

# Background checks & Hiring for Personality and Culture

T-bones Annual Conference  
September 22, 2017

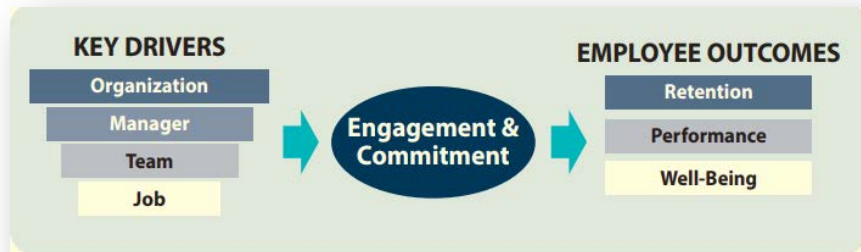
Doug Kisgen – Culture Index  
Chris Kean – TSAOG Orthopaedics

# Typical hiring cycle



# Turnover – It's killing us

Turnover cost can be between one-half and five times the annual salary of the employee you are trying to replace

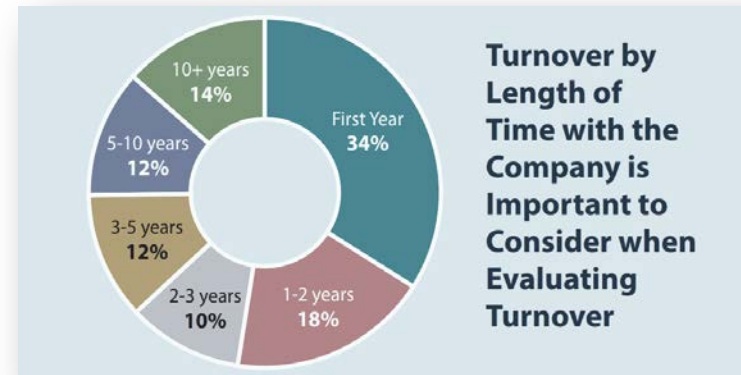


DYK?

Gallup State of the American Workplace 2017 Report –  
What percentage of American workers are actively looking  
for a new job or watching job postings?

51%

Turnover by Length of Time with Company



More Preventable vs. Less Preventable Reasons for Leaving

## More Preventable Reasons for Leaving

Reasons related to modifiable conditions of the Company, Leadership, Team and Job.

- Career Development
- Job Characteristics
- Well-being
- Compensation & Benefits
- Work Environment
- Management Behavior
- Work-Life Balance

## Less Preventable Reasons for Leaving

Reasons that are more strongly driven by uncontrollable factors.

- Involuntary Turnover
- Retirement
- Relocation

## Turnover Costs Breakdown<sup>10</sup>

### DIRECT COSTS

#### Separation Costs

- Exit Processing
- Administrative Time
- Separation/Benefit Pay
- Vacation/Sick Pay
- Unemployment Tax

#### Replacement Costs

- Communication of Vacancy
- Pre-Employment Administration
- Selection Interviews
- Testing, Background Checks & Exams
- Relocation Expense

#### Training Costs

- Orientation
- Formal Training
- Materials
- Equipment
- On-the-job Instruction

### INDIRECT COSTS

- Performance Differences
- Lost Business
- Lost Institutional Knowledge
- Decreased Survivor Productivity & Morale
- Risk of Legal Action, Labor Strikes
- Damage to Company Reputation

