

## Case Study:

Vericare  
San Diego, CA

PI Worldwide 

# Cutting Turnover in Half and Impacting the Bottom Line

Founded in 1991, San Diego-based Vericare is one of the nation's leading providers for integrated behavioral healthcare services in skilled nursing facilities. Experts in the fields of geriatric mental health services, the company employs more than 500 licensed behavioral healthcare professionals including psychologists, advanced practice nurses, clinical social workers and psychiatrists, serving patients at thousands of partnering facilities in seven states.

With a highly specialized staff spread across the country, Vericare's ability to attract, optimize and retain highly qualified clinicians is vital to the organization's success. When Director of Human Resources Molly Chase came on board in 2008, the company was in the midst of great turnover. With a complex and ineffective hiring process in place, nearly 20 percent of new clinician hires were leaving within their first 90 days, before the company could even recover their recruiting and training expenses.

According to Chase, "The turnover situation was creating a burden on the HR Department and the Clinical Hiring Managers because we were constantly churning providers. As a Medicare-reimbursed organization, we have slim profit margins and lean resources so we all really needed to get much smarter in how we were doing things."

**"The company's investment in HR has created a revenue return where, for every one dollar we put in to the HR function, we get a three dollar return."**

**David Flaugh**  
**President & CEO**

## Hiring, Retention and ROI

To address the challenge of high turnover and more, Vericare introduced a new program called Advance in Clinical Excellence (ACE). This program sought to further the company's strategic business goals which included boosting revenues and growth, and increasing the retention rate of first year hires. To support the retention initiative, Vericare was looking for a resource to help improve job fit for candidates. "Given the specialization of our field and clinicians, we felt we needed an extra tool to help us in the interviewing process to really understand the candidates, and the job roles they were filling," she said. "The Predictive Index® (PI®) proved to be an effective and reliable solution for increasing retention and supporting several other initiatives," explains Chase, who was introduced to the behavioral assessment tool by Performance PI, a PI Worldwide Member Firm. Performance PI also facilitated the Predictive Index workshop where Chase and her team became educated in the use of the PI.

In less than a year following the implementation of the Predictive Index, Vericare has cut the turnover rate of new hires in the on-boarding process in half from 20.4% down to 10.8%. Additionally, within the first month following PI training, Vericare experienced its most fiscally profitable month in the history of the company.

"The PI is the biggest asset for us. We send it to the candidate prior to the interview. Then, the manager uses this insight in the interview process. If the candidate isn't our ideal fit for instance, we really work with the manager to understand if, based on their behavioral profile, we would be able to train the person to succeed," explains Chase.

## Choosing People Over Process:

The average on-boarding process at Vericare took about 90 days due in part to the large amounts of paperwork that had to be transmitted between new hires, insurance carriers and Vericare—a process that was so arduous for all parties that it delayed other functions and contributed to turnover. According to Vericare's President and CEO David Flaugh, "We had such a cumbersome process before, from the moment we screened a candidate to the moment they came to work, that we were driving a lot of people away."

By understanding the work styles of the clinician managers through the Predictive Index, Vericare realized they could increase productivity and shorten the on-boarding time-frame by eliminating the number of processes. As a result of this organizational behavioral change, 96% of clinicians are returning their paperwork within 48 hours, down from an average of three weeks, and new employees are assimilated into the organization in nearly half the time.

"By better understanding our healthcare provider population, we were able to re-engineer the on-boarding process to benefit current and new employees," continues Chase, "In fact, the PI has completely revamped all of our processes at Vericare and the way the managers hire, train and communicate."

### **A Common Language Translates into a Stronger Culture**

The company has also incorporated key messages and terminology derived from PI feedback into corporate rebranding initiatives, developing key messages and language that appeal to the profile type of the clinical population. By providing more targeted behavioral information on the career section of the website for instance, recruiters have been able to reduce their phone screening time by an average of 15 minutes per call while focusing in on the fit and gaps shown in the PI. Additionally, the company has experienced an increase in the quality of candidates applying to Vericare.

The investment in Vericare's Human Resource Initiative (as part of the ACE program) has been strong; spending has been increased to 25% of net revenue from 5%. As Flaugh further commented, "The company's investment in HR has created a revenue return where, for every one dollar we put in to the HR function, we get a three dollar return." The Predictive Index has been a key part of this success. In addition to the financial returns, the company's ACE initiative gained industry recognition with the 2010 Workplace Excellence Award from the San Diego Society for Human Resource Management (SHRM). Vericare's win marks the first time a small company took the Grand Prize in the award's 11 year history.

Following the successful application of the Predictive Index in decreasing turnover and enhancing the hiring and retention processes, Vericare began utilizing the tool to advance management development. Armed with a greater understanding of their employees' behavioral drivers and key motivators, managers were able to more effectively coach and communicate with their staff. According to Chase, "The PI has really become a cornerstone of who we are today. We're a small company, but we have so many locations that it was becoming a culture of silos. This gave everyone a common language to use, including the executive level." Chase looks forward to building on these successes and incorporating the Predictive Index into future business initiatives including succession planning.