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Create a Dynamic Workforce Environment to Improve Employee Retention

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THE HIGH COST OF EMPLOYEE TURNOVER

- Employee Turnover and Lack of Productivity is a Major problem across all business spectrums
- Universal Issue – ask any employer what their biggest headache is in business and the word “staff” is used in most of the encounters (taxes comes second)
- “It costs me more to train them than to just do it myself.”
- Medical offices are no different
COST OF HIRING THE WRONG PERSON

- When you calculate all the factors of employee turnover, including initial training, recruiting new employees, retraining, etc., the cost could exceed 150% of an employee’s annual salary!

- Calculate: An employee making 50K/yr who leaves the company, can cost an employer 75K to rehire

  - Source: COST OF EMPLOYEE TURNOVER by William G. Bliss, Bliss & Associates Consulting

HOW CAN THAT BE?

- Think about what happens when you have to hire and train for a new position
  - Front Desk vacancy/new hire =
    - Missed appointments = loss of revenue
    - Money not being collected OTC = loss of revenue
  - Billing Dept vacancy/new hire =
    - Loss of revenue during vacancy
    - Cost to have someone train them on the software
    - Not trained correctly; money slips through the cracks
HOW TO MINIMIZE RISK OF TURNOVER

• So what is the answer? Is there a solution?
  – There will never be a 100% guarantee that a new employee will become a successful, viable member of your organization, but the risk of hiring CAN be minimized with 2 simple principles
    1. HIRE the right person for the job
    2. GIVE them a reason to stay

HIRING THE RIGHT PERSON

• Many businesses fail miserably in the hiring process
• Limits the company’s ability to GROW because they are in constant “training” mode instead of production mode
• Don’t take enough TIME to hire (reactionary hiring instead of true recruitment)
• Don’t use all the hiring & recruiting resources available to them…ad in the paper/Indeed for 1 week
• Tend to hire people just like themselves
HIRING THE RIGHT PERSON

• Promotes within the company even if the person is not qualified for the new position (Peter Principle)
• Don’t check skills
• Don’t check for accurate job history
• Don’t check references
• Don’t do background checks
• Don’t compare against other applicants

HIRING vs. RECRUITING

• Reactionary Hiring vs. Recruitment
  – Reactionary
    • Employee quits; business needs to fill void NOW
    • Company has sudden (sometimes temporary or seasonal) spike in business; needs employees NOW
    • Business has no plan for growth, so when it happens they are not prepared
  – Recruitment
    • Open Job posting. May not be a position available right now, but if a jewel comes along, a place is found for them. Business grows IN to the employee.
    • Establish reputation as a business people WANT to work for. Have potential employees “in the bullpen.”
    • Seasonal Employees. Find employees who don’t HAVE to work..retirees, college students, etc. and REHIRE each season
RECRUITMENT TECHNIQUES

• Before you recruit….Set hiring standards and skills markers
  – Identify primary job skills needed  EXAMPLE: Medical Biller
    – Knowledge of Insurance
    – Knowledge of Coding
    – Knowledge of Billing
  – Identify “soft skills” needed
    – Knowledge of computers, experience in data entry programs, internet
    – Knowledge of office organization and filing systems
    – Good phone voice
  – Identify personality traits needed for success in that job
    – High level of organizational skills
    – Ability to concentrate on one task for a long period of time (multitasker not needed)
    – “Task” person vs. “People” person
  – Identify personal values (cannot use as criteria for hiring, but lets face it, it’s important)
    – Good job history
    – Education level
    – Family/Hobbies
    – Community Stability

• Use all the identification “markers” EVERY TIME you recruit or hire
• Many companies stop at the primary job skills markers… “I hired them because of their experience”
• Compare resumes against your markers
• Rarely will get 100% of the markers…what can you live with?
  – Primary Skills: can they be trained if they have all the other markers?
  – Fatal Flaws: Identify in your mind (poor job history, bad grammar, misspelled words on resume, late for interview, etc.)
RECRUITMENT TECHNIQUES

• Once you have established your standards and markers, ask yourself “where can I FIND people like this?”
  – TRADITIONAL
    • Ad in the paper
    • Unemployment office – work with a recruiter
    • Temp staffing service (hire temp to permanent)
    • Job fairs

