



HEALTHCARE TALENT, NOW & NEXT

AN AMN HEALTHCARE RECRUITMENT PROCESS
OUTSOURCING INDUSTRY WHITE PAPER



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The landscape of healthcare delivery is being transformed in many ways by the rapid onset and continuing challenges of the coronavirus pandemic. The crisis has highlighted two key talent management (TM) priorities moving forward: ensuring that the right people are in place and building sufficient institutional flexibility to address emerging challenges and changes. Leaders are grappling with rapid resumption of elective procedures, the rise of telehealth, disruptions to traditional patterns of when and how people work, and massive budget shortfalls. Transformative changes to the industry signal a need for providers to go beyond a desire to “return to normal.” As one system CFO put it, “The pandemic has forced us out of our entrenched ways of doing business. Healthcare is not the most innovative industry, and these challenges have provided opportunities to reinvent ourselves.”¹

When it comes to talent acquisition (TA), these times call for an agile, strategic model that challenges old norms and redefines success. Recruitment strategies cannot be narrow in scope and monolithic in approach. Talent acquisition must be conducted holistically, in concert with the needs of the entire organization, and leveraging partners who are more than just traditional vendors. Such partners bring industry expertise and access to talent to help institute creative, best-practice solutions and are incentivized to achieve tangible results at scale.

This white paper explores the chief immediate and longer-term challenges facing HR leaders, and defines an expansive, performance-based TA approach that can drive powerful change in talent management. Organizations should distinguish among solutions by seeking a strategic partner with deep healthcare knowledge, committed to changing the traditional paradigm, possessing an innovative suite of technological solutions, and invested in client success by basing compensation on performance.

CHALLENGES IN TALENT ACQUISITION AND MANAGEMENT

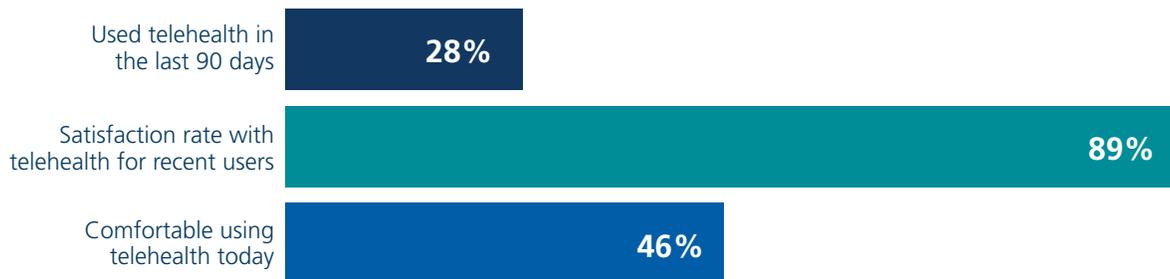
The pandemic has certainly forced leaders to adjust almost overnight to new realities in TM, including impact on its integral component, talent acquisition. Hospital and health system workforces have undergone serious disruption that appears unlikely to abate in the near term. Widespread furloughs have resulted in short-staffing, complex shift scheduling, process inefficiencies, and concern about how best to return to a full workforce. An April Merritt Hawkins survey showed that 21% of physicians had been furloughed or taken pay cuts at that point. The calculations on bringing back clinicians, staff, and administrators alike depend on factors that are highly uncertain and vary by region and location, including multi-level government guidelines as well as patients’ comfort in scheduling in-person check-ups and elective surgeries. Continuing employees have needed to adapt quickly to the new work-from-home landscape, while managers are challenged to adjust policies and ensure that productivity and patient support remain intact. Standard human capital management approaches may be insufficient to manage these largely unprecedented issues and to keep the organization poised for growth.

¹ B. Broome, “The Financial Impact of COVID-19 on Health Systems and How CFOs are Responding,” *McKinsey & Company*, blog post, June 3, 2020.

On the clinical side, the rise of telehealth is a primary driver of immediate and long-term change for health systems. The recent exposure to remote care has been broad, and surveys show significant patient satisfaction that bodes well for substantial growth post-pandemic.² (see Figure 1) In fact, 75% of hospitals say their usage is “substantially above” previous levels, and 90% expect to use telemedicine at increasing rates in the future.³

FIGURE 1

TELEHEALTH USAGE NEARLY TRIPLES PREVIOUSLY DOCUMENTED AVERAGES.



