

## CHALLENGES

- Decreasing employee engagement scores
- Increasing turnover rates
- Maintaining a strong culture, while supporting growth
- Hiring candidates who fit the culture and share the organization's values

## RESULTS

- Greater consistency in the hiring process: 90 percent of candidates complete a behavioral assessment
- 43.8 percent improvement in RN turnover; 16.4 percent improvement in turnover overall
- Increased employee engagement: scores increased from the 88th percentile to the 95th percentile

HOUSTON  
**Methodist**<sup>®</sup>

# Houston Methodist Uses HealthcareSource Staff Assessment to Hire for Cultural Fit and Reduce Turnover

Houston Methodist, composed of eight hospitals, 2,165 operating beds, two physician organizations, and a research institute, has always enjoyed high employee engagement compared to the national average, routinely reaching engagement scores as high as the 99<sup>th</sup> percentile. This healthcare system has 22,050 employees who handle approximately 104,000 admissions and 811,000 outpatient visits each year. In 2015, however, as the organization experienced significant growth, trends in employee engagement and turnover served as early warning indicators that something was amiss.

The organization's mission is to provide high-quality, cost-effective healthcare that delivers the best value to the people it serves in a spiritual environment of caring in association with internationally recognized teaching and research. Houston Methodist is known for its culture of integrity, compassion, accountability, respect, and excellence. Culture serves as a differentiator for the organization among patients, employees, and candidates. And when the changes in employee engagement began to affect the organization's culture, they knew they needed to act. They incorporated the use of HealthcareSource Staff Assessment<sup>SM</sup> as a key part of their solution.

## Supporting Organizational Growth, While Preserving the Culture

As Houston Methodist hired more employees to support its expansion, it began to encounter higher than expected turnover and decreasing employee engagement scores. Turnover reached 17.9 percent, and employee engagement decreased to the 88<sup>th</sup> percentile. In contrast, employee engagement scores were rising nationwide.

Houston Methodist's strategy for improving engagement was multifaceted. They focused on giving leaders tools and responsibility for employee engagement. This included tying managers' annual performance goals to engagement, creating an employee engagement playbook for leaders, and providing specific courseware for leadership focused on engagement. All employees were invited to participate in interactive facilitated dialogue sessions to talk about the mission and goals of the organization as well as how he/she contributed to them. They also examined how they were adding people to the organization, knowing that new employees would be key.

Houston Methodist's human resources team recognized that their workforce's composition had changed significantly and was impacting the culture. "As Houston Methodist continued to grow, we realized that it was critical to hire employees who would reinforce and drive the organizational culture," said Carole Hackett, Senior Vice President, Human Resources. "We needed candidates who displayed the behaviors associated with a high degree of patient focus."

"One in four employees was new to the organization, and the new hires needed to be integrated into the culture. It was time to take a closer look at who was being hired, why turnover was increasing, and how to prevent dilution of Houston Methodist's strong culture and values. So a lot of new people, a lot of change — and we needed to create a plan to do something about it," said Thomas Vernon, System Director, Talent Management.



## Leveraging Behavioral Assessments

The human resources team wanted to equip managers with tools that would help them hire the best candidates from both a skills and culture perspective. “Our managers had always been good at assessing candidates’ technical expertise, but we wanted to make sure they were identifying the candidates who were also the best cultural fit for the organization,” said Carlos Fernandez, Manager, Talent Acquisition.

The human resources team began to develop the Hire4Fit program, which incorporated behavioral assessments into the hiring process. In prior years, Houston Methodist had used a proprietary assessment tool, which they abandoned because it no longer met the organization’s needs. They formed a steering committee to evaluate different behavioral assessment tools. This group looked at several products and felt Staff Assessment was the best match. The team was impressed with several aspects of the solution, especially the interview guides it provides for hiring managers and the ability to integrate with Houston Methodist’s applicant tracking system. The steering committee believed that Staff Assessment would best help the organization predict candidates’ cultural fit.

## The Results of Hire4Fit and Behavioral Assessments

Houston Methodist launched Hire4Fit in early 2016 for all non-leadership level positions in five job families: nursing, patient care, entry-level service, administrative and clerical, and technical and professional. As part of the program, candidates are now asked to complete an online behavioral assessment.

The assessment scores give hiring managers insights into how well candidates will fit in the organization based on critical dimensions like Work Ethic/Attendance, Compassion, Retention, and Customer Focus, showing strengths and weaknesses across job relevant competencies. In addition, Staff Assessment provides an interview guide based on the assessment results to arm managers with the appropriate questions to understand and probe low scores. This helps Houston Methodist identify talent that is aligned with the organization’s values and workplace culture.

## Greater Consistency, Increased Retention, and Higher Engagement

**Houston Methodist’s Hire4Fit program resulted in a number of successes:**

- The behavioral assessments and interview guides have increased consistency in the hiring process. “The assessments are such a usable tool. They help managers make better decisions,” Hackett observed.
- Turnover decreased significantly. At the beginning of 2016, Houston Methodist’s turnover rate was 17.9 percent. Now turnover is at 14.2 percent, and it’s still on a downward trend, even though headcount continues to increase.
- Assessments are playing a clear role in improved employee retention. For the period between April 1, 2016, and March 31, 2017, Houston Methodist compared turnover between employees who had taken the pre-hire behavioral assessment and those who had not.
  - Turnover among RNs who took the assessment was 9.37 percent, and 16.67 percent for those who did not. The group that took the assessment had a 43.8 percent lower RN turnover rate, calculating to approximately 40 fewer RN separations.



## ABOUT HOUSTON METHODIST

**Location:** Greater Houston, Texas Area

**Overview:** Houston Methodist has eight hospitals serving the Greater Houston area. Each hospital is staffed by personnel who exemplify the organization's I CARE values: integrity, compassion, accountability, respect, and excellence. Patient safety, quality, and service are Houston Methodist's highest priorities.

**Employees:** 22,050

**HealthcareSource Solutions:**

Staff Assessment<sup>SM</sup>

Leadership Assessment<sup>SM</sup>

The Recruiter Academy<sup>SM</sup>

Private RACR

Lean Human Capital RecruitX<sup>SM</sup>

Lean Human Capital Talent Insights<sup>SM</sup>

– Overall turnover was 14.51 percent among employees who didn't take the assessment and 12.13 percent among those who did, representing a difference of 16.4 percent in the combined turnover rate across all jobs.

- Employee engagement has increased. Houston Methodist rescored employee engagement at the end of 2016 and discovered a significant increase. Employee engagement increased from the 88<sup>th</sup> percentile to the 95<sup>th</sup> percentile.

Recruiter buy-in and transparent reporting have been two keys to success for the Hire4Fit program. Houston Methodist's human resources team shares assessment completion rates with recruiters and has worked with them to implement clear hiring processes. For example, candidates are not scheduled to interview with a manager until the candidate completes the behavioral assessment. In addition, Houston Methodist publishes reports that show reductions in employee turnover, as well as assessment compliance data by recruiter and by hiring organization. Today, 90 percent of candidates have a scored behavioral assessment before hire.

### Looking Ahead

The Hire4Fit program and behavioral assessments have been positively received by managers at all levels of the organization.

Houston Methodist is in the process of mapping assessment results to other indicators, such as performance management and patient satisfaction data. "This will enable us to take a more strategic and predictive approach to hiring based on past experience with employees," said Vernon.