RECRUITMENT TECHNIQUES

• OUTSIDE THE BOX
  – Internet (Indeed, Monster.com, Jobs.com, etc.)
  – Referrals from other colleagues “Have you recently filled a position and were left with some good candidates?”
  – Organizations
    • PTO
    • Support Groups
    • Veterans office
    • Your personal social circle (Kids/soccer, country club, Facebook, etc.)
  – Stealing help - let’s call it “social recruitment” (that bank teller who is always so helpful & efficient, the waitress who gives you great service)
  – Consider hiring individuals/veterans with disabilities if it would not interfere with job production
    • Tax Incentives
    • Employee Loyalty
INTERVIEW TECHNIQUES

• You’ve recruited and have 40 resumes to review…what now?
  – Screen the resumes using your markers
  – Eliminate resumes with fatal flaws (no matter HOW experienced the person may be)
  – Use markers to determine level of qualification
  – Keep resumes with at least 75% of your markers and call these candidates first
  – Try to obtain a pool of 6-12 finalists (if possible)
  – If you only have 1-5 finalists, individual interviews
  – If you have 6 or more finalists do a GROUP interview

THE GROUP INTERVIEW

• The Group Interview is a great way to assess all the candidates at once
  – Best time evening, after work
  – Hold at your workplace
  – Have some basic refreshments (bottled water, granola bars, snack items, etc.)
  – Have 2 management members hold the interview
    • Speaker
    • Observer/Tester
    • Both may do brief one-on-one interviews
THE GROUP INTERVIEW

– Welcome Candidates
– Overview of the company
  • what we do
  • some goals
  • mission statement
– Review Job Description
– Review work hours (full time/part time, weekends, holidays, shift work, travel, etc.)
– Review pay scale (use a range, DOE)

– Review benefits (vacation, holiday, insurance, memberships, child care allowance, etc.)
– Question/Answer period
– Take 5 min break “If this job does not interest you, you are welcome to leave at the break.”
– Skills testing (if applicable)
– Dismiss by letting them know you will be checking references and calling for individual interviews
THE GROUP INTERVIEW

• OBSERVER
  – Hands out nametags, offers refreshments
  – Make a “map” of candidates (where they are sitting)
  – Sits or stands off to the side of the speaker facing the candidates (try to be unobtrusive)
  – OBSERVES candidates during interview (use a checklist)
    • Latecomer
    • Dress/Appearance
    • Body Language
    • Fidgety
    • Level of attentiveness
    • Level of interaction with speaker
  – After break observer assists with skills testing

INDIVIDUAL INTERVIEW

• Individual Interview should take about 30 min
  – Have a set of questions written down and ask EACH candidate the same questions
  – Limit questions to topics that apply to the candidate’s ability to do their job (nothing personal)
  – 2 members of management team at interview, split up questions
  – LET THEM TALK (Employers usually do most of the talking). Many candidates will give up personal information the more they talk.
  – Observe same patterns as the group interview. Is their demeanor, dress, body language consistent with their presentation at the group interview?
INDIVIDUAL INTERVIEW

- Questions you can and cannot ask
  - **NO:** Are you disabled? Pregnant? Have a history of chronic illness?
  - **YES:** Do you have any limitations that would prevent you from doing this job? You must be able to “lift 50-100lbs repeatedly through the day, or stand on your feet 6-7 of the 8 hour shift”
  - **NO:** Do you have a car?
  - **YES:** Are there any limitations that would prevent you from getting to work every day on time?
  - **NO:** Do you have a working phone number?
  - **YES:** Is there a way to reach you outside of work for schedule changes, weather closures, etc.?

