CPI Assessment Flips Turnover at St. Luke's Hospital

By Kellye Whitney

In 2003, St. Luke's Hospital and Health Network, headquartered in South Bethlehem, Pa. had a managerial turnover rate of 41 percent. Since the national average was 40 percent, that didn't seem too terrible, but St. Luke's thought it was doing much better than average.

"After 18 months, no matter what the discipline, the turnover rate for any manager is about 40 percent — we were running at that," said Bob Weigand, director of management training and development at St. Luke's Hospital and Health Network. "To our chagrin, we thought we were doing very well with behavioral-based interviewing and trying to hire for fit. That was the latter part of the year in 2003. In 2004, we decided we needed to do something in our hiring process to help us gather more information about prospective leaders that would make some impact on this 41 percent."

The company tapped vendor partner CPP for leads on a way to assess leadership skills and came upon the CPI, the California Psychological Inventory 434, which Weigand said was a good tool to give the organization an "underneath the hood" look at an individual's leadership traits.

The 434-item assessment consists of 20 folk scales, or leadership traits, that participants are assessed on. These scales evaluate items such as dominance, empathy, independence, social presence, flexibility, tolerance and achievement via conformance. Further, the CPI assesses skills and norms against a large control group of 6,000 strong leaders around the country, 3,000 males and 3,000 females.

Using the CPI assessment in the managerial hiring process quickly brought down the initial 41 percent turnover rate to 10 percent. Further, based on conservative estimates around replacement costs of 1.5 times per salary, St. Luke's measured an ROI of more than $623,000 a year.

"As of a longitudinal study from 2004 to 2006, those numbers hold," Weigand said. "So far this year, we've hired 70 managers using this assessment. It's important to note we do not use it as a hiring screen. That would be an unethical way to use the assessment tool. We use it as a piece of our hiring process."

Weigand said the CPI provides valuable, easily accessible information that a manager can use to influence hiring decisions, but no manager is obligated to use the data.

"It's easy to go online as an individual," he explained. "So, it's not as time consuming as a 360. If you were to bring in an outside candidate, that would be a time-consuming process to do a 360 on them. 360 data is important, but this is a standardized tool with a built in validity indicator. If the person attempts to put themselves in a more favorable light, this will tell us that. With 360s, there are times when people may indeed do that because of conscious or unconscious bias. This rules all that out."

Weigand said the CPI can be used to reveal data on traits from many different employee populations or levels of leadership. Further, it can be used as part of a succession planning process. If an organization has identified and slotted talent into the leadership pipeline but sees potential or strong indications from budding leaders down the line, the assessment can help to establish a baseline of those high potentials' leadership traits immediately, so talent managers can begin to build professional development and succession plans.

"People believe in the results," he said. "Does it mean people don't hire against the data? No. In 10 percent of cases they have, but those people who were hired against the CPI data, within a year they're gone. They can't fit into the culture or they don't perform in the role well, and they leave." TM