists, which included AT&T and EMI Music, were selected by a panel of judges comprised of Gartner analysts, 1to1 Media, and business and academic experts. Gartner and 1to1 Media, which helps organizations derive the greatest value from their customers, also presented Customer Awards to 16 more organizations for demonstrating successful customer-based business strategy with resulting business impact. Award winners were honored in the following seven categories:

1. Customer Strategy — Excellence in establishing an enterprisewide customer strategy
2. EnterpriseCRM Optimization — Excellence in the use of full-suite technology
3. Marketing Optimization — Excellence in the use of marketing automation
4. New Media Optimization — Excellence in the use of new media
5. Organizational Transformation — Excellence in establishing an enterprisewide customer strategy that creates a win-win situation for company and customers
6. Sales Optimization — Excellence in the use of sales force automation
7. Service Optimization — Excellence in customer service and support that is enabled by technology

This is the first year of the Gartner & 1to1 Customer Awards. The goal of the partnership is to establish a standard of excellence for customer-focused organizations, and honor those companies that reach that level by delivering optimal customer experiences. This new combined awards program will highlight companies that are providing value to customers and shareholders by effectively bringing together strategy, technology, and execution to deliver ideal customer experiences. [Click here](#) for a direct link.

Is Your Company Customer-Centric? Really? New Study Explores Best Tactics

A new comprehensive study explores the reasons companies adopt Customer Experience Management (CEM) programs, the relationship between CEM programs and greater brand loyalty and brand worth, and year-over-year change in customer retention and customer satisfaction. The study answers the critical question of how best-in-class CEM programs have improved top-line sales and bottom-line profitability. The report from research firm Aberdeen explains how such companies implement 1) periodic reviews of customer-facing business processes, 2) a series of continuous-improvement changes over time, 3) agreed-to metrics designed to measure performance over time, and 4) enabling technologies including surveys, customer dashboards, and analytics across sales, marketing, and customer service data. “At its core Customer Experience Management programs dissect the customer experience to find the best, most profitable customers, the most effective leverage points, and then build long-term strategies to grow those customers. There are a series of company leadership, process, organizational, measurement, and technical factors that need to come together to make these work. Perhaps most important to the Chief Marketing Officer in 2008 looking to thrive in a challenging economic

environment is the disciplined approach that CEM programs bring to find and grow profitable customers,” according to David Boulanger, Research Director, Customer Management Strategies at Aberdeen, one of the study’s authors. Boulanger adds, “For those companies expecting a single magic bullet, this program (CEM) is not that. What this program will do, however, is systematically determine how to most profitably service your most important customers and then grow your most profitable relationships over time. CEM programs are journeys, not events.” [Click here](#) for a direct link.

Forum for People Performance Management and Measurement

1601 N. Bond Street, Suite 303
Naperville, IL 60563
630.369.7780

*If you would like to be removed from the Forum Newsletter please email the Forum’s Managing Director
Jason William Maldonado, jason@performanceforum.org

