



# Employee turnover

## *What not to do as a boss*

**Bob Angel learned** an important lesson during the years he spent working his way up in the seniors housing business. He started at an assisted living building as a teenager doing laundry on weekends and holidays, and eventually advanced to housekeeping manager and head of environmental services.

But, he says, his bosses didn't listen to him when he suggested a better or more efficient way to do things. "I learned what not to do as a boss," says Angel. "It was an invaluable experience."

So Angel decided to do things his way when he took over eight years ago as executive director at Atrium Senior Living of Princeton, N.J. And, in just a year, his approach reduced staff turnover from 40 percent to 1.25 percent.

"It's a combination of the right people and retention efforts," says Angel. "But the biggest thing I do is listen."

New hires are screened to determine if they're committed to the business and have a passion to work with people. Those looking only for a paycheck aren't hired. One test is to watch applicants interact with residents prior to interviews. "We see if they care," says Angel.

A lot of effort is put into retention. Workers are promoted from within. For example, the resident services director was promoted to the position from medication aide. An activity aide advanced to coordinator.

Employee recognition is a priority.

Birthdays and work anniversaries are celebrated. Staff appreciation lunches are given every five or six months. And the entire staff participates in training.

Angel brought in human resources consultant Denise Boudreau-Scott, employee and residence consultant of Denise B. Scott LLC based in Manasquan, N.J. She conducted focus groups with employees. "We let the staff explain what would make their job easier," says Angel. "We got so many good ideas."

For example, the overnight staff during holidays missed out on parties, making them feel disconnected from the operation. But now the night shift gets a party, too.

Monthly town hall meetings for the staff provide a forum to discuss new ideas and get updates on projects, such as the renovation under way at the facility.

Little things count, too. Angel doesn't hesitate to grab a broom and sweep up instead of calling housekeeping. "I want my staff to know that I'm not too important to do their job," he says.

The results speak for themselves. The annual staff turnover rate has stayed under two percent for seven years. Listening to the staff and showing them respect works just as Angel had suspected it would when he first started out in the business.

"We made it happen," he says.

— Jane Adler



*"... the biggest thing I do is listen," says Bob Angel, executive director, Atrium Senior Living.*

lead to higher wages. That's a concern for property managers who are under pressure to increase net operating income. Other wage pressures are already having an effect. Wage stagnation has become a presidential campaign issue and momentum is building to raise the minimum wage.

Seattle and San Francisco have enacted laws to raise the minimum wage to \$15 an hour. Some groups have proposed a \$15 an hour federal minimum wage.

A number of states since 2014 have already raised minimum wages, including Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Michigan, Minnesota, Rhode Island, Vermont, West Virginia, and the District of Columbia. Voters have approved minimum wage increases through ballot initiatives in Alaska, Nebraska and South Dakota.

California will raise its minimum wage from \$9 to \$10 an hour, effective Jan. 1, 2016. "It is already impacting our budgets in California," says Exline at LCS.

The ramifications of minimum wage hikes go well beyond pay for entry-level workers, he adds. "It creates a compression issue for workers in higher levels of the organization."

If entry-level workers get \$15 an hour, then workers already

making \$15 an hour expect a raise, a trend that ripples through the entire organization, explains Exline.

Oftentimes, operators are already paying more than minimum wage. Pay rates depend on the local labor market and competition among providers for hands-on caregivers. For example, the minimum wage in New Jersey was recently raised to \$8.38 an hour from \$8.25.

But Atrium Senior Living of Princeton, N.J., starts employees at

as Baby Boomers age, leading to even more demand for paid caregivers.

A study by the AARP Public Policy Institute analyzed the ratio of potential family caregivers to seniors age 80 or older. The family caregiver ratio is expected to decline from 7.2 caregivers for each senior to 4.1 caregivers per senior from 2010 to 2030. The caregiver ratio from 2030 to 2050 is projected to drift downward to 2.9 caregivers per senior.

While one family member often

assumes the role of family caregiver — typically a daughter — other siblings and relatives usually provide some assistance, including financial help.

"The demand for caregivers will be higher than the supply," predicts Rick Exline, executive vice president of senior living management at Life Care Services (LCS), a Des Moines-based company that operates 125 seniors housing communities. "We will have to compete for employees."

Competition for workers will likely



**Consultant Denise Boudreau-Scott, second from left, conducts focus groups with staffers for input on how to make their jobs more effective.**

about \$11 to \$12 an hour, roughly the going rate for local entry-level workers, according to executive director Bob Angel.

Ironically, wages for managers, such as executive directors, have stagnated, says Jeffrey Bilson, president of the Druthers Agency, an executive



**"We like to promote from within," says Kevin McGee, president and CEO at Smith Senior Living.**

recruiting firm in Santa Monica, Calif. Industry consolidation has resulted in a surplus of executive directors as large companies centralize certain job functions.

