

Employee Magnet

As hospitals compete for a shrinking number of candidates, one thing is clear: if you want to stay in the game, you have to get creative. Standard benefits such as 401(k)s, defined contribution, and cafeteria plans are losing their luster, and that sign-on bonus just doesn't cut it anymore. We talked to several recruiting experts to unearth innovative methods that are effective, inexpensive, and worth your while.

But first, Evelyn Fallon says there are a few important things hospital recruiters should consider before trapping into the marketplace. Fallon, vice president of Polycomp, a Calif.-based consulting firm that provides customized retirement plans and benefit administration, has seen too many hospitals start the recruiting process blindly, with negative impacts. She suggests analyzing turnover trends to answer some key questions:

1. Why are people leaving?
2. Who is leaving?
3. Where are they going when they leave?
4. How were these employees referred to the hospital?
5. How long has the employee been with the organization?
6. Who are the high performers and why do they stay?

“You might discover new grads are turning over within three years. Armed with that information, you could change your strategy and target new grads coming from a school with which the hospital has a strong relationship. Or you may find that a lot of the turnover is coming from a particular department, in which case you need to resolve any issues before bringing anyone else in,” she said.

Fallon said it's important to prepare recruiters and hiring managers to sell the organization. “Historically, hospitals approached recruiting from the standpoint of a buyer, but it's a two way street. During the interview process, candidates are scrutinizing the organization just as much as the organization is scrutinizing them.”

Finally, before bringing anyone on board, hospital executives should take a step back and assess their team's chemistry. “Each team operates differently, and that is often overlooked,” Fallon said. Some teams are like families, while others just consider themselves colleagues, so making sure there is good chemistry between the candidate and the team is crucial to retention down the road.”

Fierce competition

With a solid understanding of your turnover trends, it's time to get creative. Most hospitals offer referral bounces between \$500 to \$2,000 but David Lewis, president of OperationsInc, a human resources consulting firm based in Stamford Conn., says this is the most expensive, least effective, and least engaging way to go.

He suggests running refer-a-friend contests in which employees can win electronics, weekend getaways, and gift certificates to local stores/restaurants-displaying these rewards in a public space. If you don't have the cash reserves to sponsor such a contest, raffling off paid days off, prime parking spaces, or desirable shifts also works.

Also, don't just reward employees when a candidate is hired-give them something right off the bat for referring someone, he said. "We're not talking about thousands of dollars. We're talking about \$20 gift certificates to the local Target for every qualified referral. The cost is a fraction of an agency's fee for one hire."

To add fun to the contest and further engage employees, Lewis said hospital administrators should make a big deal when handing out rewards. One of his company's clients created a Pavlov effect by ringing a bell at 4:00 every afternoon during a two-week contest to signal that checks and gift cards were being distributed.

"A lot of organizations make the mistake of attaching so many conditions that it becomes questionable as to whether an employee will see the bonus," he said. Conditions should be consistent with offer a 30-to-90-day guarantee. "Display your trust of your employees by only paying out employee referral bonuses just after the 90-day mark."

If contests prove ineffective, Lewis suggests using the contest approach with placement agencies but warns that this strategy is only effective with firms that work on contingency. "Offer a bonus to an agent after the fourth or fifth successful placement, not after the first, because hospitals rarely seek to fill one position; they need to fill five or 10. And make it attainable: if you only have five positions open and you are working with four agencies, none of them have a realistic chance of seeing a reward. In a situation like that, give them a bonus if they fill two or three."

Offering a bonus that is of particular interest to the individual at the agency will net you better results, since agencies typically take as much as 70% of the commission for every placement. "Instead of offering a \$5,000 bonus if that person fills four positions in the next 90 days, offer him or her an all-expense-paid weekend trip," he said. For as little as \$1,000 an organization can send a couple to a warm vacation spot for a few days. Lewis warns that not all agencies allow employees to receive such bonuses, so it's best to discuss your plan with management first.

"We assume that money is the best motivator but it's incredible what happens when you turn cash into something tangible. You'll spend less money on the product or the trip than you would handing them a cash prize. Hand someone a gift card, and you'd think you just handed them a check for \$1,000."

Back to school

Of course, your recruitment efforts will be a waste of time and money without the right retention plans in place. Fallon's research has revealed that although many hospitals offer hiring bonuses, loan forgiveness is at the top of most candidates' wish lists. Hospitals that are developing relationships with colleges and universities, endowing chairs, and networking with nursing and other medical societies are more successful at drawing in employees and keeping them.

"Graduating from school with \$20,000 to \$30,000 in loans is overwhelming, so supporting student loans is a huge differentiator," she said, noting that some hospitals are willing to pay 100%. Career changers in their 30s, 40s, and even 50s are also looking for organizations that will support them through internal training and career guidance.

Ongoing training is also essential. "It's important for hospitals to acknowledge that people often don't know what they want early on and end up feeling trapped in a particular job. They may not feel they have the time or money to go back to school, so providing classes on site at convenient times can make an organization employer of choice," she said.