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WORKFORCE RETENTION AND PAY AND REWARD PRACTICES IN AMERICA'S BEST HOSPITALS

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Medical centers have a strong scarcity of professional talent that is not projected to improve in the foreseeable future. Trends show the general population is aging, and the number of nurse-training programs is insufficient for current and future employment demand. Nurses, who represent the largest professional group in a medical center, are not the only jobs in scarce supply. Medical centers also struggle to attract and retain therapists, medical technologists, pharmacists, physicians and other technology jobs. What are the high-performing medical centers doing to ensure that they have the talent necessary to provide quality patient care and clinical outcomes? What are the implications for other types of organizations where talent makes a significant difference?

This study examines the retention strategies and pay and rewards practices of a sample of the best-performing medical centers and hospitals in the United States. Twenty-one organizations ranked by *U.S. News & World Report* participated. A structured interview with an open-ended questionnaire was used to gather information from these organizations from CEOs, major operating executives and heads of human resources. The questionnaire is included in the appendix.

U.S. News & World Report (2007) published a study of performance excellence of "America's Best Hospitals" based on 5,462 hospitals and identified 173 that led the field in terms of excellence based on reputation, mortality index and other care-related factors distinguishing the best from the rest in as objective terms as possible. While the results of excellence are either measurable or observable, the route to success is less transparent in many instances, especially from the standpoint of workforce leadership and practice. This paper sampled and studied 21 of the 173 America's Best Hospitals, including 12 of the top 18 "Honor Roll" elite performers. These 21 organizations were willing to be telephonically interviewed in depth for an extended period, answer the authors' questions based on a patterned interview, and provide the detailed information needed for a thorough understanding of what they do to retain, pay and reward scarce/critical talent.

SCARCE/CRITICAL TALENT

The objective of the top-performing medical centers surveyed is to use their resources most effectively to accomplish their mission of providing health-care excellence. This means focusing retention and pay and rewards on the talent who provide clinical care to patients. Medical centers define these people as scarce, critical, core and/or professionals in centers of excellence. The term "scarce/critical talent" will be used in this paper to describe them. Top-performing medical centers increasingly focus retention, pay and reward resources on scarce/critical talent rather than the workforce in general.

Nursing is universally included in this scarce/critical talent definition—registered nurses (RNs), licensed practical nurses (LPNs) and licensed vocational nurses (LVNs). The talent group also may include research scientists and investigators into new treatments and cures if the organization is research-based. Other scarce/critical work roles commonly include technologists in the chemistry sciences, physical therapists, respiratory therapists, pharmacists, physicians, nursing support technicians, some other licensed professionals and managers who retain talent in these jobs. Examples of centers of excellence where scarce/critical talent often work are cancer, heart, eye and ear centers.

STRATEGIES FOR SCARCE/CRITICAL TALENT VERSUS OTHER EMPLOYEES

The top-performing medical centers in this study have unique strategies and programs for their scarce/critical talent compared to those for administrative talent, less-skilled talent and other nonscarce/critical talent. For the administrative and less-skilled talent, there is less concern about retention and the market competitiveness of pay. The medical centers studied do not focus on defining and rewarding skill and career growth for these jobs compared to scarce/critical talent. Nor do they focus as strongly on developing measures of skill growth or outcome measures as they do for clinical skill growth and clinical outcome measures. The emphasis for best-performing organizations is clearly on retention of skilled talent who are close to the core of health-care delivery and essential to the creation of a high-performance health-care workplace.

All medical centers in the study sample are nonprofit. In the 1980s, many nonprofit medical centers were principally concerned with social justice and often paid lower-skilled jobs (e.g., food service workers and housekeepers) higher relative to their competitive labor market than they paid professional and administrative jobs. Their reasoning was based in social equity and thereby ensuring a living wage. Only two of the medical centers in this study (10 percent of the participants) raised social justice as a pay objective. The other 19 medical centers are developing and implementing unique retention and pay and rewards strategies and programs based on talent scarcity/criticality.

