



TAKING A FIRM STANCE ON THE “SOFT STUFF”: A CASE FOR CULTURE

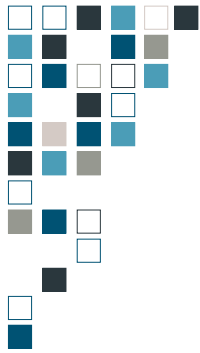
Meridian Health Culture Impact Brief

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Patrice Ventura
Director of Human Resources Operations and Organizational Effectiveness





LEADERS AT MERIDIAN HEALTH HAVE TAKEN A DELIBERATE APPROACH TO INFUSING A COMMON CULTURE THROUGHOUT THEIR 12,000-PERSON HEALTH CARE SYSTEM.

By starting with a system philosophy and strong leadership commitment to “The Meridian Way,” as they have branded their culture, the organization is well on its way to realizing its goal of providing the best healthcare experience to the state of New Jersey as evidenced by outstanding patient satisfaction scores, numerous industry accolades, rock-bottom turnover rates, and stellar financial performance.

BY PUTTING CULTURE FIRST, MERIDIAN HEALTH HAS:

Created a great workplace for team members...

- FORTUNE 100 Best Companies to Work For® for the past 4 years
- New Jersey's Best Places to Work for the past 9 years

...and a great health care provider for the state of New Jersey

- Three of the six Meridian hospitals have been awarded Magnet designation
- J.D. Power & Associates Distinguished Hospital Awards
- Systemwide Press Ganey Patient Satisfaction scores above the 80th percentile
- Recognized for Quality with the John M. Eisenberg Award
- Above National Average on All Quality Indicators

Meridian trains their team members...

- Over \$1.2M annually provided in Tuition Assistance
- 75% of nurses maintain certification in their area of expertise
- Managers spend 40-50 hours annually in training
- Development of Team Meridian University & Meridian Leadership Institute®

...and they hold onto them

- 5% Voluntary Turnover (Industry average is 16.2%)*
- 2.4% Nurse Vacancy Rate
- 60% internal movement rate for nursing and 47% overall movement rate

*Source: Bureau of Labor Statistics



In 2013, Meridian Health, a 12,000-person New Jersey-based not-for-profit health care system, jumped from the #96 spot on the FORTUNE 100 Best Companies to Work For® List to #39, making it one of the top two healthcare organizations on the List that year (out of 11 total). According to Sherrie String, Senior Vice President of Human Resources at Meridian, it is their deliberately designed and tirelessly maintained “Culture of Excellence” that has catapulted them to this level of success as a workplace, as well as to being one of the top-rated health care systems in New Jersey.

Says String of their culture, “It didn’t just happen... it’s a journey, it’s continuous, and it never ends. Never take that breath and say ‘we made it’; this is when you go backwards.” In fact, “The Meridian Way,” as they have branded their culture, is an intentional approach to mobilizing the entire health care system toward a common vision: to provide the best health care experience to the New Jersey communities they serve.

FOUNDATIONS FOR SUCCESS: A “SYSTEM” MENTALITY AND COMMITMENT FROM THE TOP

Meridian Health started out as three distinct hospitals that merged into one organization in 1997, under the leadership of CEO and President John K. Lloyd. Since then, it has grown to a full continuum health care system with six hospitals, Partner Companies that include home health services, skilled nursing and rehabilitation centers, assisted living, ambulatory care, physician practices, ambulatory services and outpatient centers, covering two counties in New Jersey, serving 45% of the market in that area. Meridian is proud of its affiliation with over 2,100 physicians (including nearly 200 employed physicians) and 12,000 team members, with four unions.

In order to provide a strong sense of unity among the different hospitals, Meridian leaders have adopted a “System” philosophy, which has been a key component of their success. “We are very deliberate in our review and implementation of key policies, procedures and practices that drive retention, a culture of engagement and meets business unit competitiveness. These steps align to our own system-wide mission, vision, values, traits and behaviors and leadership attributes. It is this commitment that provides the foundation for

a centralized set of tenets that the entire company buys into, guides decisions, and ultimately reflects everything we have accomplished in a relatively short amount of time,” said String.

