



Improving Quality of Care and Profitability in Care Facilities

PointLeader Research Series

ABSTRACT

The PointLeader Research Series presents actionable results from our library of job analysis, assessment validation, and performance improvement studies for HR professionals. In this paper, we summarize the predictive validity of the PointLeader Talent Management System in a program of workforce interventions intended to improve quality of care and target business outcomes in care facilities.

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Introduction

Owners of care facilities are faced with competing goals: a) Improving quality of patient care, and, b) increasing/sustaining profitability. Typically, quality suffers for the sake of profits, or, profits disappear due to the costs of quality improvement. This presents a growing problem for the industry and those they serve, given the increasing demand and shrinking resources available for quality long term care by the US population. PointLeader was formed by senior workforce experts to investigate, and when possible, address priority problems such as this by applying our talent management research and technology.

The best and perhaps only viable solution for simultaneously improving quality of patient care and increasing profitability for care facilities is to leverage the effectiveness of the workforce. By “leverage”, we mean to improve the outcomes of the workforce without increasing costs—optimizing the return on investment (ROI) for the business. Because the workforce is the largest ongoing operational cost for a nursing home, it has the largest potential for improvements in ROI. Likewise, the workforce is largely responsible for driving positive and negative outcomes related to quality of care.

In our research, we have tested the predictive validity of the PointLeader Talent Management System in a program of workforce interventions intended to improve target business outcomes. The interventions focused on profiling the critical competencies of nursing home jobs, improving the job fit of employees, managing employee performance, and developing employees to optimize their job performance. These activities form the core functionality of what is typically referred to as “talent management.”

We have identified two primary drivers of quality of care and profits for nursing homes. One, low fit between an employee and the critical competencies for their job increases the probability of risky events that escalate business costs, e.g., turnover, errors, theft, accidents and abuse. The differences in expected costs for a High versus Low Fit nursing home employee earning \$24,000 annually are presented in Figures 1 & 2.

Two, high fit between an employee and the critical competencies for their job increases the probability of behaviors that reward the business, e.g., quality of care, process improvement, developing others, customer service and occupancy rate. This impact is enhanced by aligning employee performance feedback to their job competencies. The differences in the estimated value to the business for a High versus Low Fit employee are presented in Figures 3 & 4.

In Figure 5, the value proposition for employment of a High versus Low Fit employee is provided; it is an expected difference of over \$100,000 per employee. By placing employees into jobs where they fit well and providing them with performance direction that is aligned to their jobs will not only improve quality of patient care, it will have a large positive impact on profitability for nursing homes.

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Figure 1. Probability of costs for a High Fit versus Low Fit employee

