

Using Information from Linkage Research Studies to Improve Organizational Performance

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In a preliminary research study published about a year ago, we described some aspects of the relations between employee opinions and organizational performance measures. Of several organizational performance measures examined, we found that employee opinions and customer opinions were the most strongly and consistently related. This information can be used to improve aspects of the work environment by focusing on activities that have the greatest potential return on investment. In this article, we share some ways in which Kaiser Permanente organizational leaders are using the information gleaned from linkage research.

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Introduction

In the Spring 1998 issue of *The Permanente Journal*, we presented the results of a preliminary research study aimed at describing some aspects of the relation between employee opinions and various organizational performance measures, including member satisfaction.¹ Our study showed a strong relation between employee opinions and customer opinions. Notable relationships were found between overall customer satisfaction (as measured by the Satisfaction Tracking and Reporting (STAR) survey) and employee opinions about doctors, organizational flexibility, and training for customer service (as measured by the Employee Opinion Survey). In that article, we promised to share some practical implications of this work, and we have interviewed several people within Kaiser Permanente (KP) to determine how information from the article has been used. Interview data were collected from people in KP Program Offices as well as in the California, Central East, Hawaii, Northwest, Rocky Mountain, and Southeast Divisions. Readers unfamiliar with the original research are directed to the Spring 1998 issue^{1:pp 47-54} for specific findings.

Because of space and time considerations, a step-by-step narrative describing each application is not feasible. Therefore, we hope that the current article will generate further thinking and discussion about the importance of employee satisfaction and customer satisfaction, the relation between them, and the ways in which such information may be used for organizational improvement. We share here some

interesting ways in which KP organizational leaders are using the information from the linkage research study to pursue activities that could benefit employees as well as customers.

Overall Reaction to Kaiser Permanente's Linkage Research

Linkage research has generally elicited a positive reaction; interviewees have expressed excitement about the findings as well as the direction of the research. Kaiser Permanente has usually examined organizational variables in relative isolation, as suggested by a "balanced scorecard" approach, which consists of interrelated performance measures of organizational success. For example, member satisfaction is a KP organizational goal toward which we are all striving; on a balanced scorecard, STAR scores would be a potential measure of this satisfaction. Another KP organizational goal is related to quality of care, and Health Plan Employee Data and Information Set (HEDIS) measures may be used as an organizational measure of quality. A balanced scorecard includes multiple performance measures like these that are most likely correlated, yet it does not explicitly address potential correlations. Linkage research provides a method for explicitly examining these relations and helps KP organizational leaders identify the employee opinions that matter most and the aspects of customer satisfaction with which these opinions correlate. Stated differently, linkage research can help to focus activities of the organization in ways that have the greatest return. This focus is particularly important because multiple demands for improvement can be overwhelming.

However, not everyone shares this rosy view of linkage research. Some have expressed valid concerns about the potential inappropriateness of taking action on the basis of correlational data (which do not confirm the direction of relationships). Concern has also been expressed that the research may prove unable to sustain interest and attract funding (eg, because of inadequate long-term vision, sponsorship, and communication) and that linkage research may be merely a passing management fad.

Given the financial pressure in some parts of our organization, some might be inclined to consider a focus on the employee environment as conflicting with other organizational priorities (eg, a financial



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turnaround) while leaving unchallenged the assertion that employee opinions are linked to organizational performance.

Applications of Linkage Research

Granted, these are potential obstacles. But we have found that several KP Divisions have taken information gleaned from the linkage research study and put it to use. We have categorized these applications as:

- Survey Program Design and Implementation;
- Education, Communication, and Training;
- Model Development;
- Assessment of Progress on Strategic Goals; and
- Human Resources Strategy Development.

These categories are illustrated in Figure 1.

Survey Program Design and Implementation

Information from our preliminary linkage research study was first used by the Employee Survey Resource Network^a (ESRN) to develop the People Pulse (“Pulse”) survey, which is essentially a shortened version of the Programwide Employee Opinion Survey (EOS) currently being administered. The Employee Opinion Survey (described in our Spring, 1998, *TPJ* article¹) contains core items covering 12 employee environment categories. Items for the EOS were chosen on the basis of statistical characteristics, strategic importance, supportive data, and ability to be benchmarked against normative, historical, or comparative data.

