

Hidden Treasure

Finding the right employees is akin to striking gold. Keep those workers by keeping them on cloud nine. Tips for hiring and retaining quality staff.

THE STORIES ARE PASSED FROM MOUTH to ear like the latest urban legends. The office manager who wrote her own prescription for painkillers and stumbled into work glassy-eyed and with a dopey smile.

The front desk staff member who told callers to “just go to a med center” when the physician’s schedule was overbooked. The accountant who embezzled thousands of dollars from petty cash. The verbally abusive nurse who caused patients to leave the office in tears.

Almost any physician can add more staffing tales to the woeful pile. Unfortunately, though, unlike urban myths, these horror stories are true. High turnover and a scarcity of qualified employees plague physicians trying to hire good nurses, medical assistants, billing professionals, and front office staff. The problem is so pervasive that many doctors

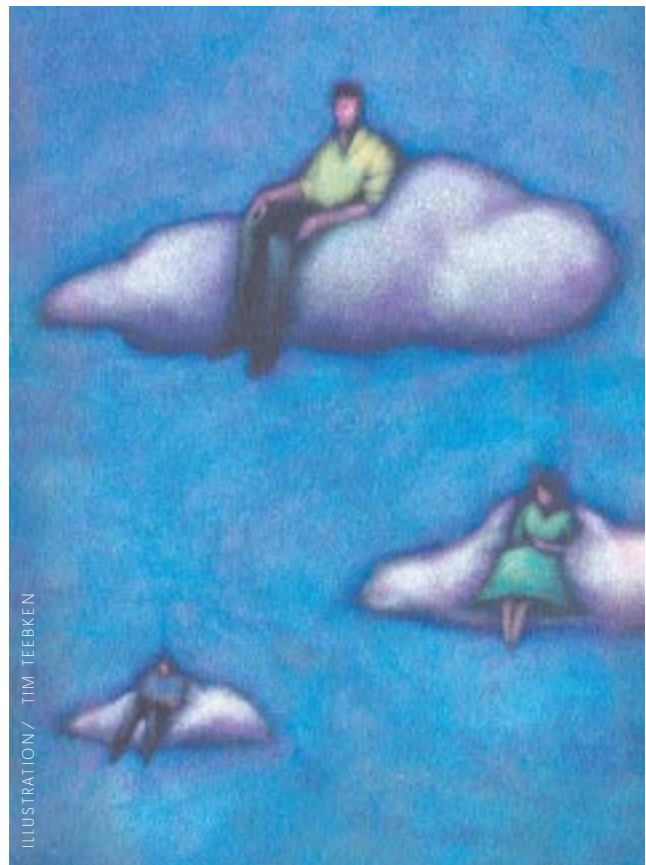


ILLUSTRATION / TIM TEBKEN

have simply given up, accepting that turnover rates of 50 percent annually are the industry norm. They’re resigned to the idea that they’ll constantly be training and re-training new employees, not to mention making up for the lack of expertise for the existing ones.

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The cost of an inferior staff is huge in terms of its effect on patient care, on the physician's workload, and on the practice's bottom line.

Such resignation is dangerous. The cost of an inferior staff is huge in terms of its effect on patient care, on the physician's workload, and on the practice's bottom line. Despite evidence to the contrary, it is possible to hire—and retain—a stable team of quality employees. As with any other relationship, successful employee management takes forethought, constant care, communication, and a willingness to address issues head-on.

It's a tough job...

At the height of the dot-com boom, virtually every sector faced a scarcity of workers as employees jettisoned their humdrum positions in favor of stock options and a chance at instant millionairehood. But even now that the boom has gone bust, doctors are having trouble filling positions in their practices. "There is a staffing shortage nationwide of people in the health-care field, particularly [registered] nurses and LPNs," says Sherry Migliore, the director of consulting for PMSCO Healthcare

It costs approximately \$7,305 to advertise and fill one vacant health-care position, in comparison with an average cost across all industries of \$4,522.

Consulting, a subsidiary of the Pennsylvania Medical Society.

Once an employee is hired, there's no guarantee they're going to stick around—or that you'll want them to. Stacey Hein, MD, an internist in Los Gatos, California, says that of a support staff of 25, all but three have been replaced since Hein joined the eight-physician practice four years ago. "I'm on my sixth MA," she says.

The first factor to high turnover is the pay issue. Medical office workers are often low-paid positions, "and yes, they can be lured away with a position that pays a lot more," says Carl Cunningham, the director of the [Practice Management Center for the American College of Physicians—American Society of Internal Medicine \(ACP-ASIM\)](#). Because of thin profit margins, practices often take the Scrooge approach to wages, pinching every penny until it screams for mercy and employees are enticed by higher-paying jobs in hospitals or even in other industries.