Leadership buy-in and support are also critical to the success of the culture. Patrice Ventura,

“The Meridian Way”, as they have branded their culture, is an intentional approach to mobilizing the entire health care system toward a common vision: to provide the best healthcare experience to the New Jersey community.

Director of Human Resources Operations and Organizational Effectiveness, noted that if there was a single point to take away, it is that the culture they have today would not have been possible without the commitment of leadership all the way up to (and especially) the CEO. Leaders must be accountable and lead by example when it comes to the espoused values and behaviors of the organization. According to Ventura, “It starts with leadership. Leadership needs to own it, leadership needs to drive it, and we need to have leadership development in place to enable people to be even better leaders.”

AN INTENTIONAL APPROACH TO CULTURE: BEST WORKPLACE, BEST TEAM, BEST CARE

While a system philosophy and senior leadership commitment are crucial, these elements cannot stand alone to drive the successful workplace culture Meridian has created. In 2006, Meridian defined the Meridian Way Chain of Excellence that includes three areas of focus: Best Workplace, Best Team, and Best Care. Each area is targeted



toward the end goal of providing the best health care experience. Meridian leaders assert that their dedicated focus on these three areas is largely responsible for increased patient loyalty to the Meridian brand, high engagement and low turnover, all of which also brings strong financial results. In fact, since the implementation of the Meridian Chain of Excellence in 2006, operating revenues have shown a 50% increase from \$862.5M to \$1.3B in 2013.

BEST WORKPLACE—CULTURE AND LEADERSHIP EXCELLENCE

The culture at Meridian is executed and maintained very deliberately, starting from the first moment a person comes into contact with the organization. For example, specific language has been chosen, such as “team members” (instead of “employees”), “guests” (instead of “visitors or patients”), “select for talent” (instead of “hire”) and more, which furthers the overall experience of Meridian. Symbols are used throughout the physical space and on Meridian’s materials so people have a sense of familiarity and cultural consistency.

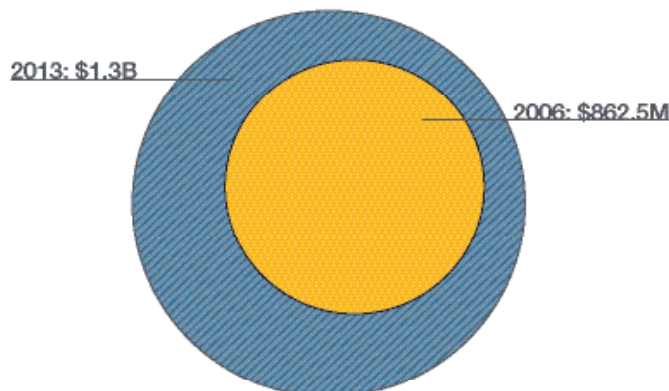
Every team member, leader, and physician begins their first day of work with the “Traditions” course

“We align it, we live it, we breathe it. Our ‘traits and behaviors’ are not just a list of how we hope people will be. Our role as leaders and practitioners is about connecting the dots and making it real.”

offered by Team Meridian University, which is dedicated to teaching the Meridian heritage, traditions, culture, vision, mission, service standards, diversity and inclusion. But according to Ventura, “You can’t just hear about it once and then be done. We reinforce this learning as often as we can.” “Traditions” is followed by “Beginnings” where team members receive site-specific information as well as mandatory orientation information.

Meridian Health Operating Revenue 2006 & 2013

Since the implementation of the Meridian Chain of Excellence in 2006, operating revenues have shown a 50% increase.



In fact, the shared values, traits, and behaviors that define Meridian are integrated into everything they do. It starts from the top, with the belief that success is not just about business results, but also about the behaviors that get you there. During some of their foundational culture work, CEO John Lloyd put forth the Leadership Attributes that he believed would foster the corporate culture they wanted. These were then cultivated within the organization and have become the guide for how leaders are hired and held accountable.

When leaders have their performance reviews, 40% weight is given to the Meridian Leadership Attributes, 40% on their defined goals, and 20% on their job competencies. And when Meridian decided to hire an outside vendor to help with leadership selection, the vendor was asked to “Meridianize” their proprietary tool to integrate Meridian’s attributes, values and traits so that recruiters would know how to interview for Meridian’s unique culture. Says Ventura, “We



align it, we live it, we breathe it. Our traits and behaviors are not just a list of how we hope people will be. Our role as leaders and practitioners is about connecting the dots and making it real.”