Roles and responsibilities are evolving, and new ones are forming, to support remote care at scale. Among clinicians, staff, and management, skills such as familiarity with advanced software and effective remote patient communication techniques will be highly desirable. To capitalize on this transformative, industry-wide shift, institutions will want a strategy in place to define telehealth roles and secure optimal talent with the right competencies to fill them. More than an ad hoc effort is required.

In addition, several major talent trends gathering momentum in recent years have been exacerbated by the crisis and will remain persistent challenges beyond it. Leading trends include:

- **Burnout.** Clinicians and staff continue to rate burnout as a key factor in their job satisfaction and willingness to move. As just one example, an industry leader recently observed that “nurses were already burned out before, and this pandemic might push many of them completely out.”⁴ The issue is complex and urgent, requiring consistent attention from leadership, staff, and the clinicians themselves.
- **Importance of candidate experience in the talent acquisition equation.** End-to-end candidate engagement is increasingly essential to maintain a strong position in a highly competitive labor market, but has become more difficult in an entirely virtual environment.
- **Reliance on contingent talent.** While temporary hires such as travel nurses can be highly effective when deployed properly, excessive dependence on contingents can destabilize workforces and place persistent time and effort burdens on internal talent acquisition teams. Achieving the right balance is a challenging task.
- **Continued expansion of outsourcing.** In recent years, millions of healthcare workers have felt the effects of outsourcing. The drive to reduce the cost of healthcare and adopt “lean” strategies has led organizations to outsource many “non-core” operations. The financial repercussions of COVID-19 are sure to keep outsourcing as a front-burner consideration.

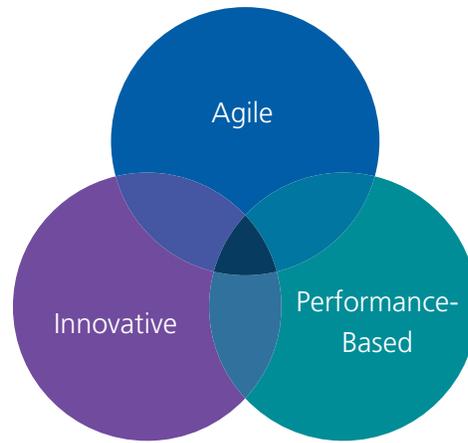
² P. Wehrwein, “ACHP, AMCP Survey: Telehealth, Trust in Doctors, Desire for COVID-19 Testing All Get High Marks,” *Managed Healthcare Executive*, June 5, 2020.

³ Definitive Healthcare, “3 Trends in Healthcare as COVID-19 Cases Stabilize,” blog post, June 24, 2020.

⁴ G. Masson, “Nurses Say Changing Guidelines, Unsafe Conditions Are Pushing Them to Quit,” *Becker’s Hospital Review*, May 12, 2020.

THE RPO SOLUTION

Performance-based Recruitment Process Outsourcing (RPO) presents healthcare providers with an opportunity to address this complex array of challenges. It is a solution well-suited to a crisis environment demanding extreme versatility, cost control, and cash flow optimization. A relationship founded on accountability for performance results redefines the concept of RPO: organizations trust that their outside support teams are invested in positive, transformative outcomes. This integrated model possesses four critical dimensions that contribute to a fresh, intelligent recruiting strategy. These include a **holistic** solutions platform touching every corner of the talent acquisition process; **agile** engagements to fit organizational needs and scale rapidly; a **performance-based** model aligned with prudent financial management; and **innovative** action derived from quick-response technology and data analysis.



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HOLISTIC APPROACH: THE NEED FOR COMPREHENSIVE PLATFORMS

Quality of the workforce – its efficacy, its stability, and its happiness – is paramount for institutional health. Maintaining high quality is possible only with a TM approach that encompasses the entire institutional workforce and operations.

The most effective RPO programs offer “total solutions” with an enterprise-level scope. This multifaceted platform asks big-picture questions – understanding the organization’s vision for structure and culture and assessing overall strategies for talent acquisition – and helps implement precise solutions – assessing responsibilities and identifying prime candidates tailored to individual positions. Importantly, multiple time horizons are in play, balancing immediate staffing and scheduling priorities with long-term strategic workforce objectives.

