

KINDRED HEALTHCARE HOSPITAL DIVISION SAVES MILLIONS WITH PREDICTIVE INDEX®

About Kindred Healthcare

Kindred Healthcare (NYSE: KND) is the largest diversified provider of post-acute care services in the United States. Named a Fortune magazine Most Admired Company for seven years, Kindred's mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder they serve. As of October 1, 2016, Kindred had approximately 102,200 employees providing healthcare services in 2,702 locations in 46 states.

The Challenge: Reduce Lost Sales Revenue

Kindred's Hospital Division was experiencing a nearly 40% turnover within its sales team, resulting in almost \$5 million of lost revenue each year. It was also undergoing significant organizational change during this same time. Kindred was in the process of centralizing the sales function under one branch of leadership and changing the business model for how sales would operate. Hiring and retaining people best-suited for the new sales organization was critical to Kindred's long term success.

The Solution: Match the Right People to the Right Roles

Based on Kindred's need to select and keep the right people, Oliver Group recommended Kindred begin using Predictive Index® (PI) workforce assessments:

- PI Behavioral Assessment — highly effective scientifically-validated assessment that measures a person's behavioral drives.
- PI Job Assessment — designed to capture the behavioral requirements of a specific role, while considering company culture and team dynamics.

By understanding a person's natural motivations and needs as well as the behavioral requirements of each job role, Kindred would be able to appropriately match candidates to specific roles.

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*David Mikula, SVP Hospital Division,
Kindred Healthcare*

Working with Oliver Group, Kindred's Hospital Division developed the following process:

- Assessed current members of the sales team using the PI Behavioral Assessment and compared results to sales performance.
- Created a benchmark of behavioral characteristics for each job role in the sales organization using the PI Job Assessment.
- Validated the job benchmark against the behavioral characteristics of Kindred's high performing sales professionals.
- Selected the best candidate for each role based on how well the individual's behavioral assessment matched to the job's benchmark.

The Results: Improved Sales Performance and Reduced Costs

Early on, it was clear using the PI assessments was having a positive impact for Kindred. The new hires that matched the job benchmark were adapting more quickly to Kindred's environment and outperforming their counterparts who did not match the benchmark.

PI was then rolled out to other areas of the hospital division. Kindred's HR and Talent Acquisition teams were trained by Oliver Group so they could leverage the assessments in a wide range of talent-related processes including talent selection and retention, talent review and development, succession planning, team building and employee engagement. PI was also used to improve interpersonal communication and reduce conflict, which is vital in the constantly changing regulatory environment of the healthcare industry.

Since implementing PI in her department to recruit and develop her own team, Kathi Eldridge, Hospital Division Vice President, Talent Acquisition recognizes that she has an amazing team who can accomplish miracles because they are who they are. "Your employees don't adapt to you; you adapt to them," she said. Turnover among her team is nearly zero—a dramatic reduction from 40%—since she started using the PI assessments.

"Overall, using PI has led to a 2.2% reduction in turnover among the Hospital Division employee staff. Improving retention has helped save millions of dollars, including search firm fees," says David Mikula, Senior Vice President in the Hospital Division. In addition, Kindred has drastically reduced its expense for external recruiters and has saved millions in contract labor fees.