



# CASE STUDY

HEALTH ALLIANCE  
TREATS TURNOVER  
WITH PROFILEXT<sup>®</sup>



Medical & Pharmaceutical

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# Health Alliance Treats Turnover with ProfileXT®



## AT A GLANCE

### CHALLENGES:

- 34% turnover, 5% above the 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 the specifications.

### RESULTS:

After 15 months of using PXT for assessing new team members, turnover had dropped by half. It has remained well below both the original turnover figure of 34 percent for first-year employees, and well below the national average of 29 percent turnover for the healthcare industry.

To see a clear picture of employment trends at a multi-state, multi-hospital Health Alliance over 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 organization’s history. The year and a half between July 2009 and December 2010 represent a short but vital link between the past, present, and future in delivering quality healthcare.

The award-winning Health Alliance comes from quality healthcare stock, beginning in 1998 when Johnson City Medical Center Hospital Inc. of Johnson City, Tenn., acquired six Columbia/HCA hospitals in northeast Tennessee. The name “Health Alliance” became official in 1999.

Some of the group’s 13 individual member hospitals were delivering healthcare almost from the start of the 20<sup>th</sup> century. And in addition to the thriving and well-regarded hospitals, they have other facilities and serve parts of four states.

## Hospitals and More

The fully accredited hospitals and other organizations that make up the Alliance assume the characters of their communities and the needs of people living in each region. The group’s hospitals range in size from two beds to 500. One medical center began in a small cabin in 1905. Several gained reputations for their specialties.

The Alliance’s five hospitals in **Johnson City, Tenn.**, include:

- **Johnson City Medical Center**, the group’s flagship facility, a 488-bed regional referral center opened in 1911 as the second hospital built in the state. It is a Level 1 Trauma Center, one of six in Tennessee. It also has earned Top 10 Heart Hospital status from Solucient and is a leader in cancer care, maintaining relationships with Harvard, Duke, and Vanderbilt universities. JCMC is also known as an acute-care teaching hospital and is home base for Wings Air Rescue, the region’s largest

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fleet of dedicated emergency medical air ambulances with bases in Tennessee, Virginia, and Kentucky.

- **Franklin Woods Community Hospital**, an 80-bed community hospital built in 2010 and the state's first green hospital, so classified because of its use of space, water efficiency, and ventilation practices.
- **Niswonger Children's Hospital**, with 69 beds to help more than 200,000 children in a four-state area.
- **James H. and Cecile C. Quillen Rehabilitation Hospital**, also known as **QRH**, a 47-bed comprehensive inpatient facility founded in 1991 to provide rehabilitation care. It started as a small inpatient unit within Johnson City Medical Center in the early 1980s.
- And finally, **Woodridge Hospital**, a 75-bed center for adults, adolescents, and children six and older who need mental health and chemical dependency services.

In other Tennessee cities, the Alliance operates these facilities:

- **Elizabethton – Sycamore Shoals Hospital**, a 121-bed nonprofit for residents of East Tennessee and part of North Carolina.
- **Kingsport – Indian Path Medical Center**, a 239-bed nonprofit hospital.
- **Mountain City – Johnson County Community Hospital** with two beds and a 24-hour emergency department. This facility serves the upper northeast area of Tennessee as well as parts of North Carolina and Southwest Virginia.

Five Alliance hospitals in Virginia include:

- **Johnston Memorial Hospital (Abingdon)**, which began as a 12-bed private facility in a wooden cabin in 1905. The partnership became official in April 2009, ushering in a new era of healthcare. Today's Johnston Memorial is a modern medical center with 154 beds.
- **Dickenson Community Hospital (Clintwood)**, which opened in November 2003. It is a 25-bed nonprofit critical access hospital.
- **Russell County Medical Center (Lebanon)**, a nonprofit 78-bed hospital serving Southwest Virginia. It offers primary care and some specialty services, including behavioral health. It became part of the Health Alliance in 2008.



### QUICK FACTS

Profiles has a library of over 1,100 job patterns based on 20 years of business and over 1 million people assessed.

“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.” - Vice President and Chief HR Officer

- **Smyth County Community Hospital (Marion)**, a 170-bed acute care, community facility. Also in Marion, they operate a 109-bed nursing care facility called **Francis Marion Manor**, as well as a variety of outreach programs.
- **Norton Community Hospital (Norton)**, a nonprofit, 129-bed acute-care facility located in the heart of Southwest Virginia and the Appalachian Mountains. It has served parts of Virginia and Southeastern Kentucky since 1949 and is the largest healthcare facility in the coalfield region. The hospital operates several primary care clinics throughout the area.

“Hospitals make up only part of the Alliance’s healthcare services,” says the vice president and chief human resources officer. Also under the overall umbrella are a 240-member medical group, about 350 team members who work in a home health agency, and a medical equipment facility. In all, 9,000 team members provide integrated care to people in 29 counties in Tennessee, Virginia, Kentucky, and North Carolina.

