

CASE STUDY



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Joseph Cabral

Senior Vice President and Chief
Human Resources Officer
North Shore-LIJ

North Shore-LIJ Health System Drives Better Patient Care and Financial Performance with Talent Management

With insurance companies pressuring health care organizations to cut costs, and with patient satisfaction at an all-time low in many health care organizations, the health care industry is in a state of massive upheaval. Additionally, health care systems face severe staffing constraints, particularly in nursing, and a demanding regulatory environment. While many industries have moved to more centralized governance and a focus on quality, health care has been 10 years behind in making that shift.

North Shore-LIJ, headquartered in Great Neck, New York was no exception to the health care industry conundrum a few years ago. But the management team of one of the nation's largest health care systems was determined to bring in the tools necessary to spark change throughout the organization in order to meet the ever growing needs of its workforce.

In a highly competitive, strictly regulated environment, poor quality can result in a loss of accreditation, lower reimbursements from government programs such as Medicaid and Medicare, and even loss of lives. It was clear to North Shore-LIJ that unmotivated and disengaged employees would have a significant impact on their ability to run a best-in-class health system. Additionally, North Shore-LIJ was facing a perfect storm of talent issues. Twenty percent of its employees were nearing retirement and 32 percent of its leaders were over age 55. Recent surveys had shown the employee satisfaction rates were at all-time lows, with the impact on customer satisfaction sure to follow. In order to transform the organization, North Shore-LIJ's President and CEO believed focusing on talent and making a system-wide commitment to implement change was truly the only way to become a health care leader.

Taking that lead, Joseph Cabral, Senior Vice President and Chief Human Resources Officer, began to revamp the talent management processes to directly link to business outcomes. “In an environment where more than half of overall revenue is spent on human capital, talent management and performance improvement became a high priority,” said Cabral. “Our goal was not only to catch up to other industries, but to leap forward in our performance management culture.”

To that end there were a number of talent management key priorities North Shore-LIJ sought to drive that were closely aligned to their business goals. Specifically they wanted to:

- > Improve the quality of care across all of their hospitals and facilities.
- > Ensure an exceptional patient experience that was markedly better than that of competitors.
- > Remain financially strong.

A major concern was that if customer satisfaction levels remained low, reimbursement levels could decline by 10 percent, resulting in a direct hit to the organization's bottom line.

“Taleo Performance has allowed us to create processes and procedures specific to our organization to help us achieve our overall business goals.”

Joseph Cabral

Senior Vice President and Chief
Human Resources Officer
North Shore-LIJ

Talent Acquisition and Training for Retention

The first area North Shore-LIJ tackled was talent acquisition, specifically recruitment and retention. Too many employees were leaving before their first 12 months on the job. This was expensive and very demotivating for the work teams. Hiring better fit candidates into the organization through a more targeted assessment and a better onboarding process would improve employee engagement and likely decrease turnover over time. To support its talent acquisition and quality of hire initiatives, North Shore-LIJ implemented Taleo Recruiting™ as the first step in its implementation of a unified talent management platform.

Once the overall recruiting process was tightened, the organization began to address specific talent shortages. One such gap identified was in critical care nurses where there was a 25 percent vacancy rate and a first-year turnover of 65 percent. North Shore-LIJ developed a multi-pronged approach to address this problem. They implemented better pre-assessment hiring guidelines, created a Critical Care Fellowship Program with revamped on-the-job training and nurse mentors, and put metrics in place to monitor progress. The results were impressive. Employee satisfaction rates improved dramatically and the first-year turnover rate plummeted to 13 percent. To prove the validity of the program, North Shore-LIJ replicated it in its emergency and pediatric nursing departments and yielded similar results. Today, current RN vacancy rate is 1.8 percent and continues to be well below the industry standard at 8.8 percent. Since the program’s inception, 266 Registered Nurses have been hired into the Critical Care Nursing Fellowship Program with an overall retention rate of 71 percent.

Performance Management Aligned to Business Goals

The next area of talent management on which North Shore-LIJ focused was its performance management processes. In the past, the annual performance evaluation form was eight to 12 pages long, used a quantitative system that gave each employee a numerical ranking and did not encourage much conversation between managers and employees. More importantly, it did not tie individual employee performance to the overall achievement of business goals.

