Data-Driven Healthcare Recruiting

A competitive job market forces organizations to act on metrics in the process of hiring their staff

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EXECUTIVE SUMMARY:
Predictive analytics are driving many healthcare organizations’ hiring decisions in today’s competitive market. It’s important for organizations to capture the right data to help optimize their recruitment strategies and eliminate the time and money holes spent on untargeted recruitment campaigns.

In today’s competitive hiring market, it’s especially important for healthcare organizations to optimize their recruitment strategies to help attract quality healthcare professionals. For instance, the Health Resources and Services Administration projects that by 2020, there will be a shortage of more than 1 million nurses in the U.S., and with labor-intensive efforts like the ICD-10 transition and meaningful use, the industry is in the midst of a talent shortage crisis.

In order to streamline current processes, human resources departments are now implementing human capital management solutions to capture the data needed to fuel predictive analyses and continuous process improvement for recruitment. According to a recent KLAS (Orem, Utah) report, among human capital management solutions, talent acquisition systems are one of the most widely implemented modules, and healthcare organizations are clearly focusing on these modules to address their immediate hiring needs.

Predictive Analytics and Hiring
Over the last five to 10 years, many healthcare organizations have often used backward-looking metrics to predict recruitment success and identify necessary improvements. “When you ask managers what’s important to them, four things always pop up—cost, quality, responsiveness, and efficiency,” says David Szary, founder of LEAN Human Capital, a Plymouth, Mich.-based healthcare recruiting consultancy. “Your recruiting solution has to be at a fair cost; you need to have quality candidates and quality service; you need it to be responsive to [organizational] needs and [positions] to be filled quickly; and [it needs to] be an efficient process, so it’s easy to engage.”
In the process of hiring staff for her organization, Miranda Maynard, employment supervisor at EMH Healthcare, a three-hospital system based in Elyria, Ohio, uses many key metrics to analyze her organization’s recruitment efforts and continuous process improvement. These metrics include:

- Percent of current positions open more than 60 days;
- Percent of positions filled in less/more than 60 days;
- Time-to-fill for positions filled in less/more than 60 days;
- Vacancy rate for critical positions;
- Turnover rate; and
- Termination data (voluntary and involuntary) in less/more than 90 days.

Maynard uses predictive analytics for workforce planning activities like examining metrics to determine how many of a certain type of position was filled in the past, in order to predict what’s going happen in the next 30-, 60- or 90-day recruitment cycle. These metrics also give a good picture of what types of vacancies, turnovers, and retirements are in store for the future, she adds.

Another predictive metric that Szary recommends that recruiters use to manage their requisition loads efficiently and to effectively isolate bottlenecks is what he calls the “seven-day stuck metric.” This metric highlights on a weekly basis all the requisitions that haven’t changed status within the applicant tracking system (ATS). “If nothing has happened with that requisition within seven days, it’s a predictive metric to say, ‘wow, why hasn’t anything changed?’” Szary says. “It might be because I sent five resumes and the manager hasn’t responded back to me, and I want to know that before I get any further down the road.”

**Prioritizing Hiring**

Many in the industry are now linking recruitment to their organization’s bottom line. One of Szary’s key recommendations is to not treat each vacant position equally, and instead determine the position’s cost of vacancy and prioritize which positions to fill first. Many elements define cost of vacancy like agency costs, recruiter time, and overtime costs. Szary recommends careful analysis of the costs associated with positions remaining vacant and filled by agency or overtime personnel, generally in allied health fields like pharmacy, physical therapy, respiratory, radiology, and nursing. He also advises recruiters to partner with managers to view positions through a lens of patient safety to assess the cost to the organization if the positions remain vacant. For instance, he says organizations would probably weigh an IT manager’s position, whose main purpose is to implement an information system for patient safety, higher and more important to fill, than say a food service position.
In 2008, EMH Healthcare implemented a talent tracking system from the Woburn, Mass.-based HealthcareSource to streamline the HR department’s formerly disjointed processes, of which some were paper-based. Before implementation, Maynard’s team had six different processes, including separate pathways for receipt of applications, employee transfer requests, and requisitions for position approvals. The HR department sought to reduce the amount of time it took to physically review applications and fix the broken processes of receiving employee transfer forms via e-mail and streamlining the requisitions for position approvals, which was a long and fragmented process that required staff to chase down paper to get multiple people’s approval.

Eliminating Time, Money Holes for Recruiting
According to a recent KLAS report, half of surveyed provider executives reported achieving an ROI within a year of implementing their human capital management solutions. Since implementation, Maynard has been able to streamline her staff from three FTEs and a couple of part-time assistants to two FTEs. Her department now is able to track days-to-fill metrics more efficiently, and better able to lower those rates to thereby reduce vacancy costs.

Healthcare organizations tend to misspend most on advertising and social media spending, says Szary. Many recruiters think more is better in terms of social media, when much of it is actually waste, he adds. To illustrate this, Szary mentions a client that was using all venues of advertising including banner ads, Facebook, and LinkedIn promotions to attract talent. “As a result they were getting on average 136 applications per position filled,” he says. “The average in healthcare, [according to] our study, is 40 apps; so if you think of that, for each position they have to disposition 96 applications.”

On closer inspection, Szary’s firm found redundancy in the organization’s outreach and analyzed trends for the actual sources of hire. He says that the client was able to save $180,000 that year and brought their average applications per position to 55. Szary says that many organizations can focus their advertising spends by simply posting job ads on their own website and for only a short amount of time to better streamline the amount of candidates screened.

Competitive Advantages
Szary says that many forget that top talent is in demand now and good candidates have options, so organizations need to make their recruitment processes efficient and competitive. Maynard adds that the job market is much different than even five years ago, and today’s candidates want easier avenues to submit their information, forcing organizations to use the right tools to create that hiring pipeline to better funnel quality candidates.

“Especially now with the changes in reimbursement and HCAHPS [Hospital Consumer Assessment of Healthcare Providers and Systems] and all the other things that are put in front of healthcare organizations,” says Maynard, “HR has to be proactive with how we’re going to respond to these changes, and we have to be as efficient as we can be, and yet get the right people in the organization.”

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