

THE
BAPTIST
HEALTH CARE
JOURNEY TO
EXCELLENCE

*Creating a Culture
That WOWs!*



AL STUBBLEFIELD



WILEY

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Additional Praise for
The Baptist Health Care Journey to Excellence

“This book is a WOW! After years of pacesetting headlines and tantalizing fragments, the whole Baptist story has finally been told in captivating detail. A new Mecca for hospital leaders has emerged as the healthcare example of world-class culture. Their story cannot be ignored and will become the blueprint for many other organizations to go from good to great.”

—Fred Lee
Author of *If Disney Ran Your Hospital,*
9 Things You Would Do Differently

“The Story of Baptist Health Care to achieve workforce and service excellence is uncommon among healthcare giving organizations. It shouldn’t be. The devotion of the Baptist leadership to create and sustain excellence out of once average and even mediocre performance is enlightening to all committed to service excellence and to enabling workers to, with pride, achieve their highest possible performance. For those who continue to find this elusive, this book, this story is for you.”

—Joel H. Ettinger
Pugh Ettinger McCarthy Associates

“Al Stubblefield presents an inspiring story that shouts out to us that a culture can be changed for the better! Then he gives us the nuts and bolts that let us get started and stop making excuses.”

—Andy Andrews
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“The human aspects of the workplace deserve renewed attention in all organizations today. Stubblefield masterfully gives a roadmap for cultural change that results in trust, pride, and productivity. The Baptist Health Care story shows any industry step by step how to achieve better results.”

—Barbara Pagano, Ed.S.
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Selected as *Fast Company’s* Book of the Month for March 2004.

“Non-fiction, but captivating as a novel. Educational, inspirational. Should be required reading for every leader driven to improve organizational culture and performance.”

—Roger E. Herman,
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“There is a well documented ‘quality chasm’ in America crying out for the need to do things differently. Al Stubblefield aptly describes Baptist Health Care Systems’ remarkable journey in winning the Baldrige Award. It demonstrates that it *is* possible to change cultures, implement sustainable improvements in service delivery, and empower all working for the patient to continuously improve. There are practical lessons here and great inspirations for everyone on the quality improvement journey.”

—Stephen M. Shortell, Ph.D., M.P.H.
Dean and Blue Cross of California
Distinguished Professor of Health Policy Management
University of California, Berkeley

“WOW! This is much more than a description of the Baptist journey to Excellence. It is a clear roadmap for real leaders who truly want to transform their organizations to Excellence and beyond.”

—Jamie Orlikoff,
President, Orlikoff & Associates, Inc.
Executive Director, American Governance & Leadership Group

“As with all great leaders who write accurate histories of how their organizations succeeded, you’ll find very little about Al Stubblefield in this book. As I read it, I noticed how many times he used the words ‘we’ and not ‘I’—a clear sign of how he views the world of excellence he initiated and helped create. What you will find is almost a ‘journal’ on the real-world transformation of Baptist Health Care into a premier, trend setting organization—started because Al was willing to jolt himself and others out of old assumptions and certainties, lead by example rather than words, and invite everyone who would listen out of intellectual and emotional pollution and into the fresh air of letting the best ideas wins.”

—Steve Smith
Co-author, *businessThink*

“Wow! Al Stubblefield has demonstrated transformational leadership. He rallied his entire team around a shared vision. He was relentless and unwavering in his quest. The success is obvious. The winners are employees, physicians, volunteers, and the patients and families served. Dedicated leadership does make a difference.”

—Jim Nathan
CEO, Lee Memorial Health System

“In this book Al Stubblefield provides a step-by-step guide to how an uncompromising commitment to service excellence, employee empowerment and development, and measurement and accountability can lead to a cultural transformation for healthcare organizations that want to survive and thrive in an industry confronting irreconcilable demographic, technological, financial and service delivery challenges. Baptist Health Care’s journey from mediocrity to winning the coveted Malcolm Baldrige National Quality Award is a journey to excellence other healthcare organizations can and should follow.”