Why People Stay

The top 10 most effective retention tools and initiatives:

1. Health-care benefits
2. Competitive salaries
3. Competitive salary increases
4. Competitive vacation/holiday benefits
5. Regular salary reviews
6. (tie) Defined contribution retirement and Paid personal time off
8. Flexible work schedule
9. Training and development opportunities
10. (three-way tie) Open door policy, New hire orientation and Defined benefit plan



Why People Go

Reason	Percentage citing
Career opportunities elsewhere	78
Better compensation/benefits package	65
Poor management	21
Accompanying a relocating spouse/partner	18
Returning to school	15
Retirement	14
Job security fears	10
Child care issues	8
Perceptions of discriminatory treatment	5
Health-related reasons	4
Elder care issues	negligible
Other	22

(totals more than 100 percent due to multiple responses)

Another cause for turnover is the lack of a career path within the practice setting. Motivated employees want to move up—something that’s difficult in a smaller organization. Practices tend to have relatively flat corporate structures, says Cunningham. When a front desk staffer wants to “move up” to office administration, or a medical assistant becomes an RN, they’re usually forced to leave to find a slot at their new level. Says Hein, “They’re eventually going to move up in their life. They’ll get one more degree that will propel them into something higher.”

And finally, part of the problem is the doctors themselves. Medical schools don’t teach doctors how to be good managers—or how to run a business, for that matter. As a result, many physicians find themselves lost when it comes to navigating the churning waters of employee relations. “This is all self-taught,” says Hein. “That’s why it’s so difficult.”

Hitting you where it hurts

High turnover and under-par staff is frustrating at best, but it also affects your practice at virtually every level, affecting your ability to provide quality patient care, to run a successful business, and to manage your own work-life balance. “It’s extremely important to hire people who stay. Each time you hire somebody, there’s a whole start-up cost. If they don’t stay to make up that start-up cost, you end up losing money,” says Calbert Wong, MD, a kidney specialist in Ventura County, California.

When employees are new or are not functioning at the optimum level, mistakes get made. Some—such as misfiled charts or double-

booked patients—are merely annoying and time-consuming. Others—like a billing staff that doesn’t dun overdue accounts and lets accounts receivable skyrocket—can damage your practice’s solvency. And still others—like misreading charts or giving patients the wrong instructions—can be downright dangerous.

More and more of the physician’s time is needed to compensate for these errors. “You’re continually doing their work because they can’t—they haven’t learned how to do it,” says Hein. “Instead of your mind being focused on patient care, you’re thinking about patient flow and are the phone calls getting done.” And don’t think patients are

blind to these shifts in staffing. “It damages your reputation as well, because your patients start wondering why people are leaving,” says Wong.

Patient care is affected not only by distracted, overworked physicians, but by the lack of continuity in care, says Ina Cushman, the president of the [American Academy of Physician Assistants](#) and a surgical PA for Harvard Vanguard in Boston. “Patients thrive in an atmosphere that’s stable. No charting system can have in it all the impressions and gestalt of my patient visit.” A huge gap in knowledge results if patients see different caregivers each time they come into the office. “The patients lose out,” she adds.

Where to Go for Help

It’s said that good leaders are born, and good managers are made. Although there were no classes in medical school on “Employee Relations 101,” it’s not too late to grow into the role. Help is available to assist you in your quest to sharpen your managerial skills.

Deborah Walker, including titles such as *Group Practice Personnel Policies Manuals* and *From Soup to Nuts: The Best Practices for Finding and Keeping Healthcare Employees*. Contact the MGMA at www.mgma.com or via phone at 877-ASK-MGMA.

■ Professional associations in particular offer their members a wealth of resources. The American Medical Association offers various documents to assist its members, including, *Starting a Medical Practice: The Physician’s Handbook for Successful Practice Start-Up*. This book includes sections on hiring employees, setting salary ranges, a list of interview questions, and more. Contact the AMA at www.ama-assn.org or via phone at 312-464-5000.

■ The American College of Physicians—American Society for Internal Medicine offers assistance through the Practice Management Center. The Center produces documents (“Effective Personnel Evaluation through Dialogue and Planning”) and consulting services. You can reach the ACP-ASIM on the Web at www.acponline.org or via phone at 800-338-2746.