Because of this differentiation, a number of the medical centers studied commented that they have increased their communication to administrative talent and lower-skilled talent about why programs are different for different populations. The objective is to gain these employees' understanding of the reasons and thereby increase their acceptance of the differences. One of the communication messages is the organization's inability to accomplish its mission without the scarce/critical talent, thereby jeopardizing not only the organization's future but also, more importantly, patient health, frequently in life-and-death situations. Another message is that the labor market moves differently for different jobs based on labor supply and demand and that the organization needs to acknowledge these differences in how it pays.

RETENTION STRATEGIES AND ACTIONS

Some CEOs described retention of scarce/critical talent as on par with, or second only to, patient outcomes as organizational goals—on par because scarce/critical talent is considered necessary to achieve patient outcomes. One executive said that retention is viewed as more important than recruitment because the cost of turnover is so high, and successful retention reduces the need for recruitment. One CEO said, "We have learned that keeping our most-skilled talent is really a 'war for life' as it relates to our patients. We can't quit growing talent."

In addition to recognizing that people stay with an organization when they feel valued and appreciated, are respected and receive personal attention, study participants outlined retention strategies and actions covering a variety of factors. Figure 1 shows a summary of these retention strategies and actions that do not directly involve adding pay cost. As the figure shows, retention of scarce/critical talent is multifaceted and is not achieved by addressing only one factor. These organizations truly believe that "You make us great," as one CEO said, and hold leadership and HR responsible for retaining scarce/critical talent. Leadership must be part of the solution, not part of the problem.

FIGURE 1

Retention Strategies and Actions	
Retention Factor	Approach to Retain Scarce/Critical Talent of 21 Top-Performing Medical Centers
Employee satisfaction	<ul style="list-style-type: none"> • Baseline, place to start. • Does not distinguish or differentiate medical center.
Employee engagement	<ul style="list-style-type: none"> • Most critical to retention. • Engaged scarce/critical talent is essential to accomplishing the organization's mission and patient-care solutions.
Organization culture	<ul style="list-style-type: none"> • Most frequently mentioned culture: professionalism. • Successful, patient-focused creative medical culture, care-giver (not "money-grubber"), healing culture, health-care excellence/quality.
Supervisory/manager role	<ul style="list-style-type: none"> • Developers, advisors, educators, coaches, mentors, trainers • Role models, example-setters • Enablers, barrier-breakers, interference-blockers • Communicators.
Work environment	<ul style="list-style-type: none"> • Enabling.
Communications	<ul style="list-style-type: none"> • Method: Small group, face-to-face, Web/intranet (with home access), CEO Webcasts, multiple approaches, de-emphasis on written. • Style: Often, specific, honest, straightforward, both talk and listen.
Training and development	<ul style="list-style-type: none"> • Invest in yourself, grow as much as you want, employee choice, in charge of your own development. • Medical center enables opportunities. • "Keep skills fresh."
Career opportunities	<ul style="list-style-type: none"> • Job rotation • Medical center facilitates job movement—no siloing • "Employee for life" with medical center by providing career opportunities.
Pay and rewards	<ul style="list-style-type: none"> • Integrated with other retention strategies and actions.

Examples of Successful Retention Actions

The most frequently mentioned examples of retention programs and actions that have been successful with scarce/critical talent are:

- Provide child-care and elder-care benefits, with on-site centers being the strongest and preferred benefit (57 percent of the 21 surveyed medical centers).
- Enhance total compensation for scarce/critical talent near retirement age to encourage them either not to retire or to work beyond normal retirement age. Actions include a base-pay adjustment, bonuses, ensuring competitive pay, adding to retirement benefits for each year that the individual stays with the organization, part-time work and accommodating the individual's interest in work hours (52 percent of the medical centers).
- Communicate about the medical center's reputation for excellence because people generally want to be associated with "winners," and communicate messages about the medical center's association with the university (48 percent of the medical centers).