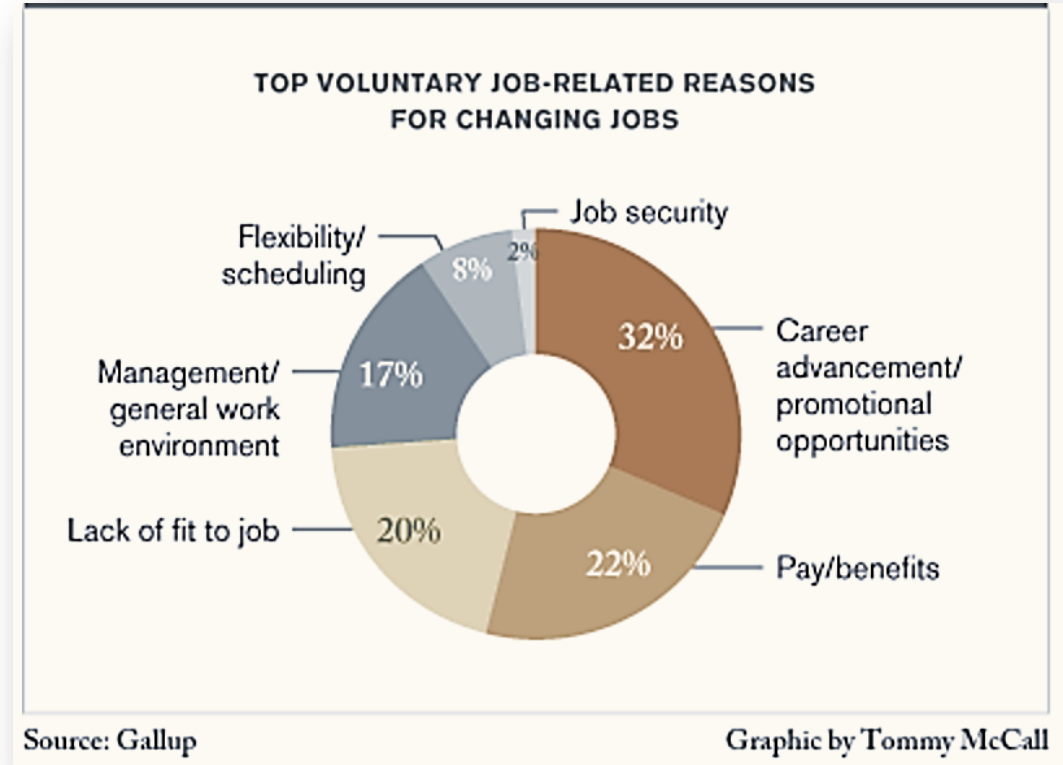
# Why people leave jobs

## The Top Five Predictors of Turnover

Work units with high potential for turnover send out warning signals, according to Gallup research, but managers and executives must know where to look:

- 1. The immediate manager.** If employees report that their manager's expectations are unclear; or that their manager provides inadequate equipment, materials, or resources; or that opportunities for progress and development are few and far between, watch out: Trouble is on the way.
- 2. Poor fit to the job.** Another sign of trouble appears when employees perceive that they don't have opportunities to do what they do best every day.
- 3. Coworkers not committed to quality.** Watch for employees who perceive that their coworkers are not committed to a high standard of work.
- 4. Pay and benefits.** Engaged employees are far more likely to perceive that they are paid appropriately for the work they do (43%), compared to employees who are disengaged (15%) or actively disengaged (13%). And pay and benefits become a big issue if employees feel that their coworkers aren't committed to quality; they may feel entitled to extra compensation to make up the difference or to make them feel like they are truly valued by their employer.
- 5. Connection to the organization or to senior management.** Another key sign that turnover may be looming appears when employees don't feel a connection to the organization's mission or purpose or its leadership.

Source: Gallup research, including meta-analysis, employee opinion polls, and exit interview studies conducted over the past 30 years



# Where to start?

- Evaluate your own turnover data
  - Trend over time and where is it occurring?
  - Determine if it is “regrettable loss” vs. “non regrettable loss” vs. expected (promotions/military/move)
  - Do you have a manager problem?
- Add layers to your interview process
  - Consider objective skills based tests
  - Consider competency tests
- Background check
  - Hire agency to do this for you
    - Criminal
    - OIG
  - YOU call references
- Consider your culture
  - How will this person fit into your environment



# How to hire for personality and culture

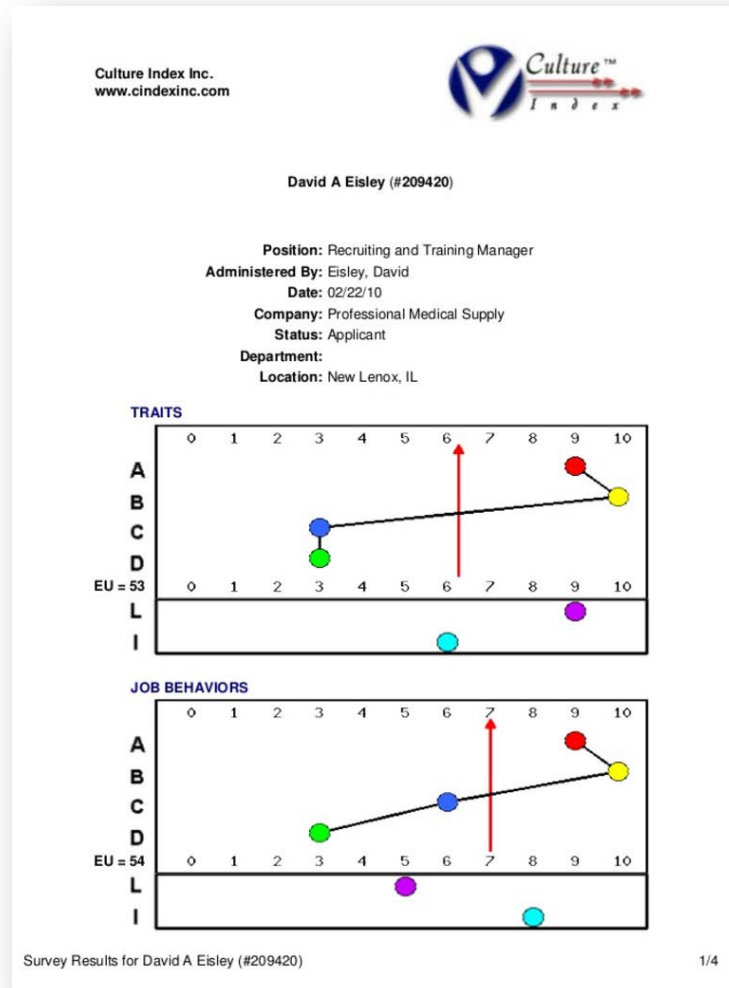
- Know thyself!
- Know your managers
- Make hard choices
- Once you have them, challenge them!
- Conduct stay interviews
- Find your bright spots
- Use multiple objective tools

KNOW  
THYSELF.

Socrates



# Illustration of Traits Assessment Tool – Culture Index



We will discuss:

- How to use
- How to interpret
- Legalities of use