

Attracting & Retaining Highly Engaged Workers

Session Overview

I. Framing the Workforce Challenge...and the Opportunity

II. Attraction & Retention:
Designing Environments for Employee Wellness

III. Garden Spot Communities:
Employee Attraction & Retention in Action

I. Framing the Workforce Challenge...and the Opportunity

Redefining your customer

Staffing challenges create

- Pressured resident & family satisfaction
- Financial challenges – high cost of turnover
- Inability to execute on growth plans
- Occasions where you might turn away admissions

Staffing impact on growth

“Our Board often asks what keeps us up at night. For me, it’s the crisis in attracting and retaining talent. In many of our markets, low unemployment, workforce housing, wage pressure and lack of interest in our industry effect our ability to grow. Regardless of technology solutions, we are human resource driven industry. The ability to attract top talent will determine our future.”

- Dan Ogus, Executive Vice President & COO
human good

Staffing impact on growth

"We're often asked by our peers and partners what number of communities is our goal, but it's not about a number of communities. It's really about continuing to develop as long as we're able to attract the best-in-class employees."

- Sarabeth Hanson, COO



Understanding the drivers behind today's workforce pressures

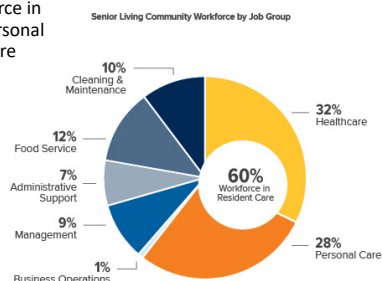
- Sheer numbers – retiring Boomers; growth in number of older adults
- Image problem within our sector- how do we attract talent?
- Minimum wage hikes
- Increased competition
- Immigration pressures
- Changing workforce....more diverse; millennial workforce
- Higher acuity of skilled care patient requiring different skill set



The Senior Living Employee

A Profile of Roles

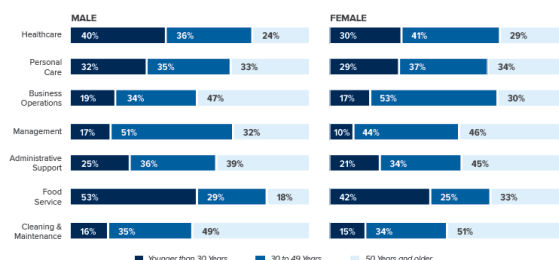
- 60% of the workforce in healthcare and personal care occupations are caregivers



Source: Argentum (2018), "The Senior Living Employee-A Socioeconomic Portrait of Today's Worker"

Age and gender of senior living workers

Listed by role



Source: Argentum (2018), "The Senior Living Employee-A Socioeconomic Portrait of Today's Worker"

Navigating a workforce with generational differences

Each generation has its own preferences when it comes to work

1. **Traditionalists** work as a privilege and strong work ethic
2. **Baby Boomers** motivated by rank and wealth, tend to be extremely loyal
3. **Gen Xers** prefer managers straightforward, genuine and "hands-off"
4. **Millennials** known for being digital, educated, and gravitate to meaningful work
5. **Gen Z** most tech-savvy, youngest workers



Source: OnShift, Feb. 11, 2016, "4 Keys to Managing the SG Workforce in Senior Living"

The Millennial Worker

- 73 million born between 1980-1996
- Least engaged at work
- Highest rates of un- and underemployment in U.S.
- 21% changed jobs (3X non-millennials)
- Turnover costs U.S. economy \$30 billion dollars annually

MILLENNIALS ARE THE LEAST ENGAGED GENERATION AT WORK

	MILLENNIALS	GEN XERS	BOOMERS	TRADITIONALISTS
Engaged	29%	32%	33%	45%
Not Engaged	55%	50%	48%	41%
Actively Disengaged	16%	18%	19%	14%

Source: Gallup, "How Millennials Want to Live and Work" (2016)

Retaining Millennial Workers

- Shift thinking from jumping companies to opportunities **within company**
- **Support and training** available to those who want leadership roles, younger employees encouraged toward leadership
- Establish **career paths**. Provide assistance and skill development to help up the ladder
- **Understanding** the needs and wants of millennials goes a long way to keeping them content