The first two successful retention actions reflect the demographics of scarce/critical talent. The first retention action acknowledges the family needs of scarce/critical talent. The second action addresses the aging of the scarce/critical talent workforce and the other employment opportunities available to experienced talent (e.g., case management, care coordination and health coaching in health-insurance companies). The third action highlights these medical centers' reputation advantage used not only in recruitment but also in retaining scarce/critical talent by ensuring the organization is run consistent with its reputation.

Examples of Unsuccessful Retention Solutions

Twenty-nine percent of the medical centers reported that none of their retention solutions failed, which they believe implies that organizations should move forward on identifying retention objectives and target-employee groups, and then design and implement retention programs. For those medical centers that reported some unsuccessful retention solutions, the majority of the unsuccessful actions can be categorized into three groups:

- Recognition programs that had gimmicks or games were mentioned by 43 percent of the 21 study participants (although one medical center said that these worked for its hourly workforce). Other recognition programs, however, do work—for example, one medical center executive described a strength, hope and caring award for nurses.
- Rigid pay systems that did not focus most on specific critical skills, did not match the necessary skills and/or paid the same amount to everyone were mentioned by 19 percent of the study participants. Pay systems must be agile and respond to not only the labor market but also evolving skills and competencies and performance measurement capabilities.
- Any solution that appeared to be a “flavor of the month,” was primarily based on slogans or sounded like a sales pitch was mentioned by 14 percent of the study participants.

These programs and actions may have proven unsuccessful because they seem inconsistent with the most common organizational culture reported by the medical centers—a cultural of professionalism—or with the importance of skills to licensed professionals who have made a skill investment in themselves to have become a licensed professional.

Measuring Results of Retention

The success of retention programs/initiatives is measured, as expected, by the retention of scarce/critical talent, but the measurement is specific to whatever employee groups are particularly critical to the organization (for example, top performers, specific licensed professional expertise such as registered nurses, employees near retirement). The second most frequently used measure to evaluate retention program success is overall organizational success.

PAY AND REWARDS STRATEGIES AND PRACTICES

One CEO said, “Don’t be stingy on paying top performers, or our patients pay for it with their lives.” Providing at least market-competitive compensation is considered necessary to retain scarce/critical talent because these individuals are often aggressively recruited by others. Two-thirds of the study participants use both base pay and variable pay to reward scarce/critical talent for skills and performance. Study participants differ about whether they position scarce/critical talent roles similarly or differently in competitiveness relative to the labor market based on the degree of criticality of the role’s skills. Total cash compensation programs also vary among the study participants based on their emphasis on rewarding skill growth, individual performance and clinical outcomes.

Objective

For two-thirds of the 21 top-performing medical centers studied, individual performance is an objective for determining base-pay increases and lump-sum payments, if used, for scarce/critical talent. Forty-eight percent reward skill growth. The majority that pay for skills emphasize skill growth over individual performance because 19 percent of the study participants pay more for skill growth than individual performance, and 14 percent pay only for skills, not individual performance. The least frequent approach, used by 19 percent of the study participants, is not paying for performance but paying for tenure/service, internal equity and social justice. Figure 2 on page 5 shows a summary of total cash compensation practices of the top-performing medical centers studied.

Most of these top-performing medical centers evolved from the typical practice 15 years ago of paying for tenure and service. In fact, 38 percent of the study participants mentioned they must pay the top performers more than their fellow scarce/critical-talent colleagues to retain them and reflect their value. The strong usage of paying for skill growth, compared to other industries, reflects the professionalism of scarce/critical talent in medical centers and the rapid advancements in medical care and technology.