Items for the Pulse survey were chosen primarily on the basis of their linkage to customer satisfaction (as determined from the preliminary linkage research study), employee commitment, or other organizational performance indicators. Seventeen of the current Pulse items were chosen on the basis of linkage research.

The Pulse survey is being used as an optional component of the Health Plan/Hospitals Executive Incentive Plan but currently not in a rigid, formulaic way. The survey is also being used in some KP Divisions to assess whether our organization is achieving its strategic goals (eg, increasing diversity and implementing the Labor Management Partnership). Participation in the EOS and Pulse Survey programs is also considered a Kaiser Permanente Business Fundamental.^b

Education, Communication, and Training

Linkage research results are also being used in an educational effort to inform divisional leaders about

the relation between the work environment and employee opinions, as well as about the importance of improving both. In this way, research results are being used to communicate what the organization deems important.

At least one KP Division is using the linkage research results to show the importance of using employee opinion data to improve business performance. This message is especially important in our current environment, where a focus on financial performance can too easily mean that employee contributions are overlooked. The message being delivered with linkage research findings is that focusing on the employee environment may improve business performance.

Another area of focus for organizations today is customer satisfaction. One of the ways in which customer satisfaction can be improved is by focusing internal attention on activities that enable employees to provide optimum service and care. Such activities can take the form of various training applications of linkage research.

To train employees at the managerial level, at least one KP Division is using results of the preliminary linkage research study to inform managers about specific actions they can take to improve customer satisfaction and to achieve other organizational outcomes. Management training materials and learning experiences are organized in ways suggested by linkage research findings; for example, exercises in group decision-making are related to how employee input can be used to improve customer service.

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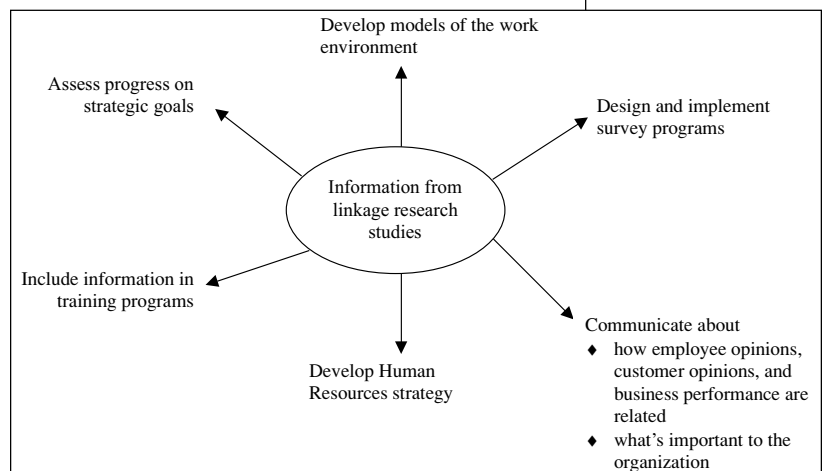


Figure 1. How Kaiser Permanente Organizational Leaders Use Information from Linkage Research



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The same KP Division has requested that customer service training for frontline employees include information on the relation between employee opinions and customer satisfaction. Customer service training is structured to encourage employees to question the service environment and procedures and to make changes in their departments to improve service for KP members.

Model Development

As part of the organization’s brand strategy (the KP Promise), efforts are underway to develop a model of a superior workforce and its relation to members’ care experience. Development of this model will identify some of the strategically important performance indicators to be tracked through the Program over time. Examination of the linkage research results has highlighted the fact that the organization is currently missing some critical pieces of performance information in the model. One such information gap is the examination of which aspects of the *physician* environment are linked to member satisfaction and other organizational outcomes. Future linkage research can be expected to help close this gap; accordingly, an interregional workgroup consisting of operational and research leaders throughout the Program has been formed to address these issues.

