

# Texas Assisted Living Workforce Retention: A Tale of Two Perspectives

By: James Lee and Charles Turner

# Introduction

The assisted living industry has a workforce retention problem. This much is clear and largely agreed upon by most operators. The underlying reasons for the problem, however, have been less clear as our study reveals. Our workforce retention study included three central premises:



## Motivation

What motivates caregivers in their employment decisions?



## Alignment

How aligned are actual caregiver motivations and the facility leader's understanding of caregiver motivations?



## Push vs. Pull

We asked questions in the affirmative (what drives you to...?) and in the negative (what drives you away from...?) It is equally important to understand what motivates people as what demotivates them.

Fundamentally, our industry understands that solving this problem means the improvement of care delivery for seniors. Stated differently, until we crack the code in the workforce retention problem, senior living operators are only partially fulfilling their missions.

This study reveals that while employees and employers agree that pay is a top factor for the workforce in assisted living, the two groups are not congruent on what tradeoffs, compromises, and collaborations can be made in solving workforce turnover.

## Key takeaways about what we learned:

### Alignment About Top Motivator and Demotivator

Pay rate is the highest ranked factor for caregivers in what motivates their employment decisions (9 out of 10). Employers also ranked this as what they believe is the highest motivating factor for a caregiver's employment decision (also 9 out of 10).

### What Caregivers Value

It isn't just that caregivers want to be paid well for their work, they want to be paid well in senior living. While most caregivers can overlook incompatibility with co-workers, the majority are more likely to leave due to feelings of disrespect from management. Caregivers are strongly motivated to stay in senior living despite COVID, and nearly 7 in 10 caregivers agree that they will be in the senior living industry five years from now.

### Operators and Administrators Over-Estimate

According to this survey, employers incorrectly overestimate the impact of pay from other industries and the negative impacts of COVID to caregivers' career interests. Additionally, employers ranked "culture" as being a high motivator, but ultimately missed the mark on what components of culture meant most to caregivers (respect from management). Tellingly, employers largely believe that caregivers are willing to give up part of their pay (10%) if they liked the company's culture (66% believe this). Almost as many caregivers (60%) disagreed on this point.



## If These Results Were a Person - What the survey results are “saying”:

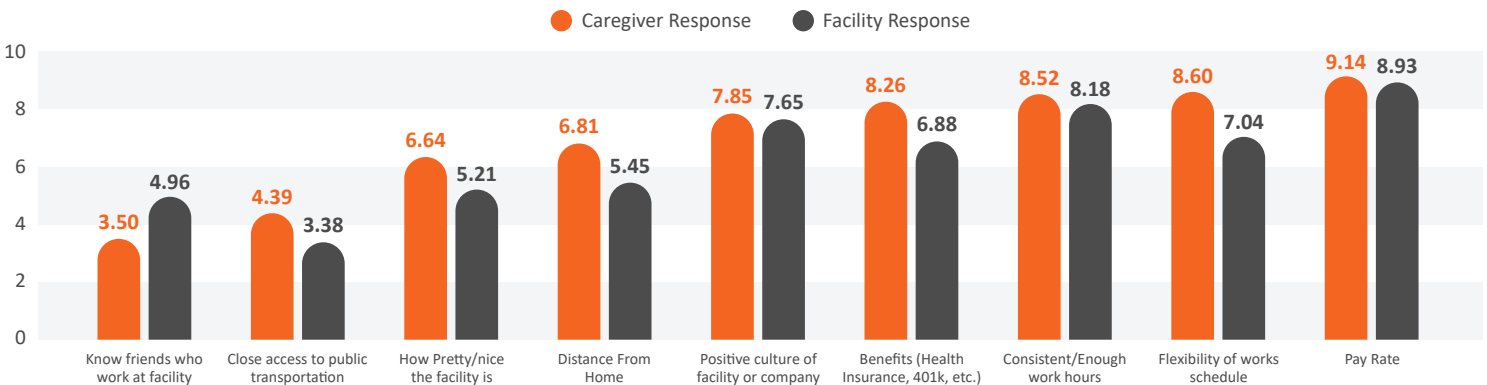
+ Employer - “Caregivers are highly motivated by pay. COVID has made most of them rethink staying in our industry, and we just can’t compete with other industries like retail. Most caregivers won’t even be in the senior living industry five years from now. The best way to offset this is to provide a great company culture for them to work in.”

+ Caregiver - “I love working in senior living, and I see myself in this industry for the long haul. I just wish they would pay me better. I can deal with commute times, distance, and even mediocre co-workers, but I won’t put up with disrespect from managers. I want to work in a nice-looking community (6 in 10), have a flexible but consistent work schedule (9 in 10), and good benefits (8 in 10). It isn’t just that pay is important to me. Senior living pay is important to me.”

## What Motivates Caregivers?

The answer to this question is more nuanced than to say “pay.” While pay rate is clearly a top factor that both employers and employees agree on as both the top motivator (good pay) and top demotivator (left for low pay), the two groups disagreed on other contributing factors.

On a scale of 1-10 please rank the factors that would make you (or an employee) want to work PERMANENTLY at a facility: [1 - not a factor, 10 - Significant factor]



This graph represents summarized responses from 227 caregivers and 164 managers. The caregivers' responses are summarized by the orange bars, and the managers' responses are in black. What is of particular importance is to observe the variances between the two groups' responses. Of note:

1 Employers overestimated the value of knowing friends who work at the facility. Employment referral bonuses are therefore less likely to impact retention. In all of the other nine categories, employers underestimated the importance of what motivates caregivers to choose employers.

