

homehealth

ADMINISTRATOR'S SUMMIT

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Become an Employer of Choice Now and in the Future - “Why Staff Leave and How to Keep Them”

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Presented By



Eric Scharber is a Managing Principal at SimiTree, leading all talent acquisition and employee retention efforts for the Post-Acute and Behavioral Healthcare industries. He oversees executive search, management recruiting and interim leadership services, as well as advisory services related to workforce management. After founding the firm in 2005, Scharber led it to become the top recruiting and executive search entity for the Post-Acute and Behavioral Health industry, serving clients across the U.S. and completing more than 3500 recruiting and interim leadership projects since inception. Scharber is a sought-after speaker nationally on the topics of Employee Retention & Recruitment, Building Culture, Leadership Development and Strategic Planning. Scharber earned a B.S. in Business Administration with specialization in Marketing and Public Relations from the University of Florida.

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Background on SimiTree Talent Solutions

- We have been recruiting in this industry since 2005 (some on my team longer).
- SimiTree has placed over 3,500 Home Care and Hospice professionals in Permanent and Interim Leadership positions.
- Our team has interviewed well over 100,000 professionals in this time.
- A couple of the primary topics we discuss in our interviews is what attracts top candidates to an employer and why they left previous employment (Retention)!

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State of the Workforce Facts

- There are multiple studies as to whether there is, or will continue to be, a nursing shortage. There are conflicting findings in these studies.
 - Roughly 1M increase in RN Supply, roughly 1M increase in RN Demand.
 - Not an exact science. BUT, experience level will go down.
- Average age of RN's is near 50. 55% of all RN's are over the age of 50.
- 2 out of 5 healthcare workers over the age of 55 plan to retire within 5 years.

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State of the Workforce Facts (cont.)

- 25% of the healthcare workforce has changed jobs in the past 12 months.
- 50% plan to change jobs within the next 12 months.
- US has lowest avg. tenure in the developed world at 4.6 years ~ even less for healthcare. Good / Bad???
- Employment in the healthcare industry will grow at 21% through 2024. The next highest number is construction at 13%.
- The top 5 industries in the US in terms of employment growth are all Healthcare. #1 is Home Healthcare Services (Bureau of Labor Statistics).

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State of the Workforce Facts (cont.)

- 1 out of every 4 new jobs in the US through 2024 will be in Healthcare.
- It's expensive to replace Key employees.
 - Experts say the real cost of employee turnover is 150-250% of annual income.

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Where It All Starts

Quote from the Home Care 100 – Staffing Innovations in Retention and Recruitment.

“Retention starts by hiring right.”

I believe we have a Retention problem,
more so than a Recruiting problem.

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Keep In Mind:

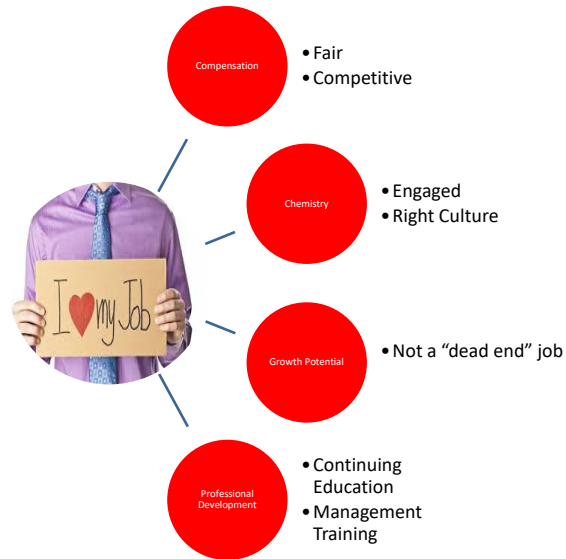
Your best employees will leave first, because they have the most opportunities.

Top 20%’rs

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Here's How We Do Better!



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MONEY!



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Money (cont.)

