Do I Stay or Do I Leave? Using Data Science to Decrease Employee Turnover in Senior Living

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COVID-19 has exacerbated the senior living field's employee turnover challenges. As annual employee turnover averages a staggering 80 percent across U.S. senior living operators (up from 65 percent before COVID), we must use data to understand and solve our biggest challenges.

Activated Insights, Great Place to Work's senior care division, undertook an employee retention study that gathered individual-level data on more than 100,000 employees across 12 senior living operators.

This report explores the four drivers of employee retention, with detail behind the factors that are statistically significant in senior care within each driver category. Lastly, we provide insights for employers to put the data to work and decrease their employee turnover rates.

Driver 1: Job and Organization Characteristics

Roles and jobs within senior living range from healthcare to hospitality to those specific to aging services. As a result, **job characteristics** are very useful for senior living operators to examine. When investigated alongside a multitude of other factors, the job or role someone is hired into likely drives employee retention.

- Employees in direct care and frontline roles are more likely to leave. These jobs include caregivers, nursing assistants and personal care aides.
- Employees in managerial roles, whether frontline supervisor or mid-level manager, are more likely to stay.

Relatedly, within our data models, one of the most important driving predictors of employee turnover is **organization characteristics**. Ultimately, this encompasses the fact that different organizations have different cultures and different operating models. In our national dataset, baseline rates of employee retention six months after hiring range from a low of 40 percent to a high of nearly 70 percent by organization. This organizational variability in itself appears to drive retention or turnover of individual employees.

Definitions:

- **Employee turnover** is defined as those employees who leave within a period of time. This may include multiple terminations per job role within the same period.
- **Employee retention** is defined as those employees who stay within a period of time (typically calculated annually).
- **Direct care workers** are employees who directly care for seniors, such as certified nursing assistants (CNAs), patient care assistants (PCAs), and medical technicians.
- **Frontline workers** are employees who do not provide direct care and who are contributors in senior living but not supervisors; this includes dining servers, housekeepers, bus drivers, etc.

How to Use These Findings: Developing career paths for frontline roles, such as direct care, can be especially meaningful to retain employees.

Driver 2: Individual Characteristics

When an individual thinks about searching for another job, he or she will first evaluate their personal situation to determine if they are happy or not. Factors most often considered in senior living are the employee's **family situation** and **commute time.**

Individual characteristics that impact the decision-making process include:

- Additional responsibilities for family members outside the job
- Distance from home to work and the availability of public transportation options to get to work

Note: Protected personal data such as race, gender, age, disability and sexual orientation were shown to have no bearing on prediction accuracy.

How to Use These Findings: Supporting flexible schedules or helping with personal caregiving and commuting conditions tend to retain employees at a higher rate.

Driver 3: Job Satisfaction

Decades of research has shown that job satisfaction impacts employee retention. Likewise, job dissatisfaction often leads employees to think about leaving their job or company. Our study findings are in line with prior research: Happier employees stay at higher rates. However, our study of senior living employees uncovers the specific areas of job satisfaction that drive higher employee retention. The Great Place to Work Trust Index™ survey is the most widely taken employee survey worldwide: More than 100 million employees have taken this standard instrument on workplace and job satisfaction.

When we look at what drives employee retention, several important areas of job satisfaction emerge:

- **Purpose:** Employees who say that, "This is not just a job," and, "I feel like I make a difference here," are more likely to stay.
- **Expected tenure:** Employees who feel like they want to work at the organization for a long time tend to stay longer.

Driver 4: External Environmental Factors

Our study accounted for several external factors, including weather; the size of the metropolitan, state, and regional economies; and even presidential administration changes. The most significant factor driving employee retention was that of compensation—but only when relative and nested in a local market. In particular, the findings include:

- **Local marketplace matters:** Pay does have an impact on retention. However, the absolute wage—that is, whether the rate is $12 or $12.50 an hour—has significantly less effect on employee retention than does the wage relative to what that role's required skills command in the local marketplace.
- **Skill set makes an impact:** Specifically, the pay level of a job relative to what that skill set commands in the local market is very significant and impactful on employee retention. For example, if security guards at a senior living community can find a similar role that pays more at another organization in the same geographic market, then they are more likely to think about and take action to apply for the other job.

How to Use These Findings: Do wages matter? Yes and no. Employees report that absolute pay rates matter less, and pay relative to what others in similar roles make is more important. In other words, if an employee can find a comparable role elsewhere that pays more, then the wages matter to employee retention. It is imperative that senior living operators compare wages for similar roles and pay within their market area.

How Senior Living Organizations Can Use These Findings

To address the employee turnover challenges faced by our field, data must inform action. We recommend a two-part strategy:

1. **Get your table stakes in order.**
   - Measure your company culture: Know your Great Place to Work score and how to improve the feeling of "purpose" in work.
   - Get and use benchmark pay data, for each role and in each local market: It is imperative that senior living operators compare wages for similar roles and pay within market areas. While national and regional data is available, local data is shown to be the most important in retention.
2. **Develop workforce retention programs.**
   - Hire candidates more likely to stay: Given two equal candidates, hire the person who lives closer to work.
   - Create career paths: For frontline and direct care staff members, having a career path can mean the difference between staying versus leaving.
   - Address individual barriers: Know and support personal caregiving needs and commute conditions—whether through direct support, such as Uber/Lyft vouchers, or through allowances or more flexibility in schedules and time off.

Taking Action Appropriate to Your Organization

As a field, we have access to data and machine-learning techniques to understand and begin solving challenges in workforce development, particularly focused on decreasing employee turnover and increasing employee retention. We recommend that operators get and use data on their workforce and develop sustainable strategies to achieve employee retention results. Ultimately, this leads to better care for our seniors.