

The healthcare challenge: Implementing talent initiatives in a data-driven industry

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Abstract

Demonstrating the value of I/O-related initiatives in an industry reliant on objective metrics can be difficult. In addition, skilled labor shortages and high turnover have impacted the ability to hire qualified individuals who provide quality care. We will discuss important considerations and unique challenges specific to the health care industry.

The healthcare challenge: Implementing talent initiatives in a data-driven industry

Few industries are more impactful or influential on individuals' lives than the health care industry. Quality care depends on selecting and developing employees throughout the health care pipeline, from leadership to entry level. Despite the industry's importance for individuals, decision makers often met proven and scientific employee assessments with skepticism and hesitance. For this reason, the health care industry implements talent management and leadership development programs at a lower rate compared to other industries (National Healthcare Leadership Survey, 2011). Furthermore, heavy professional and legal regulation, coupled with a reliance on objective data, present unique challenges to I/Os and HR professionals working in the health care industry. In this panel, we discuss the unique challenges faced by both internal and external I/O experts who work in healthcare, along with suggestions for how our field can contribute more to this multi-trillion dollar industry.

Unprecedented Industry Growth and Talent Shortage

In both private and public sectors, employment has steadily increased across the health care industry (The U.S. Bureau of Labor Statistics, 2009). A recent summary by the U.S. Bureau of Labor Statistics (2003) states that the industry will draw the largest percent increase in employment in the coming years, adding an estimated 5 million jobs between 2012 and 2022. Furthermore, although labor costs constitute approximately 45 to 60 percent of a hospital's expenses, investments allocated to human resources actually lag behind that of other industries (Becker's Hospital Review, 2012). This projected growth, coupled with the unique, lifelong impact of health care professionals on life quality, necessitates a discussion concerning talent management initiatives across the industry.

Despite the steady employment increase, the health care industry still faces high turnover and a shortage of skilled labor (e.g., Waldman, Kelly, Aurora, & Smith, 2004; Becker's Hospital Review, 2013). For example, the 2011 American Health Care Association's (ACHA) report documents an alarming 63 percent turnover among direct care Registered Nurses in nursing centers (2012). As a result of staff instability and mobility, the ACHA set a goal to reduce nursing staff turnover by 15 percent by March 2015. To combat high turnover and skilled labor shortages, some health care facilities have begun seeking foreign applicants to meet their employment needs in the U.S. (Brush, Sochalski, & Berger, 2004).

The health care challenge

Although the health care industry often relies on objective metrics to drive patient-related decisions and allocate financial resources, over-reliance on these hard data has sidelined the implementation of individual differences on a broad scale. Reliance on concrete data often makes it difficult for I/Os to demonstrate the value of what is often considered a “soft science” by healthcare practitioners. Measures we often use to drive HR related initiatives often appear objective and unreliable to stakeholders who typically rely on visible, easily measureable metrics such as blood pressure, heart rate, number of patient complaints, and surgical mishaps. As a result, some health care leaders are reluctant to adopt individual differences measures such as cognitive ability, personality, situational judgment inventories, or values measures without clear and seemingly objective evidence of significant returns on investment. However, demonstrating such value often requires large-scale validation studies conducted with a busy and often unavailable population.

Despite these obstacles, there is a clear need for better talent management practices in health care. Eight in 10 health care businesses are impacted by bad hires, with estimating costs for each bad hire ranging from \$25,000 to \$50,000 (Healthcare Finance News, 2012). However, of much more importance can be the personal costs associated with ineffective or faulty healthcare. One patient mistake in this industry could have lasting impacts on patient outcomes well past their hospital admittance. Furthermore, research illustrates hiring qualified health care employees based on individual differences results in greater patient and employee satisfaction (e.g., Collins, Collins, Mckinnies, & Jensen, 2008).

Furthermore, when health care organizations use talent management initiatives, they often focus on leaders and managers rather than lower level and higher volume employees who have the most direct impact on patient care. In an industry plagued by high turnover and change, particularly with key positions such as registered nurses, it is important to address the whole talent pipeline, from leaders to entry level. Such initiatives should rely on the assessment of individual differences to shed light on characteristics and qualities that differentiate exceptional from poor performers.

Proposed Session

We will take an applied perspective with this panel, bringing together both external and internal I/O professionals to discuss ways to leverage assessment tools and best practices to select and develop the talent pipeline of health care professionals. Our objective for the session is to discuss unique challenges our field faces when working in the health care industry, drawing on past experience and future recommendations. Furthermore, panelists will discuss how assessments and talent management practices can better benefit the industry vendors and how we can work together to reduce turnover and help with the skilled labor shortage currently faced by the health care industry. The chair will serve as the moderator, posing a series of questions, to facilitate an open discussion among panelists.