Source: OnShift, Feb. 11, 2016, "3 Tips for Retaining Millennials;" and The 2016 Deloitte Millennial Survey (Feb. 2016)

The Generation Z Worker

- Born 1995 and later to Generation X Parents
- AKA iGen, @generation, Pluralist Generation
- 26% of U.S. population
- Influenced by terrorism, war, and the Great Recession; dubious about the future
- Self-described as: compassionate, thoughtful, determined, and responsible
- Electronic multitaskers; attention span of 8 seconds (vs. 12 seconds for Millennials)
- More tech savvy than Millennials



Source: Hampton & Keys, "Generation Z students: Will they change our nursing classrooms?" *Journal of Nursing Education and Practice* (2016)

Compensation

- 74% of CNAs leave for jobs outside of the health care sector*
 - ✓ Manufacturing
 - ✓ Retail
- Pressures being felt outside of healthcare positions as well
- Increasing number of staff who cannot afford to live within a reasonable proximity of the community or facility

Figure 1
Industries with Largest Number of Workers Covered by Medicaid, 2016

Industry	Number of Adult Workers with Medicaid
Restaurant and food services	1,486,000
Construction	914,000
Elementary and secondary schools	662,000
Grocery stores	396,000
Hospitals	354,000
Department stores and discount stores	328,000
Home health care services	311,000
Services to buildings and dwellings	294,000
Nursing care facilities	275,000
Child day care services	225,000
Total for Listed Industries (38% of adult Medicaid enrollees who are workers)	5,153,000

NOTE: Includes workers' health who do not receive supplemental security income (SSI). SOURCE: Kaiser Family Foundation analysis of March 2017 Current Population Survey.

*Source: 2017 Survey by Indiana Health Care Association/Indiana Center for Assisted Living

Promising Practices- Considerations for Senior Living Providers

1. Full-time positions devoted solely to recruitment and/or retention
2. Communication via text messaging (applicants; scheduling for current staff)
3. Budgeting to increase wages incrementally each year
4. Data analytics (applicants; job placement)
5. Benefits that address real-life issues of the employee (transportation, housing, access to earned wages before pay day)
6. Multi-sites sharing staff across communities
7. Bonus paid incrementally over time (as opposed to all up-front)

Source: Ziegler CFO Hotline, June 2018
Ziegler Investment Banking

Challenge?

Opportunity?

II.

Attraction
& Retention:
*Designing
Environments for
Employee Wellness*



Image Source: Aurora Magazine

Attraction & Retention

The High Cost of Turnover

Attraction & Retention

The High Cost of Turnover

- Recruitment
- Interviewing
- Negotiations
- Hiring
- Training



Attraction & Retention

The High Cost of Turnover

Assisted Living

Median Employee Turnover:

34.86%

Median Caregiver Turnover:

36.4%



Source: J. Allen, "Overcoming staffing challenges in assisted living," Geriatric Nursing (2017); McKnight's Senior Living, "Where Turnover is Highest, Lowest in Assisted Living" (2017)

Attraction & Retention

The High Cost of Turnover

Average cost per Employee:

50% of annual salary

Professionals & Managers:

1 - 2 years salary & benefits



Source: Holleran Consulting, "Employee Engagement: A Strategic Game Changer for Senior Living Providers" (2016); World Green Building Council, "The Business Case for Green Building: A Review of the Costs and Benefits for Developers, Investors and Occupants" (2013)

Attraction & Retention

The High Cost of Turnover

10% Increase in Employee Retention

+

2% Increase in occupancy

+

10% Reduction in risk

=

\$4.4 million annual savings
or 5.5% in total annual savings + revenue



Based on hypothetical senior living operator with 1,500 employees, 20 communities, and \$80 million in annual operating revenue.
Source: Argentum, "Building an Engaged Senior Living Workforce" (2018)

Attraction & Retention

Engagement

Attraction & Retention

Engagement

- Correlation between engagement & turnover:
43%
- High employee engagement = **56%** lower absenteeism
- Engaged employees = **achieved business outcomes**



Source: Holleran Consulting, "Employee Engagement: A Strategic Game Changer for Senior Living Providers" (2016)

Attraction & Retention

Engagement

- Disengagement
 - Corporate America – **17.2%**
 - Senior living sector – **25.1%**
- > Tenure = < Engagement