■ The Medical Group Management Association produces a range of books, tools, and other resources, says MGMA Health Care Consulting Group consultant

■ Many state or regional associations, such as the Pennsylvania Medical Society (www.pamedsoc.org), also offer consulting services, seminars, and more—often discounted for members. ■

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While it can be nearly impossible to quantify the cost of high turnover, the [Employment Management Association](#) in partnership with [Staffing.org](#) estimates that it costs approximately \$7,305 to advertise and fill one vacant health-care position, in comparison with an average cost across all industries of \$4,522. Another rule of thumb that experts provide is that replacing a worker costs about 25 percent of that position's annual salary. For instance, replacing a \$15 per hour medical assistant would cost about \$8,000 straight off your practice's bottom line. And these estimates don't include indirect costs such as staff morale, wear and tear on the remaining employees, lower quality care, or the doctor's wasted time in scheduling mishaps, tracking down misfiled information, training, and answering questions.

Setting the Stage

With costs this high, it's obvious that employee retention is more than just an issue of convenience. Unfortunately, the only magic trick to getting employee management right is preparation and hard work.

Though the last thing doctors want is more paperwork cluttering their already tight schedules, physicians have to set aside a chunk of time to do the background work necessary to hire the right people for the right jobs. Trying to hire employees without knowing how you want your practice to function and what kind of person can contribute to that goal is like operating without looking at the x-rays first.

Health-care consultants recommend that practices have written poli-

cies and guidelines as well as job descriptions, and that these be used in preparation for recruiting and selecting employees. Knowing that a front office staff person will need to juggle phones and payment questions as well as new patient registration and patient arrival will help determine the types of questions you'll ask during the interview process. If your MA will work closely with another in the office—as Hein's does—you'll need someone who functions effectively as part of a team.

Job descriptions and policies are also necessary in setting the expectations for new employees. It's unreasonable—but all too common—to expect a new employee to figure things out on their own and then take them to task when they show up to work dressed inappropriately or call the wrong person to say they're home sick. Requesting vacation time, dress code, arrival and departure times, sick policies, and other mundane, though necessary, routine practices must be clearly presented. Also go over topics like the flow of a typical day, when lunches are taken, even how to answer the phone. "You really have to tell people, otherwise they have no idea, and you have no control later on," says Hein.

Hand in hand with job descriptions is the issue of pay. Many physicians complain they lose staff because they can't compete with what hospitals offer for the same position, but this argument, says Cunningham, is moot. "You don't have to," he says. The AAPA's Cushman agrees. "You have to look at what your job environment is," she says. "It is imminently reasonable to see those job environments as

totally different, and commanding totally different salaries."

Instead of using the pay differential as an excuse for hiring difficulties, focus on making pay comparable—or even a hair above—what other practices in your community are offering. "Then you've removed any incentive to leave," Cunningham says. If you're not sure what the going rate is for various positions, associations such as the [Medical Group Management Association](#) (MGMA) offer staff compensation guidelines for their members. Or just ask your staff—they're likely to know to the penny how much their cohorts in other offices are making.

All hands on deck

Once you've figured out what kind of person you need to handle which specific responsibilities for how much money, you're ready to begin the interviewing process.

One big mistake doctors make, says Cunningham, is relying on their instinct that serves them so well in other areas of their business. "They're accustomed to making very quick judgments on limited data," he explains. But this can backfire when it comes to personnel issues. While hiring the right person is as much about the subjective as the objective, there are some specific guidelines to follow:

- DON'T ASSUME THAT THE MORE EXPERIENCED WORKER IS THE BETTER WORKER. After going through several "experienced" MAs, Hein hired her current MA straight from school. "She knows how to talk to people," says Hein. "Just because they haven't been in the medical field for a long time doesn't mean they aren't good."

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Cunningham adds that an employee can have a stellar resume listing ten years of experience, “but what they really have is one year of experience, 10 times.”

- **DO TAKE PART IN THE INTERVIEW PROCESS.** While it may be tempting to pass the entire hiring process over to your office administrator, make sure you at least meet the candidate before they're offered a position. Ask a few pointed questions, and check for that “click” you're hoping to feel.

- **DO EVALUATE PRACTICAL SKILLS.** Hein developed a simple written test for her MA candidates, asking them to identify a normal blood pressure, to convert 5 cc's to teaspoons, and to rank a variety of daily tasks in order of importance. She also asks questions about preferred work environment and working as part of a team. “If anything, it gives you something to talk to the person about in the interview. It's hard to sit there and ask people questions,” she explains.

- **DO CHECK REFERENCES.** Cunningham says he often will call the references of several candidates, rather than just for the one he's hoping to hire. “I will learn as much from a good reference as I will in talking to the person,” he says. His approach is to describe the role he's hoping to fill and ask how the individual will do in that particular job. Even when references are hesitant to say something negative, their opinions can come through loud and clear. “Even if you don't hear the words, you hear the tone,” says PMSCO's Migliore.

- **DON'T DELAY IN THE HIRING PROCESS.** Good employees in search of a job can be snatched up immediately, says Cunningham. That's why he's prepared to interview and make an offer in a matter of days after advertising a vacant position. “You've got to

get those people in really fast,” he says.

