

HOSPITAL RECRUITING

*The Practical Guide for Recruiting
Nurses and Allied Health Professionals*

UPDATE

Recruiting is as easy as asking the right questions

Or having the right people ask them

You start your interview with, "Tell me about yourself" and end it with the dreaded, "What's your biggest weakness?" In between are a dozen other questions — open-ended questions because you know better than to ask ones that can be answered yes or no — that are supposed to point you to the right candidate. But they may not. Indeed, chances are, the questions you ask are the ones that any candidate worth his or her salt has thought of and prepared a pat answer for. All you're going to know in the end is if the person interviews well.



In this day and age, that's not good enough. Finding the right person for the job makes it less likely you'll be interviewing someone else for the same position next year. So what can you do? Try asking different questions.

Behavioral interviewing is all the rage now. According to the career services office at the State University of New York, Brockport (SUNY Brockport), 30% of all organizations are using the techniques to find employees. Rather than asking traditional interview questions, they

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Gift boxes open doors

Packages foster new relationships for NY hospital

There are 5,801 hospitals in the United States, according to the American Hospital Association. There also are some 550 colleges of nursing. How is a hospital to differentiate itself from the other 5,800 and make sure all those colleges' career counselors know about it? Or is at least thought of first by the nursing programs in the hospital's geographic area?

New York Presbyterian Hospital, a 2,369 bed hospital with more than

12,600 employees in New York City, came up with a unique way to get its name and message out: care packages addressed to career counselors at 50 nursing programs in the Northeast. The result has been new relationships with some of the schools, invitations to job fairs, and the chance to give solo presentations about the facility to students at others.

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- ▲ VHA study shows retention pays

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require the candidate to relate specific instances when they used a skill or dealt with a troubling situation.

It's something that **Christy Pearson**, MBA, director of recruitment and human resources information systems at the six-hospital Orlando (FL) Regional Health Care has used for nearly four years now.

"It's a method where you can tap into the candidate's past experience," she explains. "That's important because we know that the best predictor of future behavior is what someone did in the past."

Behavioral interviewing is about specific examples, rather than leading questions, she continues. "If you ask whether someone thinks punctuality is important, the only right answer is yes. But if you ask someone to tell you how he or she handled a time when they were running late for a meeting when they had to give a presentation, you can really learn something about them."

Pearson says that along with the questions about hard times faced down, she likes to ask candidates about their biggest successes, too. "If you ask them about a situation where they did great, they get a chance to brag," she says, adding that candidates often open up more on these positive questions. She also asks follow-up questions that require the potential employee to say what he or she learned from a particular situation. (For a list of sample behavioral interview questions, see box page 64.)

Orlando Regional Health Care started using behavioral interviewing after someone in Pearson's office saw a video about it. While there are plenty of consulting firms that could have helped the system build a

program to teach managers how to use this technique, that was an expensive option. Instead, Pearson and her team created a four-hour course that is offered six times a year. Every manager with interviewing and hiring responsibility has to take it.

Not all managers liked the idea. Most thought they already were doing this kind of interview, she says. "When they said that, our answer was, 'Great. Tell me some of the questions you ask.' When they did that, we were able to show them the gap between what they were doing and behavioral interviews."

"We know that the impression made by human resources makes a huge impact in the hiring process."

While many of them were headed in the right direction, their questions were more hypothetical: What would you do if, rather than what did you do when, says Pearson. "We want to know about real situations."

The goal of the new process was to reduce turnover, and so far, the system has achieved that aim. While she won't provide specific numbers, Pearson says Orlando Regional Health Care is at or below national averages for turnover, and vacancy rates also are down. In addition, there is a consistent interviewing process that every department can hang its hat on, she says. "This has become a part of the culture. When you talk to managers, they know what behavioral interviewing is. And I know we are more consistent and that everyone gets the same questions. It is simply a more objective process now."

It also offers a way to interview people who have had limited work experience in a more meaningful way than in the past, says Pearson. "If a candidate is a student who hasn't worked a day in his or her

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life, we can ask about leadership roles in studies, about projects that were due when six other tests came up and how they prioritized. For people who have been out of the workplace for a while, we can tailor the questions around their home life, like how they delegated responsibilities in the family, or how someone communicated with neighbors. You can structure an interview like this around any level and any type of experience.”