Constant connection to The Meridian Way is also carried out through “The Daily Huddle,” an expected communication practice that each leader initiates every day, 5 days a week, throughout the system. At 5:00 p.m., each hospital will provide a location-specific update to the Communications and Marketing function, who integrates those updates with a Best Workplace, Best Team, or Best Care message from Human Resources. This integrated message is emailed out the next day at 6:00 a.m. to each manager within the system. Each manager will then hold a “huddle” that day with their team to review the message point by point.

A workplace assessment service available through Meridian’s Organizational Effectiveness team helps leaders to live the cultural practices they have committed to. In fact, according to Ventura, when they find that a department is struggling, often the workplace assessment reveals that the department leader has not been doing their Daily Huddles. The benefits of the huddles are the additional connection to not only the updates people need to stay informed, but also the connection to the rest of the system and keeping The Meridian Way at the forefront.

Within the “Best Workplace” area, achievements both externally and internally speak to Meridian’s success:

- Named to the FORTUNE 100 Best Companies to Work For® list for 4 years running; in 2013, achieved status as the top ranked health system on the List; ranked 39.
- Named one of New Jersey’s Best Places to Work for the past 9 years and ranked 9th among the top large companies in 2013
- Three of the six Meridian hospitals have been awarded Magnet designation
- Listed among the top 10% of hospitals in New Jersey in terms of financial results
- Voluntary turnover of 5%, as compared to industry average of 16.2%
- Nurse vacancy rate is just 2.4%

BEST TEAM –TEAM MEMBER EXCELLENCE

Meridian employs a wide variety of ways to ensure the state of New Jersey is being served by the best team possible. This starts with the hiring process, and continues throughout each team members’ career with Meridian through rich training and opportunities for development.

Last year, Meridian received over 50,000 applicants for 1,200 open positions. Because the culture of Meridian is integrated into materials, language, and every step of the hiring process, expectations pertaining to the traits, behaviors and overall culture are clear to applicants. According to Ventura, this clarity contributes to lower turnover, high engagement, and ultimately great team members who fit into the organization well. From the perspective of both Meridian as well as the applicant, the decision to make an offer and ultimately to join the Meridian Culture of Excellence is one that is made very consciously.

Being the “Best Team” also means having the best-trained team members, which inspires high levels of engagement and also differentiates Meridian from their competitors. Meridian requires all of its nurses to have their Bachelor of Science in Nursing, and if they do not have it when they are hired, they have five years to attain it with the support of Meridian’s generous tuition reimbursement program (up to \$5,000 annually per team member). Further, in 2006, Meridian established Team Meridian University (TMU), which is a 15,000 square-foot building dedicated to the training and development of all 12,000 team members, leaders, as well as as well as housing the Human Resources and Cultural Diversity departments. TMU offers guest service, diversity, workforce development and leadership excellence training, as well as team builder programs, all delivered by certified internal instructors and external training partners.

One particularly notable program offered through the **Meridian Leadership Institute®**, a portion of TMU that is dedicated to leadership development, is the Meridian Maze®, which focuses on creative problem solving. Having determined that Six Sigma and other approaches to critical thinking for process improvement was not a good fit with the Meridian culture, Meridian leaders took on the task of developing their own registered program. The Meridian Maze® aligns coursework



to attacking real business and patient outcomes, often through targeted “9-Week Challenges.” As a result of just one of these nine-week periods, the efficiencies and improvements that were made by team members resulted in a savings of \$2.2M in soft costs and \$1.2M in hard costs.

Says String, “It’s amazing what the right leaders and team members can do when the leader displays project leadership skills. We train team members on the “Meridian Maze®” and empower them to find solutions where cost savings or efficiencies can be realized. With the environmental factors impacting health care, being able to identify creative, innovative and cost reduction opportunities will continue to set us apart. Our leaders and team members have the knowledge, skills and abilities to meet the changing health care landscape.”

