

HARTMAN VALUE PROFILE

*Using the Hartman Value Profile
for Hiring, Selection and
Employee Development
in a Healthcare Environment*



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Business Context:

Attracting and retaining valued employees is one of the greatest challenges for contemporary healthcare organizations today. As Quint Studer notes in **Hardwiring Excellence**:

*“High employee retention is key to service excellence and operational excellence”.*¹

Regulatory changes, economic constraints, evolving demographics and other emerging pressures in the healthcare delivery industry have caused many prospective new healthcare employees to either migrate to other industries from healthcare or pursue careers in other industry sectors. The costs of finding and retaining individuals who can grow into reliable, long term contributors are staggering.

Highly conservative estimates of the cost of a mis-hire range from 1.5 x salary + benefits to as much as 3 x salary + benefits. For most healthcare organizations, a reduction in turnover of as little as 2-4% can result in considerable savings in salary and benefits.

The table below represents the possible impact on turnover and the associated annual savings following the implementation of the Hartman Value Profile for employee selection and development in a healthcare organization with approximately 5,000 employees and current turnover of 24%.

**Savings Opportunities Associated with
HVP Implementation for Hiring and Selection**

Assumptions: Total No. of Employees 5,000,
Current Turnover Rate: 21.3%²
Average Salary Plus Benefits: \$30,000
Cost of Turnover: 1.5 times salary plus benefits

Turnover Rate	No. of Emp. Departing	Est. Annual Cost	Est. Annual Savings
21.3%	1,065	\$47,925,000	
19.3%	965	\$43,425,000	\$4,500,000
17.3%	865	\$38,925,000	\$9,000,000

The purpose of this document is to highlight the many benefits associated with the implementation of the Hartman Value Profile as a resource for employee selection and development.

In order to fully understand the power of the Hartman, it is helpful to start with an overview of its origin and intent.

¹ **Hardwiring Excellence** Studer Group, Fire Starter Publishing, Florida 2003

² National average turnover rate for RNs in 2000 as determined by the Acute Care Hospital Survey of RN and Vacancy rates in 2000 -

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The Hartman Value Profile:

The Hartman Value Profile is as unique as its creator. Robert S. Hartman was nominated for the Nobel Prize for his life's work in 1973. Hartman grew up in Nazi Germany and observed Hitler first hand and realized that Hitler understood how to *organize evil*. Hartman would spend the rest of his life advancing the idea of organizing goodness. For Hartman, **good judgment** by human beings drives outcomes at the personal and corporate level. *There is not a decision that is made in any part of life or business that doesn't require good judgment.* The mechanism that allows for the measuring of **good judgment** is the Hartman Value Profile.

Robert S. Hartman created the Profile in the early 1960's. Since then, it has been used for almost four decades across multiple industries to:

- ▶ Improve hiring, promotion, succession planning decisions.
- ▶ Foster teambuilding by improving group interactions and understanding.
- ▶ Serve as the basis for Personal Development Plans designed to enhance personal growth and development.

The Hartman Value Profile is the most mathematically, scientific and logically based assessment tool ever created. Where most assessment tools measure an individual's personality, behavioral style or attitudes, the Hartman provides insight into an individual's **judgment capacity**.

Why Measuring Judgment Capacity is Important:

In a Healthcare environment, prospective candidates should be evaluated first on their competence. Competencies are understood as demonstrated skill sets that are gained through education, experience, and training. Once it has been determined that candidates have the competencies necessary to be effective in the job, based on Hartman's work, the next step is to evaluate the candidates capacity to exercise good judgment. Consider Hartman's equation³:

Competency + Good Judgment = Excellence and Quality

Hartman believed the equation for excellence in work, including productivity, high quality, and positive morale was:

Work = (Competent Skill Sets + Good Information + Good Processes) x **Good Judgment**.

As a multiplier effect **Good Judgment** has a significant impact on excellence in the workplace.

Hartman's research and anecdotal evidence over a 35-year period suggests that most success, (perhaps even happiness and meaning), is the result of good judgment. The intent of the Profile is to measure the strength of these qualities so that their usefulness and development can be more strategically addressed.