Some people think it sounds hokey, she says. “But you get a better interview, with the candidates talking

more than interviewers. You don’t have these situations where the interviewers are filling in all the silences.”

While behavioral interviewing is one technique of screening out candidates who don’t meet your needs, what they answer also is important. At Baptist Health Care in Pensacola, FL, candidates who don’t agree to accept the five-hospital system’s 10 Standards of Performance from the outset aren’t asked to go further in the interviewing process. From the first time they walk into the human resources office, they are given and must accept those standards —

attitude, sense of ownership, and teamwork, for instance — if they are going to be part of the organization, says **Celeste Norris**, human resources director at the organization.

“We know that the impression made by human resources makes a huge impact in the hiring process,” Norris says. “It is a process that is a critical step in building a customer-friendly company.” Applicants are presented with the standards when they first walk into the human resources department, and they must agree to adhere to these standards if they are hired. If they don’t, no matter how critical the needs of a particular unit or department, and no matter the credentials of that candidate, they are not going to be hired.

Staff interviews are another option

Questions and answers are important in finding the right fit, but who asks the question may be just as critical. At Meriter Health Services in Madison, WI, staff interviews have taken the place of manager interviews in the oncology unit of Meriter Hospital.

“We started it three years ago to give the candidates a chance to meet the people they would be working with and ask them questions,” explains **Helen Rice**, RN, MSN, nurse manager of the unit. “We have extremely long-serving staff here — some of them have been with us for 30 years — so candidates are coming into a culture that is already well established. Employees have to know that a new person is going to work well with them.”

Typically, the nurse manager or human resources first screen candidates on the phone. If they make it through that initial screening, Rice says they come in during a day shift for a first interview. Rice will ask some specific questions about their background, their education, and

10 SAMPLE BEHAVIORAL INTERVIEW QUESTIONS

- 1 Tell me about the hardest day you had on your last job.
- 2 Tell me about a time when you were able to solve a really big problem.
- 3 Describe a situation when you had to work with a difficult customer or co-worker.
- 4 Describe a time when you had to get someone to accept an unpopular idea or decision.
- 5 Describe a situation where you had to motivate someone.
- 6 Tell me about a time when you had to juggle multiple tasks or responsibilities.
- 7 Tell me about the busiest day you had in your current position.
- 8 Give an example of when you had to think on your feet.
- 9 Tell me about the day or project you view as your biggest success.
- 10 Describe a situation where you had to delay action because you didn’t have all the information you needed.

their expectations. She'll tell them about the shift they will be working and some of the policies of the hospital. She then conducts a unit tour and introduces the candidate to everyone working that shift, from the unit clerk and the CNAs to RNs. Every staff member who is available then takes about a half hour to do a group interview with the candidate.

The staff has a list of specific questions to cover with the interviewee, depending on whether the person is a new graduate without experience or an experienced nurse. "For new grads, we'll ask them about what kind of clinicals they've had, whether they are currently working in another role like as a nursing assistant. We ask them about their last job and what they liked and didn't like."

The interview then turns informal and gives both the employees and the candidates the chance to ask other questions — "the kinds of things that nurses tell other nurses," says Rice. New graduates tend to ask the younger nurses about the orientation process, she adds. Experienced nurses are more likely to ask questions of some of the longer-serving employees.

At the end of the interview, she tells the candidate to drop in any time, to come in unannounced and see what it's like on the unit during the time they would be working. "They just have to come in and tell the staff who they are and that they are thinking about taking a job here. It's good for them to see what it is like when we aren't warned they are coming."

Some candidates may be asked to come in for another interview, but that's rare, she says. "There's only a limited amount of stuff you can find out during an interview."

For the most part, the employees make the decision about candidates. "They are the ones who will be orienting and working with that person," says Rice. "Our unit makes all unit-based decisions." Rice will talk to staff about whether they liked the candidate. If they don't, then she won't make an offer. "We almost always agree, though."

The human resources department takes over after the interviews, doing reference checks within 24 hours and making offers in one to five days.

Half the staff on Rice's unit has been there for more than 15 years, and she thinks it's vital that they have a sense of empowerment. "They find the time they spend on the interviews extremely meaningful," she says. They like being in a decision-making role."