2 The biggest differences (underestimations) were in the categories of:

- + Flexibility of work schedule
- + Benefits
- + Distance From Home
- + How Pretty The Facility Is

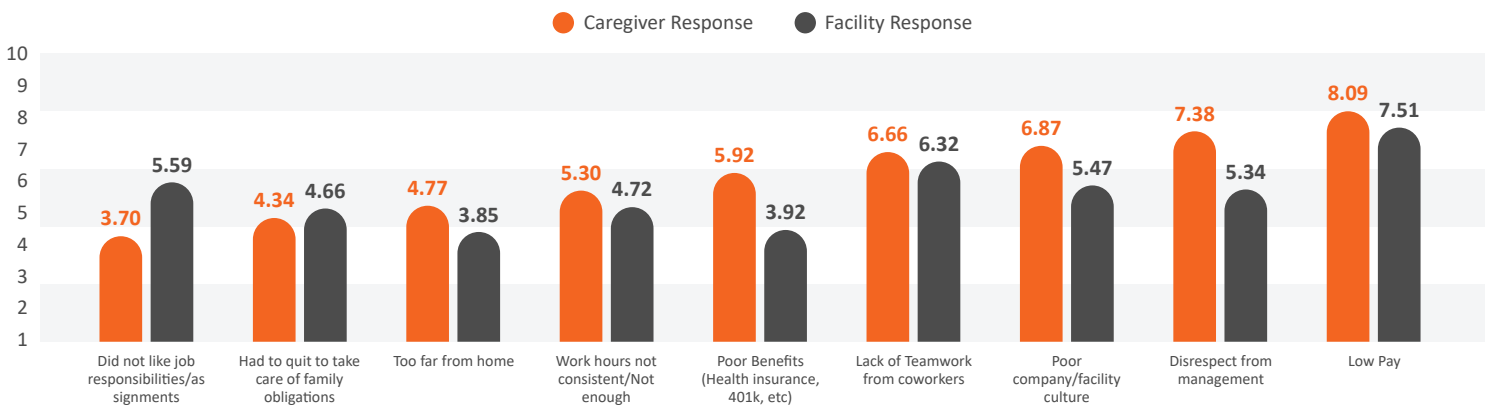
So, while employee referral bonuses may not be leading to the retention benefit employers are hoping to find, they could be leaving some advantages untapped such as finding creative solutions for offering scheduling flexibility, meaningful benefits (ex: commuter benefits), and the general aesthetic upkeep of the assisted living community itself.

## What Demotivates Caregivers?

Here's an interesting twist to the study. We asked about some of the same factors from a demotivating perspective. Not surprisingly, the top factor was still (low) pay, and again both employees and employers were in agreement on this fact. However, there was much more variance in perspectives of what mattered in terms of demotivating caregivers.

### What Motivates Caregivers to QUIT an Employer?

If you (or employee) have QUIT a job(s) in a senior care in the past, please tell us which factors contributed the most to wanting to leave?



1 Employers overestimated the impact of not liking job responsibilities. It turns out, most caregivers believe this is the lowest factor in whether they would leave the job. It makes sense since most caregivers are specifically in this industry to fulfill those job responsibilities. Employers also overestimated that caregivers frequently left their jobs to take care of family obligations.

2 The three factors that employers underestimated most for a caregiver leaving were:

- + Disrespect from Management
- + Poor Benefits
- + Poor Company/Facility Culture

Putting this all together, the disconnect is that caregivers want some key things beyond a good pay: a positive work environment where they are **respected by management, flexibility** in their schedule, favorable **benefits**, and to come to work in a **nicely kept** community.

Employers believe that what caregivers want are a positive work environment where they have **friends, consistency** in their schedule, favorable **job responsibilities**, and to come to work with a **positive culture**.

While caregivers place a higher value on qualities such as feeling respected, flexibility, and pride in the physical workplace, employers placed higher value on having friendly coworkers, consistency, and convenience.

# What Tradeoffs Would Caregivers Make for Pay Rate?

All healthy and ongoing relationships require sacrifice and tradeoffs. In the relationship between caregivers and managers, what are some points of negotiation that caregivers would be willing to trade for pay? The survey questions mimicked the effect of increasing wages to \$15/hour.

## 1 Didn't Like Coworkers

44% of caregivers strongly agreed they would take higher pay even if they didn't like their co-workers. Comparatively, only 29% of employers strongly believed the same.

## 2 Proximity and Public Transportation

Other than "knowing friends who work at the facility" the proximity of public transportation to the facility ranked the 2nd lowest in terms of what motivated caregivers. Here, employees expressed that they would be willing to make a little longer commute to work at their ideal place.



# What Tradeoffs Are Caregivers NOT Willing to Make for Pay Rate?

Low pay ranks highest in this category, but it begs the question, "why quit a job for low pay if you accepted that job in the first place?" A frequent practice of employers is to start caregivers off at an entry level pay with promise of raises for hitting milestones such as time, certification, or responsibilities. A logical inference can be made that when caregivers quit a job due to low pay, it is either because this was their first job in senior living and they decided the pay wasn't high enough given the responsibilities, or these are experienced caregivers who felt their pay increases weren't measuring up to expectations. Other top non-negotiables were as follows:

## 1 Disrespect from management

Ranked only ½ a point below low pay, caregivers across the state of Texas conveyed that they have previously quit jobs in senior care in the past due to this reason.

## 2 Poor company/facility culture

This factor ranked high for why a caregiver would choose a place to work permanently. It stands to reason that this is also a reason why caregivers leave.