As a consequence of their training and development efforts to build the “Best Team,” Meridian reports the following results:

- Over \$1.2M annually has been provided in Tuition Assistance
- 60% internal movement rate for nursing and 47% overall movement rate
- 75% of nurses maintain certification in their area of expertise
- 43% referral rate for job openings
- Team Member engagement in Gallup’s top quartile rose from 24% of Business Units in 2001 to 66% of Business Units in 2012

BEST CARE – EXCELLENT SERVICE AND QUALITY

The Meridian brand promise is to “Provide the Best Health Care Experience.” In fact, defining their brand and the overall experience of Meridian was a fundamental part of the culture work that the organization engaged in several years ago. According to John Sindoni, a Strategic Partner at the **Meridian Leadership Institute®** and the former SVP of Human Resources, “Programs, technology and services can be replicated by our competitors. Meridian is famous because of our team members who deliver an exceptional experience by treating each guest and patient as a VIP—a ‘very individual person.’ By connecting with each guest and patient in a personal, memorable way, we create loyalty to the Meridian Brand.”

According to String, enabling people to provide the best care is about differentiating the concept of “task” versus “purpose.” At Meridian, team members are connected to a higher level purpose that goes beyond the separate tasks associated with patient care. The goal is to provide the *best health care experience*, which is the broader vision for team members to use as a framework to guide any action they take. “How” team members interact with patients and guests is just as important as “what” they provide to them. This expectation further aligns team members to the brand promise while driving service and quality expectations and outcomes.

**Making the culture clear
in the hiring process
contributes to lower
turnover, high engagement,
and ultimately great team
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organization well.**

Team members are also supported through a variety of programs and clearly communicated standards that promote quality and consistency. For example, the Meridian “Quality Standards” are engrained into each Meridian team member to help guide decision making and behavior. The top Standard is “Safety”, followed by Professional Excellence with Personal Concern and Efficiency.

Again, noted Ventura, “This is not just a list of words. This is how 12,000 people, when making a decision, all know to think of safety as #1. They know this because we’ve trained them to know this. It’s all by design. It’s about people getting together and being very intentional and deliberate about how you want to run your organization and how you want your team members to feel.”



And how team members feel will ultimately determine their ability to give of themselves in the way that phenomenal health care providers must do. Says String, “People go into health care because they care about people and they want to take care of people. So if we can take care of them, they are going to do what they love to do and our patients and guests will have a great health care experience.”

Results that speak to the “Best Care” provided at Meridian Health are:

- Above National Average on All Quality Indicators
- System wide Press Ganey Patient Satisfaction scores are above the 80th percentile
- Top 100 Most Wired and Top 25 Most Wireless Health Systems in the Nation
- Surgery Satisfaction is at 80%
- Recognized for Quality with the John M. Eisenberg Award
- J.D. Power & Associates Distinguished Hospital Awards

A CULTURE OF EXCELLENCE

With the foundations of a system philosophy and leadership commitment in place, bolstered by the Best Workplace, Best Team, and Best Care focus areas, Meridian Health has a strong structure in place to ground their culture of excellence. However, it is the constant attention to and integration of their cultural tenets that enable Meridian to realize the impressive results they continue to see across indicators. And despite the success that they have achieved, Meridian leaders do not feel ready to rest on their laurels for even a moment. Says Ventura, “We need to be those cultural warriors. In our jobs as practitioners we need to continually refresh and remind team members...because at the end of the day, it’s all about the culture.”

About Great Place to Work®

Great Place to Work is the leading authority on high-trust, high-performance workplace cultures. Our insight and expertise is based on 25 years of work with thousands of companies and research drawn from over 10 million employee surveys.

We use adaptable, customizable tools modeled on the dimensions of trust found in great workplaces, to design tailored solutions for organizations that put people first and believe that people drive superior business performance. Our advisory service, best workplace benchmarks and leadership development programs, help companies build trust-based relationships to nurture a culture that fosters sustainable business success.

Great Place to Work produces 45 great workplace lists around the world and the FORTUNE 100 Best Companies to Work For® list here in the United States. Our ongoing research validates that great workplaces are more successful businesses and provides us with the framework and expertise to help companies transform their workplace cultures.

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