North Shore-LIJ turned to technology as a lever for change. Taleo was again chosen as the platform of choice for goals management, performance, development and succession planning. Since Human Resources and the CEO had developed an overall company scorecard, they augmented it by using Taleo’s “goals management framework” to build cascading goals for individual sites and individual employees. Cabral says, “We needed a system that reached everyone. For example the laundry room worker needed to understand his or her impact on patient satisfaction—such as keeping a sheet with an iodine stain on it, in the inventory. Getting every employee to understand their value was critical to showing how their contributions align with our organization as a whole.”

In addition to reducing the actual performance review down to two pages, North Shore-LIJ also eliminated the numerical ranking. The new ranking uses simple “does not meet, meets, or exceeds expectations” ratings that streamlined the process and has encouraged much more dialogue between managers and employees.

“Taleo Performance™ has allowed us to create processes and procedures specific to our organization to help us achieve our overall business goals,” says Cabral.



“Health care is demanding more innovation and caring and talented individuals to deliver care to our patients and the communities we serve. North Shore-LIJ is committed to selecting, retaining and developing the right people for the right jobs, and will continue to use best practices for talent management and development programs for the organization’s greatest asset, its employees.”

Michael Dowling
President and CEO
North Shore-LIJ



Development Planning and Succession Management: Keeping the Leadership ‘Gene Pool’

After getting the right talent into the organization and focusing them on the right things, the major challenge was to do a better job at identifying and developing high potential leaders. Previously, star performers were often hidden gems because managers didn’t want to lose them to other facilities. By implementing a company-wide high potentials (HiPo) program that pulls talent from every facility, managers have been much more cooperative and the program is seen as the developmental stepping stone for leadership.

Participants have given the program high marks for its focus on rigorous assessment, stretch assignments, and involvement with senior management from different parts of the organization.

Now that North Shore-LIJ has improved much of its overall talent management processes and implemented tools to identify and develop high potential employees, succession management has become easier. The company identifies key positions and with the HiPo program as a feeder pool, can build bench strength behind every pivotal role. This has paid off across the organization. With the help of technology from Taleo, North Shore-LIJ has outlined formal career paths for most of its clinical positions as well as leadership ranks.



Focus on Talent Management Improves Business Results

North Shore-LIJ highlights many statistics about how business results have improved since the shift to focusing on talent management. One of the most compelling is better employee engagement. Through better goal management, performance reviews and other talent management practices, North Shore-LIJ has seen an increase in employee satisfaction. The industry norm is 59 percent. At North Shore-LIJ, among some of its facilities it's as high as 85 percent. The industry average of workforce focus and engagement is at 88 percent and North Shore-LIJ is consistently 98 percent or better.

At the same time, a focus on patient experience, quality, and productivity has had a direct impact on better patient care. For example, the organization has seen a 24 percent reduction in surgical site infection rate. Patient satisfaction scores have also increased at most facilities. When patients were asked if they were likely to recommend North Shore-LIJ in 2003, only 81 percent said they would. Today the number is closer to 86 percent.

Executives note that centralizing talent acquisition and performance management processes has saved the company about \$7.7 million dollars—equivalent to the operating margin of one of its smaller community-based hospitals. Much of that savings came from recruiting-related activities, particularly for nurses. The turnover rate for new nurses has decreased from 65 percent to 13 percent due to better selection, development and performance practices.