- Not advocating paying over the competitive rate.
- Do you know what the going rate is?
 - Network with other industry professionals
 - Ask consultants
 - Salary surveys
- According to PWC, 44% of Millennials noted that compensation was a major factor in deciding to go to work for an organization.

The fact is, good staff DOES leave good jobs because of MONEY.

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Chemistry, Culture, Engagement



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Chemistry, Culture, Engagement (cont.)

- Vision / Values must be aligned
 - Relationship with Supervisor
- Employee feels like management “cares” for them.
 - Starts at the TOP!
- Your people should come 1st always
- 75% of the Global workforce will be Millennials by 2025
 - Only 29% feel engaged
- Book recommendation: Firms of Endearment
 - Put purpose before profit
 - A Quote – “The two main indicators of strong employee equity/engagement is lower turnover and higher productivity.”

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Growth Potential



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Growth Potential (cont.)

- The leadership has to have a vision for the future.
- Employees must have the ability to make a difference in the organization.
 - Close the adult day care center...
- Stop the status quo and release the need to be right.

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Development and Training of Staff

- There are NOT enough experienced Behavioral and Mental Health professionals to go around. Training / development programs will be required going forward.
- Continuing Education / Management Training
- Educating your clinical / front line staff on the business side of our industry.

Fact – An employee who is hired without experience and then developed by an organization, averages 3 times as long of tenure than an industry “re-tred.”

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Retention!

- If all are aligned, you have the formula for retention.
- You can overcome deficiencies in one area by focusing more on others.
 - Could just be for the short term though.
- Examples
 - US Military.
 - Garbage Collector.

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Top Reasons We Hear for Leaving

- Under paid.
- Under appreciated.
- Company does not seem financially stable.
- Relationship with manager is not good.
- No potential for growth.
- “Ethical” reasons.
- Poor work conditions – Over worked.
- Values are not aligned.
- No flexibility with hours or time off.
- No training programs.

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Good Reasons to Leave

- Career Advancement.
- More responsibility.
- Reputation of new company.
- Looking for a new/dynamic challenge.
- Completed additional school and wants a position that utilizes new training.

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Top Traits Candidates Are Seeking in an Employer

- Honesty
- Financial Stability.
- Opportunities to challenge themselves and learn new things.
- To work for a respected organization in the community (want to be proud of who they represent).
- Dynamic Leadership.

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Quick Tips That Affect Retention

- 30/60/90-day touchpoints with new hires.
- “Red Carpet” welcome.
- Mentor / Buddy system for new hires.
- Reward performance – Everyone is not equal.
- Employee Satisfaction Surveys.
- After hours / team bonding socials.
- Offer flexibility.

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What Do We Do Now?

- Understand that we’re in a “People” Industry.
- Take care of your employees and they’ll take care of your customers.
- Truly care for their well being.
 - That starts at the top!!!
- Learn about their desires – LISTEN.

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Thank you. Questions?

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In order to receive your continuing education certificate(s) for this program, you must complete the online evaluation. The link can be found in the continuing education section of the program guide.

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By Eric Scharber,
Managing Principal, SVP Talent Solutions

| Is Your Recruiting Problem Really a Retention Problem?



Organizations that excel in retaining their employees generally have **better financial results and overall performance.**

A multistate home care and hospice provider was experiencing rapid growth through both organic efforts and acquisition. Over the previous 12 months, the company had seen its number of open positions swell from an average of 12 to 15 to 90-plus. Some of this surge was due to the organization's doubling in size, but this didn't explain why there were seven to eight times more open positions than a year prior. If everything were running smoothly, open positions should have numbered 20 to 30, not 90.

Although the organization's first instinct was to focus on recruiting, the disparity between expected and actual open positions demanded further study. Deeper examination uncovered an employee turnover rate of nearly 40 percent in the previous 12 months, most of this being voluntary turnover by employees. This open-position percentage is more than twice that of the average turnover rate in the healthcare industry, according to a study by Compdata Survey in 2015, which found an average turnover rate of 19.2 percent, up from 17.7 percent in 2014.¹

The home care and hospice provider had little idea why staff members were leaving at such an alarming rate. The organization, however, realized that if it could address the turnover issue to reduce turnover to the industry average, it would need to fill only 45 open positions instead of 90.