Rice says the process works, particularly for candidates who are interviewing in more than one facility. "They'll choose us, and I think that's because staff have more influence in getting someone to join us than a



manager does."

So far only Meriter's marketing department has also jumped on the staff interview band wagon, but that could change. "Last week a manager missed an interview with an employee because she was sick," Rice says. "She had to cancel it. I asked her why the staff couldn't do the interview. It made her think. The old philos-

ophy is that manager makes those decisions. But I don't like that theory. We have to work with these people. In a unit, especially in a place where turnover is low, you have to ensure a new hire will fit in."

Baptist also makes use of staff interviews. "Our turnover, at 30%, was too high and was terrible for our service to our patients," Norris says. "The data reflected poor selection practice. We enlisted the help of staff in the peer interview process and realized immediate improvements in retention. Staff members do a good job articulating the job details and can also help to glean the potential candidate's strengths. When a selection is made based on the recommendation of the whole team, the sense of ownership with the new hire is incredible. Since peer interviewing has been phased in the selection process, turnover has been cut in half."

"Look at it this way," concludes Rice. "It's a lot easier to hire the right employee than to hire the wrong employee and try to fix the problem. This is one more way to make sure you hire the right person."

Sources

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(Continued from cover)

When the next round of graduations happens in May and June, there undoubtedly will be new hires related to the effort, says **Peg Brubaker**, vice president of Human Resources Support Services at the hospital.

Brubaker says she came up with the idea in part as a way to get rid of some of the freebies that were piling up in her office. "This wasn't something we had a budget for," she says. At a meeting about college recruitment, Brubaker brought up the idea of packaging up all the stuff in her office and sending out to the schools with which New York Presbyterian didn't have relationships on the Northeast corridor.

She wrote a personalized letter to the career counselors at 50 programs with which the hospital didn't have a relationship already. In the letter, Brubaker told them about the hospital, emphasizing many of the positive things that were going on — for instance, that it was growing, profitable, expanding its lines of business, and consistently moving up the rankings of top hospitals as listed annually in *US News and World Report*. "I wanted to let them know that this is an exciting time for us, an exciting place to be." Then she included the letter in a package of giveaways being stored in her office from her office:

- **Hospital and nurse recruitment brochures.** When Columbia Presbyterian and New York Weill Cornell hospitals merged, senior management took a look at the advertising philosophy of both and came up with some great new literature. Copies of the 2001 annual report, which focused on the burn unit, also were included.

- **Visual materials.** Brubaker had some extra copies of a poster about nurses that was part of post-9/11 "Hospital Heroes" campaign. She also included a copy of a video that was made of some of the letters written to patients in the hospital's burn unit after the Sept. 11 attacks.

- **Little extras.** Each package also included a T-shirt that had been done for the hospital's Joint Commission on Accreditation of Healthcare Organizations survey

with the tag line "Where the Best Belong," a tote bag with the same wording, a New York City guide book, and a copy of the book *Love Greg and Lauren* about Lauren Manning, a Sept. 11 survivor who recovered from her burns at New York Presbyterian.

The boxes were sealed up and sent out. "I figured it would take about two to three weeks for them to work their way through our mail system and get where they were going," Brubaker says. After that period, she planned on making follow up calls. "But I didn't have to make any calls. They all called us."

In a couple of instances, the packages didn't get to the nursing school's career person, but ended up in the college's general career office. "But that ended up benefiting us, too. They called us and asked if they could use it for allied health profession candidates. That helped us to develop some good new relationships for areas outside of nursing where we may have needs."

The reactions were uniformly positive, Brubaker says. "We were afraid of being considered too brash. But they

loved it."

The hospital ended up being invited to some career fairs they didn't know about, and in a couple of places, were asked to come in and talk to students in a nonjob fair setting. "That's great because we have absolutely no competition in a situation like that," says Brubaker.

While the focus was on the Northeast corridor, two packages were sent outside the area — to Michigan and Illinois, both of which sent acknowledgements right away. Still, Brubaker is unsure if she's going to venture that far out the next time she does this. "I want to see if we get any hires out of it first. I don't want to start a relationship I can't follow up on."