Other than pay, extrinsic factors ranked lower as demotivators. Job responsibilities, distance from home, family obligations, and not enough hours all ranked in the bottom half of responses. Lack of teamwork, poor culture, and disrespect from management were all intrinsic factors ranked highest as demotivators.

An important correlation here is that although employers correctly assessed that low pay is a top reason that caregivers choose to leave, they were also the furthest off in their assumptions about the next two categories: disrespect from management and poor culture. Compounding the issues of demotivators is that employers don't accurately see them as demotivators.

## So, What About Culture?

We asked caregivers directly to respond to this statement, "I would be willing to make 10% LESS money if I really liked my employer's culture." We asked the same question of employers how they thought their employees would respond.

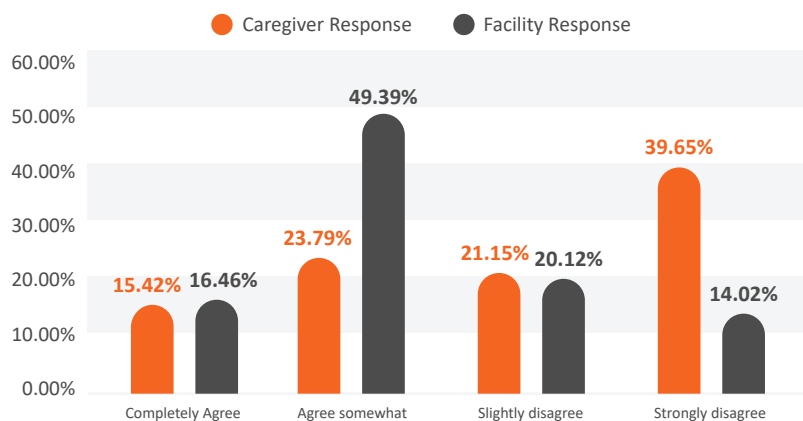
### Senior living prides itself on its culture, but do our frontline workers value culture? What if we asked them to give up some income in exchange for a better culture?

66% of employers agreed that culture would get the win over a 10% pay difference. Practically speaking, this 10% difference is often a real consideration for caregivers choosing between jobs that pay \$11 and \$12 per hour.

Comparatively, only 39% of caregivers agreed they would be willing to give up part of their pay for great culture.

What's even more telling is the degree of variance in the "intensity" of responses. In other words, 40% of caregivers strongly disagreed that they would be willing to make less money for a positive culture, while 14% of employers strongly disagreed. Imagine that 26% difference playing out in the daily fabric of your community. While employers are attempting to make strong culture a retention tool for their community, 1 in 4 caregivers in that very community may be thinking of leaving regardless of the culture. If you have a perceived negative culture, 4 out of 5 caregivers have previously left a job because of it. So, here's the takeaway, the type of culture you are building largely only works against you (if it's bad) but rarely for you in terms of a retention tool. Good pay mixed with good culture is the only winning combination.

Agree or Disagree: "A caregiver would be willing to make 10% LESS money, if they were offered a job at a facility with a better CULTURE"



# The Amazon in the Room

We examined competitive forces outside of senior living. The basic question employers have is “unless I can meet the high wages that Amazon and other retailers or industries can offer, I can’t compete in this labor market, right?”

80% of employers agreed that caregivers would leave the industry altogether if other industries offered them a 20% boost in their pay. Of all questions in our survey, this is the strongest shared response by either group. Employers overwhelmingly believe that our industry cannot compete against high paying alternatives outside of senior care.

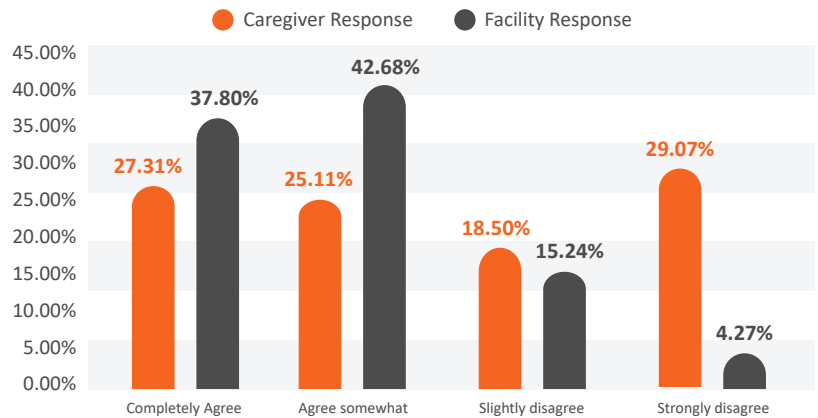
Here’s what caregivers have to say about that. 52% of respondents agree that they would leave senior care if they could get 20% higher pay in another industry.

Look at the difference, though! That’s nearly a 30% total difference between what employers believe and what caregivers are actually saying. Despite saying that pay is their highest factor for choosing or leaving a senior living company, nearly half of all caregivers disagree that they would leave the industry due to pay.

Stated differently, employers are acting on the belief that caregivers would leave due to competitive pay elsewhere, but many are choosing to stay despite their wishes for higher pay.

## How much pressure do other industries place on hiring our frontline caregivers?

Agree or Disagree: “If a company NOT IN SENIOR CARE/HEALTHCARE (maybe like a Walmart, Amazon, Restaurant, typical office job) wanted to pay me (or your employees) 20% more than I (they) make now, I (they) would not be working in senior care:



Add to that the widely varying beliefs between employers and caregivers about the impact of COVID on considerations for working in this industry.