FIGURE 2

Total Cash Compensation Practices		
Pay and Rewards Element	Feature of Pay and Rewards Element	Scarce/Critical Talent Practice of 21 Top-Performing Medical Centers
Overall objective	Objective for base-pay increases and, if used, lump-sum awards	<ul style="list-style-type: none"> • 67% pay for individual performance. • 48% pay for skill growth and usage—19% reward skill growth more than performance and 14% do not report paying for individual performance. • 19% do not pay for performance (focus on tenure/service, internal equity and social justice).
Base pay	Competitiveness	Majority pay scarce/critical talent more than the competitive (none pay less than competitive) as follows: <ul style="list-style-type: none"> • 14% make or lead the market (highest payer). • 38% pay better than competitive. • 14% pay either competitively or better. • 33% pay competitively.
	Top performers	<ul style="list-style-type: none"> • 38% position base pay most competitively for best/top-performing scarce/critical talent.
Individual reviews/ evaluations	Timing	<ul style="list-style-type: none"> • 19% provide quarterly reviews with eligibility for base-pay increases and lump-sum payments for skill growth and/or individual performance.
Variable pay	Usage	<ul style="list-style-type: none"> • 67% have variable pay for scarce/critical talent below senior managers (14 of 21 participants). • 19% believe variable pay is inappropriate for health care or is unethical in a university setting. • 10% have eligibility only for senior managers (executive and director levels). • 5% do not use variable pay but see value in it.
	Types	Of those with variable pay: <ul style="list-style-type: none"> • 43% reward results on achievement of clinical goals. • 21% reward acquisition and usage of new skills. • 14% have a lump-sum payment for skills and goal achievement/merit/individual performance. • 7% have a lump-sum payment for individual performance/merit. • 7% have a lump-sum payment for performance if base pay is near the top of the salary range. • 7% have cash awards for excellence.
	Metrics	<ul style="list-style-type: none"> • Skill growth and effective usage. • Clinical measures and outcomes. • Quality, patient satisfaction, access to care, community-focused metrics. • Not cost savings, productivity or income for individual contributors because study participants are philosophically opposed to these metrics (although financial metrics may be used for executives in some organizations).

Base Pay

Two-thirds of the 21 study participants position base pay for all or some of their scarce/critical talent roles more competitively than the labor market. Examples of competitive positions higher than the median labor market are 5 percent to 20 percent above market and 60th to 75th percentile.

Base-pay increases are not determined primarily on movement in the labor market. About one-half of the study participants increase scarce/critical talent's base pay for growing skills. This addresses the need to stay up-to-date in skills and to encourage career growth. Some study participants have career

ladders, particularly for registered nurses, and some of these medical centers have dual career ladders enabling rotation between supervisory and professional roles to keep skills current.

Paying for skill growth requires the identification and measurement of skills. A few organizations reported that measurement is a challenge—particularly refining measurement of skills to keep current with advancements in medical care and technology. One executive reflected on the challenge of rewarding scarce/critical talent primarily for skills: “People grow at different speeds and rates over time. We must keep pay and rewards corresponding with how the individual grows. This is an *individual* issue. Managers and leaders must watch this in a large organization like ours. It is a huge challenge but a necessity.”

In addition to rewarding skill growth, a frequent organizational objective is not just to discuss, but to actually provide, the highest base pay to the best performers who are scarce/critical talent. A few reported that their pay-for-performance program needs improvement. Also some medical centers that reward individual performance with base-pay increases either have not found this approach to work effectively with less-skilled employees who are not scarce/critical talent or have not tried to pay for individual performance with their less-skilled employees.

Nineteen percent of the study participants provide scarce/critical talent with quarterly reviews or evaluations and eligibility for quarterly lump-sum payments for skill growth and/or individual performance. Quarterly lump-sum awards may also be accompanied by a quarterly base-pay increase. The objective is to provide more frequent opportunities for feedback, recognition and compensation awards and to enable faster response to labor market changes.

Variable Pay

Sixty-seven percent of the 21 top-performing medical centers studied use variable pay for scarce/critical talent below the senior management level. About one-fifth, however, believe variable pay is inappropriate for health care or in a university setting. Another medical center would like to use variable pay, and some would like to use incentive plans rather than lump-sum awards, but their university restricts their ability to do so.

A variety of types of variable pay plans reward a variety of different accomplishments. Study participants use lump-sum payments, incentive plans and cash awards. The most common form of variable pay is an incentive plan for rewarding results on achievement of clinical goals. Also common are lump-sum payments for either skill acquisition and usage or individual performance or a combination of the two.