In the meantime, Brubaker is already stockpiling items for the next round of care packages and biding her time until next month, when she'll know just how successful the project was.

Source:

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Shortages hitting non-nursing roles

Pharmacists, coders, and imaging among the hardest hit

Everyone knows about the nursing shortage, but for some hospitals, that may be just a precursor to shortages in a growing number of health care fields. Hospitals in some areas already are having trouble finding medical coders and pharmacists, and according to some research, the next five years could see high vacancy rates in everything from nutritionists to speech pathologists.

A study released in February by the Center for Health Workforce Studies at the University of Albany (NY) outlined the scope of the problem in New York, citing shortages of pharmacists, radiologic technicians, respiratory therapists, and LPNs becoming particularly acute over the next two years. (For a list of projected vacancies in New York in selected health care positions, see chart page 69.)

The university isn't alone:

- The Bureau of Labor Statistics (BLS) projects that medical records and health information management positions will grow by more than 36% by 2010.

- The national vacancy rate for billers and coders in 2001 was around 8.5%, according to the American Hospital Association.

- The American Society of Radiologic Technologists (ASRT) says there are likely to be 30% fewer radiology technicians in 2010 than the BLS estimates the country will need.

- The American Society of Hospital Pharmacists (ASHP) reports it takes an average of 5.7 months to fill a vacant pharmacist position, plus an additional three months to train a new hire.

On the surface, things are looking pretty good for hospitals anxious about the future supply of radiology

technologists. According to the ASRT's 2002 study of enrollments in radiography, radiation therapy, and nuclear medicine programs, enrollment is up for the third year in a row.

Based on those figures, the ASRT projects that there will be enough radiation therapists and nuclear medicine technologists to fill the number of job openings predicted by the BLS — 7,000 more radiation therapists and 8,000 more nuclear medicine technologists by 2010 than there were in 2000.

But factoring in the number of students who won't graduate, then number of graduates who won't pass their exams, and the number who will leave the profession, the ASRT figures the country will end up 30% short of the BLS's estimates for our needs.

What might help fix that is an increase in the number of students the nation can accommodate. However, the study showed that 69.1% of responding radiography programs are at full enrollment, and nearly 14,000 potential students who wanted to enroll in radiography programs in 2002 couldn't find spaces.

In pharmacy, things seem to be looking up, with vacancy rates down from 8.9% in 2000 to 6.9% last year, according to the ASHP 2002 staffing survey. That said, it's still hard to find experienced pharmacy technicians, frontline pharmacists, and qualified pharmacy managers. In the latter category, nearly three-fourths of the respondents to the survey said they think there is a "severe shortage" of pharmacy managers, and a whopping 93% of them



think there is a severe shortage in frontline pharmacists.

Whether a hospital has trouble filling pharmacy positions seems to be related to whether there is a pharmacy school in the area, explains **Douglas Scheckelhoff**, MS, director of the division of practice leadership and management at the society.

Even if the situation is slightly better, he says it likely won't stay that way. "Our sense is that the attrition rate hasn't change — the same number of people are leaving the profession and retiring. And the number of applicants to pharmacy school and graduates is pretty stable."

The problem, he says, is that there just are not a huge number of graduates available in any given year. A typical pharmacy program might graduate 30 people, and the whole country only graduates 7,500 per year. Considering that New York State anticipates a yearly need of 460 pharmacists per year between now and 2008, it doesn't bode well for the country as a whole.

"We have an aging population and an increased demand and need for prescription drugs," says Scheckelhoff. Indeed, there are an

Employment Projections for Selected Health Care Occupations for New York State, including New York City, 1998-2008