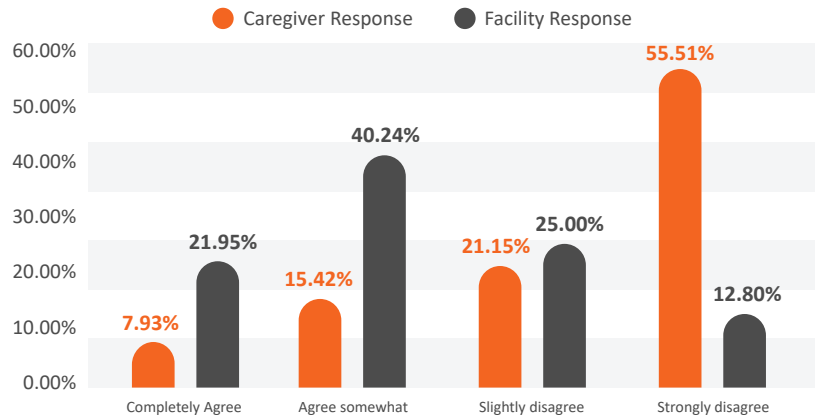
Only 37% of employers stated their confidence that COVID has NOT changed a caregiver's desire to stay in the industry, but 77% of caregivers made it loud and clear that they are here to stay. This 40% difference was the largest variance in the study.

Finally, 37%, nearly 2 in 5 caregivers completely agreed that they see themselves in the senior care industry five years from now. Another 30% said they agreed somewhat. Altogether, 7 out of 10 caregivers today see themselves in this industry for the foreseeable future. Almost the same number of employers (64%) agree that most caregivers are here to stay.

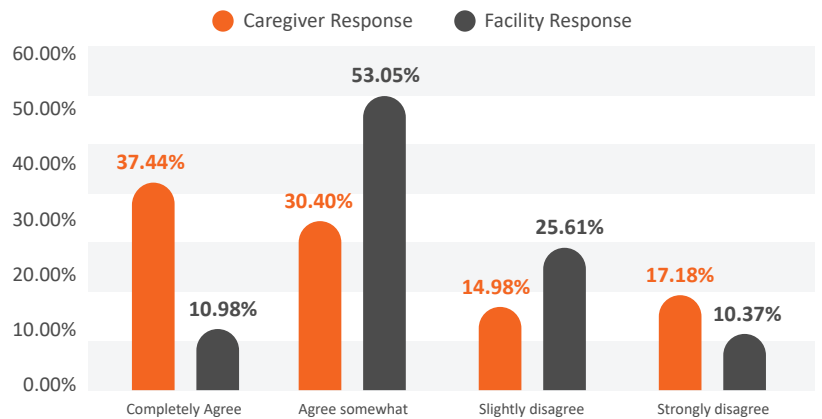
This is a silver lining for our industry because that means there is opportunity and time to make the necessary changes to retain and attract people into the senior care industry.

## COVID and the future: Has Covid fundamentally changed our frontline workforce

COVID has made caregivers consider leaving senior care forever:



Agree or Disagree: "Five years from now, I (or most of your front line staff) will still be working in senior care:"





# What We Should Be Doing

Growing and keeping your workforce is essential to successful operations. Intuitively, our industry knows that without consistency in our caregiving teams our ability to deliver top quality care diminishes. This study reveals some clear and compelling actions that can be taken to head in a more productive direction.

## Motivation – Strengthen Your Pull (What Draws People In)

Caregivers report that they are motivated by good pay in an industry they care about. So while other industries are certainly a competitive factor, our industry can mostly reclaim that edge by combining certain key motivators:

### 1 Good pay and benefits

No two ways about it. Employers need to figure out a solution for offering more competitive pay.

### 2 Organizational self-awareness

Don't assume you have a strong culture and a positive relationship between management and frontline staff. Survey caregivers frequently and talk to them; develop your managers' skills in emotional intelligence; and invest in and commit to exit interviews so your leadership teams know the reasons for people's decisions to leave.

### 3 Flexibility

Although both ranked high, caregivers valued flexibility in their schedule even more so than consistency of hours. For a group who largely agree that pay is a top factor for working at a senior care community, it speaks volumes that they also need flexible schedules. All other things equal, you may gain a competitive edge in the workforce game by offering flexible scheduling.

## Demotivators – Neutralize Your Push (What Pushes People Out)

Great workforce development isn't just about attracting and keeping people through positive motivators. It is also about neutralizing the demotivators. Again, the survey results are clear about what we can do as employers.

### 1 Good pay and benefits

Culture works against you, but it doesn't necessarily work for you. In other words, a strong culture is a minimal expectation now. It isn't a competitive edge - it's table stakes. Saying you have a strong culture is now like saying you provide uniforms or a steady paycheck. It's just expected.

### 2 Team Dynamic

Among the top demotivators, disrespect from managers and lack of teamwork from co-workers both ranked high. Perception of management was clearly more important between the two (the second highest factor in the survey behind pay). Assessing a manager's productivity is one thing, but it may be time to assess their likeability too. The tide that rises all ships in this scenario is the skill set of the leader.

### 3 Misunderstanding

One of the most compelling takeaways from this study was just how off employers are from understanding caregivers and their motivations. Conducting a study like this isn't rocket science, and it didn't cost an arm and a leg. Investments in studying your own workforce are an essential step to developing appropriate solutions.

Beyond frequent surveys, having other mechanisms to measure the pulse of your frontline can include better employee town halls, employee retention committees, working with a change management consultant, having better exit interview processes, and training your department managers on how to gather, analyze and summarize key findings from workforce data.

## A Final Word

This is a face-the-mirror moment for the senior living industry. Fixing the workforce problem has to go beyond water-cooler discussions and educated guesses. If this survey is an indication, our educated guesses aren't all that accurate. Developing solutions off of those educated guesses is even less fruitful.

