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LEADERSHIP AND MANAGEMENT

Quint Studer

selecting and retaining talent: tools for the bottom line

It's not easy to add \$1.3 million to a bottom line these days. Or is it?

I think of reducing employee turnover as the "low-hanging fruit" when it comes to easy ways to dramatically cut costs. High turnover not only represents lost dollars, but when you retain more employees, you also improve employee morale, quality, and clinical outcomes so physicians and patients win, too. In an organization with 3,000 employees and an average salary of \$45,000, a 1 percent reduction in turnover equals more than \$1.3 million.

So how do you target those dollars and bring them back into your organization? A simple four-step process can help.

1 Use prescreening to select for organizational fit. The path to reducing turnover begins by ensuring that candidates you bring into the organization are willing to support and model your organizational values. Skills can be taught, but attitudes are hard to change if they don't fit the culture or standards of an organization. In the same way a mortgage company asks about history to establish credit (instead of asking about *intentions* to pay bills), behavioral-based questions use past behavior to help indicate future performance.

Your human resources department can learn a lot about an individual's approach to teamwork, for

instance, by asking, "Tell me about a time when you contributed to the success of a team. How did you do this?"

To learn how customer-focused an individual is, ask, "Tell me about a time when you exceeded a customer's expectations. What was the situation? What did you do to exceed his or her expectations?" By asking the right behavioral questions, HR can ensure that all candidates they forward to department leaders for review will reflect the organization's standards of behavior (e.g., integrity, teamwork) and fit with the culture.

2 Use behavioral-based interviews to ensure job and skill set fit. When all department leaders base their hiring decisions on behavioral questions that address job and skill sets (e.g., analysis, initiative, communication), the likelihood of hiring someone who is a great fit improves dramatically. If you are hiring a new leader, you might want to say, "Give me an example of a time when you were able to motivate a group." If organizational skills are paramount to success, say, "Tell me about a time when you had to prioritize several key deliverables."

3 Use peer interviews to ensure cultural fit. Involving employees in the selection process increases ownership in the organization and creates a sense of investment on the part of the

candidate's peers. They are more likely to support the new hire's success when they make the recommendation to hire.

Here's how it works: Ideally, three to six high-performing peers from the department are selected and trained specifically on how to peer interview with behavioral-based questions. They each preselect the questions they feel are most pertinent to ask to ensure a good fit.

Once the department leader has prescreened and forwarded acceptable candidates, team members interview each candidate. Each team member rates the candidate responses and makes a recommendation to the manager. And although the final decision is always up to the department manager, the department manager would usually follow the recommendation of the peer review team. Generally, if anyone on the interview panel recommends the candidate not be hired, the candidate is not hired.

4 *Hold 30- and 90-day conversations to improve new employee retention.* More than 25 percent of people who leave healthcare organizations do so during the "honeymoon phase" of employment—the first 90 days. If you want to retain them, you have to do more than pass them in the hall and ask how things are going. In fact, if direct supervisors meet with each new employee and ask structured questions at the 30- and 90-day marks of employment, your organization can reduce new employee turnover by 66 percent.

When you meet, ask the new employee:

> *"How do we compare with what we said we would be like?"* This question opens a dialogue for clarifying the new hire's expectations and gives you a good perspective on whether you are delivering what you promised.

> *"Tell me what you like. What is going well?"* By asking this question, you give the new hire a chance to focus on the positive aspects of the job. As a manager, you will gain a unique perspective on what matters to people.

> *"Which employees have been helpful to you in your first 30 days?"* This helps you capture the names of individuals you can reward and recognize for helping new hires learn the ropes.

> *"I noticed you came to us from _____. Are there things you did there that might be helpful to us?"*

This helps you harvest new ideas for process improvement, and makes the new employee feel as if she or he made a valuable contribution.

> *"Is there anyone you know who might be a valuable addition to our team?"* Chances are good that your new employee may still be in touch with former coworkers and might be willing to recruit them to your organization.

Does It Really Work?

Yes! Advocate Good Samaritan, a 340-bed hospital in Downers Grove, Ill., implemented these tools last year and reduced new employee turnover (zero to six months of service) by 26.5 percent (from 47.62 percent to 21.1 percent) in 2005. At press time, Methodist Hospital Division, Thomas Jefferson University Hospital, Philadelphia, was tracking to exceed its FY06 voluntary goal to reduce overall employee turnover from 15.48 percent to 9.9 percent. They attribute their results to a comprehensive, focused approach on these key processes that affect employee selection and retention.

When leaders hardwire prescriptive tools for selecting and retaining talent, the sky's the limit. ●

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