Occupation	1998	2008	% Change	Annual openings
Nursing Aides & Orderlies	105,900	129,000	21.8	26,600
Registered Nurses	154,600	171,300	10.8	12,290
LPNs	49,300	55,000	11.6	2,610
Medicine & Health Service Managers	18,400	21,600	17.4	2,520
Medical Secretaries	17,700	18,500	4.5	2,500
Physical & Corrective Therapy Assistants	4,900	6,200	26.5	1,000
Radiologic Technologists, Hospitals	12,600	14,300	13.5	780
Speech Pathologists & Audiologists	8,400	11,100	51.2	730
Dietitians & Nutritionists	4,800	5,200	8.3	650
Pharmacy Technicians	5,200	5,700	9.6	630
Medical/Clinical Laboratory Technicians	10,100	11,500	13.9	620
Physical Therapists	7,800	9,400	20.5	560
Medical/Clinical Laboratory Technologists	10,800	11,100	2.8	510
Medical Records Technicians	4,400	6,000	36.4	500
Pharmacists	13,000	14,100	8.5	460
Pharmacy Assistants	3,200	3,500	9.4	440
Respiratory Therapists	5,200	6,700	28.8	430
Surgical Technicians	3,200	3,800	18.8	430
Occupational Therapists	5,000	6,400	28.0	400
Occupational Therapy Assistants	1,400	1,800	28.6	240

Source: New York State Department of Labor, Occupational Outlook 1998-2008.

increasing number of prescription drugs on the market, too. "These are drugs that aren't replacing something older, but are completely new, like Viagra," he says.

There is also an increasing trend for pharmacists to fill nontraditional roles in hospitals, health systems, and drug companies. A pharmacist might be a clinical education consultant that acts as a resource for prescribers or one may work as an adjunct to pharmaceutical sales representatives. "That means there are fewer pharmacists to fill the traditional roles," says Scheckelhoff.

Answers are many

So what's a hospital to do? Scheckelhoff says part of it is to make sure you do what you can to retain the pharmacists and technicians you have. In its survey, the ASHP found that there is a statistically significant correlation between overall vacancy rates and the number of a series of retention factors implemented by respondents. (For a list of those retention factors, see box page 70.) The more of them the hospital offered, the lower the vacancy rate, the survey notes. Hospitals should note,

too, that among those retention factors, lifestyle considerations, professional practice, and work environment each was more important to retention than salary and staff development factors. Salary and bonuses may get the pharmacists in the door, Scheckelhoff says, but will it keep them there?

To increase the supply and demand issues, there is a push to provide more funding to pharmacy schools, particularly those that are in underserved areas, he says. More certified pharmacy techs also can help. "You have to make sure that pharmacists are doing what pharmacists should be doing, not what a tech can do."

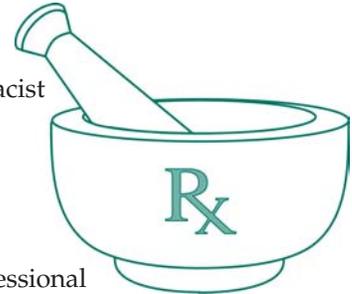
The ASHP also is promoting the use of automation in pharmacies — whether unit-based dispensing cabinets or robotic systems. "Most or all of these can reduce the amount of time a pharmacist spends dispensing and checking prescriptions. The demand for routing functions goes down, and the pharmacist can spend more time helping to manage patient care."

(Continued on page 71)

So you want to keep your Pharmacists happy? Here are a few tips . . .

Money matters

- Provide salaries and benefits competitive with other hospitals in region
- Provide salaries and benefits competitive with other nonhospital pharmacist employers in region
- Regularly monitor, track, and adjust pharmacists' salaries



Upward mobility

- Provide annual opportunities for additional training or attendance at professional meetings at hospital's expense
- Provide promotion opportunities
- Promote and reward professional development initiative in hospital's performance and appraisal system
- Actively mentor new, inexperienced practitioners

Lifestyle considerations

- Offer preferred shifts and schedules whenever possible
- Offer significant incentives to those who work nonpreferred shifts
- Meet with staff at least annually to discuss quality-of-life issues and adjust work environment when possible
- Offer flexible or creative schedules, when possible, to meet special needs

Professional practice

- Provide tools necessary for staff members to do their jobs (e.g., adequate references and electronic information sources, personal digital assistants, space, access to computers)
- Provide professionally challenging and rewarding practice environment
- Employ automation and technicians to perform duties that do not require a pharmacist's knowledge and expertise
- Position pharmacists to positively affect patient care and outcomes

Work Environment

- Provide staff with regular communication from management
- Give staff regular opportunities to communicate issues to management
- Employ managerial and other staff members who are enjoyable to work with
- Employ technicians who are well trained and work collaboratively with pharmacists
- Frame pharmacists' relationship with other professionals, such as physicians and nurses, to be positive, constructive, and collaborative

Source: American Society of Hospital Pharmacists, Bethesda, MD.