—Ed Ranelli
Dean, College of Business
University of West Florida

“Al Stubblefield knows from experience what it really takes to transform an organization to create superlative performance. Al’s lively and informative exposition of the Baptist Health Care story and the stories of many others, not only gives us the inspiration to make our healthcare organizations work better, but also provides the practical advice to help make deep, lasting, and profound cultural change.”

—Ian Morrison, Health Care Futurist and Author,
Healthcare in the New Millennium: Vision, Values, and Leadership

“Journey to Excellence is a story of a cultural revolution in healthcare! In 1995, Baptist Health Care faced the brutal facts of their environment and decided to take their mission statement off the wall. They began to walk the talk. While some leaders and some organizations talk of change, the Baptist team focused on execution, they focused on action. This book is a must-read for all interested in the nuts and bolts of change that leads to competitive advantage and to improved delivery of healthcare. This is not a history lesson; the Baptist team continues their journey today.

—Melvin F. Hall, Ph.D.
President & CEO Press Ganey Associates

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About the Author

Al Stubblefield is president and CEO of Baptist Health Care Corporation. In his current position since 1999, Mr. Stubblefield has been with the Baptist Health Care system from 1985 to the present. Before coming to Baptist Hospital, he worked in hospitals in Mississippi and Tennessee. Mr. Stubblefield currently serves on the American Hospital Association Board of Directors and is Chairman of the Regional Policy Board 4. He also serves on the Board of VHA Southeast and the Health Research and Education Trust.

In 2002, *Training Magazine* included Mr. Stubblefield as one of eleven “CEOs Who Get It,” CEOs whose commitment to workforce development sets them and their organizations apart. Also listed in the 2004 Modern Healthcare’s annual ranking of the 100 Most Powerful People in Health Care, Mr. Stubblefield has become a frequent speaker at national conferences. Mr. Stubblefield delivers an inspiring message on the importance of culture development and employee engagement from a CEO’s perspective.

Mr. Stubblefield is a Fellow of the American College of Healthcare Executives and has served on the board of Florida Hospital Association. He received a master of science degree from the University of Alabama in Birmingham, Alabama. He earned his bachelor’s degree from Mississippi College in Clinton, Mississippi.

Mr. Stubblefield has been married for 29 years to Mary Lee and has four children, one son-in-law, and a granddaughter, who was born during the writing of this book.

ABOUT BAPTIST HEALTH CARE

On October 17, 2001, the 50th anniversary of the organization that has become Baptist Health Care Corporation was celebrated.

Fifty years ago Baptist Hospital was opened, a dream realized for a number of selfless community leaders who persevered, through 11

difficult years, to build a not-for-profit health care organization deeply committed to serving the needs of residents of Northwest Florida and South Alabama.

From the beginning, this organization formed a culture based on Christian values and principles and a passion for service excellence. The cornerstone for Baptist Hospital dedicates its facilities, “To the glory of God and the ministry of healing.”

The culture at Baptist Health Care is truly unique. It is entrusted to improve the health and well being of the communities it serves, and lives its mission, values, and vision in all that it does. Its service is guided by five pillars of excellence: People, Service, Quality, Finance, and Growth.

The largest provider of health services in Northwest Florida, Baptist Health Care is a network of hospitals, nursing homes, mental health facilities, and outpatient centers. Serving Escambia and Santa Rosa counties in Florida and Escambia county in Alabama, Baptist Health Care also operates the Baptist LifeFlight helicopter ambulances. With more than 5,500 people on its payroll, Baptist Health Care is the largest locally-owned employer in the area.

Foreword

Impact. It's something that all of us eventually yearn for in life. The ability to influence the lives of others in a positive way.

While some professions seem naturally more inclined toward impact than others (police, firefighters, doctors, and clergy come to mind), managers of organizations all too often underestimate the influence they can have.

Al Stubblefield's *WOW* is many things, but at its heart, it is a testament to the power of leadership and teamwork and the impact that the manager of a healthy organization can have on the lives of people. In a manner that is at once simple, humble, and powerful, he tells the unbelievably true story of how a mediocre organization transformed itself into an extraordinary one.

