



PATHWAY

To Your Perfect Practice



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Building the Perfect Team

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Then, incentivize and
reward performance.



SECTION EDITOR: JAMES D. DAWES

Pathway to Your Perfect Practice is a monthly feature section in *CRST* designed to help facilitate the realization of personal and business success through the delivery of exceptional patient experiences.



BUILDING THE PERFECT TEAM

First, hire the right people. Then, incentivize and reward performance.

BY JAMES D. DAWES



When I ask surgeons what limits them the most from achieving their ideal practice, I nearly always hear the same thing: “I just can’t find the right people.” Sure, everyone complains about reimbursement, but the frustration over not being able to put a team together to deal with the marketplace is a common theme running through all

industries, especially health care. A practice can have the most advanced technology, the most efficient facilities, beautifully designed patient educational materials, a great website, and a strong presence on social media, but it takes people to make all those things work together and create a successful environment. In this edition of “Pathway to Your Perfect Practice,” I explore how to build the perfect team. Much like the processes for designing an ideal working environment (see *Designing the Environment for Your Perfect Practice* in the July 2015 issue of *CRST*), much of the work happens before the ground is broken and the first brick is put in place.

Benjamin Franklin said, “Be slow in choosing a friend, slower in changing.” I would alter that statement to “Be slow in choosing an employee, slower in changing.” By this, do I mean not to eliminate poor performers? Of course not. I simply recommend you start by not hiring bad employees. Abraham Lincoln said, “Give me 6 hours to chop down a tree and I’ll spend 4 hours sharpening the axe.” In the context of this article, his remarks mean to focus your efforts on the hiring process: hire the right people, and give them the right jobs. Oftentimes, practices hire an individual despite knowing he or she is not the ideal candidate. Usually, 6 months later, the working relationship is terminated, or the employee walks off the job. Surprise! Unfortunately, that cycle continues while prac-

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tics perpetuate the downward spiral of reduced profits and low employee morale.

EMPLOYEE TURNOVER

The employee turnover ratio measures how many employees leave an organization and are replaced each year. A turnover rate of 25% means that 25% of an organization’s employees who were working at the start of the year left by the end of the year. A high turnover rate can cost a business money and lead to a dissatisfied and unproductive workforce.

How to Calculate Your Annual Employee Turnover Ratio

$\begin{aligned} & \# \text{ of employees at the start of the year} + \\ & \# \text{ of employees at the end of the year} \div 2 \\ & = \text{average \# of employees for the year} \end{aligned}$
$\begin{aligned} & \# \text{ of employees who quit during the year} \div \\ & \text{by average \# of employees} = (n) \end{aligned}$
$(n) \times 100 = \text{turnover rate}$

Some level of employee turnover is to be expected and is healthy for an organization. Employees relocate, die, retire, and resign. Terminating an employee for underperformance, how-

ever, suggests a poor hiring process or poor management. The voluntary resignation of a well-performing employee is indicative of a poor working environment or poor management practices. Experts say as general rule, an annual employee turnover ratio at or below 15% is “healthy.”

What Is Your Turnover Rate?

- 10% to 15% = Healthy
- 15% to 20% = Not bad
- 20% to 25% = Could be better
- 25% to 30% = Need to pay more attention
- Over 30% = You are losing a lot of money!

7 Ways Employee Turnover Costs Money

1. staffing to cover the vacancy
2. advertising and recruitment
3. loss of institutional knowledge
4. employee stress
5. decreased morale
6. reduced productivity
7. unemployment (legal and human resources time)

SOLUTIONS

The Interview Process

I asked several experts on this topic to provide you with practical and useful information on how to build the perfect team. Ilan Cohen, MD, an ophthalmologist and founder of PainLess Hire, shares how he “sharpened the axe” by focusing more effort on the interviewing and recruitment processes to hire the right people (see *The Hiring Challenges Facing Employers Today*). Much like real estate is about location, building the perfect team is about selection, which requires gathering pertinent data, synthesizing those data, and ensuring a good “fit.”

Because many physicians are not skilled interviewers, Jennifer Compton, an accomplished employment law specialist, provides a list of questions to avoid asking candidates during an interview (see *Questions Never to Ask an Employee*). Following her advice will prevent you from stumbling into a series of questions that might become problematic in the event your hiring practices were ever to be investigated; I highly recommend you read the list and avoid those questions.

TOP FIVE PERSONAL ATTRIBUTES

BY ANGEL SEYMOUR



I work in a very fast-paced ophthalmic practice, so our team has made it the responsibility of all our 13 employees to intercept incoming calls and assist our patients. Here are five traits we look for in individuals interested in joining our team.

