Total Rewards, Recognition and Engagement
A Caregiver (Employee) Recognition Success Story at Cleveland Clinic

Matthew Majernik, Executive Director,
Total Rewards, Workforce Planning & HRIS
Agenda

- Cleveland Clinic Experience
- Total Rewards Overview & Strategy
- Recognition Program & Design
- Funding / ROI
- Partnerships & Technology
- Communication & Training
- Integration with Total Rewards
- Success Metrics
- Future: Evolution of WELLbeing
Cleveland Clinic

- Founded in 1921 in Cleveland
- Physician founded and physician-led group practice
- $6.5 Billion Revenue
- 43,000 Caregivers
- 3,200 physicians & scientists + 1,800 residents & fellows
- Guiding principle: “Patients First”
- Ranked 4th best hospital in the U.S. according to U.S. News & World Report (#1 in Heart for 20 yrs)
- Focused on innovation, health and wellness
- Committed to clinical research and education
Cleveland Clinic Experience

**Mission**
To provide better care of the sick, investigation into their problems and further education of those who serve

**Vision**
Striving to be the world’s leader in patient experience, clinical outcomes, research and education

**Values**
- Quality
- Innovation
- Teamwork
- Service
- Integrity
- Compassion

**Guiding Principle**
“Patients First”
Total Rewards

- **Attract, Engage & Retain our caregivers**
- Drive overall Cleveland Clinic Experience
- Support Cleveland Clinic mission, values and “Patients First” focus
- Support employee engagement and caregiver wellbeing
Total Rewards Strategy

• Talent Management Strategy
  – Integrate with recruitment, performance management, development and engagement

• Employee Preferences
  – What’s really important to our employees

• External Competitiveness
  – Design and competitiveness of the various total reward program elements (across all industries)

• Financial Impact
  – Relative cost and value of rewards and practices

A Total Rewards opinion study can help you with two of these strategies
Total Rewards Elements

- Base Pay, Merit, Promotions, Incentives
- Health & Welfare Core Benefits
- Retirement & Financial Security programs
- Life & Disability Insurance
- Tuition Reimbursement
- Rewards & Recognition program
- Caregiver Wellbeing programs (PTO, EAP)
- Performance Management & Career Development
- Voluntary Benefits (Auto, Home, Legal, Pet)
- Fringe Benefits
  - service awards, wellness, discounts, adoption
Recognition Program Objectives

- Enterprise-wide recognition program
- Drive engagement
- Attract, motivate & retain talent
- Drive Cleveland Clinic Experience and values
- Build culture of recognition and employee wellbeing
- Payroll / tax compliance
- Award tracking & reporting
- Competitive edge versus other organizations
Program Design

• Design
  – Tier 1: Peer-to-peer
  – Tier 2: Manager to employee
  – Tier 3: Division / Dept to employee
  – Tier 4: Enterprise to Individual / Team

• Communications

• Technology & Training

• Leadership buy-in
Leadership Buy-in

- Employee Engagement
- Total Rewards Package
- Offset impact of other program reductions
- Cleveland Clinic values
- Management Tool

- Motivation & Retention
- Return on Investment
- Enterprise program
- Pride and Connection
- Overall CC Experience

“Great Place to Work”
• Tier 1: Appreciation Award
• Tier 2: Honors Award
• Tier 3: Excellence Award
• Tier 4: Caregiver Award
Tier 1 – Appreciation Award

- Non-monetary Recognition
- Peer-to-peer
- Culture building
- Cleveland Clinic Experience & CC Values
  - Quality
  - Innovation
  - Teamwork
  - Service
  - Integrity
  - Compassion
Tier 2 – Honors Award

- Manager recognition of Individuals
- Budget $25 per employee per year
- Recognition Gift Certificate denominations
  - $10, $25, $50 or $100 (+ tax gross up)
- Fully Automated
- Tax compliance is achieved
Tier 3 – Excellence Award

- Quarterly Institute, Division, Hospital recognition
- Individuals / Teams
- 4% of caregivers (1% per quarter)
- Automated process
  - Quarterly nomination process
  - Recognize institute’s most significant achievements
- Symbolic desktop award
- Flexibility to support division initiatives
Tier 4 – Caregiver Award