But to be fair, Baptist Health Care was less than a mediocre organization before the transformation. And to be fair again, BHC has become more than an extraordinary company; it is a model for our time.

By combining lofty ideology with practical tools, Al paints a vivid picture of just how beautiful an organization's culture can be, and how it can ennoble the lives of its customers, employees, leaders, and community members alike.

But this book goes one step further; it impacts readers too. After reading *WOW*, I was touched by something far greater and deeper than business insight and leadership advice. I somehow felt proud of what has been accomplished at BHC, as though I were part of the organization myself! I felt a sense of joy for the patients and employees of BHC, and for their family and friends, all of whom have been touched by this cultural transformation. And perhaps most important of all, I now feel inspired to help other organizations understand the kind of impact they can have by undertaking a similar transformation.

I encourage anyone reading this book to do so with a notebook and pen handy, because the lessons contained are practical and abundant. I hope that you can extract every available nugget of wisdom from it, and that it impacts your culture profoundly. And I hope that you feel as touched as I did by what an otherwise ordinary group of men and women in Pensacola, Florida did to make the world a better place.

Patrick Lencioni

Author, *The Five Dysfunctions of a Team*

Acknowledgments

How do you acknowledge the work of thousands of coworkers? These wonderful people helped craft a powerful vision, and then, by golly, set out and made it happen. They have given me a story to tell and I hope I have done it justice. In 2001, when we received notice that we had earned a site visit (the only healthcare organization to make it that year) for the Malcolm Baldrige National Quality Award, I thanked Joel Ettinger who had consulted with us in putting together our application. Joel's humble reply was "I just helped you tell the story in Baldrige language. The story and the results were there." That is the way I feel about this book. The story is there, being lived out every day by a group of workers that feel and act like they own the joint, refuse to make excuses, and just keep raising the bar higher and higher for themselves and for hundreds of thousands of healthcare workers nationwide. Leading you is truly a privilege and I thank you for giving me such an incredible story to tell.

When Pam Bilbrey came to me and suggested that we put the story of our journey into a book and that she thought I should write it, I said, "let's do it." However, as with almost everything I have gotten credit for in my life, this work is the product of dozens upon dozens of contributions from coworkers, family, and advisors. The first thanks goes to my coworkers that created the story. From there, Ken Shelton got us started and was a constant encourager and priceless advisor. The real savior for me in hitting our deadlines and making a living, breathing book out of a ton of great material was my daughter Beth. Beth agreed on the first of April to do what it took to meet our deadline of June 16th to have our book to the publisher. The only trick was that Beth had another commitment—to deliver our first grandchild on or about June 12th. The race was on. On June 11th at 5 PM we put the final wrap on this project, she took the 12th off and at 8:18 PM on the 13th made me a granddad. Is that good planning or what?

The rest of my family played significant roles, editing, typing, even reading chapters out loud as we drove to Gran and Grandmother's houses in Mississippi. My precious wife Mary Lee did what she always does best,

which was to keep us all constantly lifted up in prayer (and making sure we ate our vegetables!!).

Coworkers made countless invaluable contributions in bringing this story to you. First and foremost, they made it happen so that there was a story to tell! Second, they edited, suggested stories, gave great input, prepared draft sections, gave honest feedback (ouch), and helped keep BHC and its mission and vision squarely in focus while I was distracted with this project. I hesitate to mention names, but must acknowledge special effort by David Sjoberg, Lynda Barrett, Craig Miller, and Barry Arnold. Two friends that provided great inspiration and invaluable advice along the way were Jim Harris and Richard Hill. Finally, I must especially thank Pam Bilbrey for her insights into what parts of the story needed to be told and how to organize them in a way that works.

We—my family, my coworkers, and I—hope and pray that our story will help in some small way to improve the quality of life for patients and communities served by healthcare workers who really do passionately want to be a part of an organization that is sold out to service. We also are bold enough to believe that these simple yet profound principles can bring similar results far outside of healthcare. Try it—you'll be glad you did!!

Introduction: From Ouch! to WOW!

