


Avoid Them At Your Own Risk!


 STACKPOLE & Associates, Inc.

Quality Transcends Borders

The Transforming Value of Complaints *and* Compliments

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Meeting the Challenge

- What is "Quality"?
 - Quality improves recruitment & retention
- Complaints & Compliments
 - What can we learn from these 'extremes'?
- Creating an Strategic Response System
 - Responses to Complaints and Compliments

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Historical View



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Today's Reality



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Borrowed Wisdom

- We don't know what we don't know
- We can't do what we don't know
- We won't know until we measure
- We don't measure what we don't value
- We don't value what we don't measure

Source: Harry, M & Schroeder, R, Six Sigma

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Quality


What Is Quality?
The degree to which special causes of variation [defects] are controlled or eliminated from a system.*

- Simple
- Elegant
- Powerful
- Demands Measurement

* Deming, WE, Out of the Crisis. Massachusetts Institute of Technology Press, Cambridge MA, 1982


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 **What is Quality?**


- In other words, Quality is the degree to which your service is free of defects/errors.
- Who defines “defects/errors”?
 - The customer / consumer
 - Care providers / carers
 - Regulators
- Use data & behavioral science for *both*
 - Service Errors (Complaints & Errors) and
 - Service Delight (Compliments)

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 **What's It Worth?**

- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. Employee Retention & Productivity
- **Market Differentiation**
 - A Choice-Based Environment:
 - Employees or Customers
 - Happier Employees ⇔ Happier Consumers


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 **Demographic Imperative**

- ↑ Demand for labor
- Current & future consumers - “Silents” and leading edge “Boomers” - are drastically different from previous cohorts
- Challenges & Opportunities:
 - More demanding consumer expectations
 - Static / shrinking / aging labor pool


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 **What's It Worth?**

- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. Employee Retention & Productivity
- Litigation Cost / Risk Avoidance


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 **Who Sues & Why?**

- Lawsuits as extreme / illustrative examples of "service errors" and categorically ineffective responses
 - Data from US & UK
 - Those who sue, report the reason as:
 - The providers did not listen;
 - The providers were not responsive;
 - They want an apology (and didn't get one);
 - Want to protect others & prevent 'this' from happening again, and;
 - Revenge

Source: Young & Phillips; Selbst & Korin

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 **US Claims in Long Term Care**


Severity of closed claims by type of facility

| | Type of Facility | Average paid indemnity | Average paid expense | Average total paid |
|-------------------|--------------------------|------------------------|----------------------|--------------------|
| For Profit | Assisted Living Facility | \$114,369 | \$26,302 | \$134,826 |
| | Nursing Facility | \$81,665 | \$30,364 | \$102,692 |
| | CCRC | \$87,042 | \$21,211 | \$100,173 |
| | Independent Living | \$58,427 | \$28,593 | \$74,588 |
| | Other | \$48,000 | \$0 | \$48,000 |

Source: "Comparison of Claims Data in Long-Term Care"

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 **US Claims in Long Term Care**

Severity of closed claims by type of facility

| Not-For Profit | Type of Facility | Average paid indemnity | Average paid expense | Average total paid |
|--------------------------|------------------|------------------------|----------------------|--------------------|
| | CCRC | | \$160,823 | \$40,813 |
| Other | | \$108,333 | \$65,898 | \$174,231 |
| Independent Living | | \$120,926 | \$61,097 | \$164,202 |
| Assisted Living Facility | | \$121,867 | \$23,914 | \$146,871 |
| Skilled Nursing Facility | | \$116,272 | \$35,250 | \$143,844 |

Source: "Comparison of Claims Data in Long-Term Care"

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 **Litigation Cost Avoidance**


Risk Recommendations

- ***"Provide ongoing opportunities for communication with residents and families"***
- "Market programs with language that accurately describes, and does not overstate, the services provided."

Source: "Comparison of Claims Data in Long-Term Care"

* Emphasis Added

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 **Litigation Cost Avoidance**


- **Wait for Complaints? → Please, No!**

"One of the surest signs of a bad or declining relationship is the absence of complaints...Nobody is ever *that* satisfied...The customer is either not be candid or not being contacted – probably both."