Source: Holleran Consulting, "Employee Engagement: A Strategic Game Changer for Senior Living Providers" (2016)

Attraction & Retention

Engagement

- Disengagement
 - Corporate America – **17.2%**
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- > Tenure = < Engagement

Employees with the lowest engagement have the
Deepest knowledge of organizations
The most direct interactions with residents

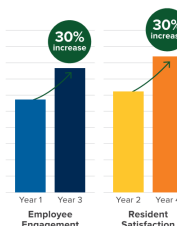


Source: Holleran Consulting, "Employee Engagement: A Strategic Game Changer for Senior Living Providers" (2016)

Attraction & Retention

Engagement

Employee Engagement Correlates with Resident Satisfaction



Source: Argentum, "Building an Engaged Senior Living Workforce" (2018)

Attraction & Retention

Strategies

- Aggressive & sustainable strategies
- "Sales" mentality for hiring
- Technology / social media
- Address needs & expectations of workforce



Source: J. Allen, "Overcoming staffing challenges in assisted living," Geriatric Nursing (2017)

Attraction & Retention

Strategies

Approximately 78% of new hires in senior care are millennials



Source: J. Allen, "Overcoming staffing challenges in assisted living," Geriatric Nursing (2017)

Attraction & Retention

Strategies

- Aggressive Benefits
- Employee Awards & Prizes
- Flexibility
- Family Support
- Access to Amenities



Source: J. Allen, "Overcoming staffing challenges in assisted living," Geniatric Nursing (2017); CapitalOne, "Survey Reveals That 82% of Office Professionals Believe Companies..." (2017)

Attraction & Retention

Strategies

- Health & Wellness Support
- Enhanced Physical Environments



Source: J. Allen, "Overcoming staffing challenges in assisted living," Geniatric Nursing (2017); CapitalOne, "Survey Reveals That 82% of Office Professionals Believe Companies..." (2017)

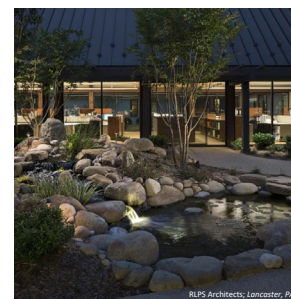
Attraction & Retention

Wellness in the Workplace

Wellness in the Workplace

The Wellness Movement

- **1980s-2000s**
 - Obesity epidemic, chronic illnesses & healthcare costs
 - Increased emphasis of health & wellness in the workplace
- **2000**
 - LEED Building Certification
- **2014**
 - WELL Building Standard



Source: Global Wellness Institute, "The History of Wellness" (2018)

WELL v2 Building Standard

Overview of WELL

- Building rating system
- Health & wellness of occupants
- Evidence-based & scientific research
- Continues through life of building



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

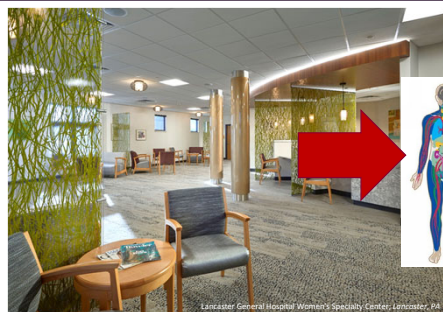
WELL and Body Systems



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

WELL and Body Systems

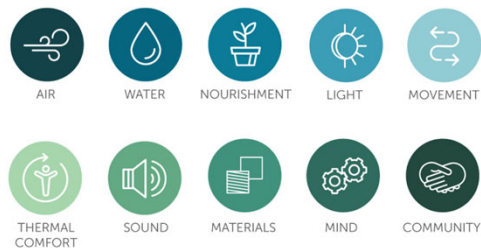


Cardiovascular
Digestive
Endocrine
Immune
Integumentary
Muscular
Nervous
Reproductive
Respiratory
Skeletal
Urinary

Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Concepts

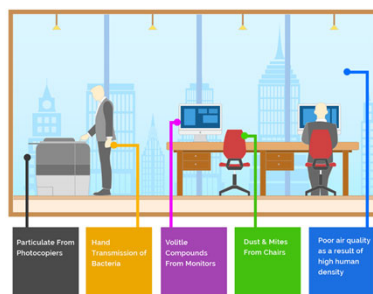


Source: International WELL Building Institute (2018)

WELL v2 Building Standard

Air Concept

- Americans spend **90%** of time indoors
- 55%** waking hours spent in the workplace!