³ The Spiritual Leadership Institute, Hartman Applications "The Golden Equation"

More about What the Profile Measures:

Broadly speaking, the Hartman Value Profile isolates three, equally important, types of judgment. Some people are strong in all three areas; others are stronger in one or two. In an organization, all three types of judgment are important if there is to be a balanced and comprehensive perspective on strategy and tactics. The highest performing and best decision-making groups collectively demonstrate all three types of judgment as defined below.

Intrinsic Value Judgment (I) refers to the capacity for excellence in relationships and the capacity for compassion, care and empathy.

Extrinsic Value Judgment (E) refers to the capacity for excellence in tasks, projects, and work processes.

Systemic Value Judgment (S) refers to the capacity for excellence in more abstract domains of work and life such as long range planning, strategic visioning, structural integrations, implications, and consequences.

In this regard, the Hartman provides meaningful information on the individual as well as information that can be used to measure the bench strength of teams.

In his groundbreaking book, ***Good to Great***, Jim Collins introduces what he calls “the metaphor of the bus.” Collins makes three points:

- ▶ “It matters what your bus looks like.” That is, the quality of the physical environment of work and the technology found there do make a difference.
- ▶ “It matters where the bus is going.” That is, planning, establishing strategies, and visions for the future of an organization play a critical role.
- ▶ “Most significantly, it matters *who is on the bus!*” That is, get the right person in the right place – the person who “fits”, and every other factor of importance – what the bus looks like and where it is going – will almost always take care of itself.

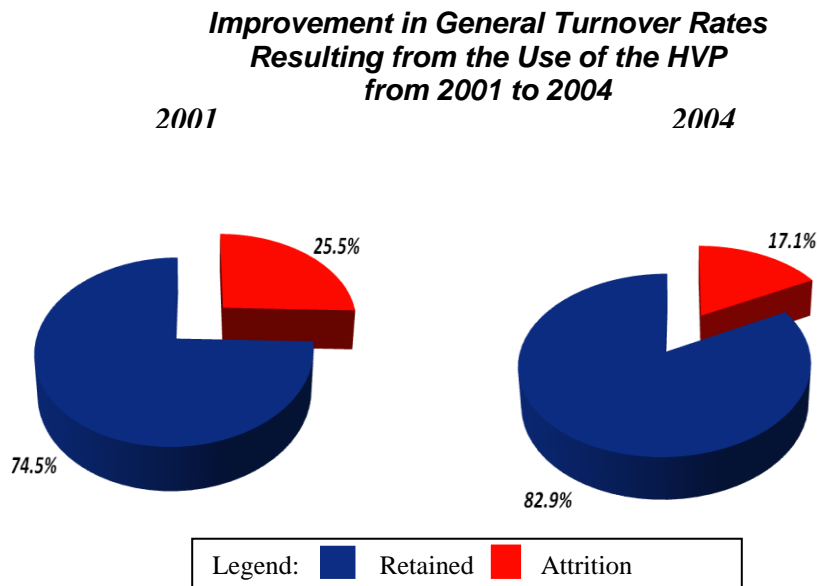
The Hartman Value Profile is uniquely equipped to help organizations find clarity in understanding *who is on the bus or who should be invited onto the bus*. The profile is a *tool*. It’s tool-like efficiency – its scientific and mathematical base – represents a “next generation human resources tool”⁴

⁴ Quoted from Bob Worthington COO of Blue Cross Blue Shield of Tennessee in an interview concerning the use of the Hartman Value Profile in that organization (February 2004).

Organizational Results from the Application of Hartman Value Profile (HVP)

The charts below show **actual results** achieved in the Memorial Hermann Healthcare System following their introduction of the Hartman Value Profile to their employee selection process in fiscal year 2002. An improvement trend in the reduction of turnover was realized in each year from 2001 to 2004.

Proponents of the use of the Hartman at Memorial Hermann estimate that 25-33% of their reduction in turnover and vacancy rates is attributable to their consistent use of the Hartman Value Profile as part of their process for filling all positions since the beginning of fiscal year 2002.