Source: Levitt, T

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- Why a Strategic Response System?
 1. Market Differentiation
 2. Litigation Cost Avoidance
 3. **Employee Retention & Productivity**
- Problems occur often between resident / care giver

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- **Cost (Direct & Indirect) of Turnover***
 - Direct Costs ~ £2,600 / per position
 - Indirect Costs ~ 1.25 - 1.75 of Direct Costs
- **Why Do Healthcare Workers Quit?***
 - Relationship with direct supervisor
 - I don't have any friends here
 - Lack of feedback (positive)
- **Employees As Competitive Advantage**

*Source: Ziemba, E, *Taking the Pulse of Employees*
**Source: *Why Do Healthcare Workers Quit?*, and Buckingham, *First Break At the Rules*

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 **Complaints & Compliments**

- Complaints *and* Compliments
 - Considered together, they are both opportunities to address critical management requirements


| Complaint | Compliment |
|--|--|
| Delivered from high emotion (unpleasant) | Delivered from high emotion (pleasant) |
| Represent key operational issue (negative) | Represent key operational issue (positive) |
| To be addressed promptly (risk avoidance) | To be addressed promptly (secure benefit) |
| Damage to staff if mis-managed | Loss of benefit to staff if mis-managed |

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 **Collecting the Data**

- How to reliably uncover issues *before* they turn into complaints
 - Remember that most issues occur close to the “point of service” → Comment Cards / Point of Service Questionnaires
 - Effective measurement → Routine Surveys
 - Interviews
 - Focus Groups

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 **Satisfaction Measurement**

- Measure satisfaction among residents, families and referral sources
- Measure many different ways
- Measure by self-reported ratings, e.g.,

| | Completely Disagree | Completely Agree |
|--|----------------------|------------------|
| Overall, I am completely satisfied with the dining services. | 1 2 3 4 5 6 7 8 9 10 | |


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 **Who Doesn't Complain?**

- What they ***aren't*** telling you
- Customer behavior in the face of poor service
 - Less than 30% complain
 - They tell on average 11 people
 - How many others have heard about the service problem before you?
- Effective Response Strategy


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 **Response Strategy**

- **For both Complaints & Compliments**
 - **Prompt**
Speed of response is correlated to satisfaction
 - **Authoritative**
Don't equivocate – tell the consumer what will be done
 - **Follow up**
Do what you say will be done
 - **Measurement**
Measure effectiveness afterward

Source: Chase & Dasu; Reicheld: Denove & Power

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 **Response Strategy**

- Prompt
- Speed of the response is related to satisfaction with outcome

| Complaint | Compliment |
|----------------------|----------------|
| “I am sorry that...” | “Thank you...” |

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 **Response Strategy**

- **Authoritative**
Don't equivocate
Do tell the person what will be done, when & ask permission


| Complaint | Compliment |
|---|--|
| "I will do [.....] right way, alright?" | "I would like to share this with [], OK?" |

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 **Response Strategy**

- **Follow up**
Do what you say will be done
Consequence of *not* following up...
- **Measurement**
Measure effectiveness by asking
Add this to surveys?


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 **Type of Response**

- **Type of Response –**
 - Varies by Type of Complaint
 - Tangible Errors – e.g., lost or damaged articles, wrong meals, wrong Rx, wrong Tx
 - Recovery
 - ✓ Apologize
 - ✓ Compensate
 - ✓ Remind


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 **Type of Response**


- **Type of Response** –
 - **Varies by Type of Complaint**
 - **Process Specific Errors** – rude behavior or brusque behavior (actual or perceived), schedule delays, missed appointments
 - Recovery**
 - ✓ Apologize
 - ✓ Explain
 - ✓ Demonstrate
 - ✓ Remind

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 **The Barriers**

- **Effective Response Strategy**
 - **The Barriers**
 - Personal Defensiveness
 - Professional Pride
 - Culture of CYA
 - Loss of Wisdom → Turnover
 - “Task” focus vs. “person” focus


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 **Recommendations**

- Measure satisfaction – several ways
- Give families and residents ample opportunities to report their experiences
- Implement effective response strategy
 - Build relationships & avoid litigation
- For both Complaints and Compliments
 - Transform regulatory requirements into standards of excellence

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Please remember to complete the program evaluation!

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