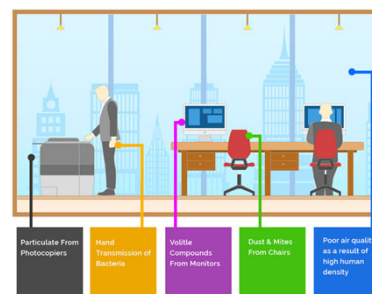


Source: International WELL Building Institute (2017); EPA, "EPA's Report on the Environment" (2018); Humanscale: Rethinking Corporate Wellness (2016)
<http://www.airqualitycanada.ca/commercial/> (2018)

WELL v2 Building Standard

Air Concept

- Indoor pollutants can be **2 to 5 times** higher than outdoors



Source: International WELL Building Institute (2017); EPA, "EPA's Report on the Environment" (2018); Humanscale: Rethinking Corporate Wellness (2016)
<http://www.airqualitycanada.ca/commercial/> (2018)

WELL v2 Building Standard

Air Concept

Potential annual savings & productivity gains:

- \$6 to \$14 billion** reduced respiratory disease
- \$1 to \$4 billion** reduced allergies & asthma

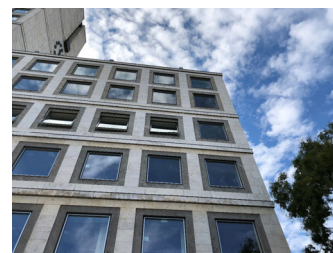


Source: International WELL Building Institute (2017); EPA, "EPA's Report on the Environment" (2018); Humanscale: Rethinking Corporate Wellness (2016)
<http://www.airqualitycanada.ca/commercial/> (2018)

WELL v2 Building Standard

Air Concept

- Pollution infiltration management
- Operable windows
- Fresh air
- Connection to nature

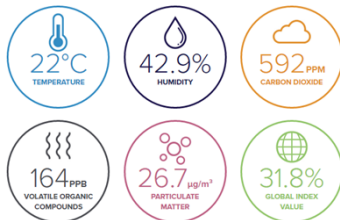


Source: The National Institute for Occupational Safety and Health, "Indoor Environmental Quality" (2015); EPA, "EPA's Report on the Environment" (2018)

WELL v2 Building Standard

Air Concept

- Air monitoring
- Air filtration



Source: <https://www.thebcsa.com/indoor-air-quality/?platform=shootsuite> (2018)

WELL v2 Building Standard

Water Concept

- Filtration and treatment
- Water quality testing
- Clear, good-tasting water
- Clean water dispensers



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Water Concept

- Handwashing Support



Source: <https://www.cdc.gov/handwashing/index.html> (2018)

WELL v2 Building Standard

Nourishment Concept

- Nutrition education
- Nutrition labeling
- Portion control
- Special diets



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Nourishment Concept

- On-site food production



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Nourishment Concept

- Staff lounge amenities
- Staff food storage space
- Mindful eating



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Nourishment Concept



WELL v2 Building Standard

Nourishment Concept



WELL v2 Building Standard

Nourishment Concept



WELL v2 Building Standard

Nourishment Concept



WELL v2 Building Standard

Light Concept

- Glare control
- Automated shading & dimming
- Light color quality
- Lighting controls



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Light Concept

Daylight impacts circadian rhythm, and serotonin and melatonin levels, influencing our moods and sleep.



Source: World Green Building Council, "The Business Case for Green Building: A Review of the Costs and Benefits for Developers, Investors and Occupants" (2013)

WELL v2 Building Standard

Light Concept

12 studies link improved lighting design with up to a 23% gain in productivity task, glare and brightness related to light levels matched to control, and the power of views.