## 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 organization’s executives decided they needed more help with the issue of turnover among new hires, which averaged 34 percent for team members finishing their first year, and was 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 CHRO said. The organization put out a request for proposals and found Profiles.

Initially, company officials were attracted to Profiles’ assessments. The attraction grew after a face-to-face meeting between the human resources leadership team and five Profiles senior executives. “Our team felt like it was good fit,” an executive said. After the Alliance settled on Profiles to provide assessments, interpretation, and training, the two organizations set a roll out date and implemented the action plan. Executives from both companies began reviewing job descriptions.

# CASE STUDY

## TREATING TURNOVER WITH PROFILEXT®

“After 15 months of using PXT for assessing new team members, turnover had dropped by half. It has remained well below both the original turnover figure of 34 percent for first-year employees, and well below the national average of 29 percent turnover for the healthcare industry.”

“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 that company executives got exactly the kinds of team members they wanted, Profiles created a “hybrid” ProfileXT® pattern by taking healthcare patterns already in Profiles’ library and customizing them to the client’s specifications. They decided on a threshold, then Profiles executives spent two days in the summer of 2009 training hiring managers on effectively reading PXT reports.

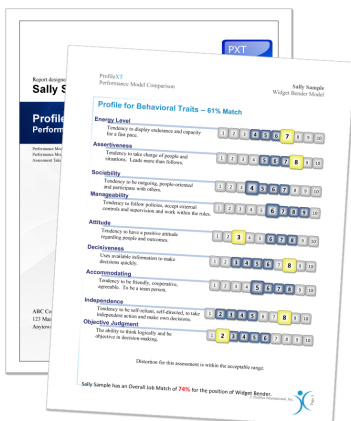
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### ProfileXT®

The ProfileXT® is a validated psychometric instrument that has been in use for almost three 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. Constructs in these three areas are measured on a 10-point standardized scale.

In this organization’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 every team member who scored greater than and less than 70 percent, which the company 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.





### KEY TAKEAWAY

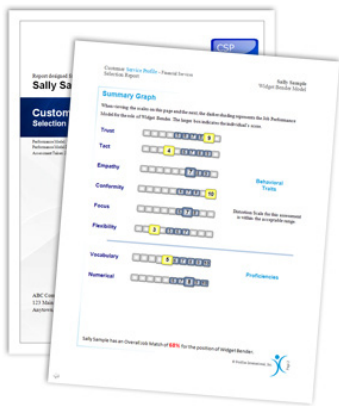
Other steps Alliance executives took included:

- **Centralization of the process.** “We have five recruiters who report directly to me,” the CHRO says. “That way, there is less likelihood of any variability so that someone could circumvent the process.”
- **Constant evaluation** to make sure those who are hiring new team members get the best match for the Health Alliance.

But 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, 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 you’re after is more of a certain thing, then you’re going to have the pattern built off the wish list based on what you want. “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,” said the HR officer.

Profiles augmented different aspects of the PXT for the organization’s needs with the HR executive 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 a customized 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 organization 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.”



“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.”

## The Rolling Out Process

Two Profiles executives trained 475 managers at the organization over two days on what the PXT and another Profiles assessment, the Customer Service Profile™, meant to them and to the organization. They also spent time with company 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 Health Alliance tracks the turnover on a monthly basis, looking at overall numbers and specifically at those for registered nurses, who are key to healthcare operations. The 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. One of the things that set the organization apart was that during the implementation it was hardwired. The previous assessment tool left decisions up to individual managers. With implementation of the PXT, the threshold [for hiring] was set at 70

All one has to do is look at the difference between turnover when the Health Alliance 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.

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 company executives took included:

- **Centralization of the process.** “We have five recruiters who report directly to me,” the HR executive stated. “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 systems CEO for any exceptions.”
- **Constant evaluation to make sure those who are hiring new team members get the best match for the organization.** Sometimes this means standing up to pressure to hire someone who might not meet the 70 percent threshold.

### The Crystal Ball

The Health Alliance organization will continue to focus on reducing turnover. Strong savings help in this resolve. All one has to do is look at the difference between turnover when the company 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. They do not include such things as overtime pay for team members who work more hours when a position goes unfilled, he adds, which is why the savings is actually more.

Additionally, executives will use the PXT more broadly. The company 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 full talent management development process, which has brought interest from other organizations.



### KEY TAKEAWAY

“Not only did Profiles seek out a solution, they took ownership of the process, and it is hardwired into HR.”

“He is a believer in the PXT for hiring the right person for a specific job, convinced by the sustained reduction in turnover.”

Executives will also continue to look at how the Health Alliance uses the Customer Service Profile® (CSP). 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 company 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,” said the vice president and CHRO.

Alliance executives are believers in the PXT for hiring the right person for a specific job, convinced by the sustained reduction in turnover.