So, we must adopt scientific methods to observe, question, hypothesize, experiment, gather data, draw conclusions, and then refine and expand on the hypotheses. Also like the scientific community, we must publish and share our findings with one another. The innovation curve can be made more efficient by learning from one another.

- + What was your hypothesis?
- + What were the conditions of your experiment?
- + What conclusions did you draw and how are you adjusting?

We must take turns riding on each other's shoulders to see further ahead than anyone could alone. Leveraging resources like the Texas Assisted Living Association and other central bodies of collaboration are a good start. Working with advisors, consultants, and third-party partners to conduct those scientific experiments is an even stronger signal of commitment to solving this problem.

The unspoken whispers around workforce retention incorrectly assume that caregivers are driven only by pay and that we all have strong company cultures that will keep employees until big retailers and other industries draw them away with higher pay.

Caregivers are more resilient in the face of COVID (recommitted even). They want to stay in our industry, and they want the specific job responsibilities of delivering care. They want to be treated fairly by their managers. They want good pay and good benefits. They want flexibility in their schedules.

### **Every problem has a solution.**

Senior living leaders have been called upon to deal with incredible challenges before: hurricanes, winter storms, legislative barriers, negative media & even a global pandemic. You are called upon this time to address something that is significantly impacting seniors in your communities - taking care of the people who take care of them.

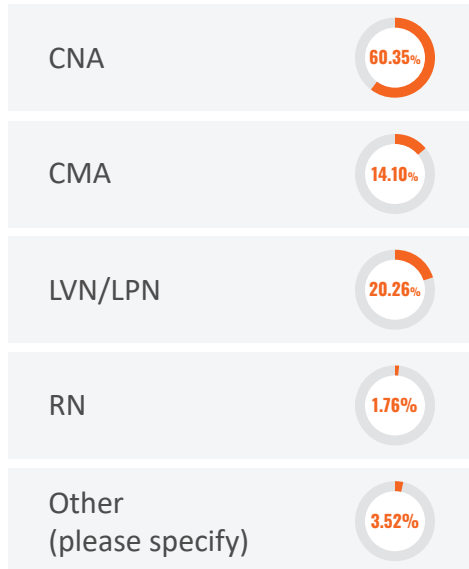


# Appendix

Below are the results of all questions we asked the communities and caregivers

## Let's Meet Our Caregivers

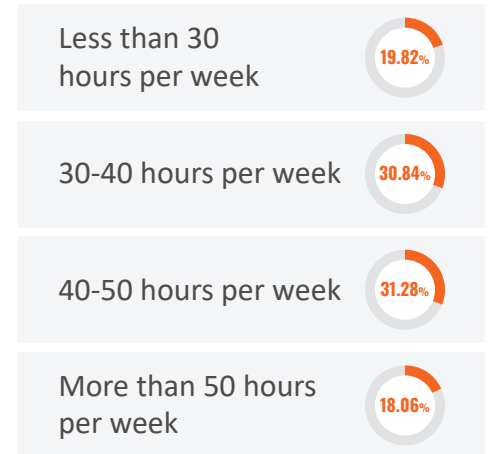
I am a (CHOOSE ONE)



I have been working in senior care for:

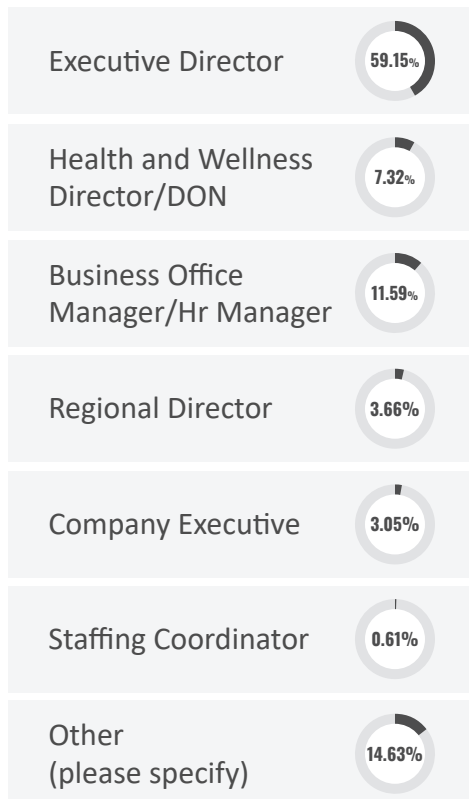


Typically, I work:



## Let's Meet Our Facility Leaders

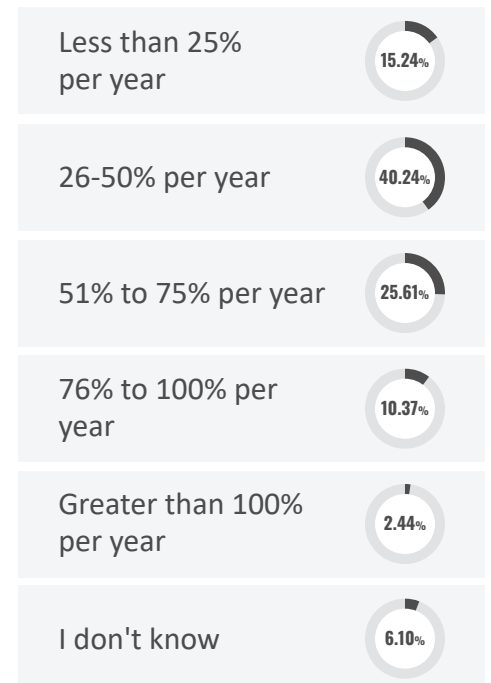
I am a (CHOOSE ONE)