Understand the true costs of employee turnover

The challenges that this healthcare provider faced are not unique. Many organizations don't have appropriate retention strategies in place, and some don't track their turnover rate and are oblivious to the costs of employee turnover.

A paper from the Center for American Progress, citing 11 research papers published over a 15-year period, determined that the average economic cost to a company in turning over a highly skilled job is 213 percent of the cost of one year's compensation for that role.² In the home care and hospice industry, filling the highly skilled position of a registered nurse making \$70,000 per year can cost an organization as much as \$149,400.

Burnout is another factor in employee turnover. A Kronos® study on employee burnout found that despite 87 percent of HR leaders citing improved retention as a critical or high-priority issue over the next five years, 20 percent said there are too many competing priorities to focus on fixing this issue in 2017.³ Retention becomes an even more crucial issue when you consider that 51 percent of all employees are either watching the job market or are actively looking for a new job, according to research by Gallup.⁴

The lesson to be learned from these situations is significant: Organizations that excel in retaining their employees generally have better financial results and overall performance. So what can organizations do to retain employees? The following discussion outlines strategies for positively impacting employee retention, which will, ultimately, reduce the need to recruit and fill open positions.

¹ Compdata Surveys, *2015 Total Turnover Rates by Region* (October 9, 2015).

² Jack Altman, *How Much Does Employee Turnover Really Cost?* (January 19, 2017).

³ *The Employee Burnout Crisis: Study Reveals Big Workplace Challenge in 2017* (January 9, 2017).

⁴ Annamarie Mann and Becky McCarville, *What Job-Hopping Employees Are Looking For* (November 13, 2015).

Evaluate effectiveness of supervisors

Most experts agree that an employee having a poor relationship with a boss is one of the main reasons employees leave their jobs. A positive manager-employee relationship is very important in retaining staff. Although employees and managers don't need to be friends, having a professional relationship is key. Generally, managers are tasked with developing their employees, holding them accountable, guiding them, and motivating them, but the challenges in accomplishing these tasks are twofold.

First, organizations rarely spend time developing their middle managers. While managers are expected to manage their staff, they often have never managed anyone in a professional setting. With little experience in managing and leading, they are more likely to fail at this task.

As an industry, we must spend time developing our managers to be effective leaders. To accomplish this, senior leaders must be good leaders themselves, which might require them to develop their own leadership capabilities. Supervisors who respect and help develop their employees have a direct impact on improving retention.

Second, determine whether employees view their relationships with their supervisors as positive or negative. At least annually, employ a third party to conduct an anonymous employee satisfaction survey to gauge the health of employee-manager relationships. Real data on employee satisfaction is crucial to retention, and this data can be used to improve detrimental behavior.

Create a culture of engagement

Corporate culture encompasses the beliefs and behaviors that determine how a company's employees and management interact and handle outside business transactions. This culture is often implied, not expressly defined, and develops organically over time from the cumulative traits of the people the company employs.

A positive company culture should lead to a highly engaged workforce. Engaged employees are enthusiastic about their work and actively work to further the organization's reputation, interests, and mission. Employee engagement reflects a strong relationship between the employee and the organization. Despite the importance of employee engagement and its positive impact, Gallup reports that only 34.8 percent of employees say they feel engaged at work.⁵

To create an engaged workforce, there must be alignment between the mission, vision, and values of an organization and its leadership and staff. The leadership team sets the tone and must actively demonstrate the organization's commitment to employee engagement. The benefits are multifold.

A positive company culture leads to a more **highly engaged workforce.**

⁵ Employee Engagement in U.S. Stagnant in 2015 (January 13, 2016)

Employees using self-service tools to review their time and attendance, scheduling, and HR information — and to make requests — are more apt to be **highly engaged**.

