HEALTHCARESOURCE®
BEHAVIORAL ASSESSMENTS:
RECRUIT FOR HIGHER RETENTION
Turnover is a financial problem for healthcare…
And it’s only getting worse.

Turnover, especially within nursing, can have a severely negative impact on your healthcare organization’s bottom line. According to the Healthcare Retention Study, conducted by Dr. Frederick Morgeson, Michigan State University, Scientific Advisor, HealthcareSource, 25% of healthcare workers from the HealthcareSource Staff Assessment Job Families, which includes Nursing, Patient Care, Entry-level Service, Technical/Professional and Administrative/Clerical, leave their first year on the job, and 28% leave within 18 months. Meanwhile, a CareerBuilder survey shows that nationwide, employees stay in jobs 4.4 years, while it’s rare for a RN to stay in a position longer than 1.5 years.
The U.S. Bureau of Labor Statistics has identified the top ten occupations with the largest projected employment growth. Six of the ten occupations are in healthcare, and there’s a predicted shortage of one million nurses in the U.S. by 2020.

Top 10 Occupations with Largest Projected Employment Growth

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employment 2010</th>
<th>Employment 2020</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Personal care aides</td>
<td>861</td>
<td>1,468</td>
<td>607</td>
<td>71</td>
</tr>
<tr>
<td>2. Home health aides</td>
<td>1,018</td>
<td>1,724</td>
<td>706</td>
<td>69</td>
</tr>
<tr>
<td>3. Medical secretaries</td>
<td>509</td>
<td>719</td>
<td>210</td>
<td>41</td>
</tr>
<tr>
<td>4. Medical assistants</td>
<td>528</td>
<td>690</td>
<td>163</td>
<td>31</td>
</tr>
<tr>
<td>5. Registered nurses</td>
<td>2,737</td>
<td>3,449</td>
<td>712</td>
<td>26</td>
</tr>
<tr>
<td>6. Physicians and surgeons</td>
<td>691</td>
<td>859</td>
<td>168</td>
<td>24</td>
</tr>
<tr>
<td>7. Receptionists and information clerks</td>
<td>1,049</td>
<td>1,297</td>
<td>249</td>
<td>24</td>
</tr>
<tr>
<td>8. Licenses practical and licensed vocational nurses</td>
<td>752</td>
<td>921</td>
<td>169</td>
<td>22</td>
</tr>
<tr>
<td>9. Construction laborers</td>
<td>999</td>
<td>1,211</td>
<td>212</td>
<td>21</td>
</tr>
<tr>
<td>10. Landscaping and grounds keeping workers</td>
<td>1,152</td>
<td>1,392</td>
<td>241</td>
<td>21</td>
</tr>
</tbody>
</table>

Turnover is costly for healthcare organizations. According to a study by PriceWaterhouseCoopers, with costs ranging from $42,000 to $64,000 per nurse, an organization with 600 nurses and 20% turnover is faced with an estimated cost of $5 million and $7 million each year. For each percentage increase in annual nurse turnover, the average hospital spends $300,000 per year. That’s the bad news—the good news is that with just a 1% increase in retention, hospitals can save $300,000 per year.
Turnover Can Be Minimized by Using Behavioral Assessments to Select for Cultural Fit, Predict Retention, and Develop Top Performers

Focusing on hard skills alone, such as education, during the hiring process isn’t enough to increase retention. Healthcare organizations should also focus on personal characteristics that are predictive of retention. Variability in these capabilities exists and can be measured before an offer is made. To help healthcare organizations select for cultural fit, HealthcareSource Staff AssessmentSM and HealthcareSource Leadership AssessmentSM focus on two domains:

- **Biographical Data**: Information on past behavior, life experiences, and feelings about specific situations, which serves as an indication of embeddedness and habitual commitment.
- **Personality**: Stable individual characteristics that help identify behavioral tendencies that influence staying or leaving a job.

Using the biographical data and personality domains, Staff Assessment provides comparative information for nine behavioral competencies that are critical for healthcare employees:

- Work Ethic
- Customer Focus
- Teamwork
- Compassion
- Openness to Learning
- Valuing Diversity
- Energy
- Flexibility/Adaptability
- Multi-Tasking
Dr. Morgeson’s research found that strong relationships exist between these competencies and certain key behaviors that healthcare HR and managers should focus on when selecting employees. For example, a strong relationship exists between work ethic and dutifulness. If a candidate demonstrates a strong work ethic through their assessment, he or she is likely to exhibit desirable performance on the job, such as fulfilling one’s job duties.

