RECRUITMENT & HUMAN RESOURCES
ORGANIZATIONAL ANALYSIS
REVIEW & INDUSTRY
BEST PRACTICES
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David is a leading authority on developing radical, just-in-time recruitment solutions for companies seeking to develop an elite staffing organization.

In 1998, David founded Recruiter Academy, and over the past 14 years, he has worked with more than 3000 companies in 45 states and 10 countries including some of the largest and most recognized organizations in the world. His renowned Recruiter Academy Education & Development Solution (including Certification Curriculum for recruiters and recruitment leaders) has helped educate thousands worldwide on recruiting “best practices” and how to manage an efficient staffing process.

David has studied and benchmarked numerous experts and theories in the fields of performance improvement (e.g. Toyota Production System, Six Sigma and Theory of Constraints), behavior modification, time management and personal achievement. Combining this knowledge with his years of consulting and educating recruitment organizations, he developed LEAN Human Capital’s innovative LEAN Recruitment Analytic and Process Optimization methodologies.

In 2010, he created the LEAN Human Capital Healthcare Recruitment Metrics Benchmark Study. This study annually assists over 100 Healthcare Organizations benchmark their performance and quantify ROI to key stakeholders with respect to cost, quality, responsiveness and efficiency.

David is a requested keynote speaker at a variety of corporate and industry events including ERE, OnRec, NAHCR Annual Image Conference, local- and state-sponsored SHRM/EMA Meetings/Conferences and World Job Summit. He has published numerous articles on staffing, Lean Recruiting and Best Practices of Elite Recruiters. He is also the author of The Recruiter Handbook and Best (and worst) advice for Job Seekers.

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ABOUT THE LEAN HEALTHCARE RECRUITMENT METRICS BENCHMARK STUDY

Over decades of observation we have studied the performance and analyzed the organizational structure and processes for over 100 health systems throughout the country. In addition, it has allowed us to analyze the best practices of ‘Elite’ recruitment organizations with respect to Organizational Design, Recruitment Processes, and the Relationship & Interaction with other HR departments that include Human Resources business partners & employee relations. Outlined in this White Paper are our findings, trends and best practices of ‘Elite’ recruitment organizations.

Over the years we have seen organizations recruiting models shift from centralized recruiting, to decentralized, to shared services models, and then back to decentralized. This consistency in shifting of the model underscores the fact that the most optimal approach uniquely varies based on the organization, its business strategy, and even current leadership.

A Centralized recruiting model is typically viewed as one that might have a greater degree of control and process as opposed to decentralized model which might offer greater flexibility and customization. In a highly centralized function, management may have greater span of control over strategy, resources, budget and processes. In a decentralized function, recruiting processes and customer interaction may be managed locally, with customization of strategies and processes tailored to the local environment.

Centralized models offer coherence, consistency of process and strategy, while also providing certain economies of scale. Yet decentralized recruiting models could be more focused on the hiring manager and other customer’s needs, being more flexible and adaptive to changing business conditions.

The challenge for any organization is to maintain a high level of service for the local customer, while maintaining corporate strategies, standards of excellence, and demonstrable progress towards business objectives.

SUMMARY

LEAN Human Capital engaged in a series of interviews and analysis with respected healthcare organizations to understand the drivers and dynamics of migrating to a centralized recruiting model. Interviews and analysis were conducted by LEAN’s Partners with the leaders of Human Resources and Talent Acquisition functions of over 100 different healthcare systems.

We researched the following aspects within the various participants:

- Overall Market Trends in recruiting
- Best Practices in Recruitment Organizational Design
- Best Practices in Recruitment Processes
- The Relationship and Interaction levels between Recruitment & Human Resources

Our goal in conducting the study was to understand the nature of migration from decentralized to centralized models, their interactions within the Human Resources function as a whole, as well as to uncover lessons learned from organizations that have chosen to migrate to this type of model for the talent acquisition functions.
OVERALL MARKET TRENDS

The last few years have been an interesting time for corporate recruiting as a whole, and especially so for those within the healthcare industry.

- The Unemployment rate has substantially increased unqualified candidate applicant flow, leading to an abundance of applicants that recruitment organizations must “sift through” in order to find the most qualified candidates.
- The usage of Job board aggregators such as Simply Hired or Indeed, and media strategies from internal and external recruitment advertising efforts have compounded this issue in creating even more “active” candidates that may not be the exact fit within the “must haves” of the job requirements rather than a uniquely qualified slate of candidates for open requisitions, whether they be active or passive in nature.
- There has been an increasing need for candidates with specialized skill sets that are in high demand including Experienced RN’s, Allied health (PT/OT, etc.), Information Technology, and Direct Care management.
- Social media sites such as LinkedIn, Facebook and Twitter seem to provide long term value for sourcing quality talent but have a lower ROI in the short term based on the high cost of implementation (such as time to develop content, overall administrative management, technology usage, etc.).