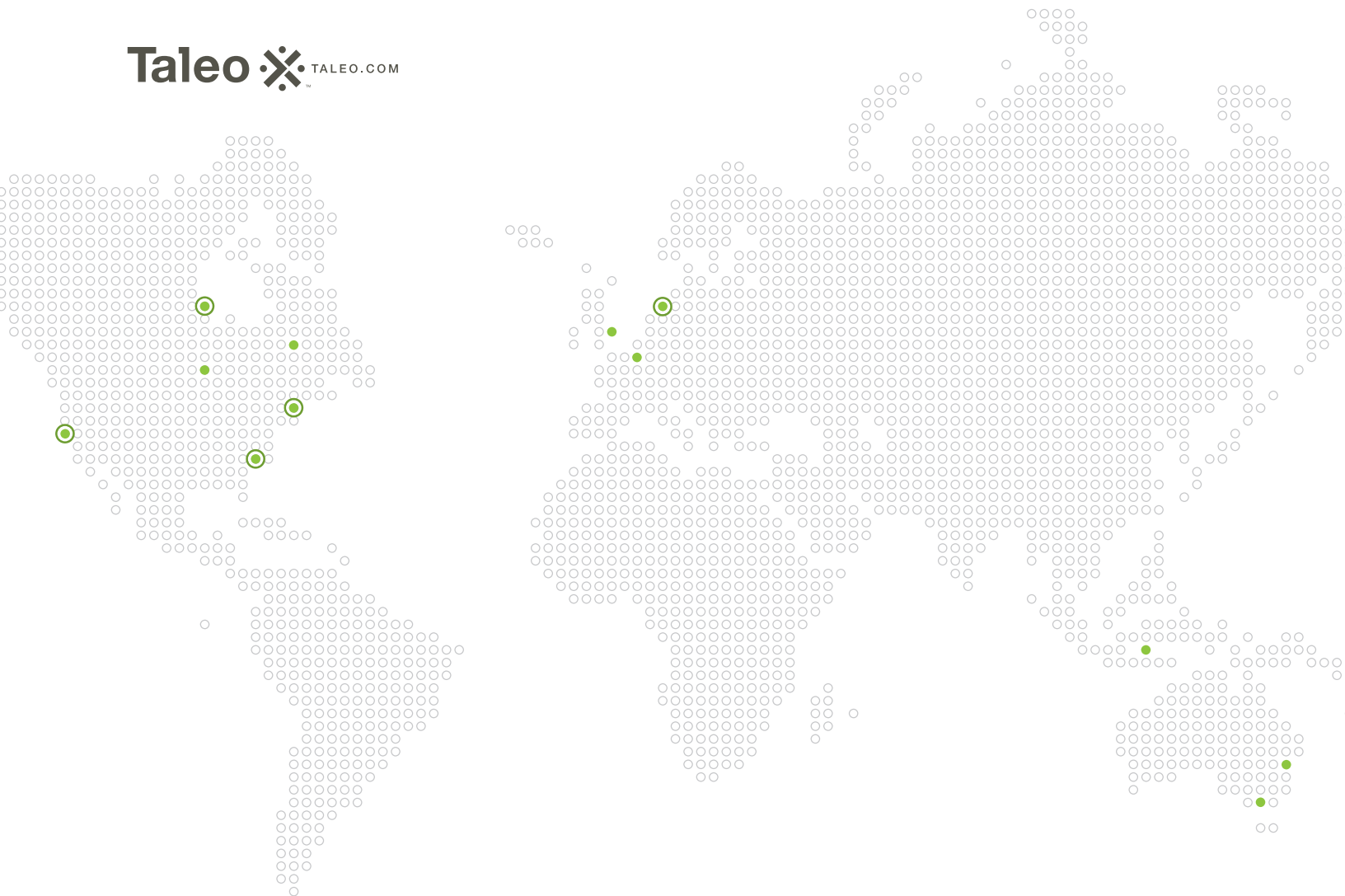
The talent management program has had an impact on external goals as well and put North Shore-LIJ in much better financial health. Having an efficient and comprehensive talent management process has helped the organization achieve a \$25 million improvement on its operating margin.

Looking Forward

President and CEO Michael Dowling has stated he wants North Shore-LIJ to continue to be recognized as one of the top health care systems in the country, focused on patient-centered care. To do so, the company will maintain its high quality learning and career opportunities, and select the best talent to join the organization. It will also continue problem-solving around its most difficult talent management questions, such as hiring shortages and maintaining quality in such a challenging environment.

“Health care is demanding more innovation and caring and talented individuals to deliver care to our patients and the communities we serve,” Dowling said. “North Shore-LIJ is committed to selecting, retaining and developing the right people for the right jobs, and will continue to use best practices for talent management and development programs for the organization’s greatest asset, its employees.”





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Leading organizations worldwide use Taleo on demand talent management solutions to assess, acquire, develop, and align their workforce for improved business performance.

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