The Society for Human Resource Management (SHRM) suggests that a behavioral competency based approach to leadership selection is an effective way to identify and cultivate new leaders who will display the necessary behaviors to be successful in healthcare. The Leadership Assessment survey scores leaders on the ten critical leadership competencies that encompass the best leadership qualities for healthcare:

- Achievement Orientation
- Conscientiousness
- Emotional Evenness
- Openness to Change
- Self-Confidence
- Innovative Thinking
- Multi-Tasking
- Self-Development
- Customer Orientation
- Critical Thinking

By incorporating Leadership Assessment into their selection process, healthcare organizations can evaluate new candidates and emerging leaders on critical competencies that encompass the necessary behaviors to succeed as a leader in healthcare. For example, emotional evenness has a strong correlation with even tempered and calm tendencies, which are critical during times of crisis.
Staff Assessment Can Be Utilized to Predict Higher Employee Retention Rates Pre-Hire

According to Dr. Morgeson’s Healthcare Retention Study, within 18 months over 90% of all staff turnover has occurred. To prevent turnover, the HealthcareSource Staff Assessment Retention Index feature helps organizations identify whether an applicant is likely to stay with the organization.

The Retention Index is based on actual turnover of hospital employees at 12 months of employment. Statistically significant relationships exist between the Retention Index score and employee retention within their first year of employment. For the nursing job family within Staff Assessment, candidates with high retention index scores are more likely to stay at their organization versus their peers with lower scores.

Data represents simulated results, as if only retention index scores were reviewed for hiring purposes.
Customer-Focused Nurses Deliver Care That Translates into Better HCAHPS Scores

Retention can provide a continuum of care that’s important to patient satisfaction. But how does employee behavior within organizations impact patient satisfaction scores? Research has found a strong relationship between communication with nurses and high overall Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey scores.

During the hiring process, HealthcareSource behavioral assessments can help organizations identify candidates with strong communication and customer focus behavioral competencies. How nurses communicate with patients can have a big impact on the HCAHPS survey overall rating result. During the hiring process, HealthcareSource behavioral assessments can help organizations identify nursing candidates with strong communication and customer focus behavioral competencies.

*Summary Measures with higher numbers from the 3,000 hospitals studied indicate a stronger relationship to higher overall HCAHPS overall rating.
HealthcareSource Reference Assessment℠: A Best Practice for Selection

Checking references by phone is a time-consuming process. A survey of employment managers at Fortune 500 companies discovered that approximately 10% of the time spent on staffing is devoted to reference checking. Automating the reference checking process can be a great time saver for organizations. However, using an online assessment to automate the process is an even better solution.

HealthcareSource Reference Assessment applies predictive science to references and determines which candidates will be most likely to succeed on the job. Using an assessment for reference checks is considered talent management best practice—collecting information about work behaviors from a range of people offers a deeper understanding of a candidate’s overall behavioral competencies. “An assessment-based approach to reference checks rests on a sound scientific foundation. The judgments that others make about an individual are as accurate, if not more accurate, than self-reported information,” said Dr. Morgeson.

By using Reference Assessment early in the hiring process, before an offer has been made, it’s possible to use the results to aid in decision-making. Since Reference Assessment uses the same predictive science and data as Staff Assessment and Leadership Assessment, organizations that use the solutions together can see if the results for a candidate are consistent to make the best hiring decisions.
Increase Retention Post-Hire by Using Assessments as a Professional Development Tool

Selecting for retention is critical, but assessment solutions from HealthcareSource are also valuable tools to use when developing frontline employees. As part of the performance management process, leading healthcare organizations often ask existing employees to take the Staff Assessment survey or to identify their strengths and weaknesses.

The Development Report force ranks an employee’s behavioral competencies based on their assessment scores. This makes it easy to highlight an employee’s areas for improvement, based on the lowest ranked competencies. The report prescribes specific on-the-job activities, as well as self-study and training resources to improve on-the-job performance.

Case Study: Southwest General Health Center’s EDGE Program

Southwest General Health Center is a 350 bed, non-profit hospital that serves residents in communities southwest of Cleveland, Ohio. To cultivate and reward high performers, the organization developed the EDGE (Educate, Develop, Guide, and Equip High Performers) Program. Staff Assessment plays a central role in this initiative.