Creating loyalty

Many business owners believe that the only way to keep the best and brightest is to offer more money—but this isn't the whole story. In a survey performed by the [Society for Human Resource Management](#), employees noted the top reasons why they stay—and why they leave (see “[Why People Stay/Why People Go](#)”). Pay was near the top, but other issues were strong factors in an employee's decision to change jobs. These factors included career opportunities, poor management, fears about job security, and poor relationships with co-workers—many of which are within a manager's control.

Despite the flat organizational structure, there are ways you can give employees the sense that they can “progress.” Cross-training not only varies job responsibilities and adds interest for workers, it also provides back-up when someone is out. Tuition reimbursement programs for professional development or continuing education can offer another way for employees to expand their skills and contribute more to the practice—and show that management values the employee, says Victoria Henley, a senior marketing specialist for the [American Nurses Credentialing Center](#). “Professional development is very important. It's just as important in nursing as it is in any other industry,” she says.

Flex-time, job shares, sabbaticals, and other non-standard work arrangements can make your workplace more attractive, say human re-

source experts, and they don't have to cost a lot to implement, especially when compared to the cost of replacement.

While monetary incentives—profit sharing, on-the-spot cash bonuses for exceptional work, raises—are always appreciated, don't overlook the power of smaller ways of saying “thanks.” Treating the staff to lunch once a month, sending flowers for a job well done, celebrating holidays and personal milestones like new babies, birthdays, and weddings are all ways to make your staff feel like you care, and though they may sound hokey, they really work. “It really doesn't take much,” says PMSCO's Migliore.

Let's talk

Unfortunately, all the flowers, candy, and “You're Great!” balloons, and even money, in the world won't make up for a lousy boss. “In the long run, I don't think good pay can compensate for a bad work environment,” says Ron Mezick, a PA with a five-physician group practice in Hughesville, Pennsylvania.

Bad managers tend to fall on one of two extremes, says Cunningham: They're either raving maniacs who regularly vent their frustrations on the staff, leaving workers feeling used and abused. Or they're so nice that they never confront anyone about anything, leaving problems and problem employees to fester.

On the abusive end, the drawbacks are clear. No one wants to be yelled at, belittled, or disrespected—particularly in front of a waiting room full of patients or an office full of co-

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workers. Even if you apologize after the fact, don't be surprised if your employees soon leave for greener—and calmer—pastures.

At the other extreme is the nice doc, the one who knows the office manager is slacking in her duties and the MA can't hold his own, but doesn't want to upset anyone by confronting the issue. Though the intentions are good, ignoring problems and sub-par performance isn't going to win any awards. In fact, small issues left alone tend to grow even bigger until they're major problems. "If not addressed quickly, [conflicts] will escalate," says M.K. Key, a psychologist and health-care consultant in Nashville, Tennessee, who trains health-care professionals in conflict resolution and effective business practices. And once a conflict escalates, so do the costs involved.

The solution for both these extremes is the same: creating regular mechanisms for providing feedback to employees, and for staff to provide feedback to you. For new employees, regular daily meetings for the first few weeks ensure you have a way to provide direction and feedback, and the employee has an opportunity to ask any questions. "If they're afraid to ask you, they're not going to ask you," says Hein, who also suggests six-month reviews as a way to provide constructive criticism and positive comments on worker performance.

On an ongoing basis, devise a formal communication process between the office administrator and staff, and between the staff and the physicians in order to have a means for discussing and resolving issues and conflicts. The office manager should serve as the point person for the

staff's concerns, handling most of the daily issues and calling in the physicians only when absolutely necessary.

Regular staff meetings are a great way for employees to air their concerns and problems, and for staff to attempt to hammer out resolutions on their own. The ACP-ASIM's Cunningham tells a story of one physician who hosted a monthly luncheon where employees aired grievances and issues and other departments chimed in, "and then they'd work to reconcile it," with the doctor speaking up rarely, if ever, he recalls. The result? An extremely loyal staff that felt their opinions and professionalism were valued. "It had everything to do with how he interacted with them, and how they interacted with each other as well," says Cunningham.

Bringing it home

If there's one skill employees wish their physicians would master, it's the art of listening—being open to the comments, opinions, and thoughts of others. Not only does this make the employee feel valued, it also can result in the doctor learning a thing or two. "[Employees] have so much to tell you about how your practice is run and how it is perceived, and how it could be run and perceived better," says Cushman. When it comes to providing quality care to patients, a team approach in which every member is respected and valued for their expertise is most effective. After all, says Mezick, "the physician is only a small part of the process." ■

Lain Ehmann is a regular contributor to Unique Opportunities.