Grow them from inside

One method for finding some of these hard-to-fill staffers is to look in your own organization and train them into the role. "What has worked best for our hospital is to train and promote from within," says **David Newman**, director of radiology for Methodist Medical Center of Oak Ridge, TN. "Technologists are, for the most, part loyal when they know that if they stay with you, they will get the chance to be promoted and trained, and to grow in their abilities."

Newman has worked in the same organization for 30 years, watching the department grow from a three-room X-ray department to a medical center with everything but PET (positron emission tomography) — "and we are working on that," he notes. "We have never hired a specialist, MR or CT tech from outside our hospital, and we have hired only one ultrasound tech — and that was 15 years ago — from outside."

Also going the grow-your-own route is Baylor University Medical Center in Dallas which two years ago faced a medical coder shortage: There were several vacancies and no people in the area to fill them. So the hospital created a six-month paid training program that has solved the shortage issue completely, says **Dana Choate**, RHIA, associate director for health information management at Baylor.

There are seven spots each semester, she says, the number chosen because that was how many vacancies there were for coders when the first class started. "We wanted to be out of hot water," she says. It also was the number that could be accommodated for the practical work experience part of the class, and it was the number for which Choate was able to justify the expense.

The first time the course was offered, there were 56 applicants.

The second time 83 people applied. By the third course, the hospital had 174 applications. With needs met for the time being, Baylor didn't offer the course for two sessions. It is just getting ready to offer its fourth course.

"Initially, it was for people who worked in the hospital already and were looking for an opportunity to grow professionally but couldn't afford to quit work and go to school." Aimed at clerical-level employees, the pay was higher than minimum wage, but about on a par with an entry-level administrative job, says Choate. The students also receive benefits.

Things have changed, however. Now, applications come in from across the country. "There are highly skilled individuals — nurses, nursing assistants, transcriptionists — who wanted to stay in health care but were looking for a different track," Choate says.

The course includes classroom work on medical terminology, ICD-9 and CPT codes, as well as classes in anatomy, and pathophysiology. It also includes hands-on experience in a health information management department. "We think the work experience part of the class is critical to helping them understand what they will be doing in the real world," says Choate.

Those who make it to the course have to promise to work in the Baylor system for two years after graduation. The first graduates now have been at Baylor for more than two years and seem content to stay there, says Choate. "We even did some employee satisfaction testing with the students and asked if they would still be working here if they hadn't had to sign the two-year agreement. The answer was an overwhelming yes."

Once they complete the course, the students are eligible to go for an

entry-level coding credential through the American Health Information Management Association, says **Jessica Rudd**, RHIA, the coding instructor for the course. After they have two or three years of experience, they can sit for a certified coding specialist exam.

The cost wasn't insubstantial, says Choate: some \$300,000 for books, computers, salaries, and the cost of educational consultants to design the course.

Was it worth it? From an accounts/receivable perspective the ability to fill vacancies has allowed the hospital to drop some \$2 million from outstanding A/R. In addition, there hasn't been a real need to go looking outside the hospital for coders — something that would make many hospitals green with envy. "It was a risk," Choate says. "But it was definitely worth it."

Sources

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The best recruitment tool is retention

And here's financial proof of it

Any great human resources professional knows that retaining existing employees is much easier than recruiting new ones. But now research from the VHA proves that financially it's a much better deal, too.

In its study *The Business Case for Work Force Stability*, VHA, a network of community-owned health care organizations, notes that hospitals with high turnover rates can experience an increase in the average cost-per-discharge of patients and a substantial decrease in profitability (see graph on page 74).

"Work force shortages are threatening the financial viability of many hospitals," says **Keith Kosel**, PhD, MBA, director of clinical services at VHA. "The domino effect of having fewer workers, more delays in delivering patient care, dissatisfaction among patients and hospital staff, decreasing quality of care, and loss of market share is alarming. Clearly, work force shortages are at the core of health care delivery and must be at the top of every agenda."