Although still in the developmental stage, this model is being discussed in the Advanced Leadership Program, an intensive training program for future leaders of the organization. Participants include Medical Group directors, Board members, and Health Plan/Hospitals senior leaders. Although the model is broad in scope, its goal is to help develop the performance measures and activities critical for achieving desired organizational outcomes.

Assessment of Progress on Strategic Goals

Linkage research findings have some indirect applications, such as use of the Pulse Survey (a direct application) to track progress on strategic goals (eg, employee diversity, superior customer service, staff recognition, and high customer satisfaction). As an example of how these goals are actually tracked, one KP Division has determined that a 5% increase on EOS items assessing the extent to which employees feel valued for their diversity is desirable. Another KP Division is assessing employee opinions monthly to track their relation to weekly reports of customer satisfaction.

Human Resources Strategy Development

In one KP Division, linkage research results are being used to identify and expand specific practices that relate to customer satisfaction. Statistical analyses identified employee environment variables that most strongly relate to employees’ assessment of the extent to which they receive the support necessary to satisfy our customers. These employee environment variables relate to perceptions about several issues, eg, the importance of quality, recognition of employees for doing good work, employee training to help them deliver good customer service, employees’ influence over decisions affecting their work, and the extent to which employees trust information they receive from their leaders. On the basis of the statistical analysis, this KP Division has developed its Human Resources strategy.

Future Directions for Linkage Research at KP

We plan to further examine our current data, and we hope to collect more. One of our goals is to expand the database, particularly to include physician opinions, and to determine whether the same correlations hold with this population. We also plan to replicate our preliminary research findings by using data from the entire Program.

The question of causality and the stability of correlations over time will also be examined. For example, one hypothesis that could be tested is whether employee satisfaction leads to customer satisfaction, whether that then leads to retention of employees and customers, and (ultimately) whether satisfaction among employees and customers leads to strong financial performance.

We will continue to hold discussions about ways in which linkage research information can be used further to inform Human Resources programs such as employee orientations, training, and selection. At least one area of our organization is contemplating development of a more balanced leadership accountability model that considers both customer satisfaction and employee morale. At least one KP Division is currently examining linkages at the team level.

We hope that research into the relations between organizational variables will continue and that our organizational leaders will creatively apply research findings to improve both the work environment (for physicians and for other employees) and our business performance. We believe that pursuing this research would be time well spent.



Despite the fact that the linkage research program is just beginning, information generated from it is already being used in many areas of our organization. This article does not attempt to present an exhaustive list of the applications being developed throughout the KP Program, but we nonetheless hope that the article will stimulate ideas about how linkage research information can be appropriately used within the organization. We welcome any and all additional information about how linkage research is being used in your team, module, department, facility, medical center, service area, or KP Division. ❖

^a *The mission of the Employee Survey Resource Network is to provide oversight for the Physician and Employee Survey program as well as to provide consultative support for the Divisions as they administer surveys. The ESRN consists of Kaiser Permanente staff, either from or representing all Divisions, as well as external representation from a survey research consulting firm.*

^b *See your division HR Leader for more information about the Business Fundamentals.*

Related material presented at the 14th Annual Meeting of the Society for Industrial and Organizational Psychology, Atlanta, Georgia, April 30-May 2, 1999, as Abstract 48.

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1. Kam SM, Brooks SM. Touching the customer by understanding employees: preliminary linkage research findings from four regions of Kaiser Permanente. Permanente J 1998 Spring;2(2):47-54.

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Ant Colony: A Flat Organization

The basic mystery about ant colonies is that there is no management. A functioning organization with no one in charge is so unlike the way humans operate as to be virtually inconceivable. The nonhierarchical structure of ant society, and its dynamic organization, could generate important clues about the operation of other systems where small repertoires of activity add up to a far greater whole. Computer neural networks and the human brain are collections of small, simple units that produce complicated results through the interaction of the parts. It may be that the same kind of relations that link ants and colonies allow neurons to produce the behavior of brains.

*Deborah Gordon, Stanford University biologist
The New York Times Magazine, October 31, 1999*