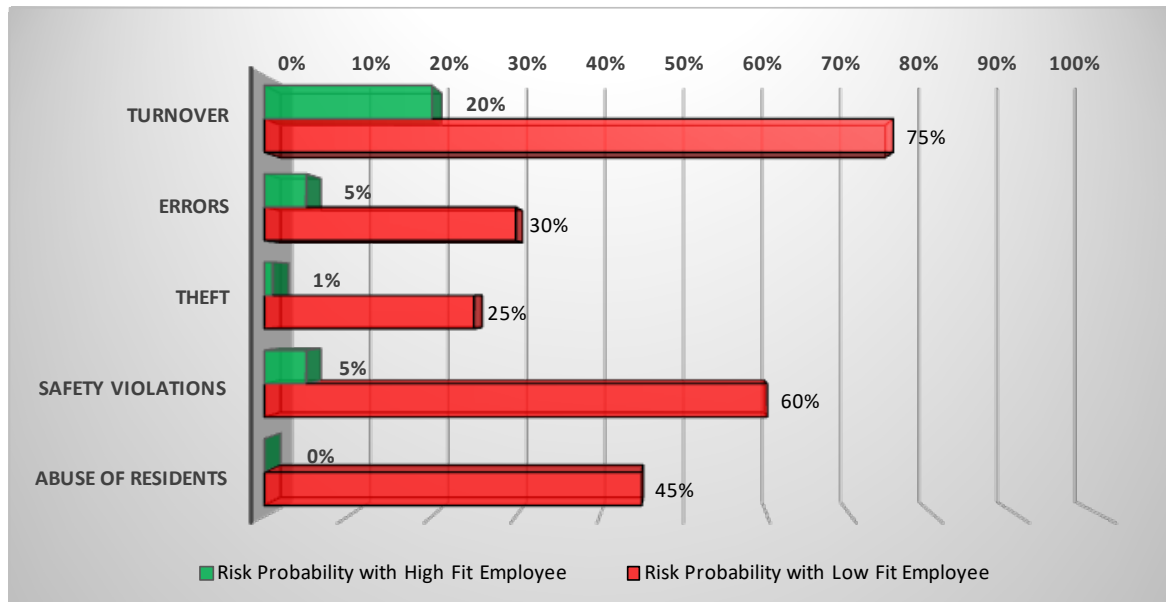
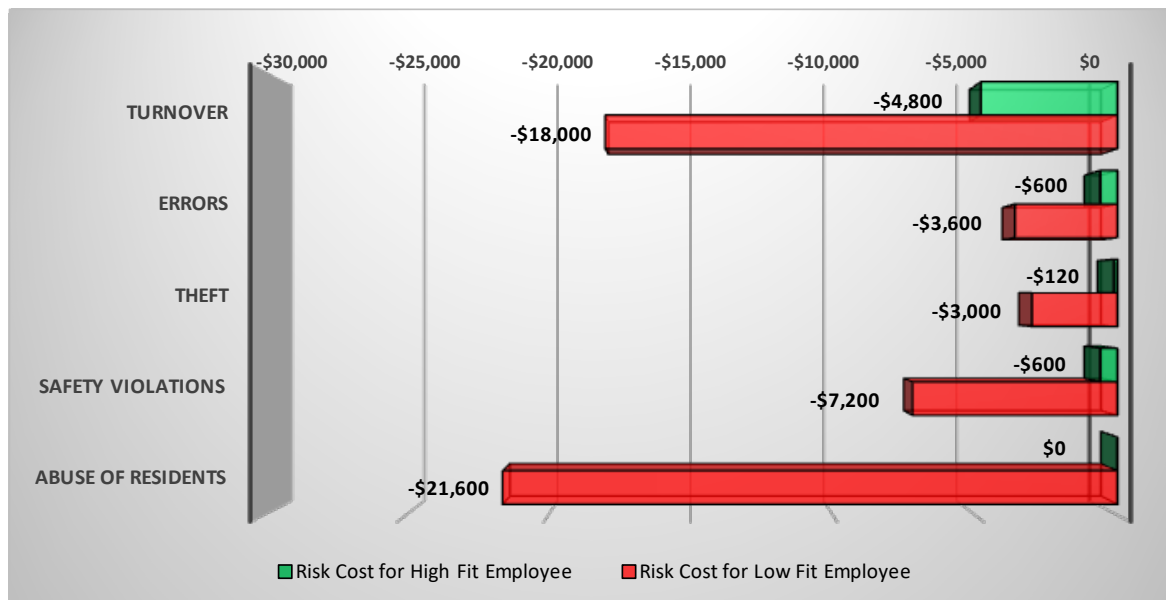


Figure 2. Annual value of costs for a High Fit versus Low Fit employee



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Figure 3. Probability of adding value from a High Fit versus Low Fit employee