UPS Architects Office; Lancaster, PA

Source: World Green Building Council, "The Business Case for Green Building: A Review of the Costs and Benefits for Developers, Investors and Occupants" (2013)

WELL v2 Building Standard

Light Concept



Lancaster Chamber; Lancaster, PA

WELL v2 Building Standard

Light Concept

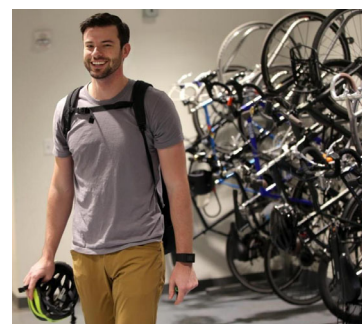


Lancaster Chamber; Lancaster, PA

WELL v2 Building Standard

Movement Concept

- Active Commuter Support



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Movement Concept

- Activity incentives
- Fitness classes
- Fitness education
- Physical fitness space
 - Indoor
 - Outdoor



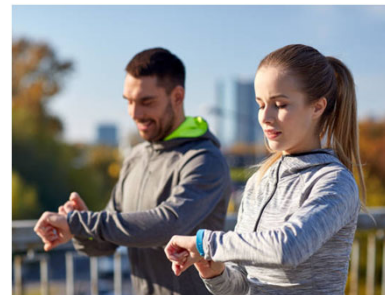
Falcon Landing; Sterling, VA

Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Movement Concept

- Self monitoring



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Movement Concept

- Interior fitness circulation



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Movement Concept

- Active furnishings



Source: International WELL Building Institute (2017)

WELL v2 Building Standard

Movement Concept

- Ergonomic workstations

Eliminating or reducing repetitive motion injuries can save **\$27,700 per case**



Source: Humanscale: Return on Investment for Ergonomics Interventions (2016); World Green Building Council, "The Business Case for Green Building" (2013)

WELL v2 Building Standard

Thermal Comfort

- Strongly influences occupant satisfaction in buildings
- **11%** of offices are "acceptable"
- **41%** of U.S. workers report uncomfortable temperatures
- Performance impact:
 - Overheated office: **6% poorer**
 - Cold office: **4% poorer**



Source: <https://v2.wellcertified.com/v2.1/en/thermal/thermalcomfort> (2018)

WELL v2 Building Standard

Sound Concept

Negative effects of noise:

- Lost productivity
- Distraction / lost focus
- Stress / frustration
- Sleep disturbance
- Occupant dissatisfaction



Source: <https://v2.wellcertified.com/v2.1/en/sound> (2018)

WELL v2 Building Standard

Sound Concept

- Acoustical absorption
- Sound masking
- Noise mapping / modeling
- Noise isolation
- Limiting noise levels



Source: <https://v2.wellcertified.com/v2.1/en/sound> (2018)

WELL v2 Building Standard

Materials Concept

- Cleaning practices
- Safe cleaning ingredients
- Scheduled maintenance
- Limited pesticide use

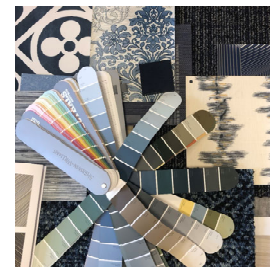


Source: <https://v2.wellcertified.com/v2.1/en/sound> (2018)

WELL v2 Building Standard

Materials Concept

- Low/No VOC materials
- Material transparency
- Cleanable materials
- No hazardous materials



Source: <https://v2.wellcertified.com/v2.1/en/sound> (2018)

WELL v2 Building Standard

Mind Concept - Stress

- Major public health risk
- Absenteeism & turnover
- Decreased productivity
- Strong correlation between physical work environment & stress levels



The physical workplace is one of the top three factors affecting job performance and satisfaction.

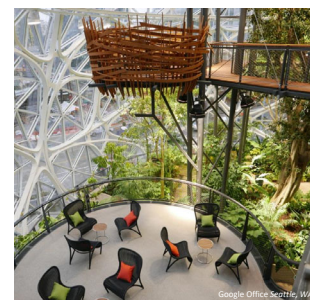
Source: Thayer, et al. "Effects of the physical work environment on physiological measures of stress" (2010)

WELL v2 Building Standard

Mind Concept

Restorative employee spaces:

- Meditation
- Prayer
- Rest
- Recreation



Source: NBC News: "Would you like your boss to be fined for making you reply to emails?" (2018)

WELL v2 Building Standard

Mind Concept

Biophilia is the idea that....

"...humans hold a biological need for connection with nature...and that this connection affects our personal well-being, productivity and societal relationships."



