Lessons Learned in the Art of Practice Management

Critical Personnel Issues

Presented by Bruce S. Maller
President, BSM Consulting

Session Objectives

1. Discuss common personnel management mistakes
2. Assess causal factors that contribute to these mistakes
3. Provide understanding of the “cost” of these mistakes
4. Provide recommendations on how to eliminate the mistakes and enhance the return from your staff

Critical Personnel Issues

“What about your practice leadership and staff keeps you up at night?”
### Key Personnel Management Mistakes

- Ineffective recruitment and “on-boarding” of new staff members
- Failure to develop management skills in key personnel
- Communication issues between physician team and administration
- Inability or failure to provide necessary leadership to optimize staff productivity and efficiency

### Causal Factors of Management Mistakes

- Lack of knowledge or experience in managing a business
- Promoting staff into management roles based on tenure, instead of leadership ability
- Lack of consistent messaging from the physician and administrative team
- Failure to dedicate time for business planning and staff development

### Understanding the “Cost” of these Mistakes

- Loss of key personnel
- Financial, productivity, and efficiency losses
- Decreased patient satisfaction
- Negative impact on staff morale
- Physician job satisfaction
Loss of Key Personnel: What is the cost?

Total turnover costs are 30% to 100% of annual salary per employee lost

- Separation: Exit interviews, pay out of annual leave, unemployment benefits
- Vacancy: Temporary workers, lost productivity, overtime of other staff
- Replacement: Advertising of available position, screening & testing, interviews & selection process
- Training: Uniforms & supplies, orientation & training, new employee lost productivity

Loss of Key Personnel: What is the cost?

Staff Turnover Calculation

\[
\text{Turnover Rate} = \frac{\text{Separated Employees}}{\text{Average Employees}}
\]

\[
10 \div 50 = 20\%
\]

Annual Turnover Costs Calculation

\[
\text{Annual Turnover Cost} = \text{Average Salary} \times \text{Turnover Costs %} \times \text{Number of Separated Employees}
\]

\[
$35,000 \times 50\% \times 10 = $175,000
\]
Enhancing the Return from Your Most Valuable Asset

Overcoming Management Mistakes
- Ensure a Shared Vision
- Maintain Open and Honest Communication
- Participate in Regular Meetings

Management Team
- Participate in the Planning Process
- Enhance Leadership & Interpersonal Skills
- Maintain Consistent Communication
- Effectively Recruit and Onboard Staff

Staff
- Be a Team Player
- Demonstrate Engagement and Commitment
- Enhance Technical Skills & Expertise
- Maintain Consistent Communication

Appropriately Prepare for Recruitment
- Define Needs Position and Write a Job Description
- Ensure only qualified, interested and suitable candidates for the position are considered.
- Prepare a description that can be reviewed by candidates prior to an interview.
- Conduct an interview
- Candidate must consider the level of responsibility and importance of the position.
- Ensure the candidate's skills and qualifications match the requirements.
- Conduct the interview.
- Determine qualifications and consider the difference in each candidate.
- Offer the position.
- Prepare the candidate and offer the position.
- Consider the candidate's acceptance and assess if they are the right fit.
- Contact the candidates for closure.
- Consider feedback from candidates who were not selected.
Once Hired, Facilitate Effective On-boarding

Utilize Employee Training Plans

Retention of Practice Leaders and Staff

Leaders and staff are productive and engaged when they feel:

- The practice has a career path and is interested in their professional development
- The message from physicians and managers is consistent: one vision
- The practice cares about them
Assess Leadership Skills

<table>
<thead>
<tr>
<th>ITEM/DESCRIPTION</th>
<th>RATING</th>
<th>BREAK</th>
<th>COMMENTS/DEVELOPMENT NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Making</td>
<td>5</td>
<td></td>
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<tr>
<td>Risk Management</td>
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<td>Strategic Thinking</td>
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<td>Communication</td>
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<tr>
<td>Leadership Skills</td>
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Create a Career Path for Employees and Managers

<table>
<thead>
<tr>
<th>KEY SKILL</th>
<th>ACTIVITY</th>
<th>CONTENT</th>
<th>RATING</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Planning</td>
<td>Conduct career planning sessions with employees</td>
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<td></td>
<td></td>
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<tr>
<td>Performance Evaluation</td>
<td>Review employee performance evaluations</td>
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<td></td>
<td></td>
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<tr>
<td>Development Planning</td>
<td>Develop individual development plans for employees</td>
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Effectively Communicate Employee Performance

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>BUSINESS SELF EVALUATION</th>
<th>EMPLOYEE EVALUATION</th>
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<tbody>
<tr>
<td>Motivation</td>
<td>Rating (1-5)</td>
<td>Rating (1-5)</td>
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<tr>
<td>Competence</td>
<td>Rating (1-5)</td>
<td>Rating (1-5)</td>
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<tr>
<td>Leadership</td>
<td>Rating (1-5)</td>
<td>Rating (1-5)</td>
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<tr>
<td>Accountability</td>
<td>Rating (1-5)</td>
<td>Rating (1-5)</td>
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<table>
<thead>
<tr>
<th>SUPERVISOR'S COMMENTS</th>
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<table>
<thead>
<tr>
<th>EMPLOYEE SIGNATURE</th>
<th>EMPLOYEE DATE</th>
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Communicate the Compensation and Benefit Package

<table>
<thead>
<tr>
<th>Summary of Employee Wages and Benefits</th>
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<tbody>
<tr>
<td>Employee Name</td>
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<tr>
<td>Wages &amp; Benefits</td>
</tr>
<tr>
<td>Total Gross Weekly &amp; Biweekly</td>
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<tr>
<td>Other Benefits</td>
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<tr>
<td>Total Gross Weekly &amp; Biweekly</td>
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<table>
<thead>
<tr>
<th>Summary of Paid Time Off</th>
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<tbody>
<tr>
<td>Vacation Time</td>
</tr>
<tr>
<td>30 days</td>
</tr>
<tr>
<td>15 days</td>
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<tr>
<td>5 days</td>
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<tr>
<td>Other Paid Time Off</td>
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Take a More Strategic Approach to Managing the Business

- Commit to the discipline of strategic planning
- Include leadership and staff in the planning process to promote engagement
- Make strategic investments in education
- Create a future for management and staff
- Celebrate “heroes” — everyday people doing great work
- Create a culture focused on patient care

Thank You!