No. 1. Compassion. We can teach anyone about the eye, how to triage incoming calls, and which time slot to use in our patient management system. We cannot train kindness and empathy: either you have it, or you do not.

No. 2. An understanding of our philosophy, “excellence in eye care.” This mentality does not happen overnight. We do not have a treat-and-release attitude; we aim for excellence for every patient, every visit, and every time.

No. 3. A winning smile. I am a firm believer that you can hear a smile through the phone. By placing mirrors at workstations our staff can see themselves smiling when answering the phone and while conversing with patients.

No. 4. A sense of priority. The ability to multitask in our environment is extremely important. When patients call in, however, they are our top priority, and everything else can wait.

No. 5. The ability to articulate and enunciate. Scripts, rehearsing, and coaching have enabled our staff members to clearly and sensitively deliver our message.

Our staff is instrumental in the expansion of our phone protocol from assisting us in developing scripts, maximum number of rings before answering, patient on-hold times, and warm transfers.

We are able to create this awareness within by reminding our staff that each patient could be their mother, father, child, and/or relative. We ask, “How would you want your family treated?”

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What to Look for in a Candidate

I interviewed a number of key employees from ophthalmic practices around the country to identify consistent character traits among top performers and help you develop the profile of your perfect employee (see *Top Five Personal Attributes* and *What I Learned From Talking With Top Performers*).

Invest in Team Members

As readers of previous installments of “Pathway to Your Perfect Practice” understand, I believe in calling a spade a spade. Although I often hear surgeons say they want to have

a perfect team, many of them fail to provide a perfect environment for their employees. During the design phase of facilities, employees’ personal workspace is always the first to go, and the size of employee break rooms is always reduced. Employees’ benefits are often decreased to cut costs. Instead, employers should think about improving benefits for their employees.

I am always amazed how device manufacturers annually increase their prices by 3% to 5% but are unwilling to give employees a 2% increase in base compensation. The

(Continued on page 70)

QUESTIONS NEVER TO ASK AN EMPLOYEE (OR WHAT TO ASK INSTEAD)

BY JENNIFER B. COMPTON

- What is your religious affiliation?
Which religious holidays do you observe?
- Are you pregnant?
- What is your political affiliation?
- What is your race, color or ethnicity?
- How old are you?
- Are you disabled?
- Are you married? Single? Divorced?
- Do you have children or plan to?
What do you do for childcare?
- Are you in debt?
- Do you social drink or smoke?
- Have you ever been arrested?
- Are you on Medicare?
- Are you a member of a union?
- Are you a US citizen?
- Have you ever made a worker’s compensation claim against an employer?
- What is your native language?
Is English your first language?
- When do you plan to retire?
- How many sick days did you take off last year?
- Have you had any recent illnesses or surgeries?
- Were you honorably discharged from the military?
- Are you a member of the National Guard or Reserves?
- When was the last time you used illegal drugs?

Okay to Ask if Asked Correctly

- Are you eligible to work in the United States?
- Are you able to perform the essential functions of the job, either with or without accommodation?
- Have you ever been convicted of a felony?
If so, provide details.
- If the position involves driving, what is your driving status? Obtain authorization to pull a Department of Motor Vehicles report.
- If the position requires a certain age minimum, are you that age or older?
- If the position requires physical capabilities, describe the same, and ask if the person can meet those requirements.
- Ask for references—and check them.
- Are you able to work overtime or travel if required?
- Have you ever been disciplined for your behavior at work?



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THE HIRING CHALLENGES FACING EMPLOYERS TODAY

BY ILAN COHEN, MD



Finding the right staff for your office is the cornerstone of a successful ophthalmology practice. It seems counterintuitive that the very individuals who should be the champions of your cause and the core of your team could be preventing you from moving forward, but such is often the case. Consider these facts:

- Staffing accounts for the majority of your overhead expenditures.
- A bad hire that gets fired costs money, time, productivity and can even damage your brand.
- A bad hire that stays on the job can cost even more, because a less-than-optimal situation can drag on for years.

These are exactly the things that were crippling my business a few years ago. With offices throughout New York and New Jersey, I was perfectly positioned for the next phase of growth but was constantly frustrated by the lackluster performance of many employees. Instead of relying on them to help me market the practice and move forward, it seemed as if I was constantly putting growth plans on the back burner and spending valuable time and energy managing personnel issues. I tried all of the conventional avenues in an ongoing quest to find the perfect group of “needle in a haystack” employees, but every effort proved fruitless. No combination of job boards, help wanted ads, employment agencies, or multiple interviews was providing me with candidates who had the experience, aptitude, and attitude that I was looking for.

