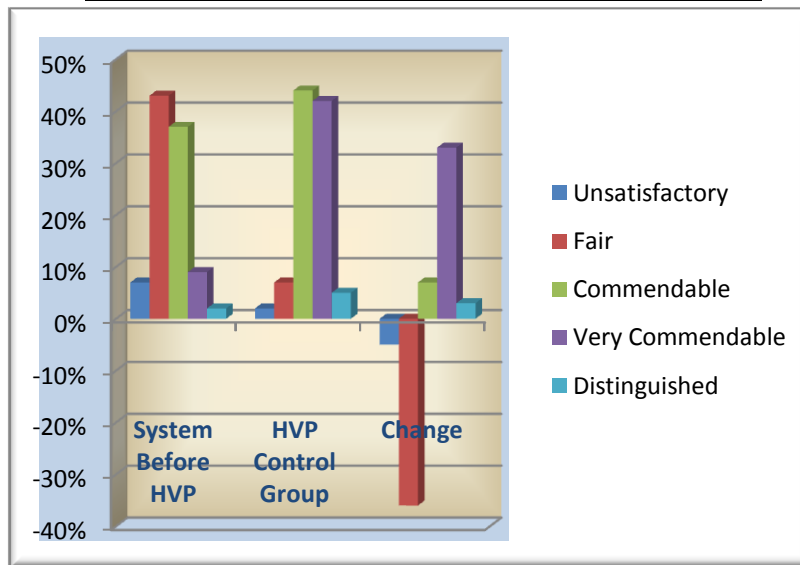


Hiring Cost Savings with Elevated Performance: An Objective Study of Selection

In 2008 the Memorial Hermann Health Care System, which includes 14 hospitals in Houston, Texas initiated a program to improve their selection process. They had to find ways to reduce both initial hiring costs and the long term costs of high turnover. To evaluate their new program Memorial Hermann ran a pilot program evaluating the hiring of 300 employees using the Hartman Value Profile (HVP). This assessment stands alone among assessment systems simply because the HVP is based on a scientific method that is mathematically calculated and objective. It has been proven reliable and has been validated many times over. To take the assessment prospects are forced to make value judgments by rank ordering two sets of items from “most valuable” to “least valuable.” The resulting report is then based on the individual value judgments made and is amazingly accurate.

Employee performance was determined after 12 months of employment for all hires in the pilot program by using the same rigorous and objective employee evaluation that was already in place for all staff. This allowed the 300 new pilot hires to be compared with existing employees at Memorial Hermann. The comparative results were as follows:

| Ratings of Employee performance | Non-pilot employees | Pilot hires |
|---------------------------------|---------------------|-------------|
| Unsatisfactory | 7% | 2% |
| Fair | 43% | 7% |
| Commendable | 37% | 44% |
| Very Commendable | 9% | 42% |
| Distinguished | 2% | 5% |



The largest increase was in very commendable performers, a highly desirable set of employees, that went from only 9% to 42% in the pilot group, a 33% increase. Even the distinguished performers increased from 2% to 5% in the pilot group.

The results substantiated the ability of hiring more suitable employees in a more cost effective manner. Memorial Hermann was also pleased to discover that the HVP system greatly increased the probability of employing a higher percentage of top performers.

BOTTOM LINE: Memorial Hermann determined that once fully employed, the HVP selection system demonstrated an approximately \$42 million in annualized savings in a 27,000 employee system.