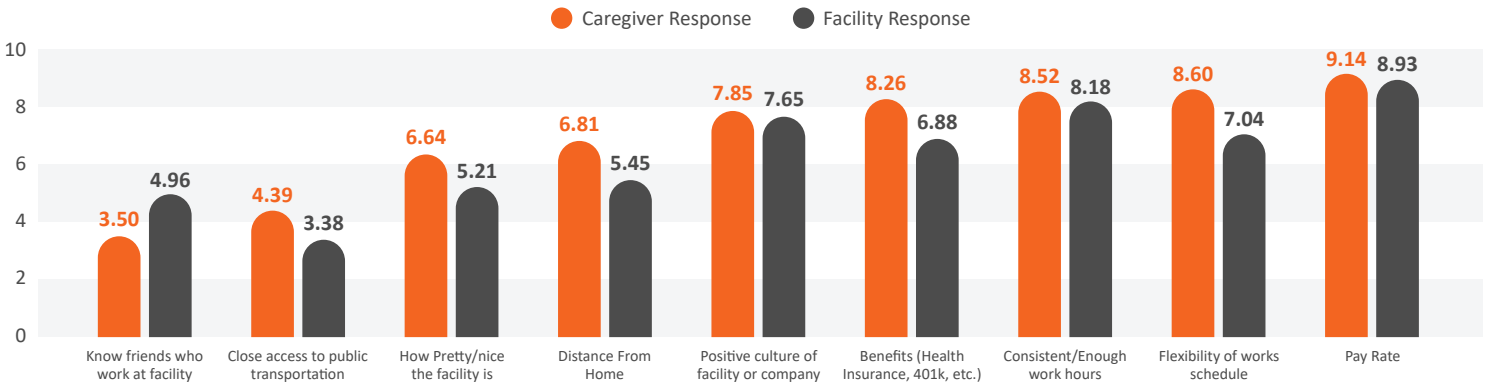
I have been working in senior care for:



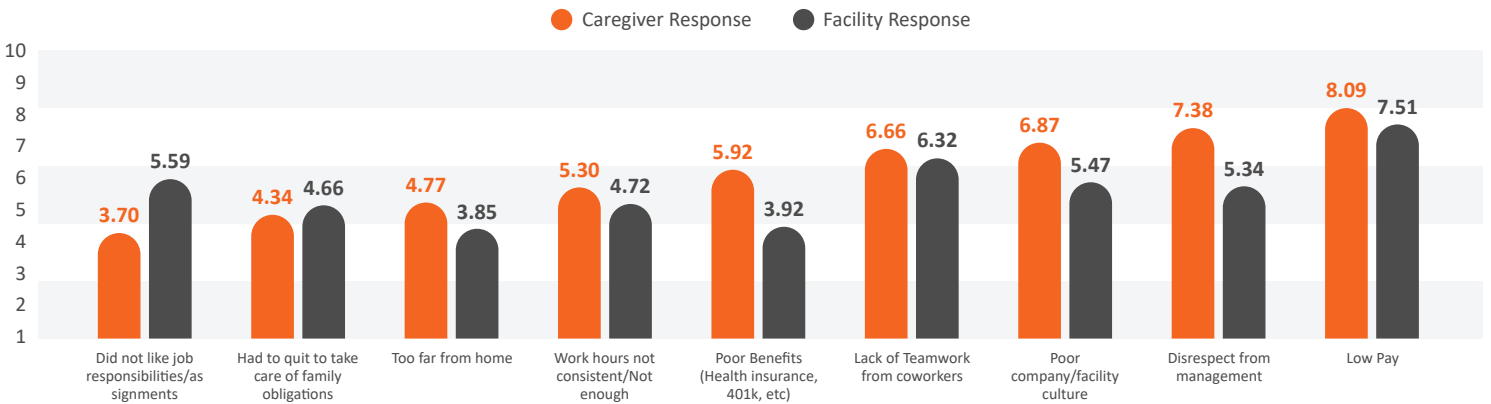
The average annual employee turnover for the community(ies) I support is:



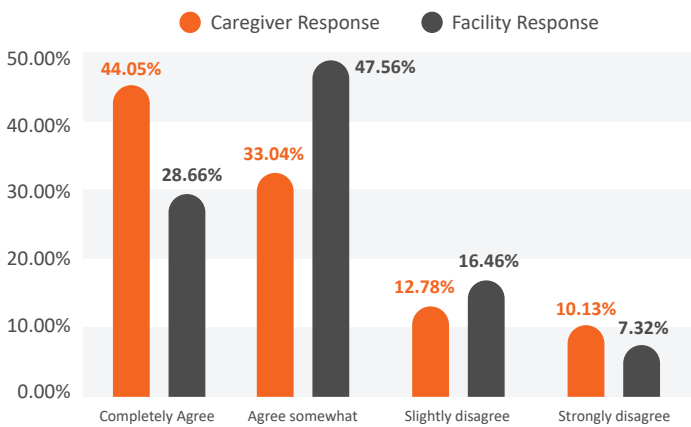
On a scale of 1-10 please rank the factors that would make you (or an employee) want to work PERMANENTLY at a facility: [1 - not a factor, 10 - Significant factor]



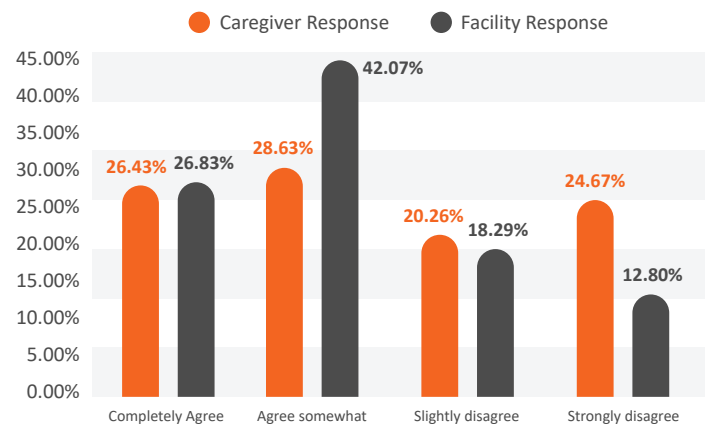
If you (or employee) have QUIT a job(s) in a senior care in the past, please tell us which factors contributed the most to wanting to leave?