Staff turnover rates have a significant financial impact on hospitals in both time and money. Current data report a turnover rate in health care staffing of 20.7% for all positions. Replacement costs, lost productivity, and temporary staffing cost between 50% and 150% of an individual's base salary (for a list of the elements of replacement costs, see box below). At a 100% turnover cost factor, a turnover rate of 20% could cost a hospital on average of \$5.5 million a year, the report notes.

VHA has created a hypothetical case study of turnover costs for a 180-bed hospital for another of its studies, *Tomorrow's Work Force: A Strategic Approach*. At that hypothetical hospital, the total cost of its 31% annual turnover rate is more than \$4 million (for more on the costs of turnover at this hospital and the potential financial impact of improved retention, see charts below and on page 74.)

High turnover rates also result in:

- higher average cost-per-discharge hospitals with a 20% or more turnover rate experience an increase in costs of 36% over hospitals with lower staff turnover.
- decreased return on assets — hospitals with a 20% or more turnover rate have a 17% return on assets whereas hospitals with a turnover rate of 4% to 12% have a 23% return.

The financial impact of a turnover

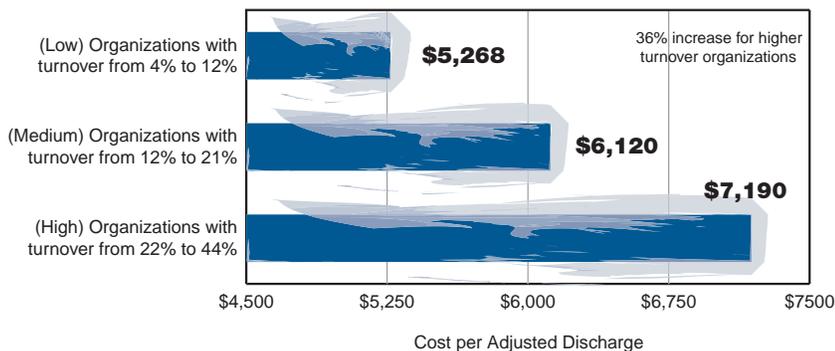
Case study for a 180-bed hospital – Typical replacement costs for skilled staff positions*

Position	Number of employees	Average compensation	Total for facility	Mean vacancy rate	Turnover %	# Replaced/year	Replacement factor	Replacement costs	Total
Billers/coders	25	\$22,000	\$550,000	8.5%	50%	13	30%	\$6,600	\$82,500
Nursing assistants	45	18,000	810,000	12.0	50	23	30	5,400	121,500
Lab technicians	20	34,000	680,000	15.3	50	10	35	11,900	119,000
LPNs	80	32,000	2,560,000	12.9	25	20	65	20,800	416,000
Pharmacists	13	58,000	754,000	12.7	15	2	75	43,500	84,825
Imaging technicians	28	44,000	1,232,000	15.3	50	14	40	17,600	246,400
Registered nurses	240	50,000	12,000,000	13.0	25	60	100	50,000	3,000,000
Totals+	451	22,000	18,586,000		31	141			4,070,225

* In the example for a 180-bed hospital, seven key skill positions were identified for replacement cost analysis.

+ The total direct and indirect replacement costs were calculated for each position by examining the number of employees, average base compensation, turnover percentage, and replacement factor.

Relationship Between Employee Turnover in Health Care and Cost per Adjusted Discharge



Source: VHA, *Tomorrow's Work Force: A Strategic Approach*, Irving, TX.

Overall Value and Economic Benefits of Improved Retention - Case Study for 180-bed Hospital

Replacement costs as a percentage of total payroll base compensation	22%
Average replacement cost per skilled employee	\$28,977.08
Annual savings if overall turnover is reduced from 31% to 25%	\$814,045
Annual replacement cost savings if overall turnover is reduced from 31% to 20%	\$1,424,578.75

Source: VHA, *Tomorrow's Work Force: A Strategic Approach*, Irving, TX.

- increased risk-adjusted mortality scores and increased severity-adjusted length-of-stay rates — for hospitals with turnover rates higher than 22%, the severity-adjusted average length-of-stay was 1.2 days higher than those with the lowest turnover rates.

Nurses represent the single largest labor expense for hospitals. In an attempt to manage costs, many hospitals have, over the years, reduced nursing staff, which in some cases has compromised quality of care and patient safety. Nursing shortages have been shown to contribute to longer lengths of stay in the intensive care unit and increased

rates in urinary tract infections and other complications.