Rather than throw in the towel, I took matters into my own hands and set out to create scientific methods that would search out prospective employees and screen them according to a rigorous set of criteria in an effort to match not only experience and skills but, personality and attitude with the requirements of the job.

THREE MAIN REASONS WHY DOCTORS END UP HIRING THE WRONG EMPLOYEES

Time

Most of the time, doctors need to fill the position quickly, and they do not have the time or expertise to implement an efficient system to source, screen, assess, interview, and conduct comprehensive reference checks.

Hiring Skill

Doctors and their staff are not recruiting professionals. Exactly how many resources are lost when someone with no hiring experience takes on the task of recruiting employees?

- advertising on major job boards: up to \$1,000/month
- hours spent sifting through hundreds of résumés and guessing who could be the right match: up to 40 hours/hire

- letting top talent slip through your fingers because of the way their résumé looks or their lack of experience: thousands of dollars in revenue
- your own productivity or your staff’s productivity due to a leak in business operations
- hours spent scheduling and interviewing candidates
- time taken away from your duties or those of your staff to train the new hire

Traditional Recruiting Agencies

Traditional recruiting companies are primarily data gatherers and distributors. Their interests are divided between two sets of clients—employers and job seekers. Job seekers fill out a minimal profile, and employers submit their own written job descriptions. Computers look for keyword matches between the two and invite job seekers accordingly. Employers are then deluged—either with email applications from so-called candidates or emails from the agencies themselves. Their service is not guaranteed, carries a hefty price tag, requires a significant investment of time, and all too often results in costly “bad hires” in the hopes that the right employee is found.

THE REAL COST OF BAD HIRES

The US Department of Labor currently estimates that the average cost of a bad hiring decision can equal 30% of the individual’s first-year potential earnings, and that the minimum cost of a bad hire is \$11,713.¹ This means a single bad hire with an annual income of \$50,000 can equal a potential \$15,000 loss for the employer.

Additionally, 41% of companies surveyed say that a bad hire in the past year has cost them at least \$25,000, while 25% of companies surveyed say that a bad hire in the past year has cost them at least \$50,000.

The following are the direct and indirect ways doctors pay for hiring the wrong employee:

- lost worker productivity
- lost time due to recruiting and training another worker
- expense of recruiting and training another worker
- negative impact on employee morale
- negative impact on client solutions

HOW TO HIRE THE RIGHT EMPLOYEE

Great employees help ensure the success of your practice, yet they are hard to come by. There are a few ways in which doctors can improve the chances of hiring the right employees.

Understand Exactly What You Need

Begin by making a list of the tasks the position entails and the education and work background a candidate would be required to have to effectively complete those tasks. Compile

a list of the character traits someone would need to possess to be a good fit for your company.

Filter Candidates Based on Objective Information

Use screening tools to filter candidates that match your exact needs. Use assessment tools to gauge candidates' cognitive aptitude, general personality, intelligence, social attributes, and specific skills related to the position being offered.

Cognitive aptitude test score has been found to be the best predictor of both training performance and job performance across multiple job types.

Conduct Structured Interviews

An interview is not a random chat process through which you hope to get to know the candidate. Interviews need to have a very systematic structure with questions strategically formulated. The purpose is to find relevant information about the candidate, information that can help you make better choices. You can start by defining what the candidate needs to accomplish in his or her job and what qualities he or she needs to have to do so. The questions need to be aimed at deciding whether the candidate possesses these qualities. If the interviewee tries to escape the question, politely steer the conversation back, and make sure you obtain the information that you need.

Do Not Skip the References

A reference check can provide insight into details that no other method within the candidate selection process is able to raise to the surface. As a general rule, the statement "the best predictor of the future is the past" has value when it comes to making a call regarding a candidate's future performance. A reference check is one of the best ways to get feedback on a candidate's personality and work ethic. Conducting an effective reference check and evaluating the feedback received in the right context can contribute greatly to your employee selection process. If references are hesitant to talk much about the prospective employee, consider this a red flag. Do not make your decision from one reference. Call all of them, and save yourself the headache of dealing with a bad employee.

The result of implementing these steps into your hiring process is employees who are a natural fit for the position, reduced turnover, increased productivity, and less time and money spent on hiring and training.

PRE-EMPLOYMENT TESTING

I have found that incorporating pre-employment tests into the hiring process directly improves the quality of hire and can significantly enhance your bottom line. Cost savings from reduced turnover and incremental revenue from increased productivity are two of the most prominent benefits realized by employers who use pre-employment testing.

