

A HEALTHY CHANGE

After reviewing the poor level of compliance, timeliness and impact of traditional reference checks, The Children's Hospital adopted new survey technology to improve quality of hire.



Old habits die hard. In human resources, many companies still seek feedback from references about job candidates, even though the practice rarely yields information that affects the hiring decision.

In 2009, The Children's Hospital, a rapidly growing magnet hospital in Aurora, Colo., considered eliminating reference checks completely. Reference feedback was not always collected in a timely fashion and was rarely meaningful enough to affect the hiring decisions for its 700 to 1,000 yearly openings. As an alternative, the hospital's staffing department implemented Web-based technology to gather feedback from references using behaviorally based questions tied to job performance. Reference checking went from impractical to pivotal.

Too Little, Too Late

Like many employers The Children's Hospital aimed to use telephone-based interviews with references as a final check before offering employment. The hospital required its hiring managers to call references and submit the resulting paperwork to human resources before open positions could officially be closed.

References were hard to reach and even harder to convince to be candid. Thus, there was no real quality check on the information collected, and it was common for job offers to be made before the process was completed. The reference requirement was also

a burden for HR to administer, as recruiters had to chase down the paperwork — sometimes for weeks — just to close a job opening.

"The whole process was frustrating and just not adding value," said Randy Williams, director of staffing at The Children's Hospital. "I never knew of a time when we decided against making a hire on the basis of reference feedback."

After reviewing the level of compliance, timeliness and impact of reference checks, and seeing the results were too little and too late to impact hiring quality, the hospital considered dropping reference checks and relying exclusively on recruiters' screening and interviewing skills. At the same time executives were contemplating this change, the hospital's screening vendor introduced a new technology as a possible solution.

Breaking Tradition

The hospital tested the Web-based tool in a two-month trial before implementing it. The system collects more in-depth, 360-degree feedback from references and automates many of the steps in the reference-gathering process. At the same time, it overcomes liability concerns through special safeguards.

The new process starts when candidates are asked to provide contact information electronically on a prescribed number of references. Typically, a certain



number must be managers, with the remainder from peers, subordinates or business partners. The idea is to collect feedback from a number of perspectives and from people who have observed the candidate on the job or over time to provide insight that cannot be gleaned from interviews alone.

The references automatically receive an email notification from the candidate, requesting their participation. This invitation has contributed to an average 80 percent response rate, likely because the request comes as a personal appeal from the candidate. Along with this email the reference must sign a waiver which releases the individual from any liability, and other information in the email explains that all feedback is aggregated to preserve confidentiality.

After completing an online survey of approximately 20 questions, references rate the candidate on behaviors that have been validated against measures of success in each type of position. These include:

- **Core items:** Hard-to-measure attributes all desirable employees should possess, such as honesty and integrity.
- **Job-level items:** Factors linked to operating as an individual contributor or to managing others, such as mentoring.
- **Job-function items:** Skills related to specific job responsibilities, such as instructing patients on home-care procedures for nurses.

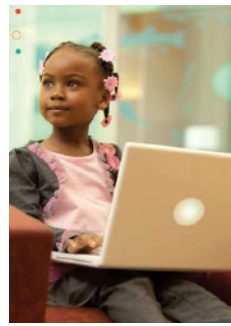
The questions can be customized, but they are more often drawn from prepared survey templates designed for each job family. For example, a sample question tied to cultural-competence in health care would be: "Rate the degree to which the candidate is sensitive to patient belief systems about physical contact during the clinical encounter." Or, one tied to compliance with the Hospital Consumer Assessment of Health Care Providers and Systems would be: "Compared to others in the workplace, to what extent does the candidate communicate necessary and important information to physicians, supervisors, patients and co-workers?"



Prior page from left, Heart Institute patient Lauren Letzch, 5, examines a model of her heart; Charlie Meserve, 10, ponders his next chess move. Meserve is a clinical trials participant; the Boettcher Atrium at The Children's Hospital in Aurora, Colo.; Kelly Johnson nurtures Keira Grodzicki, 10 months, at Children's.

This page from left, pediatric stroke survivor Sam Mattei, 11, eats gelato with Drs. Bernard (right), Armstrong-Wells and Goldenberg (far left); kidney transplant recipient Jacob Bottone, with his stuffed animal; Steve Winesett reads to Caitlyn Whitehead, 2, and Tyaan Bennett, 10; Shanelle Samuels, 5, on her laptop at the hospital.

All photos courtesy of The Children's Hospital in Aurora, Colo.



At the end of the process the tool produces a report for recruiters to summarize the candidate's past performance on the validated behaviors as well as the references' verbatim comments on strengths and areas for improvement.

Enhancing Quality of Hires

The Children's Hospital recognized that this new reference approach would resolve several challenges related to workflow and limited information. It would:

- Shift responsibility for gathering references onto the candidates and free hiring managers from chasing down references.
- Deliver behavioral input through reference assessments that would be meaningful to hiring decisions.

- Bring consistency to the process: The same inquiries would be made for all candidates applying for the same type of position throughout the organization.

The hospital adopted the new system across the entire organization, and electronic reference assessments on all preferred candidates were made available to managers as they were making hiring decisions.

Since implementing the automated solution in 2009, The Children's Hospital has gathered reference assessments on more than 2,000 candidates. Statistics compiled in late 2010 indicated that 4.75 references are returned per candidate, 86 percent of references complete surveys sent to them, references most often respond within half a day, and 98 percent of candidates are willing to take part in the process.

Perhaps more important is what the feedback has contributed to the quality of hiring decisions. The hospital is more confident that when it makes an employment offer, it has a better understanding of the potential employee's capabilities and character. "I believe that the information is so rich because the survey format



The Main Campus of
The Children's Hospital
at the Anschutz Medical
Campus in Aurora, Colo.

gets at the whole person," Williams said. "No one is perfect, and the surveys ask enough probing questions to uncover areas for development, even on the most qualified people.

"Hiring managers first expressed gratitude that we took the burden of chasing references off of their backs. But, quickly, they saw that it was not just about process improvement. They were getting graphs on each candidate's strengths and weaknesses, as noted by people who had worked with the candidate. They had fresh decision support information from sources who had nothing to lose by being honest."

When references submit negative feedback, staff members follow up to dig deeper and understand the issues. Since adopting the tool, the hospital has avoided 10 hires it had been prepared to make. "Without the insights from the survey process we undoubtedly would have regretted those hires and would have suffered the usual consequences of a bad match," Williams said.

At an average salary of \$64,480, this equates to avoiding \$640,480 in salary costs for hires who may have eventually hurt productivity and morale. In one instance, an applicant attempted to falsify the references by setting up three email accounts for fictitious people. The system automatically tracked the IP addresses

from the fake references and exposed the scam. That candidate was not hired. Based on an average salary of \$60,000 for that position, the hospital saved approximately \$72,000 in hiring costs. That is in addition to the staff hours a recruiter would have spent with a fraudulent candidate.

The hospital also has started to integrate the feedback from a candidate's managers, peers and subordinates into its development new-hire plans. These plans, tailored to each individual, give the hospital a jumpstart on preparing employees for additional responsibilities beyond the job's daily requirements. The feedback and scores from references allow the team to identify what additional training might be helpful to a new hire.

"With this we can demonstrate from the outset that The Children's Hospital is interested in the individual's long-term advancement opportunities with the organization," said Williams.

The Children's Hospital showed that with the help of technology and a willingness to try something new, gathering feedback from references can be a valuable part of the hiring process. **TM**

Scott Fuhr is a director at SkillSurvey Inc. He can be reached at editor@talentmgt.com.