According to VHA research, hospitals that improve employee satisfaction witness an average increase in revenue per employee. In hospitals where employee satisfaction is high, the turnover rate is less than 10%. Conversely, hospitals with dissatisfied employees see turnover rates of 25% or more.

“Poor service and loss of patients to other hospitals ultimately mean lost revenue for a hospital,” Kosel says. “Those facilities that find solutions will gain a competitive advantage in their market and achieve solid financial returns.”

To view the entire study, contact VHA at www.vha.com or call (972) 830-0000. ▲



Hospital hiring climbs in March

Employment at the nation's hospitals rose 0.20% in March, following a 0.21% gain in February, the Bureau of Labor Statistics reported in April. Hospitals employed a seasonally adjusted 4.3 million people in March. That's 9,000 more people than in February and 2.4% or 103,000 more than in March 2002. Those numbers without seasonal adjustment show hospitals employed 4,292,600 people in March, 103,200 more people than a year ago. The nation's overall unemployment rate was unchanged in March at 5.8%. ▲

Wisconsin student nurses recruit

The Wisconsin Student Nurse Association (WSNA), in coordination with the Wisconsin Hospital Association (WHA), has launched a statewide program designed to reach students with a simple message: “Be A Nurse.” The program, called “Touched by a Nurse,” seeks to recruit students to nursing and improve the image of the nursing profession.

Student nurses, accompanied by a registered nurse from the local hospital, will visit local elementary, middle, and high schools through-

out the state. They will present a short program that builds awareness of the education required to be a nurse, the career opportunities in nursing, and a few of the more technical aspects of the career.

Hospitals will be encouraged to mentor and assist the student nurses when they present their program. They also may host tours, educational sessions, and other activities for students in coordination with their local WSNA chapter. For more information, go to: <http://www.wha.org/>. ▲

Workers get their say

The American Hospital Association's American Society for Healthcare Human Resources Administration (ASHHRA) and Aon Consulting's Loyalty Institute have finished their fourth annual survey of thousands of health care workers from a broad range of job categories. The results will be part of the Healthcare @ Work national study, which will be released at ASHHRA's annual meeting, Aug. 17-20, in Denver. The study compares health care employees' responses about workplace issues to those from employees in other fields that are surveyed by Aon Consulting. ▲

IN FUTURE ISSUES

- ▲ Technology's impact on recruitment and retention
- ▲ Dealing with difficult employees
- ▲ Recruiting to meet community cultural needs
- ▲ Keeping your nurses by keeping them interested

CE Objectives

The CE objectives for *Hospital Recruiting Update* are to help nurses be able to:

- Employ recruiting strategies that will attract qualified applicants to health care and their facilities.
- Implement retention strategies to reduce turnover rates and improve morale.
- Develop a plan for transitioning existing hospital employees into new health care careers.

CE Questions

CE Instructions: Nurses participate in this continuing education program by reading the articles, using the provided references for further research, and studying the questions at the end of the newsletter. Participants should select what they believe to be the correct answers, then refer to the list of correct answers to test their knowledge. To clarify confusion surrounding any questions answered incorrectly, please consult the source material. After completing this activity, you must complete the evaluation form provided and return it in the reply envelope provided to receive a certificate of completion. When your evaluation is received, a certificate will be mailed to you. If you have any questions about this procedure, please contact customer service at (800) 688-2421.

17. Behavioral interviewing means asking
 - A. questions that are open ended
 - B. questions that make the candidate tell you about his or her weaknesses
 - C. questions about specific experiences the candidate has had
 - D. hypothetical questions
18. Staff interviewing helped Baptist Health Care reduce turnover by
 - A. 30%
 - B. 15%
 - C. A third
 - D. Half
19. Among the positions experiencing shortages now are:
 - A. Imaging technicians
 - B. Dieticians
 - C. Audiologists
 - D. Physical therapists
20. The replacement factor for lost employees ranges from
 - A. 0-50%
 - B. 50-150%
 - C. 25-75%
 - D. 30-150%

Answers: 17-C, 18-D, 19-A, 20-B

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