Pre-employment testing can do wonders for the hiring process. Professionally developed and properly validated

employment tests can help a company's hiring process by increasing the likelihood of hiring candidates who will perform well on the job. It can help ensure alignment between the employee selection process and desired business outcomes such as lower turnover, increased sales, and higher customer satisfaction. The benefits a company may realize by implementing an effective employee testing solution include

- higher productivity
- increased employee retention
- reduction in costs associated with turnover (eg., hiring and training costs)
- increased defensibility of the hiring process through the use of objective data

A comprehensive review of peer-reviewed studies of the predictive validity of various selection techniques concluded that aptitude tests are twice as predictive as job interviews, three times as predictive as experience, and four times as predictive as education level.² When properly implemented, a pre-employment testing program can lead to higher productivity, because test results can be accurate predictors of future job performance. Tests are among the most accurate means of predicting performance because they are an objective means of determining the extent to which a candidate has the capacity to perform well at a given job. Research has shown that cognitive aptitude tests, for example, are much more accurate predictors of job performance than are other widely used employee selection techniques.² One reason that aptitude tests are such accurate predictors of job performance is that the qualities these tests measure—problem solving, the ability to learn and apply new information, critical thinking, and reasoning—are abilities that are important to a wide variety of jobs. Aptitude tests will be most highly predictive of performance for those jobs that call for higher levels of problem-solving and critical thinking abilities

CONCLUSION

To form a team of champions who can bring growth and prosperity to your practice, you must have a system that uses a combination of creative sourcing, effective screening, proper assessments, structured interviews, and systematic reference checks.

1. Influencers. smart strategies to avoid a bad hire. *BBC*. July 19, 2003. www.bbc.com/capital/story/20130719-avoid-costly-hiring-blunders. Accessed August 6, 2015.

2. Collins A. The cost of a bad hire and how to avoid one. *Digitalist by SAP Magazine*. www.digitalistmag.com/human-resources/the-cost-of-a-bad-hire-and-how-to-avoid-one-02110549. Accessed August 6, 2015.

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WHAT I LEARNED FROM TALKING WITH TOP PERFORMERS

BY JAMES DAWES

In an effort to identify common characteristics of great employees, I asked my administrator friends around the country if I could interview their top team members. All of the top performers I spoke with shared five similar qualities that I will share with you.

No. 1. Pride in Their Work Family. Top performers in the workplace are positive about their organization, physicians, and fellow team members. They take pride in what they do and with whom they do it. Oftentimes, top performers will refer to their team members as “family.”

No. 2. A “Do Whatever It Takes” Attitude. High-performing employees are not defined by a job description. Instead, they tend to be utility players who are cross-trained to perform multiple jobs and thrive in situations in which they are asked to multitask.

No. 3. Worked Their Way up. Many top performers worked their way up in an organization. They were generally hired for a lower-paying position with little or no experience, and they gathered most of their knowledge and skills on the job. These team members are loyal and thankful to the organization for the career opportunity.

No. 4. A Desire for Fun. Top performers like to laugh and enjoy their day, and they want their colleagues to do the same. These individuals look forward to work. Their job is a part of their life, and their life is a part of their job. They take what they do personally and are often passionate about their work. Top performers are not interested in hearing others complain. Rather, they strive to create the perfect practice so the entire team can experience a happy environment.

No. 5. An Eagerness to Learn. Top performers get excited about learning new things. Change is difficult for most individuals, and high-performing employees are no exception. Still, top performers tend to be open-minded, and once a new technology or change has been adopted, they jump in with both feet to learn all the details and bring the rest of the team along on the journey.

(Continued from page 67)

team members are the lifeblood of a practice. I encourage practices to look for opportunities to reward their employees frequently. Your employees are your extended family. Just think about the amount of time you spend with these people. Consider the positive impact on employees of a performance-based incentive as simple as a gas card voucher, movie card, theme park card, etc. Remember that team members have families and are breadwinners. Help them to come home as heroes.

CREATE THE PERFECT TEAM

Select the right players, set appropriate goals, and reward employees for success. Invest in your team. Be consistent with the metrics that will lead to success for your practice, align everyone’s goals, and march forward. Everyone can win! Develop a system that rewards the right behavior and incentivize your team appropriately. Look for opportunities to share the gains, not just for ways to cut costs.

Although employees’ health benefits and salaries and other costs are a big factor, look for ways to align incentives and reward your team when success is achieved. Normally, I would quote some renowned person here. Instead, I humbly submit my own comment:

When you take money from your people, hoping to make a dollar for yourself, you will lose both in the end. So, when considering any “take away,” proceed with caution, and look for an opportunity to reward desired performance rather than punish your team for your inability to overcome market conditions with better business strategies. ■

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