- Annual enterprise-wide recognition
- Individuals / Team Recognition
- 200 finalists / 50 awards
- Award banquet and symbolic desktop award
- Monetary cash award (+ tax gross up)
- One top Team and one top Individual award
Tiers 3 and 4 Symbolic Recognition

Tier 3 – Excellence Award

Tier 4 – Caregiver Award

Building a culture of recognition through financial and tangible symbols of achievement...
“Show Me the Money!” (funding)

<table>
<thead>
<tr>
<th># Ees</th>
<th>Avg Pay</th>
<th>Total Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>$ 50,000</td>
<td>$ 2,000,000,000</td>
</tr>
<tr>
<td>Merit</td>
<td>2.0%</td>
<td>$ 40,000,000</td>
</tr>
<tr>
<td>Carve out</td>
<td>0.1%</td>
<td>$ 2,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># Ees</th>
<th>Avg Pay</th>
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<tbody>
<tr>
<td>4,000</td>
<td>$ 50,000</td>
<td>$ 200,000,000</td>
</tr>
<tr>
<td>Merit</td>
<td>2.0%</td>
<td>$ 4,000,000</td>
</tr>
<tr>
<td>Carve out</td>
<td>0.1%</td>
<td>$ 200,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># Ees</th>
<th>Avg Pay</th>
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</thead>
<tbody>
<tr>
<td>400</td>
<td>$ 50,000</td>
<td>$ 20,000,000</td>
</tr>
<tr>
<td>Merit</td>
<td>2.0%</td>
<td>$ 400,000</td>
</tr>
<tr>
<td>Carve out</td>
<td>0.1%</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>
# “Show Me the Money!” (distribution)

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
</tr>
</thead>
<tbody>
<tr>
<td># / yr</td>
<td>$/yr</td>
<td>#</td>
<td>Avg $ / Award</td>
</tr>
<tr>
<td>120,000</td>
<td>$0</td>
<td>40,000</td>
<td>$ 20</td>
</tr>
<tr>
<td>12,000</td>
<td>$0</td>
<td>4,000</td>
<td>$ 20</td>
</tr>
<tr>
<td>1,200</td>
<td>$0</td>
<td>400</td>
<td>$ 20</td>
</tr>
</tbody>
</table>

Total $ $ 1,920,000  
Misc $ $ 80,000
Cleveland-based employee engagement and performance organization

Specializes in the design and development of strategic recognition and incentive programs that drive culture, performance and ROI

NEO Clients: Cleveland Indians, Lubrizol, Bridgestone Americas, Firestone Retail Operations, Moen, Goodyear, GOJO, MTD, and Myers Industries

Recognized as the technology leader in employee performance

Provide clients with consulting, software engineering, account management, rewards and analytics

Clients include: IBM, Verizon Wireless, Nokia, AAA, Samsung, Pepsico-Frito Lay, Alltel, Heinz, GEICO, and Aetna
Recognition Management System

System Design

• Recognition, reward distribution and administration
• Reporting & analytics
• Flexible reward options with program branding
• Culture building, structure and continuity system-wide
• Training, education and communications support

Key System Features

• Easy to use
• Flexible and scalable – by Institute and Division
• Data oriented and decentralized administration
• Fun and rewarding
<table>
<thead>
<tr>
<th>Readiness</th>
<th>Build Awareness</th>
<th>Educate</th>
<th>Reinforce</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Readiness</strong>&lt;br&gt;• Executive Team&lt;br&gt;• HR Team&lt;br&gt;• Administrators&lt;br&gt;• Management&lt;br&gt;• Caregivers</td>
<td><strong>Brand &amp; Theme Rewards and Recognition Program</strong>&lt;br&gt;• Partner with Marketing / Communications&lt;br&gt;• Promotional Media (brochure, emails, meetings)&lt;br&gt;• Announcements Leadership Caregivers</td>
<td><strong>Announcement Brochure and Kickoff Video</strong>&lt;br&gt;• Manager webinars and meetings&lt;br&gt;• Caregiver Meetings (led by HR/managers)&lt;br&gt;• Online website and program overview</td>
<td><strong>E-training manager modules to reinforce successful recognition tips</strong>&lt;br&gt;• Training job aids&lt;br&gt;• Total Reward Statements&lt;br&gt;• Manager tool kit and resources (ongoing)&lt;br&gt;• Ongoing recognition newsletter</td>
</tr>
</tbody>
</table>
Manager Training