For more info on interviewing and hiring:
- Dept of Labor: [http://www.dol.gov/compliance/topics/hiring-issues.htm](http://www.dol.gov/compliance/topics/hiring-issues.htm)
- EEOC: [http://www.eeoc.gov/facts/qanda.html](http://www.eeoc.gov/facts/qanda.html)
- About.com (puts some questions in lay terms, check validity through Dept of Labor and/or EEOC): [http://humanresources.about.com/od/interviewing/a/interview_questions.htm](http://humanresources.about.com/od/interviewing/a/interview_questions.htm)

WORKING INTERVIEW

- If you end up with 2 - 3 outstanding candidates, consider a working interview
  - Invite each candidate to spend ½ day at the workplace, shadowing and pay them
  - Hold a staff luncheon with them
  - Gives you and other staff members opportunity to compare personalities (can we live with them?)
  - Assess their level of enthusiasm, interaction
A FEW FINAL THOUGHTS ON RECRUITMENT

• RECRUIT, don’t hire
• Don’t hire for the wrong reasons - reaction to business
• Don’t hire someone you can’t fire (family members, friends, church family, relatives of employees)
• ALWAYS use your markers to assess potential candidates
• Invest the time in recruitment; will decrease the time in training and retraining

RETENTION

How to keep good employees happy and motivated, and know when to cut your losses with sub-par employees
CHALLENGES OF A MIXED WORKFORCE

• Baby Boomers
  – Born between 1946-1966

• Generation X
  – Born between 1966-1976

• *Generation Y
  – Born between 1977-1994

• **Generation Z
  – Born after 1994

* Millennials
**Post-Millennials

CHALLENGES OF A MIXED WORKFORCE

• Baby Boomers to Gen X
  – Business Owners
  – Managers and Administrators
  – Government Officials
  – Clinical Professionals (Doctors/Nurses)
  – Retiring or Planning for it

• Gen X to Gen Y
  – Young Entrepreneurs/Business Owners
  – Moving in to Management/Admin Positions
  – Young Doctors/Nurses

• Generation Y-Z
  – Entering the workforce
  – Receptionists, Med-Techs, Billing Clerks
Pre-Millennials

- **Pros**
  - Strong work/loyalty ethic
  - Tends to stay in one job
  - Understands and accepts bureaucratic hierarchies
- **Cons**
  - Resistant to change
  - Resistant to technology
  - May “over stay” in a job they dislike (loss of productivity)
  - Biding time until retirement

WORKFORCE 2020

- It is estimated by 2020 that almost 50% of the American Workforce will be made up of individuals of the Millennial and Post Millennial generation (Age 18-35).¹
- **Pros**
  - Most educated and culturally diverse of any generation before theirs
  - Technologically savvy
  - Higher Social Conscience than GenX
  - Very Creative
- **Cons**
  - Notorious job-hoppers
  - Get bored more easily of redundant tasks
  - Dislike bureaucracy and distrust traditional hierarchies
  - May be deficient in verbal and face to face social skills

¹ Source: Forbes Magazine https://www.forbes.com/sites/jennagourley/2013/03/07/7-surprising-ways-to-motivate-millennial-workers/#c566d75c79fa
KEYS TO RETENTION IN A MIXED WORK FORCE

• Company buy in
• Decent wages
• Incentive to stay
• Incentive to grow
• Perks
• Expectation of Excellence

COMPANY BUY IN

• Give employees a sense of “ownership”
  – Share your company’s history
  – Share your company’s goals; i.e., “we are growing and we want you along for the ride”

• Give employees a mission
  – “When you do your job well, you help a lot of people.”
  – “You may save a life…”
  – “I can’t operate this business without your hard work and dedication. I appreciate that and don’t take it for granted.”
DECENT WAGES

- What is the “going rate” for a position in your area? (See next slide)
- Offer a little more to start. Remember, losing a good employee to another company because they pay higher wages than you will almost ALWAYS cost you more in the long run. You get what you pay for.
- DO the math – Company A offers $12/hr x 160 hrs = $1920. You offer $13 to start x 160 hrs = $2080. That’s only $160 more + taxes per month.
- Higher wages = higher performance expectations. “I pay more, but I expect a certain level of excellence and dedication.” Lay it out on the table for them. It is part of the Buy In.
- Be clear from the beginning that hourly increases are NOT based on longevity, but performance. Follow through with this promise.

US Department of Labor – Bureau of Labor Statistics
https://www.bls.gov/bls/blswage.htm
INCENTIVE TO STAY

• What can you offer an employee that sets you apart from other employers in your area?
  – Health Benefits
    • If you’re in Private Practice, consider Medical Cost Share programs. It is much more affordable than traditional Health Insurance. ([www.medishareplan.org](http://www.medishareplan.org))
  – Paid Vacation/Personal Days
  – Flex time
  – Job sharing
  – Work from Home
  – Uniform allowances
  – Performance Bonuses
  – Service Opportunities
  – Personal Recognition

ABOUT BONUSES

• Bonuses should NEVER be given for meeting company expectations, but for EXCEEDING expectations. This is a mistake many companies make.