Source: World Green Building Council, "The Business Case for Green Building: A Review of the Costs and Benefits for Developers, Investors and Occupants" (2013)

WELL v2 Building Standard

Mind Concept

Workers with views to nature:

- Reduced signs of stress
- Reduced frustration
- Increased patience
- Increased job satisfaction
- Improved mood



Source: World Green Building Council, "The Business Case for Green Building: A Review of the Costs and Benefits for Developers, Investors and Occupants" (2013)

WELL v2 Building Standard

Mind Concept

Most desired design elements:

- Natural Light (66%)
- Artwork & Creative Imagery (51%)
- Easily Reconfigurable Furniture & Spaces (48%)



RPS Architects Office, Lancaster, PA

Source: CapitalOne, "Survey Reveals That 82% of Office Professionals Believe Companies..." (2017)

Beauty & Design

WELL Mind Concept

Workplaces specifically designed to be **aesthetically pleasing and beautiful** result in new employees perceiving the employer as **trustworthy**.



Simon Lever, Lancaster, PA

Source: CapitalOne, "Survey Reveals That 82% of Office Professionals Believe Companies..." (2017)

Beauty & Design

WELL Mind Concept

More than **71%** of surveyed office workers believe that **workplace design & environment** is **equal or more important** than office location



Simon Lever, Lancaster, PA

Source: CapitalOne, "Survey Reveals That 82% of Office Professionals Believe Companies..." (2017)

WELL v2 Building Standard

Community Concept

- Integrative design
- Stakeholder input
- Design charrettes
- Focus groups
- Post-occupancy surveys



WELL v2 Building Standard

Community Concept

- Accessible & Universal Design



Environments for Nursing Mothers

Community Concept

Environments for Nursing Mothers

Patient Protection and Affordable Care Act (PPACA), enacted 3/23/2010:

- Can be temporary
- Must be available when needed
- Must be shielded from view
- Must be free from any intrusion

"A bathroom, even if private, is not a permissible location under the Act."



Source: U.S. Department of Labor: Fact Sheet #73: Break time for Nursing Mothers under the FLSA (2018)

Environments for Nursing Mothers

Community Concept

- Locking door
- Soft seating
- Counter or table
- Electrical outlet
- Sink
- Refrigerator
- Storage
- Residential feel
- Music



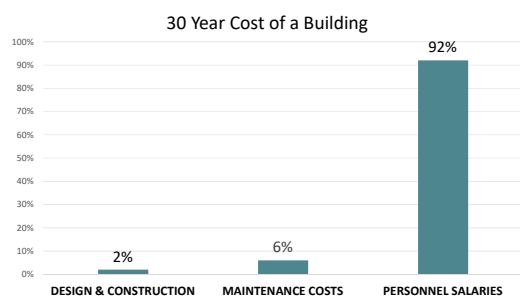
Source: Nomur Designs

Attraction & Retention

Workplace Wellness Summary

Workplace Wellness

Summary



Source: Whole Building Design Guide: Life-Cycle Cost Analysis (LCCA) (2016)

Workplace Wellness

Summary

People are a company's greatest asset.

Workplace Wellness

Summary

People are a company's greatest asset.

Health and wellbeing in the workplace is essential to employee attraction, retention & engagement.

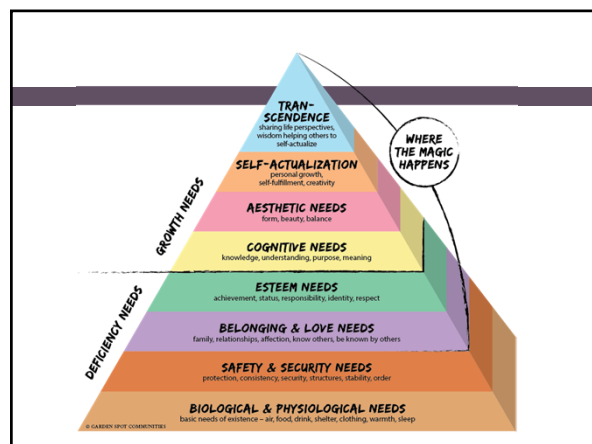


Why do we do what we do?