Custom E-Learning Suite

- Branded e-learning suite housed in Caregiver Celebrations
- Six modules covering key engagement/recognition principles
- Features stories and ideas from our recognition champions

Training Focus

- Managers must be recognition leaders
- How and why to recognize effectively
- Link between recognition, engagement, patient satisfaction
Training

Caregiver Celebrations

Importance of Recognition:
- Overview
- Application
- Job Aid

What's In It For You:
- Overview
- Application
- Job Aid

Recognition and Cleveland Clinic Values:
- Overview
- Application
- Job Aid

Key Points:
- Recognition is a critical tool that drives employee engagement.
- Engaged employees drive patient satisfaction.
- Personalized recognition will energize caregivers who drive support and foster the Cleveland Clinic mission, vision, and values in the performance of their daily work.
- Timely, specific, personalized, and sincere recognition will help support our Patient First philosophy and create the engagement required to deliver World Class Care.

Questions:
- Do I truly appreciate and understand the critical human need for appreciation that can be met through personal praise and recognition? If not, what are the potential consequences to team members, patients, and Cleveland Clinic?

Key Points:
- Recognizing caregivers who exhibit our values in their daily work helps reinforce the desired behavior while creating greater alignment across the enterprise.
- It is important not just to say “great job!” but also to acknowledge specifically what they did that was great, how they supported one or more of our values, and the impact they created.
- When you take the time to personally recognize and reward values in practice, you directly impact our caregivers' level of engagement, helping them perform better for their teams and for Cleveland Clinic.

Questions:
- Am I familiar with the Cleveland Clinic values and do I understand how to make the value statements with my peers involved?
Integration with Total Rewards

- Service Awards
- Raves & Recognition Wall
- Manager Event Calendar
  - Service Anniversaries
  - Birthdays
- Patient (Customer) Recognitions
- Partnership Programs
Caregiver Celebrations Partnerships

S.T.A.R.T. with Heart®

Gladys Gibson Award
Tragedy • Heroism • Hope

Cleveland Clinic Abu Dhabi
Brought to you by Mubadala Healthcare

Cleveland Clinic
My ‘two cents’

Cleveland Clinic Wellness Institute
THANK YOU
Patient Recognition of Caregivers

• Opportunity for patients to recognize caregivers who provide "World Class Care"

• Complete a comment card or visit website at www.caregivercelebrations.com

• Patient Recognition delivered as a Tier 1 Appreciation Award as a ‘value’ of ‘patient recognition’
We invite you to let us know if one of our caregivers has exceeded your expectations.

Caregiver Celebrations

"Patients First" is the guiding principle of Cleveland Clinic. We strive to provide outstanding care and service, supported by our values:

Quality, Innovation, Teamwork, Service, Integrity and Compassion.

Dear Cleveland Clinic,
I observed one of your caregivers on, ___________________________ Date(s) Of Service

Caregiver Name - First Name/Last Name ___________________________ Job Title  ___________________________

Where was care received? Location ___________________________ (Dept/Desk/Room/Building)

Recognition:

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Sincerely, ___________________________ (Please Print Your Name)

☐ You may contact me.

Email ___________________________

Phone ___________________________

DROP ME OFF

Drop this recognition card in ANY Caregiver Celebrations box

OR

Submit your recognition online at: www.caregivercelebrations.com
Quarterly Newsletter

- Showcases quarterly Excellence Winners
- Quick Tips to simplify understanding of website features
- Shares feedback from caregivers
- Increases awareness
It’s Catching On……

Recognize Your Colleagues!

PLM employees, like Ann Mantowski, are using the new Caregiver Celebrations website to recognize their colleagues … and you should too!

When Ann, a Medical Technologist at Main Campus, heard about the Caregiver Celebrations website, she knew she wanted PLM to get involved.

"Recognition is critical for laboratory workers because we are constantly behind the scenes," says Ann. "So it's important that we take the chance to put each other on the back." Ann recently added to the Caregiver Celebrations website a perfect tool to do just that: "It's so easy and quick to use. You just log in, choose your recipient, type a quick note and send it." While it only takes minutes to send, the effects are long lasting according to one of Ann's lucky recipients. "When I opened my email and saw this very professional looking certificate, I was flattened," says Katie Puhak-Leventis, Ann’s colleague and fellow Medical Technologist. "It was unexpected, but nice to know my hard work was noticed.""