Some of the questions we will discuss during this session include:

- What are the unique challenges you face trying to implement selection and development initiatives?
- What are the most important or strongest barriers you face when trying to gain acceptance for a talent management-related solution?
- What methods have you used to overcome these barriers?
- How do you think recent government regulations and changes have affected and will continue to affect talent management practices in the industry?
- How do you convey the importance of talent management initiatives to skeptical audiences?
- What can we do as a field to increase our influence and involvement with the health care industry?
- What do you see as the future of our field in working with the health care industry?
- Is the health care industry truly unique in regards to challenges, barriers, and skepticism compared to other industries?

A 50-minute time slot is requested for the session. The chair will begin by providing a 5-minute introduction followed by a chair-facilitated question and answer session. Each panelist will provide a short overview or point for each question, with the chair moderating and expanding upon panelist responses. The final minutes will be allocated to the audience to ensure any questions the panelists did not answer are considered and addressed.

Please see below for panelist biographical information.

Caroline Pike (*Panelist*): is the Program Director at Ascension, the nation's largest nonprofit healthcare organization with 1900 locations in 23 states, headquartered in St. Louis, Missouri. She joined Ascension in 2007, and has been primarily responsible for the development, implementation, and management of leader development programs, tools, and processes in support of strategic talent management. Additional responsibilities have included change management, training, and business unit design/restructuring. Prior to this, she held various roles in Leadership and Organization Effectiveness with Anheuser-Busch Companies and Edward Jones Investments, where responsibilities ranged from working one-on-one with senior leaders to designing and implementing an organization culture assessment and intervention. Caroline has also been on the faculty of Washington University of St Louis, Saint Louis University, Thomas More College, and Ithaca College, and worked as an independent organization effectiveness consultant and executive coach with various organizations in health care, telecommunications, and education. Caroline earned the Ph.D in Industrial Organizational Psychology from North Carolina State University in 1992, the MA in Clinical Psychology from University of Louisville in 1988, and a B.A in General Psychology from University of Kentucky in 1983.

Len Khoo (*Panelist*): Len joined Kaiser Permanente in February of 2012 as an Assessment Consultant, with over 9 years of industry experience in using assessments as a selection tool in order to increase business efficiencies, improve quality of hire

and maintain compliance in employment practices. She supports Kaiser Permanente's nine recruitment regions in North America as an I/O Professional and leverages her project management expertise to help HR establish best practices, implement new technology and share insights with their business clients to meet organizational goals.

Dara Pickering (*Chair*): Dara is the Client Research Manager at Hogan Assessment Systems, a leading provider in personality assessment worldwide. Dara manages the design and implementation of assessment-based selection and development research projects for U.S. and multinational clients in the health care, manufacturing, retail, and other various industries. In her tenure at Hogan, Dara has conducted numerous research studies, including criterion-related and validity generalization studies aimed at hiring qualified health care personnel from maintenance employees to health care executives. Working with many Fortune 500 companies, she has demonstrated how personality relates to performance from the C-suite to entry level jobs. Dara earned her M.A. in Industrial and Organizational Psychology from The University of Tulsa and is an active member of the Society for Industrial and Organizational Psychology.

Lauren Robertson (*Panelist*): is a senior consultant on the SHL Professional Services team where she serves as the lead consultant on various client projects to develop legally defensible assessment solutions, including job analysis, competency mapping, content validation, and criterion validation studies. She has experience in designing and implementing assessment programs at all levels of the organization, from entry-level selection to assessment for leadership development. Prior to SHL, Lauren was a research consultant, and conducted job analysis, validity generalization and criterion validation studies, and engaged in the development of personnel selection and development assessment solutions. She has managed several assessment projects for clients in the financial services, telecommunications, pharmaceutical, retail, technology, and health care industries. Lauren earned her Ph.D. and Master of Arts degrees in Industrial and Organizational (I/O) Psychology from the University of Tulsa.

Audrey Wallace (*Panelist*): Audrey is the Senior Manager of Hogan's Independent Consultants team who works hand-in-hand with Hogan's network of independent consultants, coaches, and practitioners across the US. Audrey has spent nearly a decade integrating Hogan's tools into various selection, development, talent management, and succession planning programs at all levels of the organization. She has facilitated many project deployments for a number of Fortune 500 companies and partnered with clients to explore business development opportunities, design application selection and development assessment solutions, and facilitate team and development workshops. Prior to joining Hogan, Audrey designed and implemented training programs at MassMutual Financial Group. Audrey holds a M.S. in Industrial and Organizational Psychology from Springfield College and is a member of the American Psychological Association and Society of Industrial and Organizational Psychology.

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