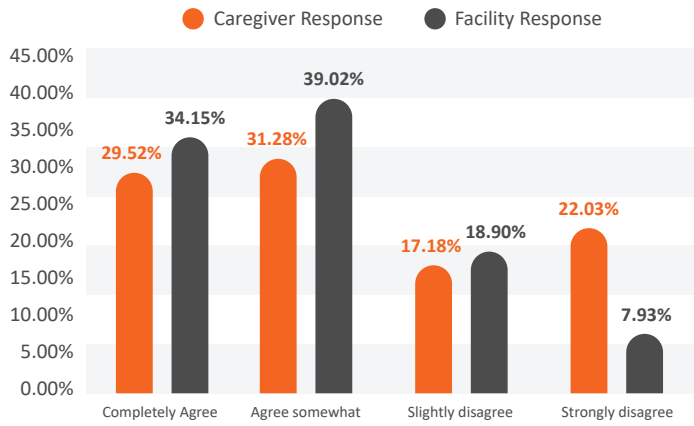
Agree or disagree: "I (or a frontline caregiver) would rather work at a facility that paid 20% more per hour (approx. \$2-\$3.50 more per hour for a CNA), EVEN IF I DIDN'T LIKE COWORKERS:



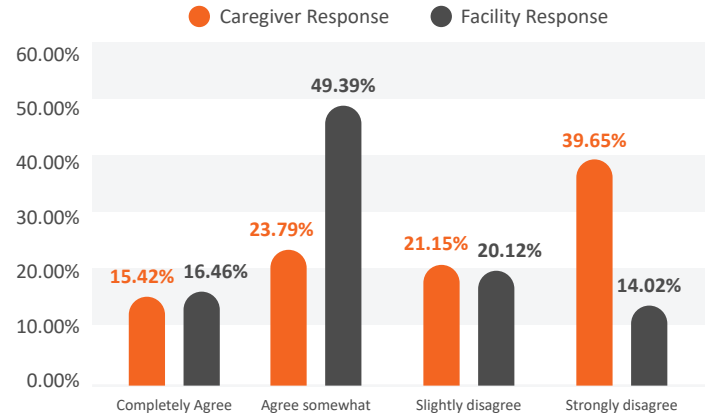
Agree or disagree: "I (or a frontline caregiver) would rather work at a facility that paid 20% more per hour (approx. \$2-\$3.50 more per hour), EVEN IF I DIDN'T LIKE MANAGEMENT:



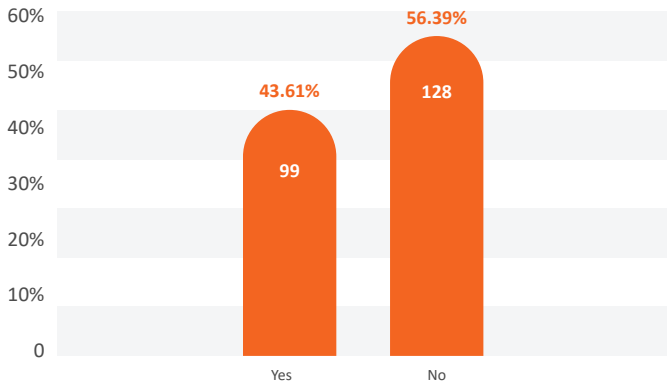
Agree or Disagree: "I (or a frontline caregiver) would rather work at a facility that paid 20% more per hour (approx. \$2-\$3.50 more per hour), EVEN IF THE FACILITY DID NOT PROVIDE BENEFITS (Health Insurance, 401k, etc)"



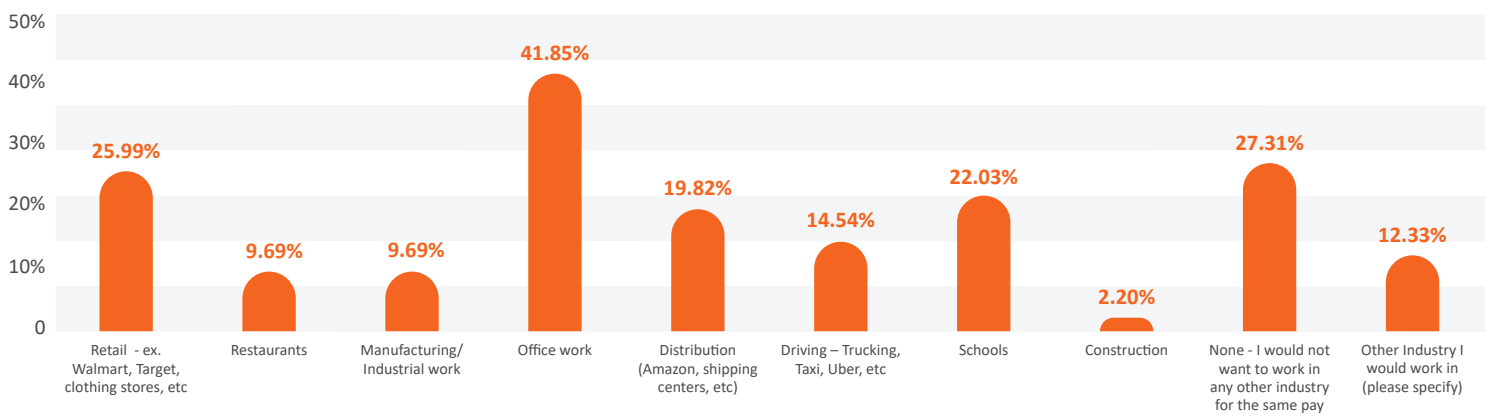
Agree or Disagree: "A caregiver would be willing to make 10% LESS money, if they were offered a job at a facility with a better CULTURE"