Because of these trends, generalist recruiters are being stretched too thinly. They are being asked and required to manage a high degree of requisitions while attempting to accomplish too many multiple initiatives at the risk of not being a subject matter expert at any of them (such as hiring manager relationship management, sourcing, or brand representation).

RECRUITMENT ORGANIZATIONAL DESIGN:

Based on our research 83% of top performing healthcare recruitment organizations function as a Centralized model and/or what we term an Optimized Delivery Model that utilizes Centralized Support Services.

Significantly notable aspects of these organizational models include:

- Dedication of a Talent Business Partner or Partners that work to effectively manage the hiring manager relationship, qualify needs, manage the candidate experience, and source candidates. These individuals are aligned by department, geography, or business unit as appropriate to the organizations business objectives and structure.
- A centralized sourcing team exists to manage inbound, active candidate flow, develop direct sourcing strategies for difficult to fill positions, manage internal candidates (acting as career advisors), develop talent communities, and manage social media strategies, all aligned by skill set

Note: The mix of sourcing activities (inbound, direct sourcing, internal) that the sourcing team performs is dependent upon the type of hire (non-exempt vs. Exempt, volume, complexity of health system, etc.)
RECRUITMENT ORGANIZATIONAL DESIGN (CONTINUED):

Our research also uncovered additional Centralized Support Services within best practices organizations such as:

- Recruitment Coordinators that assist in non-value added administrative support activities.
- Technology (centralization focused on Applicant Tracking Systems usage and metrics, SEO (Search Engine Optimization, etc.)
- Recruitment Media Strategy including recruitment advertising, social media, etc.
- College recruiting/community outreach.
- Diversity/EEO initiatives.
- Performance management (metrics, best practices, education, etc.)
- Agency and vendor management

The Centralized support services model benefits include dedicated accountability to hiring managers as well as providing flexibility and dedicated or specialized sourcing services to improve and impact the quality of hire as well as reducing costs.

We have also found that best-in-class organizations are developing partnerships with outsourced sourcing and recruitment process partners to manage fluctuations in hiring demand as well as achieving a higher staff productivity ratio (when considering per Recruitment FTE resources assigned as referenced in our recent Healthcare Recruitment Metrics Benchmark Study).

RECRUITMENT PROCESSES & BEST PRACTICES:

From our 2011 Healthcare Recruitment Benchmark study of over 80+ health systems, we observed a common thread amongst all Six ‘Elite Honor Roll’ Members. Each of these systems were using Lean Principles and concepts to streamline their recruitment and HR processes to reduce costs and improve the quality of service delivery. Each of these ‘Elite Honor Roll’ members had embarked on a Lean Transformation Journey for at least one year.

Some Best Practices that have resulted from using Lean principles to streamline the recruitment process include:

- Adherence to conducting Hiring Manager Intake Sessions (for new, critical or difficult, or highly visible to fill requisitions).
- A defined Service Level Agreement for the Hiring Process that the entire organization follows consistently (whether it be recruiters, HR, Hiring Managers, or others involved in the hiring or on-boarding processes).
- A defined and controlled management of the recruitment advertising, sourcing, and posting process that aims to reduce the percentage of unqualified applicants as they flow into the process.
- Adoption of a thorough pre-screening process including technology based assessment tools and behavioral interviewing techniques.
- A recruiter controlled candidate management process. In this best practice example, recruiters would route only the top 3-5 candidates to be interviewed to the hiring manager (versus the hiring manager asking for and reviewing all candidates that apply, and/or the ones that meet minimum qualifications).
THE RELATIONSHIP & INTERACTION BETWEEN RECRUITING & HR BUSINESS PARTNERS

Of inherent interest to most participants was the interaction that transpired between the recruiting function and that of Human Resources, specifically that of the HR Business Partners in these organizations.