In Gallup's 2016 Q12® Meta-Analysis study of 1.8 million employees on the effects of employee engagement on an organization's bottom line, top quartile business units outperform bottom quarter business units by 20 percent in productivity.⁶ In an industry where margins are tight and productivity is critical, a 20 percent increase in productivity could dramatically improve the bottom line.

Engaged employees also are less likely to leave a job, reinforcing the connection between employee engagement and retention. In the same Gallup study, work units in the top quartile saw significantly lower turnover (24 percent lower in high-turnover organizations, 59 percent lower in low-turnover organizations), shrinkage (28 percent lower), and absenteeism (41 percent lower), as well as fewer safety incidents (70 percent lower), patient safety incidents (58 percent lower), and quality defects (40 percent lower).⁷

The key takeaway is that a supportive company culture — one that promotes employee engagement — results in better performance and lower turnover.

Furnish tools that foster engagement

Engaged employees tend to be those who are allowed to make their own choices and decisions. Providing employees with self-service tools that let them easily access their time and attendance, scheduling, and HR information — and act on it — cultivates and deepens employee engagement.

Human capital management technology enables employees — at a time clock or on a mobile device — to check and approve their timecards, view their accrual balances, request time off, and review the status of time-off requests. Using self-service tools, they also can communicate their preferred shifts and availability, check their schedules, request schedule changes, make a shift swap with a coworker with the same skills and certifications, accept open shifts, request shift coverage by a similarly trained coworker, and update their schedule availability and preferences.

In addition, employees can use technology self-service tools to update their personal information, make direct deposit changes, view their pay statements and W-2 forms, and change W-4 deductions. During open enrollment, employees can use these tools to select medical, dental, and other benefits online.

Employee self-service tools give employees greater self-sufficiency and control of the decisions that affect their everyday lives, increasing their engagement at work.

⁶ *The Relationship Between Engagement at Work and Organizational Outcomes, 2016 Q12® Meta-Analysis Report* (April 2016).

⁷ Ibid.

Offer competitive compensation

Although people may say, “It’s not all about the money” when weighing employment opportunities, the money offered still needs to be competitive. If compensation for a position is below the average market rate, the employee in that position will become hyper-focused on compensation. When an employee is underpaid (based on market averages), other job issues may become magnified. Perhaps the commute will seem longer, relationships with other staff will be stressed, and the belief that there is growth potential will wane. An employee may ultimately leave and say it is for reasons outside of money, but if the compensation had been fair and competitive, other issues might not have seemed so significant.

To eliminate the compensation issue and ensure positions are within adequate pay ranges, research what the market is paying for the positions of each of your key employees. If you want to be competitive, consider raising compensation slightly above the market average, such as to 105 percent. Keep in mind that you are not finished once a new employee accepts a specific compensation package. That package needs to be re-evaluated annually to ensure it is still competitive. Market averages will fluctuate, and a savvy organization will stay on top of these changes.

Provide growth and development opportunities

Generally, employees are not looking for a dead-end job. Most want opportunities to advance their careers and develop professionally. In seeking a new position, many cite lack of growth potential and training as reasons why they left a previous employer.

Many think of growth potential strictly within the realm of promotions into higher-level roles. If your organization has the scale to offer specific career tracks to your employees, communicate this to staff. Employees should know of the potential next steps in their career if they perform well. This can be a powerful motivator and support retention efforts.

Growth potential, however, can be much more than a promotion. Employees can grow by learning new skills from both supervisors and peers. Consider the information that people within your organization can share with others. For example, a finance manager could share the intricacies of a profit and loss statement with the director of nursing. A supervisor could share treatment strategies with a field nurse.

To encourage this sharing of information, consider assigning each employee a mentor, someone the employee can look up to and learn from. Ideally, this mentor would not be someone the employee directly reports to, although this is a possibility. The mentor and mentee should have regular conversations, meeting monthly or bimonthly.

Learning opportunities and mentoring can provide employees with the professional growth and development they are seeking.

About **80%** of workers of all ages cite flexible work options as important in choosing to accept a position.

