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Profiles International<sup>®</sup>

# CASE STUDY

Health Alliance Treats Turnover with ProfileXT<sup>®</sup>

imagine great people<sup>®</sup>



# ProfileXT®

## Health Alliance Treats Turnover with ProfileXT®

**To see a clear picture of employment trends at one Tennessee healthcare provider** during the last 18 months, it helps to start with the most current events first. What we know so far is this: turnover is half of what it was, and remains well below national figures for healthcare workers, resulting in millions of dollars saved.

Getting to this place took hard work, and the results introduce an exciting new chapter in the health group's history. The year and a half between July 2009 and December 2010 represents a short, but vital link between its past, present, and future in delivering quality healthcare.

These facts, and the way the organization has hardwired best hiring practices into its operation, helped make the healthcare provider the 2010 Profiles International Client of the Year.

The award-winning organization comes from quality healthcare stock. Some of the group's 13 individual member hospitals were delivering healthcare at the start of the 20<sup>th</sup> century. In addition to the thriving and well-regarded hospitals, today the provider includes other facilities, and serves in four states.



### Hospitals and more

The fully accredited hospitals and other organizations that make up the alliance assume the character of their communities and the needs of people living in each region. The group's hospitals range in size from two beds to 500.

"Hospitals make up only part of our healthcare services," says the group's vice president and chief human resources officer. Also under the alliance umbrella is a 240-member medical group, about 350 team members who work in a home health agency, and a medical equipment facility. In all, the group's 9,000 team members provide integrated care to people in 29 counties in Tennessee, Virginia, Kentucky, and North Carolina. "We are a lot more than hospitals," the VP says.

### CHALLENGES

- 34% turnover, 5% above national average
- Select better team members
- Reduce turnover
- Increase retention

### SOLUTION

Profiles created a "hybrid" ProfileXT® pattern by taking healthcare patterns already in Profiles' library and customizing them to alliance applications.

### RESULTS

After 15 months of using PXT for assessing new team members, the alliance's turnover dropped by half. It has remained below the original turnover figure of 34% for first-time employees, and well below the national average of 29% turnover for the healthcare industry.

The ProfileXT® is a **validated psychometric instrument** that has been in use for more than **two decades**. It was developed with the help of people diverse in age, ethnicity, education, and income, and works by investigating **how a person fits** into a particular job based on **behavioral traits, occupational interests, and thinking style**.

## Selecting the best team members

With a mission of addressing the healthcare needs of hundreds of thousands of people in a vast and diverse region, the healthcare provider's executives decided they needed help with the issue of turnover among new hires, which averaged 34 percent for team members finishing their first year, and 17.5 percent overall. "We had a process that was not working, and we wanted to select better team members, reduce turnover, and increase retention," the VP said. The organization put out a request for proposals and found Profiles.

Initially, officials were attracted to Profiles' assessments. The attraction grew after a face-to-face meeting between the alliance's human resources leadership team and five Profiles senior executives. "Our team felt like it was a good fit," the vice president said. After settling on Profiles to provide assessments, interpretation, and training, the two organizations set a launch date and implemented the action plan. Executives from both companies began reviewing job descriptions.

"We had a month of preparation time," the strategic account manager said. "Profiles and [the alliance] worked hand-in-hand to look at job descriptions. We loaded several hundred patterns into our system."

Working to ensure group executives got exactly the kinds of team members they wanted, Profiles created a "hybrid" ProfileXT® (PXT) pattern by taking healthcare patterns already in Profiles' library and customizing them to alliance specifications. They decided on a threshold, then Profiles executives spent two days in the summer of 2009 training the group's hiring managers on effectively reading PXT reports.

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### ProfileXT®

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In the healthcare provider's case, frequently reevaluating the process and fine-tuning the PXT translates into giving the organization exactly the kind of team members it needs. This works more efficiently with weekly reports on every position and team member who scored greater than and less than 70 percent, which the alliance adopted as its threshold for hiring.

Although building PXT patterns might sound like a time-consuming process, it is possible to build several patterns daily. "If someone has immediate needs, it does not take long to start this. For a healthcare organization that wants to hire nurses, for example, executives would build a pattern and match the top-performing nurses to it to see how they look. It is always a good starting point to begin with library patterns," the strategic account manager said, and Profiles has a number of patterns in its library.

Sometimes the client organization is looking for certain traits in a candidate that the organization currently does not have in the way of top performance. For example, said the VP, "If you have a specific group of registered nurses that are consistent, reliable producers, but you need a little more of something (more assertive or decisive for example), then you adjust your pattern based on need. Instead of hiring people that look like those you have already, you go after people with that 'extra something' you desire. If what I'm after is more of a certain thing, then I'm going to have the pattern built off my wish list based on what I want."