• Bonuses should ONLY be given for ABCD “Above and Beyond the Call of Duty”

• Bonuses should never become an “expected” part of the employees salary. They should be very fluid and flexible. Not a fan of monthly production bonuses. They get stale after a while.

• Bonuses don’t have to be monetary. (Gift Certificates, Date Nights, Pay for a week of child care, new appliance, etc.) What MOTIVATES your employees? Be creative!
MORE ON BONUSES

• As an employer, have some goals in mind for the company and share them and the bonus with your employees

• Example: Clinic with 4 employees…
  “Last 3 months we did $60,000 in collections per month. This month we want to break out of that. The goal is going to be $70,000. That is a 15% increase. If we hit this goal, I will share 10% of that increase with all of you, split 4 ways. That equals a bonus of $250 per employee next month!”

INCENTIVE TO GROW

• Two Types of Employees
  – Worker Bees just want to do the job and get home to their families and lives. Work is simply a means to live a decent life.
  – Achievers find satisfaction and self worth in their jobs. For them, work is rewarding and even therapeutic.
INCENTIVE TO GROW

• IDENTIFY Worker Bees vs. Achievers
  – **Worker Bees** – May not have much incentive to grow. Motivated by pay increases (always based on performance) and time off/time with family, etc.
  – Every company needs Worker Bees. Make sure they are in positions that only require them to be responsible for the task at hand. They may look at goals and company growth and just see more work for themselves. Let them know help is on the way!
  – **Achievers** – Strive for personal and professional growth. Give them challenges and special projects to keep them interested in their jobs. “I want to work you into a supervisory position,” “I have a plan for you for advancement in the company” or “I need you for this special project.”

PERKS

• Company perks are a great way to keep good employees happy! Adds spice and fun to the job.
• What can you offer your employees?
  – Gym Membership
  – Sam’s Club Card
  – On-Site Child Care at a Discount
  – New IPADs / Kindle Fires
  – “Boxing Day” – put employees in each other’s shoes for one day; helps them appreciate each other.
  – BIG GOAL/BIG REWARD - Trip/Cruise, etc. Set a yearly goal that is significantly higher than last year. (25%+).
  – Other ideas?....
PERSONAL RECOGNITION

• Millennials/Post Millennials are especially responsive to personal recognition
  – Don’t just talk to them when there is a problem
  – Don’t wait for their annual review to give them feedback
  – Praise often; Reinforce positive behaviors
  – Give them opportunity to participate in their own growth and company satisfaction
    • “What do you think about….”
    • “Do you have any ideas about….”

BONDING

• Millennials and Gen Z’s want to feel connected to something bigger than themselves (just look at social Media)
  – Have a closed “company” Facebook page
    • Recognize anniversaries
    • Post new clinic challenges
    • Recognize top employees
    • Allow employees to post pics of kids, recipes, etc.
    • Not to be used for political or religious opinions
    • Not to be used to complain about company, or other employees
  – Do a quarterly Community Service Project (volunteer)
    • Adopt a Highway
    • Work on a Habitat for Humanity house / Christmas in April
    • Volunteer at the local food pantry
    • Works best when management/doctors work along side of admin staff
EXPECTATION OF EXCELLENCE

- Great companies can expect more from their employees. From the beginning outline expected workplace behavior.
  - Get to work ON TIME and be prepared to work when you get here
  - ALWAYS act professionally with each other (staff politics/alliances NOT tolerated)
  - ALWAYS act professional with the customer
  - No such thing as “it’s not my job.” Help out when you can
  - NO PERSONAL activities during work (cell free zone) And the BOSES should lead by example!
  - NO ONE is indispensable. Do not be afraid to fire a sub par employee. Sends a good message to others. “I love this company, I love this job and if I want to work here, I’d better tow the line.”

Questions?

- Thank you for your attendance!

- Get your questions answered on PMI’s Discussion Forum: http://www.pmiumd.com/pmiForums/rules.asp