- 73% of the health systems with ‘Elite’ performing recruitment organizations embodied an HR Business Partner model that was aligned by business unit, department, or job family.
- We found that 65% of these organizations functioned in a decentralized model where the HR business partners reported directly to the business unit leadership with a dotted line to the corporate VP or SVP of HR.
- Unfortunately, we did not find a great deal of innovation with respect to the partnership between the recruitment and HR organizations overall.
- The majority of organizations had very little daily, weekly, or monthly interaction with respect to recruitment needs, workforce planning, succession planning, performance improvement, or other aspects that would be mutually beneficial to the accomplishment of the organizations business objectives as a whole.

Understanding the aforementioned points, there were two health systems with top performing recruitment organizations deploying the following Best Practice.

This Best Practice approach seemed to align the objectives of all three organizations, whether it was the business unit, HR, or recruitment’ and created a mutually beneficial dialogue that led to the groups all aspiring to a common goal.

These two organizations were also performing cross-functional lean initiatives that lead to organizational changes such as:

- Shifting onboarding and credentialing from recruitment to an HR shared services team. This allowed recruiting to reduce headcount and shift repetitive administrative tasks to lower cost resources that would thereby put an emphasis on a better quality candidate experience, post hire.
In our research we sought to understand what challenges or lessons learned came as a result of the migration from a traditional recruiting structure to an optimized one.

**ALIGNING RESPONSIBILITIES**
was one of the first issues cited by participants. Essentially uncovering areas in which recruiters were not actually doing recruiting, but in effect acting as HR generalists.

**CLEAN UP:**
Organizations that shifted to centralized/optimized model found themselves engaging ‘clean up associated with Requisition/ATS data management, transfer of responsibilities, etc. to ensure a smooth transition to the new model.

**COMMUNICATION**
was also cited as the health system transferred requisitions from the one recruiter to another based on new organizational model.

**ENSURING ADOPTION:**
With the aforementioned challenges it becomes clear that ensuring adoption is one of the greatest challenges overall. Participants cited the establishment of Service Level Agreements to enable all parties involved in the hiring process to commit to a lean, efficient staffing process. Updates to recruitment staff job descriptions (including skills and competency matrices) were also cited as best practices to ensure adoption.

> **BEST PRACTICE:**
**Early communication to the organization from leadership on why you’re moving to the model followed by town halls, open houses, and executive meetings will ensure proper and consistent communication.**

**DON’T TAKE ON TOO MUCH TOO FAST:**
A number of respondents cited the issue of migrating to a centralized/optimized model is very time consuming. With that said, ensuring you have the appropriate time/resources to migrate is very important. Committing to new initiatives during this same time period (new technology implementation, candidate assessment projects, etc.) became very challenging. A key to successful migration is prioritization and a solid implementation project plan.

> **BEST PRACTICE:**
**Determine baseline performance of your function with respect to Cost, Quality, Efficiency, Responsiveness. Set performance goals (based on industry benchmarks and historical performance. Create a scorecard to measure performance on a quarterly basis to quantify ROI, drive performance improvement and celebrate success.**
CLOSING THOUGHTS & FINAL ANALYSIS

We have seen poor implementation all over the centralized-decentralized continuum. Decentralized functions may deliver high touch, high visibility advantages, but may often sacrifice key efficiencies gained through the use of centralized recruiting. Centralized functions can deliver greater efficiencies and cost savings but may also have an adverse impact on client engagement.

For most organizations, there seems to be an opportunity to align the recruitment and HR organizations to further streamline business processes and improve the customer experience (whether it be the hiring Manager or candidate).

A client-centric focused, and optimized recruitment and HR organizational model will assist with identifying hiring demand, through workforce and succession planning initiatives, in advance of the need to migrate to a Just-in-Time hiring model. This demand based planning would allow for the recruitment organizations to develop candidate pipelines of passively looking top talent to improve the quality of hire which would thereby result in improvements in Patient Satisfaction and Patient Safety.

Of late there has been greater interest in a hybrid-model of centralized/decentralized function; and even more drive in the healthcare sector for consideration and adoption of Center of Excellence (COE) Models.

COEs provide advantages that combine those of central and decentralized models. A COE allows central delivery of core process/shared recruiting services, while enabling localized delivery of business-specific recruitment services. A COE also offers a clear structure for efficient deployment and effective delivery, with certain operational elements (ATS, assessments, processes, workforce planning) housed centrally. Consulting services for recruiting (hiring manager engagement, localized strategy, etc.) might be best suited for deployment within the business, with line of site back to the centralized corporate hub.

Regardless of the consideration of any of the aforementioned models, the keys to success will consistently evolve around understanding the business drivers, consideration of business goals and goal setting, measuring baseline performance, timing of the migration, change management and communication, and consistent measurement of performance.