The vice president stated, "We're getting a predictive glance of what a candidate brings to the table. Since we know in advance, we're aware of both their strengths and possible future roadblocks."

Profiles augmented different aspects of the PXT for the health group's needs, with the VP approving each augmentation. For example, new RN graduates often look different in an assessment than do long-tenured RNs. So, the assessment matches graduates with a pattern built off RN graduates instead of veteran RNs. The hybrid pattern is a result of Profiles' preliminary library pattern, modified from an alliance job description. While the "generic" employee sketch comes from the library, the benchmark is modified based on a client's job description.

"Let's say we have as a generic pattern someone who does not have to multitask or handle a lot of things at once or juggle multiple patients," the strategic account manager said. "But if [the group] has a need for a fast-paced multitasker, we will move the benchmark for that scale up from the national average to 7-8-9. It's all based on need and job description."

## The launch process

Two Profiles executives trained 475 managers at the healthcare provider over two days on what the PXT and another Profiles assessment, the Customer Service Profile™, meant to them and the organization. They also spent time with recruiters, taking decision-makers through the process of scheduling candidates, navigating a virtual assessment center, correlating a position to a proper job-match pattern, and generating and distributing reports.

This demonstrates best practice and procedure, Profiles executives say. “This became a part of their process. Now they do not hire or promote anybody without administering the assessment,” the strategic account manager said, even if some might scrutinize and question the process. “There is pressure from time to time to change what they are doing, but they stick to their guns when necessary.”

## What makes the PXT work

The alliance tracks the turnover on a monthly basis, the VP says, looking at overall numbers and specifically at those for registered nurses, who are key to healthcare operations. “Our one-year anniversary for all team members was 28 to 38 percent, with an industry benchmark of around 29 percent. Going back to July 2009, we were at 34 percent [for new team members]. By the end of June [2010] we were at 15 percent, and for the first six months of 2010, we stayed right there.”



Crucial to the success of the PXT is making sure everyone uses and interprets it correctly and uniformly, the vice president said. “One of the things we did during the implementation was to hardwire it. Our previous assessment tool left decisions up to individual managers. With implementation of the PXT, we set the threshold [for hiring] at 70 percent, and if the applicant did not have that match, he or she stopped in human resources and did not get to go on in the process.”

Other steps group executives took included:

- **CENTRALIZATION OF THE PROCESS.** “We have five recruiters who report directly to me,” the VP said. “That way, there is less likelihood of any variability so that someone could

circumvent the process. Exceptions come to me, and I have to go to our system's CEO for any exceptions."

- **CONSTANT EVALUATION** to make sure those who are hiring new team members get the best match for the healthcare group. Sometimes this means standing up to pressure to hire someone who might not meet their 70 percent threshold. "There are lots of comments and pressure," the VP said, especially when many candidates do not match the PXT pattern customized for the company.



## The crystal ball

The alliance continues to focus on reducing turnover, the VP said. Strong savings help in this resolve. All one has to do is look at the difference in turnover when the organization began using PXT and its first-year anniversary of using the assessment. The gap represents an \$8.2 million savings calculated on the costs of hiring. "Those costs—recruitment, advertising, and other expenses—are all associated with human resources," he said. They do not include such things as overtime pay for team members who work more hours when a position goes unfilled, he added, which is why the savings is actually more.

Additionally, executives will use the PXT more broadly. The health provider uses PXT with all managers to introduce them to the process and look at the results. This provided insight and coaching on how to lead teams. Thus, the PXT is now part of the group's talent management development process, which has brought interest from other organizations. The vice president has addressed two conferences on this aspect of using the PXT, and white papers have featured what the group has done in the area.

Executives will also continue to look at how the provider uses the Customer Service Profile™ (CSP). The VP said when 35 percent of applicants fell below the PXT threshold, it invited a lot of scrutiny from executives. Meanwhile, the CSP never invited any scrutiny because about 94 percent of everyone who took it was a match. So, for anyone taking the CSP, the health group has raised the bar to an 80 percent match. "We constantly evaluate to make sure we get the best match, but we don't want to make it impossible to get a job here," the vice president said. He is a believer in the PXT for hiring the right person for a specific job, convinced by the sustained reduction in turnover.

The fit between Profiles and the healthcare provider is also superb. The 2010 Client of the Year's implementation of the PXT on every new hire, its well-defined threshold for entertaining a candidate, and its consistency in practices elevate the organization to champion rank, the strategic account manager says. "Not only did they seek out a solution, they took ownership of the process, and it is now hardwired into HR."

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