In addition to a measurable reduction in turnover, Memorial Hermann realized:

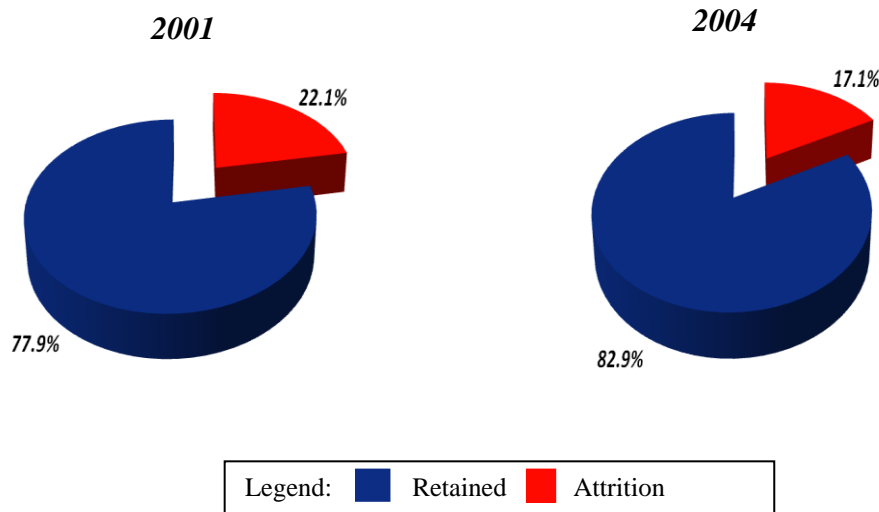
- ▶ A reduction in new employee training time from eighteen weeks to eight weeks resulting in \$2.8 million in savings on training expense.
- ▶ A reduction in their **Time To Fill** from 54.1 days in fiscal year 2002 to 35.4 days in fiscal year 2004.
- ▶ A reduction in their **Vacancy** rate from 8.4% in fiscal year 2001 to 3.8% in fiscal year 2004
- ▶ **An overall estimated savings associated with their reduction in turnover in 2005 of \$4.25 million.**

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Impact on Nursing Turnover:

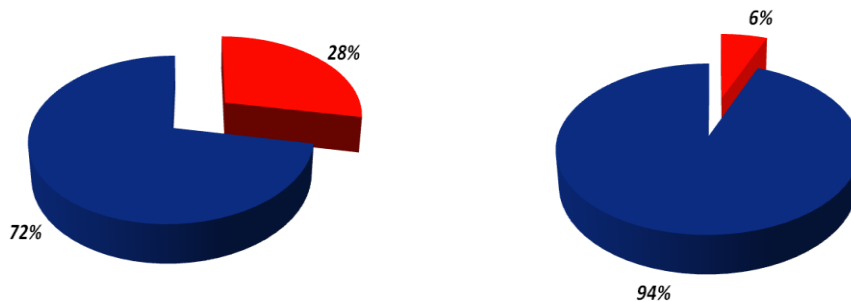
Similar reductions in RN turnover and vacancy rates have occurred since Memorial Hermann began using the Hartman Value Profile on a consistent basis as part of the selection process. Additionally, their **RN vacancy** rate decreased from **13.5% to 5.3%** and their **time to fill** was reduced from **72.1 days in fiscal year 2002 to 44.0 days in fiscal year 2004**.

**Change in Nursing Turnover
Resulting from the Use of the HVP
2002 through 2004**



In another healthcare environment, the Hartman was used to assess new candidates, to act as a baseline for management development, and as an individual development tool for high level nursing positions with entry level salaries of approximately \$45,000 annually.

Reduction in Turnover After One Year of Use for Critical Nursing Positions



These results were achieved after just one year of use.