The Seattle-based online compensation data company PayScale reports that the median salary for an assisted living executive director

is currently \$66,500. Bilson notes that wages for directors of continuing care retirement communities (CCRCs) have risen steadily and currently average about \$170,000 a year at single-location properties.

Directors at CCRCs command relatively high salaries because the operations are complex. Many CCRCs are not part of big companies that manage some functions, such as information technology. On-site CCRC directors are typically responsible for the entire operation.

### **Doubling down on retention efforts**

Turnover at the executive level is

still a concern. By one estimate, the average tenure of an executive director at an assisted living building is only 18 months — about the same duration of the stay of a resident. "It's a high-stress position," says Exline at LCS.

Executive directors, especially those without much corporate support, are responsible for complying with changing regulations, meeting quality expectations and consumer preferences, and managing a complex operation with a large staff.

Over the last two years, LCS has established an in-house management recruiting team instead of relying on outside headhunters. The approach is to develop relationships with talented managers who already have jobs. "We want people who are not looking for work," says Exline.

Headhunters form relationships with managers and place them in multiple jobs over the course of a career, sometimes recruiting them away from LCS properties, explains Exline. By filling the role of the headhunter, LCS hopes to recruit and retain the best managers.

Building owners and operators are redoubling efforts to boost employee engagement and job satisfaction through training and education.

LCS starts with the idea that the employer-employee relationship must benefit both parties. In order for the company to get what it wants, namely, dedicated and hard-working employees, the company must provide the individual employee with what he or she wants.

For example, the company offers ongoing training opportunities for employees through its in-house educational program, LCS University. Modules educate workers on practices that can set them on the path to promotion.

The company recruits 20 new college graduates a year for its professional development program. Participants

come from universities with long-term care administration and gerontology programs, such as Indiana University and Ohio University.

The LCS program — started more than 40 years ago — runs about 18 to 36 months and consists of LCS University classes and an on-site apprenticeship at a community. The goal is to hire eight participants a year for permanent management positions.

Smith Senior Living, a nonprofit owner and operator of two CCRCs in the Chicago area, has a staff of 500 full- and part-time employees. Relias Learning, an online education system for senior living, provides internal training. Outside experts conduct sessions on special topics, such as infection control and person-centered care.

Certified nursing assistants (CNAs), along with other employees, receive tuition reimbursement for health-related classes. One nursing assistant attended school to become a limited practical nurse (LPN), and then went on to receive a degree as a registered nurse (RN). She now serves as the assistant director of nursing at one of the Smith properties.

"We like to promote from within," says Kevin McGee, president and CEO at Smith Senior Living. He started his career at the organization 17 years ago as a resident services director and worked his way up, holding five different positions before being named chief executive.

To boost employee engagement, consultant Scott conducts organizational assessments with focus groups.

"Satisfaction surveys don't get into enough depth," she explains. Focus groups consist of employees, residents and family members. The input of each group is important as a way to establish the link between how the staff is treated and, in turn, how they treat the residents.

The primary purpose of the focus groups is to find out what staffers and residents really want. Management may introduce a new program, but it may not be what residents or caregivers want. "The biggest challenge for leaders is thinking they have all the answers," says Scott. Managers, she suggests, should ask questions of staffers in order to have them provide the solutions.

### College graduates targeted

New industry efforts are under way to recruit fresh college graduates and raise the profile of the sector as a desirable career option.

An internship program coordinated by the National Investment Center for Seniors Housing & Care (NIC) received 159 applications in 2014-15 from undergraduate and graduate students at 11 participating universities. Fifteen seniors housing and care companies participated in the program, which resulted in six permanent job placements.

Four schools were recently added to the program: the University of Georgia, the University of North Carolina at Chapel Hill, the University of Texas, and Emory University.

Though the internship program has generally focused on operations, the types of companies participating have been expanding and now include REITs, investment banks and healthcare

providers.

"We recruit good candidates," says Aron Will, chair of NIC's internship program and executive vice president and co-head of the seniors housing group at CBRE in Houston.

College programs are growing, too. At the Erickson School of Aging at the University of Maryland, Baltimore County (UMBC), class enrollment has jumped 500 percent in the last seven years, from 345 to 2,100 students.

"In the early days, undergrads didn't want to hear about aging services," says Kevin Heffner, director of external relations at the Erickson School. But introductory classes now draw as many as 150 students. "They're getting it now," says Heffner.

The school's program offers both undergraduate and graduate degrees. Eighty undergraduates are currently majoring in aging services, and 45 students have minors. Many students have dual majors, coupling aging

services with business.

There are currently 18 graduate students in the program. Approximately 155 have already graduated, taking jobs as seniors housing managers, long-term care administrators, healthcare executives and government agency employees.

In 2016, the graduate program will be offered online, says Heffner. "We will need more university programs to meet the growing needs of the industry." ■

### About the writer

**Jane Adler** is a freelance reporter who has covered seniors housing for more than 10 years. She reports on the industry as well as consumer trends.



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