Are the healthcare professionals at your company happy at work? If not, what are you doing to change it?

According to a recent report by The Conference Board, less than half of people in the U.S. workforce are satisfied with their jobs. Low workplace morale not only has a negative impact on overall company culture, but can also have severe financial implications. Therefore, it is imperative that companies work diligently to ensure that their employees are happy.

Unfortunately, many companies - especially since the 2008 financial crisis - operate under the attitude that employees should just be grateful to be working. This is a misguided stance, especially as the market improves. Low morale can result in a high turnover rate, decreased employee engagement and even increased workers’ compensation claims. As such, the potential impact – and costs – to an organization are high.

Financial Implications

One of the greatest financial implications of deflated workplace morale is employee turnover. Stress is a major contributor to how people feel about their jobs - The American Institute of Stress found that workplace stress leads to a 50 percent increase in voluntary turnover. A high turnover rate in any organization is not only inconvenient, but can be a significant expenditure. The Center for American Progress estimates that replacing a single employee costs approximately
20 percent of their annual salary. In addition, organizations will need to bear the costs associated with the recruitment and training of their replacement and will face a loss in knowledge and expertise that will take time to remedy.

Low employee morale can also affect the engagement of a workforce. The Queen’s School of Business and the Gallup Organization estimate that disengaged workers have 37 percent higher absenteeism and 18 percent lower productivity. And, importantly, disengagement can put a business at risk for a higher rate of workplace incidents. Organizations that reported low employee engagement experienced 49 percent more accidents and 60 percent more errors. This is not only dangerous to the well-being of your employees, but can simultaneously impact an organization’s bottom line. According to the American Psychological Association, 60 to 80 percent of workplace accidents are attributed to poor employee morale, which can sometimes lead to false or exaggerated workers’ compensation claims. The overall satisfaction of employees is a major factor in the overall financial success of a business. Disengaged workforces contributed to their companies experiencing 16 percent lower profitability and 65 percent lower share price over time.

**Tips to fix the negative impact**

To ensure that workplace morale remains high, human resources professionals should work directly with company leadership to implement strategies that help to create a positive atmosphere and an environment conducive to retaining employees. For example, morale tends to be lower when employees feel like their work isn’t recognized or appreciated. Praising employees for their hard work, providing constructive feedback and appropriately compensating people for their efforts can go a long way. Also, considering additional benefits such as retirement savings plans, student loan repayment options or even organizing company-wide professional development or offsite events may employees feel valued.
In addition, it is particularly important for those working in the healthcare field to receive the right training. Human resources managers should collaborate with their insurance brokers to ensure that employees are being appropriately trained – and re-trained – so they can operate efficiently and safely. Notably, a Gallup study found that employees who understand their role and what is expected of them experience 10 to 20 percent fewer safety incidents. If one employee is consistently involved in accidents, brokers can help identify trends and develop strategies to mitigate the risks associated with certain individuals. As such, continued training can help reduce potential claims and subsequently can save businesses money.

Perhaps most importantly, it is crucial that human resources departments are tuned-in to the organization so that they can recognize issues as they arise and remedy the situation by implementing the correct processes for positive change.

It is clear that in order to be successful, healthcare companies need to prioritize keeping morale high to create a positive, productive and safe workplace – for both employees and patients. In the end, favorable employee attitudes can help to improve clinical outcomes by lowering the risk of expensive complications and reducing the cost of insurance premiums for healthcare providers.

BETTE MCNEE, RN, NHA  
Senior Clinical Risk Management Consultant  
BMcNee@grahamco.com  
The Graham Building  
Philadelphia, PA, 19102  
215-701-5429