Incentive plans universally use clinical outcome metrics to focus on and reward what is important to patients. Financially oriented metrics, including cost savings, productivity and income, are not used for incentives for the general scarce/critical talent population because study participants believe this sends the wrong message and motivates the wrong behavior. The absence of financially oriented metrics is substantially different from the incentive practices of other industries but is consistent with the medical centers’ predominant culture of professionalism and caring, their nonprofit status and the way others, including *U.S. News and World Report*, measure health-care excellence.

Examples of Total Cash Compensation Programs

These medical centers designed their total cash compensation programs for scarce/critical talent differently from common practice for general industry. Frequently, they said that the program was designed and evolved based on their own specific needs. They did not base design on the practices of others; in fact, other hospitals and medical centers tend to copy these study participants. The following five examples show the variety of total cash compensation programs.

One executive described his program as follows: “Performance management is linked to both skill scarcity and to the clinical metrics that apply. Each job area has a ‘scarcity’ factor that magnifies the performance rating. If individuals receive a ‘3’ rating in a scarce skill, they earn a larger base-pay increase

or incentive lump sum than others in a less scarce area would earn. About 60 percent of our nursing, technology, science, etc., areas are in high scarcity, so that influences the results of the performance rating. It keeps us from paying everyone in a scarce skill the same even though they are not great performers, and the workforce accepts this. Some will get a 9-percent pay raise, for example, and a 6-percent lump sum during the year, perhaps spread out.”

An executive of another top medical center studied said, “We pay more for the skill and competency of physicians, RNs, technical people, even LPNs and LVNs and radiology and medical technologists than for performance. We combine skill growth with clinical measures that make a difference to the medical center. We developed a long list of the skills and competencies in the critical talent areas. We defined what this skill is for ‘minimal talented,’ ‘fully talented’ and ‘exceptionally talented.’ We use these in performance management and in setting goals related to clinical areas. Performance management impacts base pay, and clinical goals determine incentives that are awarded annually in cash. The program works well, considering the complexity of the performance issue in a changing medical technology.”

A third executive said, “Our program for professionals, including all of our key skill roles like physicians, nurses, researchers, technical staff, etc., is called ‘Sum Total.’ Each year-end, everyone is evaluated by first a peer rating and then the manager and the next-level manager make the decision relative to both base-pay adjustment and incentive award. Guidelines maximize the base-pay adjustment at about 10 percent to 12 percent of base pay but can additionally grant up to a 20-percent incentive based on clinical outcomes and patient access and other key health-care center medical performance issues.”

A fourth medical center’s executive described the scarce/critical talent program as: “We pay for the skills we need since these are licensed professions with standards. Our focus is to align pay adjustments based on performance to how nurses learn and grow and take on more assignments. Nurses are offered specific career ladders based on a combination of service and performance. So we pay for performance. Other professional systems are based on the working nursing system: (1) Assess nurses and clinical professionals as often as quarterly but at least annually; (2) Pay about 5 percent above market at all times and more for high performers and unique nursing skills; (3) As a result of the individual’s assessment, pay is adjusted, with premiums for working in the most critical centers of excellence with the most shortage of skills; (4) Lump-sum cash awards in addition to base-pay adjustments reward acquisition of new skills that are on a ‘critical professional skill list’; (5) Goal is to keep ahead of market in total cash compensation and make it *specific* as to what is needed to be paid at this level. Pay focuses on keeping up with skill. Performance is application of these skills to help our organization.”

Finally, another executive commented on her medical center’s skills focus: “We review all nurses and therapists every quarter. We are looking for skills updates and application. If so, they receive either a lump sum or a base-pay adjustment. Adjustments are small as are lump sums, but they amount to more than competitive on an annual basis.”

Recognition

Verbal recognition is considered essential and communicates to scarce/critical talent that their contributions are sincerely appreciated and that they are “special.” In addition to verbal recognition, effective recognition for scarce/critical talent acknowledges professionalism, patient commendation and living the medical center’s values.