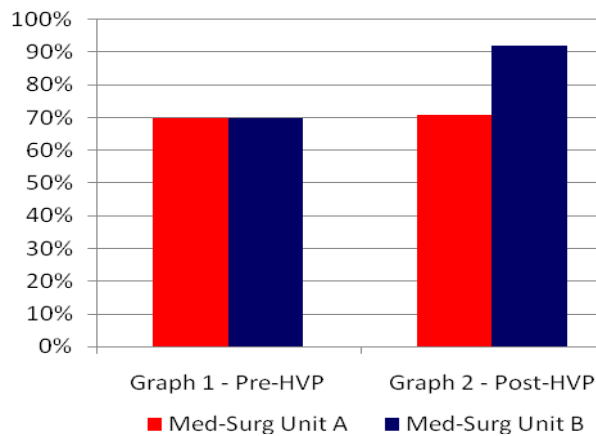
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Impact on Performance:

In addition to positively impacting turnover and its associated costs, *organizations that have consistently used the Hartman to develop their employees and teams have realized a marked improvement in both customer service ratings and internal employee performance ratings.* The graphs which follow reflect the positive performance related changes associated with Press-Ganey scores and internal organizational performance criteria.

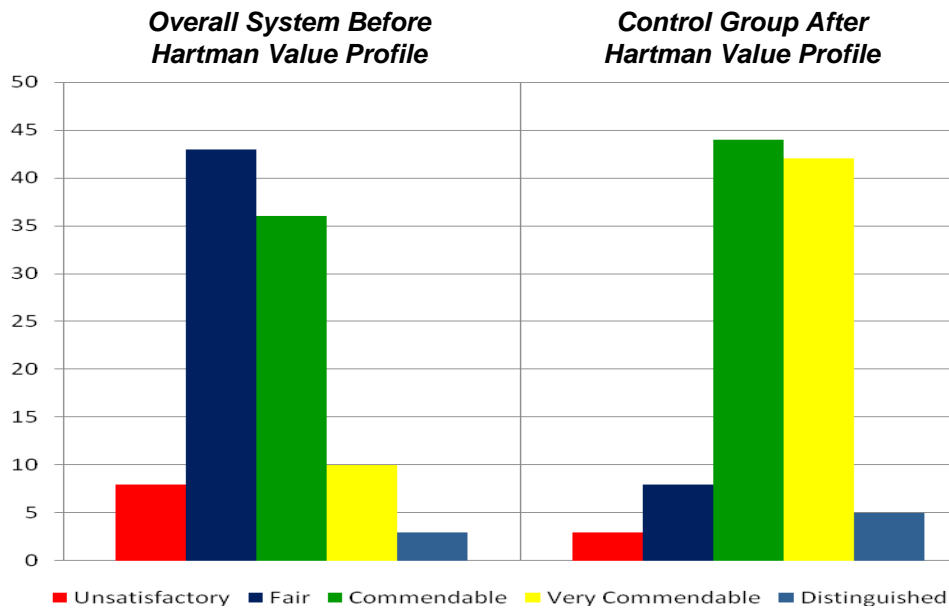
Impact on Press Ganey Scores

The following graph is representative of two identical med-surg units, both of which had customer service assessment by the Press Ganey organization with results at 70%. One of the two units (in red) was not touched, while the second unit (in blue) used the Hartman for hiring, development and “culture enhancement” for a period of only 9 months. Graph 1 shows the Press Ganey scores for both departments *prior to the use of the HVP*. Graph 2 shows the scores following the use of the HVP in Unit B.



Impact on Performance as Measured by Internal Performance Criteria:

In another application, the HVP was used as part of the pre-screen process. More than 450 individuals completed the HVP. Of this number, 300 were hired. After 18 months the group hired with the HVP pre-screen was evaluated using the organization's own performance criteria. The bar chart below displays the differences in performance evaluation between the pre-screened HVP employees and a control group. Additionally, during that 18-month period, turnover was 3% for the HVP group as opposed to 20% in the control group.



In Summary.....

In today's highly competitive healthcare environment, any process that promises to improve patient care, reduce turnover and improve overall performance is a worthwhile process to pursue. In fact, without question, the costs associated with the implementation of the Hartman Value Profile represents only a fraction of the savings potential it provides.

For more information about how you can use the Hartman Value Profile to improve your business results, please contact us toll-free at 866-219-4766.

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