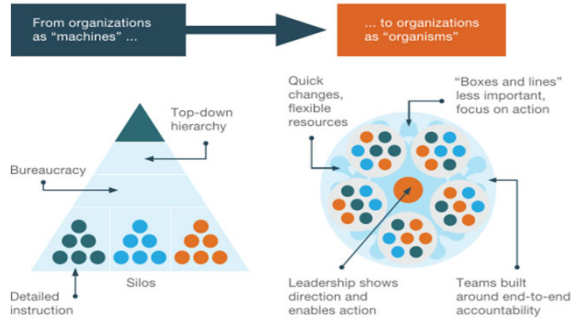
The mastery of a question...



Still
Looking
to
Change
the
World



Rather than organization as machine, the agile organization is a living organism



The lone wolf gets eaten



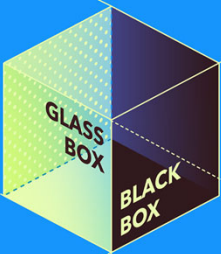
Next-gen development:

Emerging leaders program

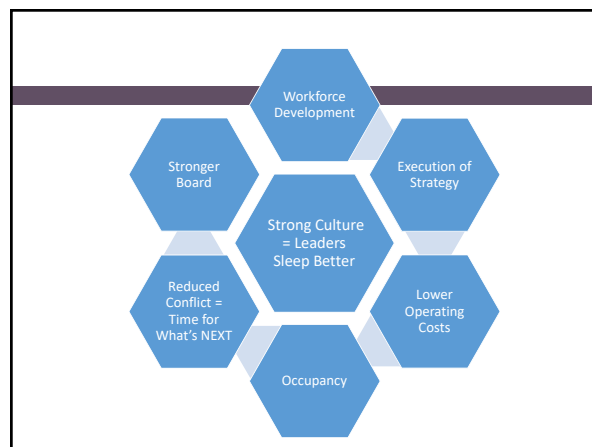
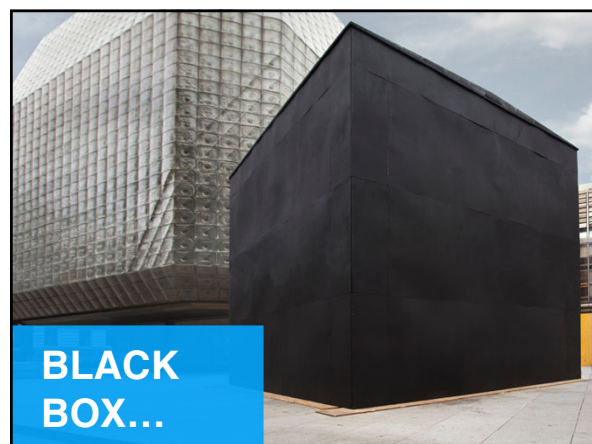
How can we purposefully train and develop leaders for today and tomorrow?



How do things get done around here?
The mastery of a question...



A brand used to be a black box. Now it's a glass box.



www.theforgeworks.org

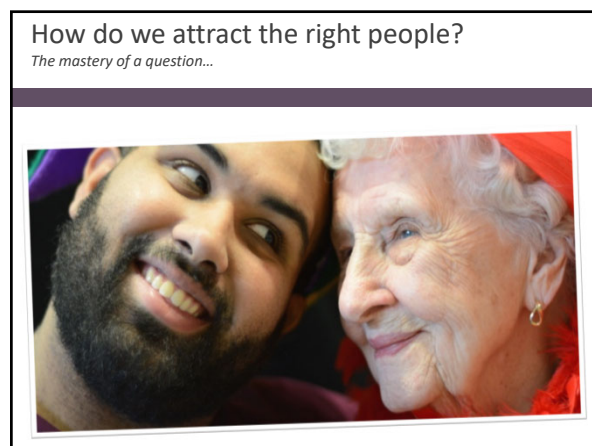
FORGEWORKS
 SPARKING ORGANIZATIONAL GROWTH



Education, Common Understanding

Organizational Growth and Innovation

Cultural Discovery and Alignment





Unleashing the Power
of the Garden Spot Experience

How do we attract the right people?

We place a high value on our values

- Community
- Excellence
- Service
- Stewardship
- Innovation
- Integrity



The Garden Spot Experience

We place a high value on our values

We Place High Value
on Values

We Look Over the
Horizon

We Create a Space
Where We Can Explore
Our Differences
Without Needing to
Change Each Other

Our Attitude Is as
Important as Our
Abilities

We Are
Other Centered

We Own It

Serious Work,
Serious Fun