I am a most fortunate man. I have spent the past 20 years working in an organization that has achieved some phenomenal results. For three consecutive years, Baptist Health Care has been ranked as one of *Fortune* magazine's Top 100 Organizations to Work for in America. All five of Baptist Health Care's hospitals have spent multiple years in the top one percent in patient satisfaction based on survey results from the largest hospital patient database in the world. This year, we were awarded the coveted Malcolm Baldrige National Quality Award by the President of the United States.

In these trying times for the health care industry, and in our incredibly competitive market, how we have achieved these WOW! results in such a short time is a fascinating story.

For the purposes of this book, the story starts in 1995 with an organization headed in the wrong direction. In the fourth quarter of that year, our patient satisfaction rating had reached an all-time low. We were devastated to learn that we had scored in the 18th percentile in patient satisfaction as compared to our peers. Earlier that year we had jumped on the reengineering bandwagon that swept across American business, and in doing so greatly damaged employee morale. We were also just ending five years of major merger discussions with three different organizations—another morale killer. While we may have had some legitimate excuses to hide behind, the bottom line was this: Our employees were unhappy, and unhappy employees lead to unhappy customers.

We conducted an attitude survey among our employees, and they made it abundantly clear that they were not pleased with the Baptist Health Care experience. In 13 of the 18 categories, our employees' attitudes about their workplace were negative. At the bottom of the list, eight deviations *below* the norm for the industry, was our employees' opinion of top management. We said, "Ouch!" All of us in management felt that pain.

In addition to severe internal problems, we also faced fierce competi-

tion in our marketplace. Our flagship, Baptist Hospital, is in the worst location of three hospitals in what probably should be a two-hospital metro area. *Modern Healthcare* magazine recognized the competitiveness of our market several years ago when they included Pensacola as one of the top ten most competitive health care markets in the country. Both of our major competitors are owned by national healthcare conglomerates, and outspending them on facilities and equipment has always been out of the question. Their pockets are simply much deeper than ours.

So, in those dark days, we asked ourselves: Do we stop trying? Do we merge with one of our competitors, hand them the keys, and no longer have a community-owned healthcare system?

I would imagine that some of you may have asked similar questions. Anyone in a position of organizational leadership or ownership who faces tough competition and opposition may consider giving up during difficult days.

My answer, echoed by our entire management team, was simple, yet resolute: Not just yet. We're not willing to concede defeat. We think we can compete, but with a new premise—no longer Ouch!, but WOW!

It is my pleasure and privilege to recount the details of our amazing turnaround—the story of a cultural revolution that has been executed by the 5,500 employees of Baptist Health Care, even as they continue to make it happen. As COO and then CEO of this wonderful organization, I have had the advantage of seeing this transformation firsthand. I have observed it, I have played a role in it, and I have marveled at what has been achieved by the incredible team of people with whom I have had the privilege to work. It's a great story, and it has been—and continues to be—the most rewarding experience of my professional career.

PAIN PROMPTS CHANGE

The cold, hard fact of tough competition prompted us to start this journey, this quest for excellence. The following premise has always been true in life, as in business: *Pain prompts change*. Pain has a way of getting your attention. When you find yourself in a condition of acute or chronic pain, you want one thing above all else—relief. You discover that you are willing to make changes, even drastic ones, if they offer that hope.

As a healthcare corporation, you might say we are in the pain-prevention

and abatement business. Many people come to us and become our customers because they are in pain. They want relief, and they want to return to their families and their lives. They seek our services—and those of our physicians—because they hope to feel better and regain a state of health and vigor as quickly as possible.

But here's the rub: People in pain have a better chance of getting well if treated in a healthy culture. In 1995, before our turnaround began, we were asking our employees to make sick people well, but we were expecting them to do it in an unhealthy culture. We took an important step toward transformation when we recognized that our workers would never perform at the highest level until we made them happy about being at work. In other words, we needed a culture change.

The story of that cultural transformation is the story I want to tell in this book. It is a story of leaders who have been willing to make painful adjustments in their leadership styles, of employees who have wholeheartedly bought into our culture and truly made things happen, and of workers at every level of the organization joining together to create an environment where people can find healing as quickly and effectively as possible.