Managers identify which high performing employees to send to the EDGE Program. Participants attend five modules: Introduction to Leadership, Communication and Listening, Conflict Management, Change Management, and a Leadership Wrap Up session. Program participants take the Staff Assessment survey and bring their Development Report to the Wrap Up session. In that forum, employees are introduced to the nine key healthcare competencies in Staff Assessment (work ethic, customer focus, teamwork, compassion, openness to learning, valuing diversity, energy, flexibility/adaptability, and multi-tasking).
With information from the Development Report, employees work with their managers to create a development plan focused on the nine competencies. The plan covers a three month period and both the employees and managers sign off on it. “Employees love it,” said Joni Edwards, Director, Staffing and Volunteer Services. “They feel like we are really investing in their development using a tool that is scientific and validated. In addition, they appreciate that the development plan keeps them accountable for meeting their goals.”

Employees aren’t the only ones who like the EDGE Program. Southwest General surveyed managers and 100% stated that upon completion of the EDGE Program, they felt participants could continue their leadership exploration with a personal development plan after the class. In addition, 100% felt they could measurably prove that participants’ personal effectiveness had enhanced team effectiveness. “Managers like that they have a structured way to develop high performers that impacts the patient experience,” said Edwards. High performers are seeking way to further develop their skills and potential within the organization; giving them opportunities for improvement with the help of Staff Assessment is a driving force for retention.

The Staff Assessment survey results are complimented by a development report, enabling healthcare leaders, managers, and HR to support employee growth and improvement.
HealthcareSource Leadership Assessment: Invest in Your Leadership Team

Professional development is essential for high performing frontline employees, but it’s also needed for leaders. McKinsey & Company reports that American companies spend almost $14 billion annually on leadership development activities. Yet for many organizations, leadership is the top human capital concern and according to Bersin by Deloitte’s Human Capital Trends study, it’s the largest “readiness gap” for organizations. All too often in healthcare, individuals are promoted into leadership positions because they are talented clinicians. However, clinical expertise doesn’t always translate into strong leadership skills.

Utilizing Leadership Assessment as part of their leadership development program, healthcare organizations can evaluate their existing leaders on ten critical leadership competencies that encompass the best leadership qualities for success (achievement orientation, conscientiousness, emotional evenness, openness to change, self-confidence, innovative thinking, multi-tasking, self-development, customer orientation, and critical thinking).

The feedback report that comes with the survey results offers research-based recommendations for improving leadership skills. Leaders are given a range of options for strengthening their skills, since people have a wide range of preferred learning styles. The report provides tips for learning on the job, as well as seminars, books, and other resources. Development resources can also be customized to include tools that healthcare organization may already have in-house. In addition to professional development, Leadership Assessment is a good way to jumpstart the succession planning process and identifies leaders who can mentor high potential employees.
Conclusion

In the era where value-based principles drive healthcare reimbursements, the need to increase retention has never been greater. Hospitals spend hundreds of thousands of dollars because of turnover—a small increase in retention can save your organization $300,000 or more per year. Behavioral assessments from HealthcareSource are scientifically validated and proven tools for identifying and selecting healthcare candidates who will fit into your culture and have a higher likelihood for retention during their first year, which means lower turnover costs. Meanwhile, the development capabilities offered post-hire helps ensure retention past the 12 month mark.

Strong communication and customer focus nursing competencies identified by the assessment can lead to higher patient satisfaction survey scores, which also impacts your healthcare organization's bottom line. By harnessing behavioral assessment solutions from HealthcareSource that are designed to increase retention and improve patient satisfaction, HR teams can help leaders, managers, and employees reduce costs and improve the patient experience—the ultimate goal for any healthcare organization.

Learn more about recruiting for higher retention with HealthcareSource Assessments.

Schedule a Conversation
About HealthcareSource

With more than 2,500 healthcare clients, HealthcareSource is the leading provider of talent management solutions for the healthcare industry. The HealthcareSource Quality Talent Suite helps healthcare organizations recruit, develop, and retain the best workforce possible in order to improve the patient and resident experience. The company’s cloud-based talent management solutions include applicant tracking, behavioral assessments, reference checking, employee performance, compensation, competency and learning management, and eLearning courseware. A private company focused exclusively on the healthcare industry, HealthcareSource consistently earns high marks for client satisfaction and retention. HealthcareSource has been regularly ranked as a leader by KLAS Research for Talent Management, in addition to recognition in Healthcare Informatics 100, Modern Healthcare’s “Healthcare’s Hottest,” Inc. 500|5000, Deloitte Technology Fast 500, and Becker’s “150 Great Places to Work in Healthcare” list.