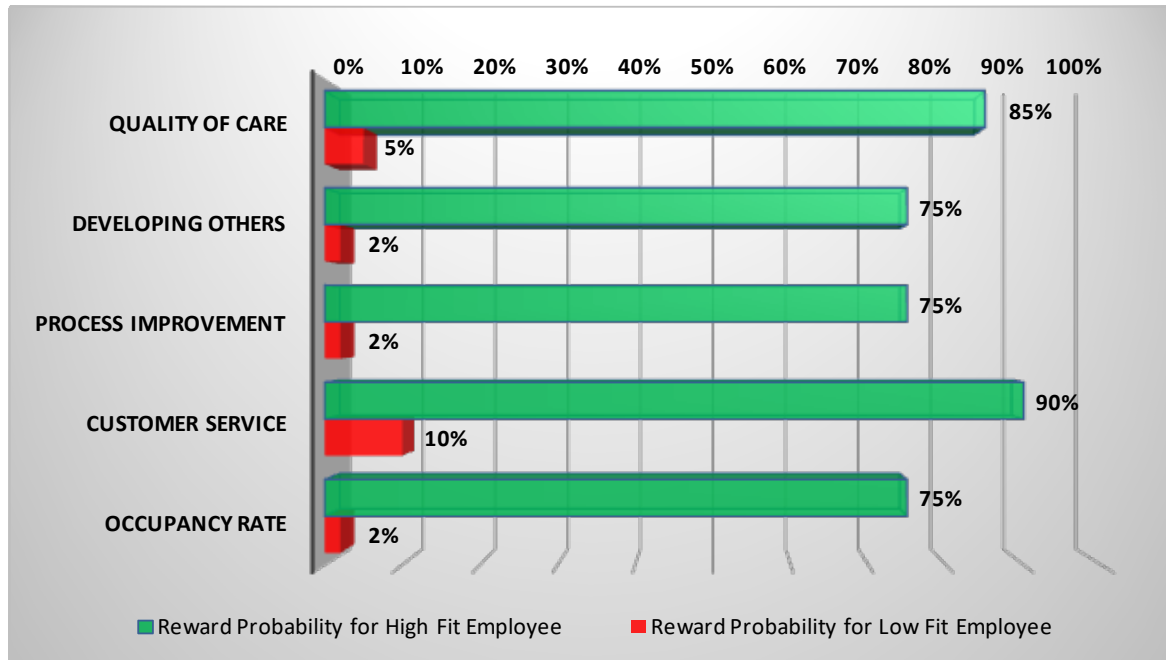
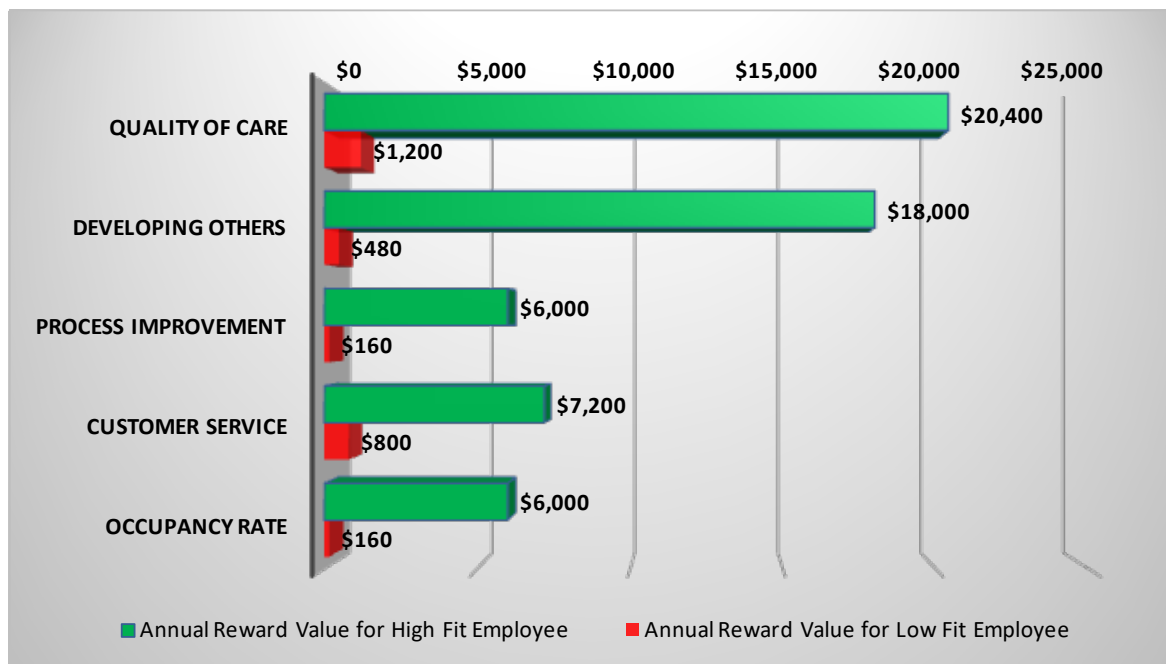


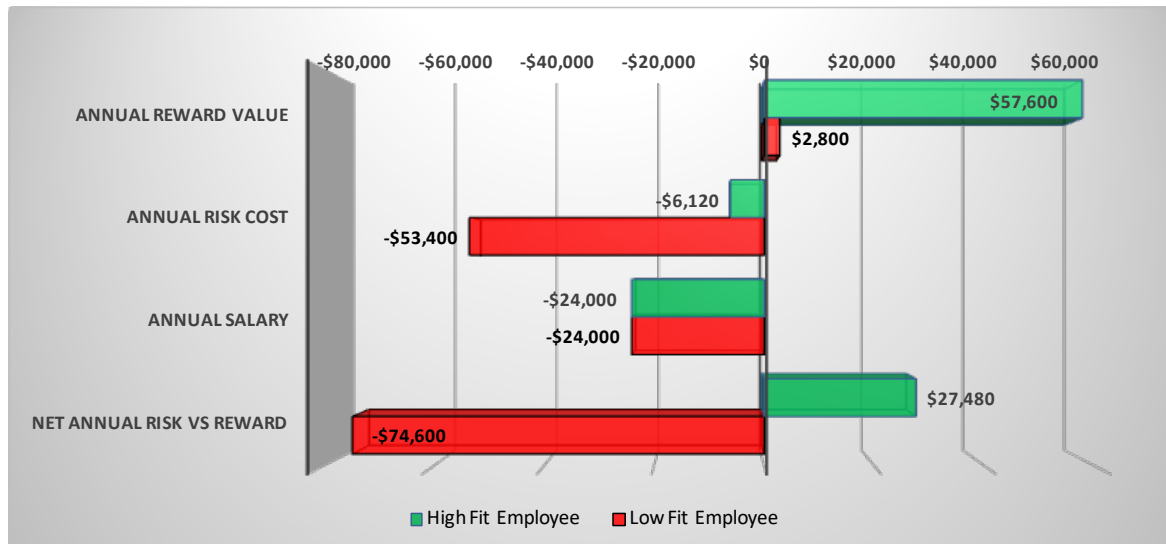
Figure 4. Expected annual value added amount for a High Fit versus Low Fit employee