I know it goes against the grain of the stereotypical workplace. It may even seem counterintuitive, but this is my experience:

People can be as healthy and happy at work as they are at home, or even more so.

At Baptist Health Care, we have established a workplace culture where our employees find satisfaction in their jobs and in turn create a healing environment for the customers and patients we serve. This type of transformation has only been made possible as we have become a WOW! workplace, empowering our **W**orkers to become **O**wners and **W**inners. That is our secret.

As I share the details of this amazing journey with you, I hope you will find my insights and suggestions applicable to your situation. Whether your organization is continuing its journey toward excellence or striking out in a new direction, may this book empower you to create a WOW! environment in your own workplace.

—Al Stubblefield
CEO of Baptist Health Care
Pensacola, Florida
October 2004



CHAPTER 1

In Search of Competitive Advantage

st Health Care Story: In Search of Competitive Advantage • The Baptist Health Care Story: In Sea

Competition is a painful thing, but it produces great results.

—Jerry Flint, in Forbes Magazine

Just as our amazing turnaround has not happened overnight, neither did our descent to such dismal satisfaction ratings occur quickly. A variety of factors contributed to our downturn, including poor management decisions, changes in the healthcare industry, and other distracting pursuits that ultimately proved more harmful than beneficial. These factors, combined with lack of vision, caused us to lose our focus as a healthcare organization.

We had meandered into the last decade of the twentieth century, maintaining our status, as I like to put it, as an “outstanding mediocre hospital system.” We were doing okay, although our accomplishments were not especially noteworthy. With the unique challenges that the next few years brought, however, our status, even as “mediocre,” came into question.

I often refer to the period of the early 1990s as “Merger Mania.” The “bigger is better” philosophy reigned in the business world, and the healthcare sector eagerly bought into that ideology. We at Baptist Health Care became convinced, along with most in our industry, that we needed to form partnerships with other companies to create larger and stronger organizations if we were going to survive. We began seeking potential partners as we attempted to prepare ourselves for the future of healthcare.

Our leadership team spent about five years in major merger discussions. We looked at three potential partners and held untold numbers of strategy meetings with board members and the senior management team. We met frequently with staff from the other organizations, calculating the potential savings of merging information systems and dreaming of increased negotiating strength and purchasing power. However, all three times, our grand plans fell through, and we found ourselves back at the drawing board.

Although none of these talks led to a deal, merger mania affected us on the local level as well. While we had been busy pursuing various state- and regionwide ventures, we had also been actively expanding our local presence by both acquisition and innovation. By 1995, we had successfully added a large community mental health center to our organization, affiliated with two area rural hospitals, and started building a physician company. In three years we had grown from 2,300 employees to over 5,000.

Finally in 1995, after five years of looking off into the distance, our leadership team began to turn its focus toward home. Baptist Health Care was growing; however, we had taken our eye off the ball. The disconcerting survey data that we were receiving was telling us that we had lost sight of our mission. Employees were unhappy with senior management, patient satisfaction was plummeting, and overall morale across the healthcare system was low. Clearly, we had become so obsessed with what was going on outside of the organization that we had forgotten to pay attention to the people on the inside. We had allowed Baptist Health Care to stray from its roots, evolving into an organization that was not performing up to its potential and was not satisfying its employees, not to mention its customers.

As this reality sank in, we began to see that in order to survive, we were going to have to make some dramatic changes. While we had not yet fully identified our problem, much less found the right solution, we were taking our first steps toward improvement. We had acknowledged that things had to change, and we were ready to do what it took to better our organization.

FINDING A COMPETITIVE EDGE

Before we could begin moving toward the change we sought, we needed to assess our present condition. An evaluation of our current position in the market identified some major challenges. Our two local competitors were hospitals owned, respectively, by the Daughters of Charity, an organization

whose \$2 billion war chest led the *Wall Street Journal* to call them “the Daughters of Currency,” and the Hospital Corporation of America, an organization with immense equity capital. One of these local systems was at that time making a \$300 million enhancement to their Pensacola campus, while the other was in the heyday of its equity accumulation. We were clearly at a financial disadvantage.