As described earlier, the most common comment about recognition was that gimmicks, coupons or games were ineffective for professional scarce/critical talent. Excluding verbal and written recognition, 29 percent of the medical centers studied do not use recognition programs for scarce/critical talent or use them sparingly—sometimes after having overused such programs. Most of the medical centers, however, use recognition programs. About one-fifth of the study participants reported their recognition programs work well, while about one-fifth reported that they cannot measure their recognition programs’ value or their programs are moderately successful for retention.

Overall, recognition programs are not viewed as a key driver for retention even though the top-performing medical centers have customized their programs to the professionalism of their scarce/critical talent. Figure 3 below shows a summary of recognition and benefits practices of the top-performing medical centers.

Benefits

Ten percent of the study participants believe liberal benefits, particularly retirement, give them a differential advantage in retaining scarce/critical talent. As discussed earlier, child care and elder care are strongly successful retention tools. Because these organizations are in the health-care industry, providing health insurance is not only a necessity for recruitment and retention but also a philosophical cornerstone. Flexible scheduling provides no differential advantage since all hospitals and medical centers provide this.

FIGURE 3

Other Rewards Practices		
Pay and Rewards Element	Feature of Pay and Rewards Element	Scarce/Critical Talent Practice of 21 Top-Performing Medical Centers
Recognition	Type	<ul style="list-style-type: none"> • Verbal and professional recognition is most important. • Mixed response to “fun” recognition—43% report gimmicks do not work for scarce/critical talent population (e.g., games, contests, coupons). • Excluding verbal recognition, additional comments on recognition programs are as follows: <ul style="list-style-type: none"> – 24% cannot measure programs’ value for retention. – 19% report programs are working well. – 19% use recognition sparingly, have overused recognition or use programs for other than scarce/critical talent. – 10% do not use programs.
Benefits	Liberal benefits	<ul style="list-style-type: none"> • 10% have a total compensation strategy built on liberal benefits, particularly retirement.
	Health insurance	<ul style="list-style-type: none"> • Necessity and cornerstone since health care is their business. • Would be a negative if this was not provided.
	Child care and elder care	<ul style="list-style-type: none"> • Positive retention program. • It’s best if these are provided onsite rather than reimbursed. • Several organizations implementing this year.
	Flexible scheduling	<ul style="list-style-type: none"> • Not a differential advantage for retention because all medical centers provide it.

Next Steps

Study participants reported a variety of next steps to improve pay and other compensation-related rewards programs. The most common were:

- Make sure pay keeps up with the desired competitive market position and the individual’s skills and skill growth.
- Improve and refine metrics for measuring skill growth, performance management and/or clinical outcomes.
- Build programs to retain current scarce/critical talent approaching retirement, although some also mentioned concern about retaining scarce/critical talent newer to the profession or within the first three years of hire.

LESSONS LEARNED

These organizations have recommendations that can apply to more than just medical centers. These include:

- Work on retention and pay and rewards programs together so they are integrated.
- Get beyond strategizing and act. Retention, pay and rewards for scarce/critical talent must be addressed sooner rather than later before more talent leaves the organization. Develop a concrete improvement solution, communicate it, take action with fast implementation and show examples of it working.
- Capitalize on whatever differential advantage your organization has. The smallest organization in the survey, for example, uses its size as an advantage because of the personal touch it can give to scarce/critical talent and the communication that everyone is important to the organization.
- Continue to improve communications about a variety of messages, including development opportunities and how valuable scarce/critical talent is to the organization.
- Train managers on importance of retention. Set in place more aggressive retention programs that are geared to intercept problems before they become acute.

The bottom line, as one executive said, is to make it both financially attractive and career attractive for top performers with scarce/critical skills to stay with the organization.

SUMMARY

These premier medical centers studied are focused on retaining scarce/critical talent and are aggressively developing and implementing retention, pay and rewards strategies, programs and actions to retain this talent. Senior leadership views this as a business necessity for the organization to continue to achieve its mission and clearly understands the cost of losing scarce/critical talent. These medical centers have adopted some similar retention, pay and rewards programs that reflect the demographics and needs of the health-care industry's scarce/critical talent and have also customized retention, pay and rewards programs to fit their organization's specific values and culture. Although the specific approaches may differ for different industries, the lessons learned are applicable to all types of organizations that are struggling but must retain scarce/critical talent.