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Figure 5. Estimate of annual costs and value added amounts for a High Fit versus Low Fit employee



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PointLeader for Healthcare

Based on a foundation of solid research, the PointLeader team has worked with several healthcare organizations to develop leaders, manage turnover, guide performance, increase safety and reduce errors with the PointLeader solutions. The PointLeader Potential Assessment (PPA) is one of the most valid predictors of leadership effectiveness, turnover, patient satisfaction, and medical errors in the industry. PointLeader is the only fully integrated, competency aligned Talent Management System that is grounded in healthcare research, tested in healthcare facilities, and has been validated with healthcare workers.

How PointLeader is used by Healthcare organizations

Over the past few years, **PointLeader** tools have been used to help employers and employees with the following talent management activities in healthcare organizations with as many as 100,000 members:

1. Competency modeling to better describe jobs across healthcare teams and hospitals;
2. Predicting job fit for applicants and incumbents from entry-level nurses to executive physician leadership positions;
3. Performance measurement and development for healthcare employees;
4. Leadership development and succession planning; and
5. Career planning.

Which Healthcare jobs and organizations have successfully used PointLeader?

PointLeader tools have been validated for use at all levels of the organization, from hourly, entry-level employees to executive leadership. Specifically, **PointLeader** has been used for physician leadership development at Cogent HMG, medical workers at the U.S. Army Medical Research and Development Command (USAMRDC), and hundreds of doctors, nurses, medics, and pharmacists at the Walter Reed Army Medical Center in Washington, D.C. Additionally, the PointLeader tools were used for competency modeling and leadership development at Choctaw Nation Healthcare System and Affinity Mental Health.

Is PointLeader a valid and fair solution for all groups?

PointLeader tools have been established through sensitivity reviews and statistical analysis by **PointLeader** experts according to the Standards for Educational and Psychological Testing (APA, AERA, & NCME, 1999), Uniform Guidelines on Employee Selection Procedures (EEOC, 1978), and Principles for the Validation and Use of Personnel Selection Procedures (SIOP, 2003).

With which HR Systems is PointLeader compatible?

PointLeader tools can be integrated with any Web-based platform that can pass and receive XML data via Web services. Our delivery team has many years of experience integrating technology solutions into complex organizational systems and is dedicated to making certain that the implementation process is easy and quick for your company.

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What are the customization options and how does this affect implementation?

PointLeader functions and features were developed based on feedback from employees, HR managers, and leaders regarding what they desire in a talent management system. **PointLeader** has been designed to address the specific needs of our clients through customization and a technology platform that gives users control over how they view and use their data. Our mission is to place users in charge of their career success by giving them fair and valid data in a format they will use and understand.

How does PointLeader align the system to jobs and what jobs are covered?

Local Subject Matter Experts (SMEs) (e.g., job incumbents) provide ratings on the importance and frequency of competencies and behaviors necessary to be successful in their positions. These ratings are then combined with information from similar jobs in the O*NET archives, a relational database of all job types in the United States, to normalize the results. Subsequently, any job you currently have, or will have, is covered by the tools in the **PointLeader** system as soon as your SMEs complete the Competency Profiler.

Typical competency profile for CNA job

1. Attention to Detail
2. Dependability
3. Trustworthiness
4. Work Attitude
5. Professionalism
6. Concern for Others
7. Cooperation
8. Teamwork
9. Oral Communication

Select Case Studies

Certified Nursing Assistants

In a study of 100 incumbent CNAs, the 35 employees who met the profile for best fit to the job on the PPA were rated 51% higher on a quality of care measure and were ½ as likely to commit safety violations as were the other 65 employees.

Nurses Aides

In a research study of 574 Nurses Aides, the 144 employees who met the PPA profile for best fit to the job were rated 43% higher on performance by their supervisors and were 7 times less likely to turnover within a year than those who did not meet the profile.

How to find out more about PointLeader?

Please visit our website at pointleader.us for more information about **PointLeader** and how it can help your business succeed. All questions regarding this document should be directed to the authors, Dr. Scott Davies. (sdavies@pointleader.us) and Dr. Jeff Mike (jmike@pointleader.us)