We recognized that we could not compete by out-spending our competitors on technology, facilities, or programs. Even if we had possessed the financial means to do so, those things were too easily duplicated, imitated, or outdone by competing organizations. So we asked ourselves: “How can we build a sustainable competitive advantage in our marketplace?” This question became even more critical when we considered that our main hospital facility, Baptist Hospital, was losing market share among insured and paying patients while its share of patients unable to pay for the care they received continued to grow. We began to see that even being as good as our competitors was not going to be enough. In order to survive, we were going to have to be noticeably better than the competition. But we still didn’t know how to get there.

As we were asking these questions and searching desperately for a way to compete, a new ideological wave was sweeping American business. In what looked to us like just another business fad, consultants for Continuous Quality Improvement (CQI) encouraged corporations to strategically focus their efforts on improving quality and service. Not to be left out, we bought into these ideas, although somewhat halfheartedly, hiring a CQI consultant, and establishing a Quality Committee of our board of directors.

Robin Herr, a local plant manager for Armstrong World Industries and member of our board, was named chair of our quality committee. In meeting after meeting he would take the floor and emphatically announce, “Quality can be a competitive advantage!” I remember nodding politely, all the while thinking, “He doesn’t know health care. You can’t measure quality in health care.” I wasn’t sure what the answer to our problems was, but I was sure that it could be found in something much more concrete and measurable than “quality.”

Eventually, though, we ran out of other options. We had already eliminated programs, facilities, equipment, and location as potential competitive advantages. What was left? As we continued to hear the quality message preached to us from a variety of sources, I began to wonder if maybe Robin Herr was right. Perhaps quality was an area where we could shine. I was also

strongly encouraged by Jim Vickery, the President/CEO and my boss and mentor at the time, to grab hold of this “quality stuff” and make it work for Baptist Health Care.

If quality and service were truly going to be our competitive advantage, I knew that we would have to be able to measure them. Change happens much more slowly (or not at all) if you fail to keep track of where you’ve been and how far you’ve come. When we examined our current assessment tools, we found that we did have at least one instrument already in place to measure quality—our quarterly patient satisfaction surveys. These surveys measured how we rated against our peers in the area of customer service, an important quality indicator in healthcare.

So we decided that we could start there, with a new, strategic focus on *service excellence*. We said, “Let’s build a service culture that will be very difficult to duplicate or compete with.” We pledged that we would outperform our competitors by providing a level of service that our community—and even our nation—had never experienced before.

And that is how the turnaround began. Our organization reached a crucial turning point on the day that we committed to providing the highest level of customer service possible. While it may have gone unspoken at the time, that commitment to service excellence included a willingness to make the difficult changes necessary to get there. We knew we had a long road ahead, but we were ready to start moving in the right direction.

While turning our focus to service excellence may sound like a noble endeavor, it was born largely out of desperation. In effect, we heeded the sage advice of author and consultant Peter Drucker: “You don’t have to change—survival is optional.” We knew that without drastic changes, we would not survive; thus, creating a culture committed to service excellence was no less than a survival strategy. We saw no other option. In hindsight, I am convinced that there was no better option; service excellence should have been our focus from the beginning.

Another fortuitous part of this puzzle fell into place just as we began this journey eight years ago. Around that time, I began the transition into a role that better fit my management style. Jim Vickery, who was just the second CEO in the forty-eight-year history of Baptist Health Care, asked me to assume the role of Chief Operating Officer (COO) as he began to anticipate retirement.

I say this new role fit my style because I reveled in numbers and believed that objective survey data had the power to drive improvement. So, as COO, I began to look even more closely at the customer service

measures that we already had in place. At the time, you had to have a strong stomach to digest the data we were getting. Our patient satisfaction scores in the eighteenth percentile meant that eighty-two percent of the hospitals in the survey were doing a better job of pleasing their customers than we were.