Katie says that one of the most meaningful things is the site gives opportunities for everyone to recognize each other. "It's one thing to be recognized by your manager," says Katie. "But it's truly special when your colleagues say you are doing a good job. They are the people working along side of you, so it's significant when they express appreciation."

Both Katie and Ann encourage all PLM employees to log on and start recognizing their colleagues. You may not realize how much a coworker would value your praise. Visit caregivercelebrations.com today!

Ombudsman Office Receives Excellence Award

10/22/09 Congratulations to the Ombudsman Office in Main Campus for receiving the Year 2 Excellence Award in the Caregiver Celebrations and Recognition Program.

The Ombudsman Office recognizes individuals or teams who demonstrate unselfish service, involvement, and teamwork resulting in a substantial positive impact on the Cleveland Clinic experience through patient care or internal services, leadership, philanthropy or other areas important to Cleveland Clinic’s success in support of patients, visitors and staff. The Ombudsman Office also serves as a resource for individuals who may have a concern about patient experience.

The Ombudsman Office was recently awarded the award for their ability to provide timely and resolve difficult situations, The Ombudsman Office has more than 10 years of experience in responding to patient concerns. These compassionate professionals follow daily to engage and facilitate patients and provide a variety of resolve recovery tools to foster an optimal healing environment. The Ombudsman also works closely with other departments that may not be able to help address patient concerns.
Rewards and Recognition Evolution

**SEPARATE**

- Recognition programs & Service awards

**COMBINED RECOGNITION**

- Enterprise Program (4 tiers)
- Service awards

**EXPANDED RECOGNITION**

- Enterprise Program
- Service awards
- Partnership programs

**INTEGRATED Rewards & Recognition**

Rewards and Recognition Program

- Engagement (aligned and driving Values)
Success Metrics
Recognizing & Rewarding Values

> 695,000 awards since June 2010

“Recognition” one of Cleveland Clinic’s fastest growing engagement metrics
Recognizing & Rewarding Values

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Total Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Awards Given since Inception:</strong></td>
<td><strong>696,656</strong></td>
</tr>
<tr>
<td><strong>Tier 1 – Appreciation</strong></td>
<td><strong>501,536</strong></td>
</tr>
<tr>
<td><strong>Tier 2 – Honors</strong></td>
<td><strong>145,347</strong></td>
</tr>
<tr>
<td><strong>Tier 3 – Excellence</strong></td>
<td><strong>3,414 awards</strong></td>
</tr>
<tr>
<td><strong>Tier 4 – Caregiver</strong></td>
<td><strong>206 awards</strong></td>
</tr>
<tr>
<td><strong>CEO Award</strong></td>
<td><strong>8 awards</strong></td>
</tr>
<tr>
<td><strong>Random Recognition &amp; Partnership</strong></td>
<td><strong>3,039 awards</strong></td>
</tr>
<tr>
<td><strong>Milestone Service Anniversary Awards</strong></td>
<td><strong>10,207</strong></td>
</tr>
<tr>
<td><strong>Patient Recognition Award</strong></td>
<td><strong>27,240</strong></td>
</tr>
</tbody>
</table>

**Cleveland Clinic Values Selected**

<table>
<thead>
<tr>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teamwork</td>
<td>53%</td>
</tr>
<tr>
<td>Service</td>
<td>22%</td>
</tr>
<tr>
<td>Quality</td>
<td>10%</td>
</tr>
<tr>
<td>Innovation/Compassion/Integrity</td>
<td>15%</td>
</tr>
</tbody>
</table>

Above totals include time period June 2010 to August 2014
Average Awards Per Month

- 2010: 7,344
- 2011: 8,942
- 2012: 13,722
- 2013: 19,285
Gallup Q4: In the last seven days, I have received recognition or praise for doing good work.