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APPENDIX

Focused Interview Guide for Study of Workforce Retention Plus Pay and Rewards in America's Top-Performing Hospitals

Schuster-Zingheim and Associates Inc. (SZA) is exploring strategies, practices, and evaluative experiences and comments regarding workforce retention plus pay and other rewards for employees, particularly hard-to-retain employees. You are one of the top health-care organizations in the USA. We are studying how top-performing organizations address critical human-resource management issues including the following:

1. Workforce retention challenges and solutions
2. Pay and rewards, including paying for performance.

Our goal, if you are willing, is to gain insight into your practices, why you follow them, what the results are, and what you have learned about these workforce issues in your journey to excellence. The organizations studied will not be listed, and individual input will not be attributed to you in any way. All that will be said is that a top-performing health-care organization reflected specific thinking on a topic and anonymous quotes will be used to add light to a concept or idea you provide.

Key Question: What role do workforce retention and pay and rewards play in supporting an excellent-performing organization like yours?

SZA would like to know about how your organization does the following:

1. What are your current challenges and strategies related to retention and also pay and rewards?
2. What practices have been successful, and what have been less successful?
3. To what extent does your organization pay for performance? How does it work? What have been the results of the program?
4. What next steps or actions do you plan to take?
5. What suggestions and recommendations do you have for others?
6. What has been especially successful relative to communications and gaining workforce understanding, acceptance and engagement?

RETENTION

7. Please describe your organization's most pressing talent-retention challenges.

8. What has been your experience relative to why employees leave or stay with the organization?
9. Please describe your organization's strategy related to talent retention.
10. What skill and competencies are critical to your organization to retain and why?
11. What role do you believe the following play in workforce retention?
 - Overall employee satisfaction
 - Employee engagement
 - Organizational culture
 - Supervisor/manager/leadership relations
 - Work environment
 - Communications
 - Training and development
 - Career opportunity
 - Base pay
 - Incentives/bonuses
 - Recognition and recognition awards (cash or noncash)
 - Employee benefits (e.g., health insurance, retirement, PTO)
 - Work-life benefits (e.g., flexible hours, job sharing, job rotation)
 - Other. What other?
12. What practices have worked best for retention? Why?

13. What practices have not worked well for retention? Why?
14. What is the next action you plan to improve retention? Why?
15. What is the role of the executive team and managers in talent retention?
16. How do you evaluate the effectiveness of your organization's retention strategy and practices?

PAY AND REWARDS

17. Please describe your organization's most pressing pay and reward challenges.
18. Please describe your organization's strategy-related pay and rewards for the workforce. For hard-to-retain employees?
19. To what extent does your organization pay for performance for the workforce? Why has your organization adopted this strategy?
 - Not a strategy
 - Not truly pay for performance—although say we pay for performance
 - Pay market
 - Pay for competencies and skills
 - Pay for performance and results
 - Pay very strongly for performance and results—with strong pay differentiation based on performance
 - Some combination—what combination?

20. What has been challenging and what has been successful in measuring employee performance? Competencies and skills?
21. If your organization pays for performance for the workforce, please describe how pay for performance works in your organization. What is the program? How would you evaluate the program's success?
22. What pay and reward practices and programs have worked most successfully? Why?
23. What pay and reward practices and programs have not worked well? Why?
24. What is the next action you plan for pay and rewards? Why?
25. How do you evaluate the effectiveness of our organization's pay and rewards strategy and practices?
26. What has been particularly effective in communicating pay and rewards for employee understanding, acceptance and engagement?

SUMMARY

27. What are your organization's lessons learned about:
 - Retaining employees
 - Pay and rewards, including paying for performance if your organization pays employees for performance.

Thank you very much for your participation.