

5 April 2022



## Happier healthcare workers, healthier patients

### Employee engagement the key to improving patient outcomes

5 April 2022

The Victorian Government's insurer and risk adviser, Victorian Managed Insurance Authority (VMIA), has released the findings of a study showing that engagement and motivation of public healthcare workers can reduce hospital costs and improve outcomes for patients and communities.

With a long history of investing in innovative harm prevention initiatives, VMIA has again collaborated with Victorian healthcare quality and safety improvement agency **Safer Care Victoria**, the **Victorian Public Sector Commission** and **The University of Melbourne** to produce the study using 6 years of data covering employee engagement, hospital-acquired complications and insurance claims.

The study uses health service provider data to show how workforce engagement correlates with health outcomes. The research showed a correlation between staff satisfaction and lower hospital-acquired complications. This relationship flowed through to insurance indicators, where lower levels of hospital-acquired complications were linked to faster reporting, as well as fewer reported claims and incidents for some health services.

The study found that a 1% increase in employee engagement leads to a 3% reduction in hospital acquired complications. With the average cost of a hospital acquired complication approximately \$40,000, this has significant implications for public hospital cost frameworks. Two questions in the *People Matter* survey used by the study to measure engagement – 'I feel strong personal attachment for my organisation' and 'My organisation motivated me to help achieve its objectives' – had the strongest relationship with hospital acquired complications and insurance outcomes.

These significant findings demonstrate the importance and positive impact of culture on better patient outcomes, lower claim costs, less reporting days and few reported claims and incidents. In VMIA's maternity and neonatal harm prevention initiative, *Incentivising Better Patient Safety*, more than \$10 million in insurance premium refunds have been returned to participating public maternity hospitals since the program started more than 3 years ago. This demonstrates the financial and social benefit of effective harm prevention initiatives in the public healthcare system.

More hospitals are recognising how important staff wellbeing is to the care provided at the bedside. In a practical application of increasing healthcare employee engagement, Safer Care Victoria is partnering with 20 healthcare services on its *Wellbeing for Healthcare Workers Initiative*. The initiative supports frontline



VMIA is the Victorian Government's insurer and risk adviser

Level 10 South,  
161 Collins Street  
Melbourne VIC 3000

P (03) 9270 6900  
contact@vmia.vic.gov.au

[vmia.vic.gov.au](http://vmia.vic.gov.au)  
© Victorian Managed Insurance Authority

healthcare workers, managers and executives to create system level changes across hospitals, community health, aged and primary care. Healthcare worker wellbeing isn't a new issue, but the COVID-19 pandemic has provided an opportunity to make immediate and sustainable change.

The full report is available at <https://www.vmia.vic.gov.au/tools-and-insights/patient-safety/healthcare-worker-engagement>.

**Quote attributable to VMIA Chief Executive Officer, Andrew Davies:**

“As the Victorian Government’s insurer and risk adviser, we’re pleased to be working with the health sector to use insights captured through claims trends to help improve outcomes. When employees are engaged, they care about their organisation, their team, and their patients. The potential positive impact on patient and community outcomes is far-reaching and sustainable.”

**Quote attributable to Safer Care Victoria Chief Executive Officer, Professor Michael Roberts:**

“We know ourselves that the way we feel and experience our workplace makes a difference to the work we do. And we know now more than ever, how important the wellbeing of each healthcare worker is to the health outcomes for Victorians. It’s great to see this relationship between workforce engagement and hospital performance tangibly demonstrated in the data for the first time.”

**Quote attributable to lead researcher, Department of Management and Marketing, Faculty of Business and Economics, The University of Melbourne, Dr Niharika Garud:**

“By combining healthcare worker behavioural data with insurance claims as well as hospital acquired complications and patient readmissions datasets of 6 years for over 80 public healthcare institutions in Victoria, our comprehensive, de-identified data set clearly showed a correlation between engaged healthcare workers and better patient outcomes. The research found what we know intuitively - happier workers do a better job and boost healthcare outcomes in different ways. It’s especially important to apply these insights to create practical programs to generate positive job engagement in the public health sector, and ultimately benefit the community.”

ENDS

---

**About Victorian Managed Insurance Authority (VMIA)**

VMIA is the Victorian Government’s insurer and risk adviser, covering the people, places and projects that help Victoria thrive. A statutory authority established under the *Victorian Managed Insurance Authority Act 1996*, VMIA protects more than \$210 billion of state assets and supports over 4,600 government and community organisations to minimise risk and recover quickly when things go wrong. VMIA also offers domestic building insurance in Victoria, covering homeowners for incomplete or defective building work. As one of the world’s largest public insurers, VMIA partners with the public sector, industry experts and academia on a range of harm prevention initiatives.

**About Safer Care Victoria**

Safer Care Victoria is Victoria’s healthcare quality and safety improvement specialist, established in 2017 as part of a new approach to improve the quality and safety of the state’s healthcare. It operates a broad range of programs and projects to support health services to get better and to help keep Victorians safe. Through the COVID-19 pandemic, Safer Care Victoria led clinician engagement and advised on health service planning, guidance and support for healthcare workers and consumers.

Media enquiries: Helen Shaw, Head of Communications – 0402 227 881 or [h.shaw@vmia.vic.gov.au](mailto:h.shaw@vmia.vic.gov.au)