There was certainly room for improvement, and we believed that we might have found the key to turning those scores around. We had become convinced that an intense, unwavering focus on excellence in customer service would give us the competitive advantage we were so desperately seeking. Now the question was, “How do we get there?”

FOCUS ON EXCELLENCE

In October 1995, I walked into our board meeting and promised that we would raise our patient satisfaction scores from the eighteenth percentile in patient satisfaction to the seventy-fifth percentile *in nine months*. This was a radical but (I hoped!) achievable goal, and I believed that creating some quick wins was crucial to our success.

When I walked out of the room after making that announcement, one of my senior officers took me aside and said, “Do you realize what you just did in there? You set us up for failure!”

Part of my reason for sharing this is that nine months later, when we had not only reached the seventy-fifth percentile but surpassed it, that officer was no longer with the organization. He and a handful of others who were unwilling to completely embrace our new culture had to be replaced. Those who remained, however, experienced the satisfaction of achieving that first challenging goal, and it only made them hungry for more.

How did we achieve such a tremendous turnaround so quickly? We discovered that the key to patient satisfaction is to focus not on patients first, but on your employees. We quickly realized that the satisfaction of our patients was directly related to the satisfaction of our employees; only happy, fulfilled employees will provide the highest level of healthcare to our patients. Therefore, we reasoned, “all” we had to do was find a way to satisfy every employee, who would then in turn create happy customers. With that determination, we faced an even harder question: How do we fill our organization with satisfied employees?

Every aspect of an employee’s job, from compensation and benefits to management and supervision to reward and recognition, affects his or her

overall job satisfaction. Therefore, an environment that breeds satisfied employees must be satisfying in every area. We were beginning to see that employee satisfaction was an all-encompassing goal. We were not going to find a quick fix; what we needed was genuine, “from the ground up” culture change.

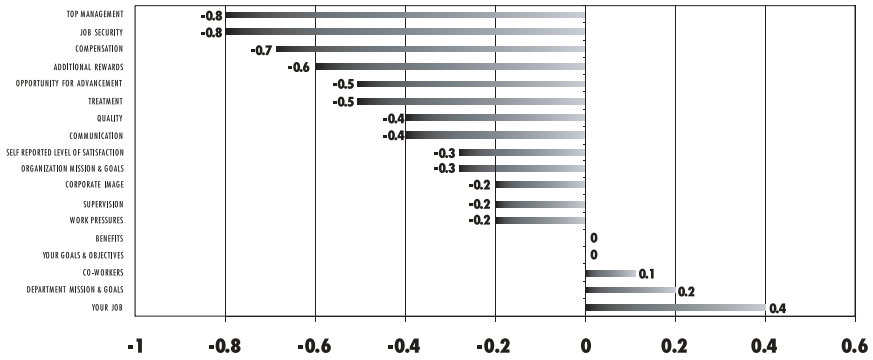
The “aha” moment for me came when I recognized that all the deals we might make, all the joint ventures and all the mergers, and all the improvements in our financial position wouldn’t mean much if our employees were miserable. We had to make our hospital a place where they were happy to be and happy to serve, and that would only be possible through a radical, thorough cultural transformation. True transformation would require a commitment from all of us. Creating a culture built on service excellence would demand some painful adjustments in our leaders and in our organization; every individual from the mailroom to the board room would have to wholeheartedly embrace our new cultural ideals. We knew that this kind of radical shift would never happen without a great deal of hard work, but we believed that the end result would be worth the effort that it took to get there.

Today, I can testify that creating an environment where employees are empowered to perform at the highest level has resulted in more than an inspired workforce. It has resulted in customer satisfaction ratings that are consistently in the ninety-ninth percentile—the best in the industry. Not surprisingly, these ratings have earned us considerable recognition.

