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Emerging Issues in Private Emergency Medical Transportation: Turnover, Demand & Selection

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Introduction

According to the Employment Policy Foundation, employment turnover rates for the medical transportation industry as a whole average 18.2% annually. More specific to the EMS industry, the most recent Bureau of Labor Statistics (2007) estimates put turnover rates for EMS employees at 11.4%, significantly below the transportation industry average. However, that figure includes career-based fire service employees, normally employed by municipalities. Most private-based EMS organizations report turnover rates much closer to the national average of 39.7% across all transportation sectors.

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Many private-based EMS organizations not only suffer from high turnover rates, they are especially vulnerable in larger service areas where employee loss to peer EMS agencies offering sign-on bonuses, relaxed workloads and subsidized pensions are primary drivers of turnover. It is expected that turnover rates will rise as this emerging trend continues and an increasing number of EMS agencies turn to luring employees away with perks.

To compound this issue, the supply of EMS professionals is not expected to meet the forecasted demand of the patient population over the next few decades (the percentage of the US population age 65 or older is expected to increase from 12.5% to 16% by 2020 and 21% by 2050). Indeed, the Bureau of Labor Statistics projects that an additional 69,000 EMS workers will be needed by the year 2014 in order to meet the needs of aging population, an increase of approximately 35%. As demand outpaces and exceeds supply, turnover for EMS positions is forecasted to rise over the coming years. Ultimately, because replacement costs average approximately \$12,000 per employee in the transportation industry (Employment Policy Foundation, 2007), turnover costs are expected to be a major expenditure for EMS agencies in the coming decades.

In order to preemptively address the rising concerns over EMS turnover, the National Highway Traffic Safety Administration recently published a workforce analysis report titled *EMS Workforce for the 21st Century: A National Assessment* (NHTSA, 2008). This report highlighted the need for EMS agencies to focus on building and maintaining a viable workforce and specifically cited the implementation of effective human resource management practices as a key system attribute for the attainment of this goal. Fortunately, much research conducted by human resources specialists can be harnessed by decision-makers within EMS agencies and applied to their own contexts in order to build a strong workforce and minimize costly turnover. In this brief report, we will outline what human resources researchers have found to be important antecedents of turnover, describe state-of-the-art human resources system techniques that have been found to reduce turnover, and explicate some of the practical benefits that accompany the implementation of these solutions.

Addressing Turnover Through Selection

To date, management researchers have compiled a long list of factors that drive turnover. According to the management research literature, turnover can be caused by many things - inadequate supervision or leadership, too much work, not enough work, insufficient career growth opportunities, and inadequate pay, just to name a few (Robbins & Judge, 2008).

These factors represent workplace-related conditions. However, based on decades of research, we also know that there are many characteristics of the employees themselves that contribute to turnover. Indeed, recent research published in a highly-reputable, peer-reviewed journal indicates that employee characteristics are *more powerful* predictors of turnover than are workplace characteristics (e.g., Zimmerman, 2008).

Due to the heightened focus on employee factors as the primary drivers of turnover, many organizations - including transportation companies - have begun to make modifications to their selection systems and pre-employment processes in order to reduce turnover rates and lower replacement costs.

As a technique, selection first involves the rigorous, thorough evaluation of the job in order to identify the key employee specifications that an applicant must have. The importance of this process is very clear. If done correctly, selection not only identifies those individuals who have the knowledge, skills, and abilities to perform the job, but it also gives organizations an opportunity to identify those who preferentially engage in undesired behaviors such as theft, sabotage, risky behavior that leads to injuries and collisions, or voluntary turnover.

While plenty of evidence exists that many organizations do not properly construct their selection systems to function nearly as well as they could (Gatewood, Field, & Barrick, 2008), the upside is that quite often selection systems can be improved fairly easily by incorporating specific research-based techniques, and thus, important organizational metrics, such as turnover, can be dramatically improved.

While many such techniques exist (e.g., assessment centers, integrity tests, biodata forms, intelligence tests, physicals, drug tests, etc.), two types of assessments in particular have been found to routinely predict, over a wide range of jobs and industries, which applicants will routinely leave their jobs within a relatively short period of time; behavior-based interviews and personality assessments.

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Behavioral-Based Interviews

Among organizational decision-makers, interviews are widely acknowledged as the most frequently used and important selection device (Posthuma, Morgeson, & Campion, 2002). In fact, more than 96% of all organizations use some sort of selection interview. Because of its widespread use and importance, organizational specialists have studied the interview for more than 80 years. Until recently however, the overwhelming majority of these studies produced *negative* conclusions regarding the interview's usefulness and utility for selection purposes. In a nutshell, interviews (as commonly practiced) are not very good at predicting on-the-job behavior. In fact, they are seemingly worthless. Over time, selection researchers have come to realize that this lack of utility is due to the use of inappropriate, non-job-related questions during the interview, interviewer over-confidence in his/her ability to predict good employees, bias, and other extraneous factors that influence an interviewer's evaluation of an applicant (Kinicki, Lockwood, Hom, & Griffeth, 1990; Wilk & Capelli, 2003). Findings such as these prompted other work which developed corrections for these deficiencies.



A specific technique for increasing the utility of the interview is to ask applicants behavior-based questions (“Can you tell me about a time when you...”) and to use a standardized format and a standardized scoring system to rate applicants. To date, behavior-based interviews have been linked to a number of important organizationally-relevant outcomes such as job performance, tenure and turnover (Krietner & Kinicki, 2007). More specifically, in a recent study of 14 organizations (including international finance, energy, and health care organizations) that began using behaviorally-based structured interviews, turnover decreased an average of 44% (Salgado & Moscoso, 2002).

Personality Assessment

In addition to the use of behavior-based interviews, many organizations employ the use of personality tests to predict important job-related behaviors. In fact, a recent survey found that more than 40% of Fortune 100 companies use personality tests to screen entry-level applicants (Gatewood, Field, & Barrick, 2008). Another line of research found that personality assessment in high school could predict on-the-job behavior over 50 years later (Judge, Higgins, Thoresen, & Barrick, 1999).

Intuitively, most managers agree that personality traits - those things that people habitually say, think, and do - matter at work (Dunn, Mount, Barrick, & Ones, 1995) and the research conducted on personality in the workplace backs up this notion. Selection researchers have found that personality tests, when used appropriately, can provide crucial information when making selection decisions. For example, in a comprehensive study analyzing the results of over 85 studies, personality factors were found to play a very important role in determining who will remain on the job and who will turnover across a wide range of occupations and industries (Zimmerman, 2008).

More specific to the transportation industry, in a recent case study a Southeast Michigan transportation company with 150 employees and an annual 45.2% turnover rate added a pre-employment personality test to their selection system. After two years, turnover was reduced to 10.7% at a savings of about a half a million dollars per year (Krietner & Kinicki, 2007).

Summary

Overall, there has been much time and effort expended by organizational researchers over the last 80 years to provide decision-makers in organizations with research-based solutions for reducing turnover. This research strongly indicates that a combination of new employee assessment tools, including behavior-based interviews and job-related personality assessments predict with a high degree of accuracy which applicants will turn over.

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