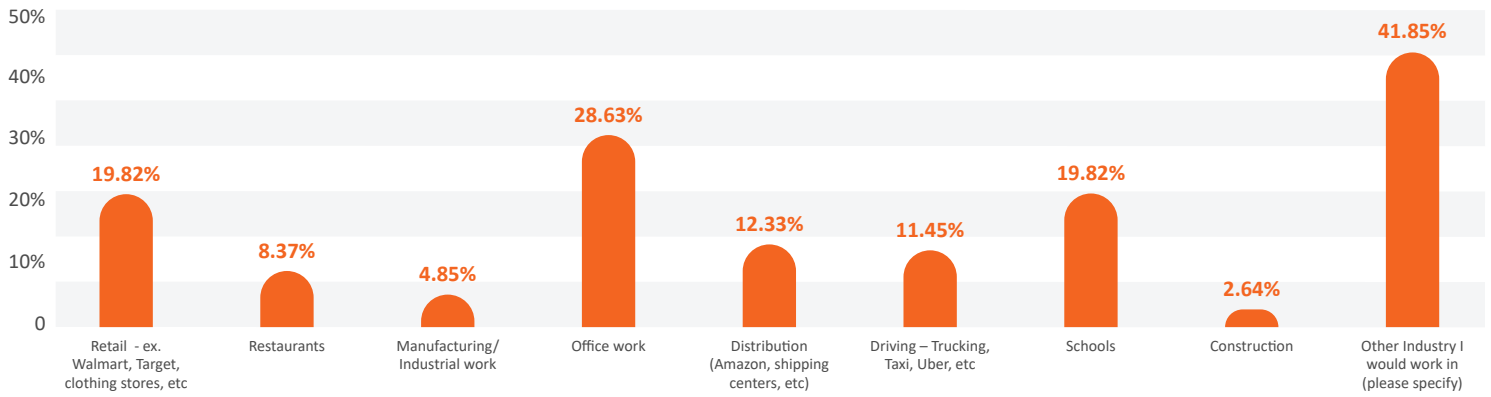
To caregivers: Do you work jobs in any other industry besides senior care or healthcare:



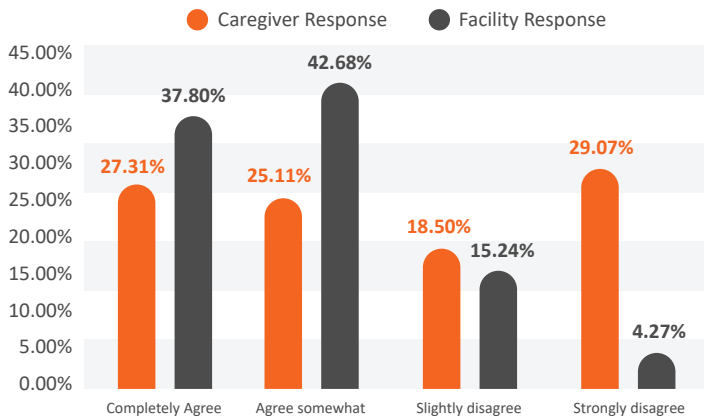
To caregivers: If you don't work in other industries, but could make the same money as you do in senior care, what other industry would you consider working in:



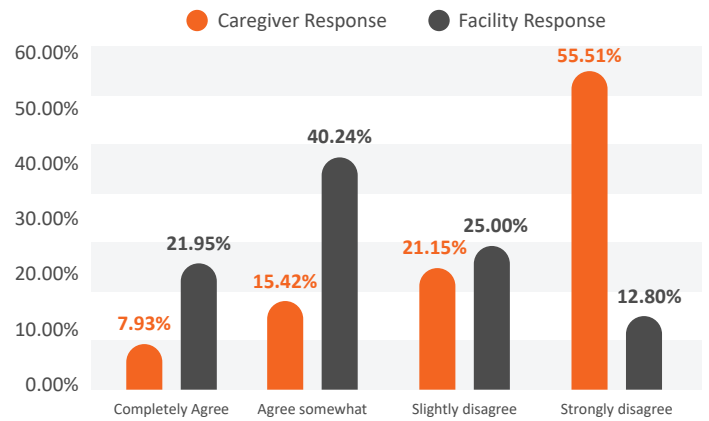
If you also work in other industries, in which industries do you also work?



Agree or Disagree: “If a company NOT IN SENIOR CARE/HEALTHCARE (maybe like a Walmart, Amazon, Restaurant, typical office job) wanted to pay me (or your employees) 20% more than I (they) make now, I (they) would not be working in senior care:



COVID has made caregivers consider leaving senior care forever:



Agree or Disagree: “Five years from now, I (or most of your front line staff) will still be working in senior care:”