Nearly all of Baptist Health Care’s affiliated organizations use the Press, Ganey and Associates survey, the largest such database in America, to measure patient satisfaction. Incredibly, our Gulf Breeze Hospital has ranked number one in inpatient satisfaction for eight consecutive years. Gulf Breeze Hospital’s Emergency Department has ranked first in its category for over three years. Inpatient scores for our affiliates Atmore Community Hospital, D. W. McMillan Hospital, and Jay Hospital combined have ranked second for most of the last five years. Our Baptist LifeFlight air ambulance service has had the top score for air ambulance programs for over two years. Scores for our comprehensive outpatient facility, Baptist Medical Park, have been in the top one percent since its doors opened three years ago. In 2004, Baptist’s affiliated behavioral health services provider, Lakeview Center, was named number one in customer satisfaction by Mental Health Corporation of America for the fourth straight year (see Figure 1.1).

I remind you that we began this quest for performance excellence not because we wanted to gain national recognition, but because we wanted to survive. We believed that in order to compete in our market, we had to

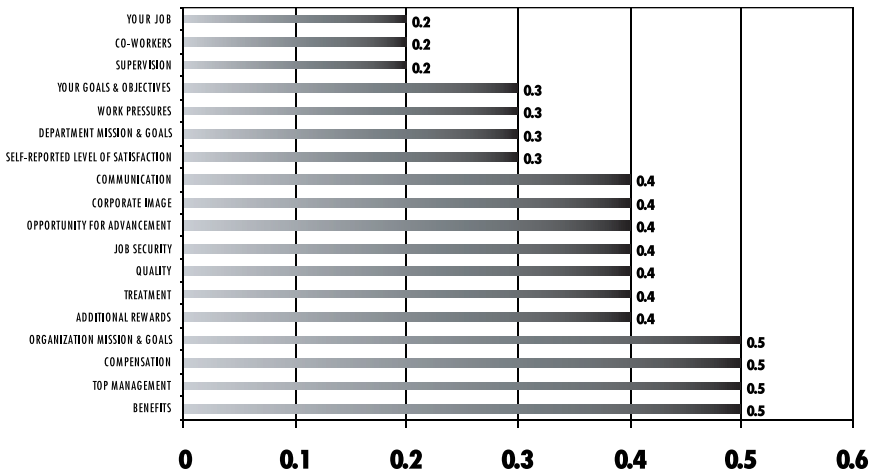
FIGURE 1.2a Employee Satisfaction Survey Results.
(Deviations from Norm)



1996

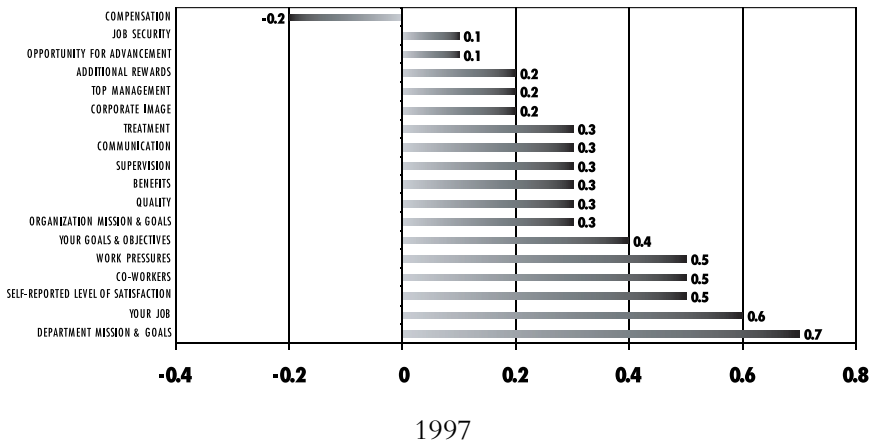
We performed the survey again in 2001, after undergoing a significant transition in our hospital’s senior management team. Although we expected our scores to slip back slightly after the transition, to our surprise they actually continued to rise. In 2003, they climbed even higher. Baptist

FIGURE 1.2c Employee Satisfaction Survey Results.
(Deviations from Norm)



2001

FIGURE 1.2b Employee Satisfaction Survey Results.
(Deviations from Norm)



Health Care employees now rate top management at six deviations *above* the norm and consistently respond positively to all eighteen categories of the attitude survey (see Figure 1.2).

FIGURE 1.2d Employee Satisfaction Survey Results.
(Deviations from Norm)