Ongoing training is also key to having an engaged and motivated staff. In healthcare, regulations change frequently. Providing staff with the education and training they need to stay up to date is critical to their understanding and skill development, as well as to patient care. Depending on the size of your organization, you may have an internal training department or you can partner with other organizations on industry-specific training.

Motivational speaker Zig Ziglar famously said, “What’s worse than training your employees and losing them? Not training them and keeping them!” The point is that the investment you make in training will be paid back to your organization in many ways. Your staff will be more experienced, productive, and effective, and will be more likely to stay with your organization than if these opportunities to grow and develop are not offered. According to a Gallup survey, employees who get the opportunity to continually develop are twice as likely to say they will spend their career with their company.⁸

Implementing employee growth and training programs positively affects employee retention.

Institute flexible work opportunities

In a FlexJobs survey, 82 percent of millennials say they would be more loyal to their employers if they had flexible work options. In addition, 81 percent of Gen Xers and 79 percent of baby boomers cite work flexibility as a top factor in evaluating a job prospect. Working from home and flexible starting and/or stopping times were the most desired options.⁹

Technology can dramatically affect the flexibility an employee has at work, especially with frontline workers. High-performing technology often can enable your staff to complete required work more efficiently, or remotely. Staff can complete work at home while caring for a sick child or keep up with the office while attending to personal appointments.

Flexible work options also can include opportunities for employment other than full time. It is becoming more common for administrative, management, sales, and other non-clinical positions to be handled by one or more experienced part-time employees. Many experienced stay-at-home dads and moms are looking for meaningful work during school hours. In addition, there are good opportunities to employ semiretired professionals who still want to put in some hours each week.

Being open-minded and flexible can help your organization attract and retain great employees.

⁸ Amy Adkins, *Only 35% of U.S. Managers Are Engaged in Their Jobs* (April 2, 2015).

⁹ [FlexJob Reports: Millennials' Interest in Travel and Work Flexibility Higher Than Gen X and Boomers \(October 3, 2016\)](#).

Having the **right people** and utilizing them at the right place and at the right time is **vital** to an organization's health and wellness.

It's all about people

Healthcare providers, as is true for so many other industries, are in the people business. Attracting and retaining excellent employees is the lifeblood of this industry.

Forward-thinking organizations are being proactive and are investing in retention strategies to ensure they have the staff they need to thrive. Those that attract and retain the right people will ultimately be the most successful. Having the right people and utilizing them at the right place and at the right time are vital to an organization's health and wellness.

Thoughtful and proven retention strategies can help eliminate the need for frantic recruiting of new employees to fill a large number of open positions. Making an investment in retaining the right staff can provide a valuable ongoing return to your organization.

About SimiTree

SimiTree, a company that provides industry-leading, tech-enabled specialty revenue cycle management (RCM), coding, professional services, and talent management resources for post-acute and behavioral health organizations, was created by the merger of Simone Healthcare Consultants and BlackTree Healthcare Consulting in 2021. In 2022, SimiTree further expanded its RCM capabilities with its Imark Billing acquisition, and its behavioral health footprint with a strategic alignment with Infinity, a SimiTree company.

In addition to clinical, financial, and operational consulting, SimiTree offers a robust suite of outsourced services, including billing, coding, OASIS, Review Choice Demonstration (RCD) and Quality Assessment and Performance Improvement (QAPI), and revenue cycle management; executive placement, interim management, retention consulting and other talent solutions; mergers and acquisitions support; compliance assessments and risk mitigation plans; sales and growth training; and benchmarking and data analytics. For more information, visit www.SimiTreeHC.com.

About Eric

Eric Scharber is a Managing Principal at SimiTree, leading all talent acquisition and employee retention efforts for the Post-Acute and Behavioral Healthcare industries. He oversees executive search, management recruiting and interim leadership services, as well as advisory services related to workforce management. After founding the firm in 2005, Eric led it to become the top recruiting and executive search entity for the Post-Acute and Behavioral Health industry, serving clients across the U.S. and completing more than 3500 recruiting and interim leadership projects since inception.

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