

# STELLAR LIVING SEEKS TO IMPROVE RETENTION AND EMPLOYEE ENGAGEMENT

A deep look into the Stellar Living partnership



## THE RESULTS

35%

Stellar Living employees activated DailyPay in first 5 weeks, in three best performing facilities.

100%

Turnover rate is the average for the senior home care industry.

Stellar Living is a senior living facility with several locations sprawled across the U.S. As is the case with other facilities in the industry, the majority of employees at Stellar Living are paid hourly — this includes caregivers, activities coordinators, and other key facility team members.

Healthcare jobs, especially within senior living, are notorious for being high-stress occupations. From losing patients, to working with those living with diseases that affect the mind (like Alzheimer's), emotions and stress can take a toll on the workers. Senior healthcare positions are also taxing from a physical standpoint. Caregivers are constantly on their feet and there is little down time.

The combination of physical and mental exhaustion means turnover runs rampant in the industry.

## THE PROBLEM: EMPLOYEE TURNOVER AND EMPLOYEE MORALE

According to a study conducted by the **US National Library of Medicine National Institutes of Health**, turnover rates in nursing homes have been persistently high for decades, ranging upwards of 100%. Stellar Living's turnover rate is no exception to the rule.

It's also important to note that turnover is greatly influenced by engagement. A study conducted by **Towers Perrin** shows that 66% of highly engaged employees reported that they had no plans to leave their company, while only 3% of them were actively looking for other jobs, compared to 12% and 31%, respectively for disengaged employees.

Noticing this connection, Stellar Living pinpointed two specific problems they aimed to solve:

- Reduce turnover, and its associated costs, at their facilities
- Improve employee engagement

The true cost of hiring a new employee can range from \$3,000 to \$4,000. Following the true cost of hiring equation, Stellar Living could be paying exorbitant amounts for the time and expenses used for recruiting, hiring, and training new employees, annually.

In an effort to minimize turnover, Stellar Living asked employees for feedback. The organization learned a major pain point for their employees was the current payroll schedule. Stellar Living is on a semi-monthly schedule of payment. Employees are paid on the 10th and 25th of each month – poor timing for employees who have bills to pay on either the 1st or 15th of the month.

The odd timing and duration between paychecks pushed employees to vocalize their desire to switch from semi-monthly to weekly pay. Stellar Living listened to employee concerns and sprung into action. They reached out to their current payroll provider to get an estimate of how much it would cost to switch from a semi-weekly pay schedule to a weekly pay schedule.



The results were astonishing. Switching from about 24 payroll activities a year to 52 payroll activities a year would more than double the price of their current payroll service. This would be true for any payroll provider.

The potential for an increased payroll cost and the stress of losing employee morale placed a major burden on the accounting and human resource departments at Stellar Living.



DailyPay has become the answer to our problems. It doesn't take a whole lot to keep the program running, and employees are very happy.

- Tyler Hudgins, Corporate Accountant at Stellar Senior Living

## THE SOLUTION: DAILYPAY

According to Tyler, the head of Stellar Living's accounting department and the administrator of DailyPay for Stellar Living, "DailyPay has become the answer to our problems."

DailyPay is a way to appease both employees at Stellar Living and protect the organization's bottom line.

The accounting and HR departments are pleased with the initial success of DailyPay. The bulk of DailyPay processes are automated which means that Stellar Living has found a hands-off solution to their problem, at no additional cost to the organization.

In the first five weeks of being on the program, 26% of Stellar Living employees have activated their DailyPay accounts, on average. In three facilities, the activation rate has risen as high as 35%.

As Stellar reduces turnover, Tyler and his department no longer have to onboard and offboard as many employees each week.

DailyPay helped Stellar Living maximize the benefits of the program, and in a recent conversation with employees who have activated their accounts, we found that employees are grateful for the new benefit. DailyPay helped them out when the odd payment schedule at Stellar Living didn't coincide with their bill schedules.