0.1 change is considered World Class Improvement.
Cost per Recognition per EE

- In 2009, we had less than 1 formal recognition per employee per year
- In 2013, recognition had risen to over 6 formal recognitions per employee per year*
- In 2013, average Tier 1/Tier 2 award cost per recognition = $3.92
- Average cost in CorporateRewards’ portfolio = $45; next closest = $8 per recognition

*Numbers do not include recognition impressions through Raves & Recognition and Manager Event Calendar
A Great Place to Work & Grow

DiversityInc Top 10 Hospital Systems
Future:
Evolution of WELLbeing
WELLbeing Evolution

<table>
<thead>
<tr>
<th>SEPARATE Compensation &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMBINED TOTAL COMP</td>
</tr>
<tr>
<td>Compensation + Benefits</td>
</tr>
<tr>
<td>EXPANDED TOTAL REWARDS</td>
</tr>
<tr>
<td>Compensation + Benefits + Fringe Benefits</td>
</tr>
</tbody>
</table>

INTEGRATED WELL being

Compensation + Benefits + Fringe Benefits + Recognition + Engagement (aligned and driving values)
Every Life Deserves World Class Care

Cleveland Clinic
## Retention Drivers

<table>
<thead>
<tr>
<th>RETENTION STRATEGY BY RATING</th>
<th>EFFECTIVENESS</th>
<th>USAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits (Total Rewards)</td>
<td>93.4%</td>
<td>91%</td>
</tr>
<tr>
<td>Above Market Pay</td>
<td>90.6%</td>
<td>66%</td>
</tr>
<tr>
<td>On Boarding Program</td>
<td>90.0%</td>
<td>62%</td>
</tr>
<tr>
<td>On-Site Child Care</td>
<td>86.0%</td>
<td>43%</td>
</tr>
<tr>
<td>Shared Governance</td>
<td>84.2%</td>
<td>59%</td>
</tr>
<tr>
<td>Scholarship/Student Loan</td>
<td>83.6%</td>
<td>81%</td>
</tr>
<tr>
<td>Senior Leadership Rounding</td>
<td>83.6%</td>
<td>79%</td>
</tr>
<tr>
<td>Clinical Ladder</td>
<td>83.4%</td>
<td>76%</td>
</tr>
<tr>
<td>Nurse Residency Program</td>
<td>83.4%</td>
<td>36%</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>83.2%</td>
<td>93%</td>
</tr>
<tr>
<td>Pay for Performance</td>
<td>83.0%</td>
<td>64%</td>
</tr>
<tr>
<td>Open/Two Way Communication</td>
<td>82.8%</td>
<td>89%</td>
</tr>
<tr>
<td>Turnover Reporting/Tracking</td>
<td>82.2%</td>
<td>90%</td>
</tr>
<tr>
<td>No Mandatory Overtime</td>
<td>81.6%</td>
<td>44%</td>
</tr>
<tr>
<td>Self/Flex Scheduling</td>
<td>81.4%</td>
<td>74%</td>
</tr>
<tr>
<td>Float/Flex Staffing Pool</td>
<td>80.0%</td>
<td>70%</td>
</tr>
<tr>
<td>Tuition Assistance</td>
<td>80.0%</td>
<td>91%</td>
</tr>
<tr>
<td>Management Development Training</td>
<td>77.6%</td>
<td>81%</td>
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<tr>
<td>Peer Interviewing</td>
<td>77.4%</td>
<td>69%</td>
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<tr>
<td>Recognition Program</td>
<td>76.8%</td>
<td>86%</td>
</tr>
<tr>
<td>Employee Opinion Survey</td>
<td>76.6%</td>
<td>79%</td>
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<tr>
<td>Profit/Gain Sharing</td>
<td>72.8%</td>
<td>24%</td>
</tr>
<tr>
<td>Magnet Recognition</td>
<td>72.0%</td>
<td>39%</td>
</tr>
<tr>
<td>Concierge Services</td>
<td>70.0%</td>
<td>41%</td>
</tr>
<tr>
<td>Mentorship Opportunity</td>
<td>70.0%</td>
<td>70%</td>
</tr>
<tr>
<td>No Weekends or Every Third Weekend On</td>
<td>69.2%</td>
<td>47%</td>
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<tr>
<td>Retention Committee</td>
<td>67.2%</td>
<td>46%</td>
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<tr>
<td>Retention Bonus</td>
<td>64.4%</td>
<td>39%</td>
</tr>
<tr>
<td>Stay Interviews</td>
<td>55.0%</td>
<td>43%</td>
</tr>
</tbody>
</table>

*2011 National Healthcare & RN Retention Report, NSI Nursing Solutions, Inc.*