Organizations gain the benefit of broad external expertise to enable a comprehensive, bird’s-eye view of talent management operations. A productive partner understands the dynamics of the markets in which an organization operates and can devise ways to capitalize on advantageous differentiation. Beginning with a thorough up-front assessment, tailored recommendations can span:

- Advising and executing on employer brand strategy
- Developing a strategic workforce strategy
- Undertaking strategic sourcing and recruitment marketing activities
- Enhancing the candidate experience by technological and other means for greater competitive advantage
- Generating analytics-based candidate, market, and other TA insights
- Conducting candidate interviews, making selections and candidate offers, and providing a range of transition services

FLEXIBLE PATHWAY: MANY STAGES OF PARTNERSHIP

Workforce agility has become an essential marker of success during a crisis that has upended traditional modes of care and rapidly shifted many job characteristics and team structures. The need for flexibility will persist for the foreseeable future as organizations redefine relationships with their patients, employees, communities, and other stakeholders, and as long-term trends such as work-from-home require alterations in policies and procedures.

For this reason, a performance-based RPO engagement should be multidimensional with the ability to scale rapidly as needed or desired. Firms like AMN offer a wide range of partnership options that meet talent acquisition needs at many states of readiness, offering providers maximum deployment flexibility. (see Figure 2).



Augmenting internal staff efforts can begin with individual recruiting projects or an on-demand relationship. Some organizations seek help improving specific aspects of the TM process such as enhancing internal mobility pathways for better realization of the investment in those with advancement potential.

Full-scale augmentation of internal talent management involves partnerships that offer maximum access to industry expertise, technological and operational best practices, employment brand and culture consulting, and expanded pools of permanent and contingent healthcare talent. This approach recognizes the value of strategic advisory support in complementing internal knowledge and skills and empowering staff to focus on high-value responsibilities.

At all stages, a compelling partner will emphasize workforce agility amid evolving job responsibilities and scheduling demands. A total workforce management approach can foster the optimal balance between the flexibility of contingent professionals and the stability of best-fit permanent hires. Such considerations are paramount with changing travel restrictions affecting candidate searches as well as ability to deploy resources such as travel nurses and temporary allied health workers.

PERFORMANCE-BASED MODEL: A PRUDENT FINANCIAL STRATEGY

With healthcare organizations confronting significant impairment to revenue and cash flow, maintaining top-flight workforce management can only be sustainable if it is highly cost-effective. The lack of clarity on the trajectory of procedure volumes and corresponding staffing needs raises difficult questions about

fundamental cost structures. A prudent strategy will seek a TA mix in which direct hard cost outlays are minimized while efficiencies maximize return on soft costs. This optimization can be achieved by supplementing internal professionals with outsourced support. In addition, with the pace of revenue recovery likely to remain uncertain for some time, this flexible strategy also positions the organization to determine the most cost-effective level of furloughed staff to return.

More broadly, a performance-based model for RPO brings innovation to traditional external recruitment support, offering ample room to impact an organization's bottom line favorably. Leaders can turn to an advisor incentivized to maximize performance and growth whether on a per-project basis or across full-cycle management – with a value proposition that increases as volume increases. Meaningful cost savings can arise when organizations take an integrated view of their recruiting strategies. They can focus on the big questions of talent management – *who, when, where, and how* – with a partner proactive in both strategic development and active functional execution. Specific areas where outsourcing bolsters cost-saving include:

- Candidate prescreening, assessment, and engagement
- End-to-end requisition process efficiency and optimization
- Identification of strategies to reduce organizations' true cost per hire
- Enterprise-level analysis of staffing needs and pain points

INNOVATIVE SOLUTION: LEVERAGING TECHNOLOGY

Hospitals and health systems need digital transformation if they are to achieve the competitive edge required to succeed in a shifting healthcare landscape. However, many organizations lack the time, knowledge, or budget to evaluate and capture market-leading advantages from rapidly evolving technology in departments such as HR. A forward-thinking RPO partner looks beyond the most pressing questions of today toward development of sustainable long-run innovation. That involves providing or recommending technologies that can drive meaningful change throughout the talent acquisition process. Among the most critical:

- **Infrastructure.** A thorough analysis of the HR technology stack can expose weaknesses in supporting the TM endeavor, inefficiencies, opportunities for cost savings, and needs for enhanced management tools and platforms.

EMBRACING A PERFORMANCE-BASED TALENT MANAGEMENT PARTNERSHIP: LEADERSHIP QUESTIONS TO ASK

1. What are the key drivers impacting our organization's ability to compete for top talent, and how can we utilize our brand better to accelerate our competitive advantage?
2. How can we reimagine the talent acquisition process to focus on mission-critical, value-driven talent priorities?
3. What fixed costs are limiting our profitability that could be avoided with external augmentation?
4. On what stage along the RPO spectrum does our organization currently reside, and how can leveraging an outside partner's resources and expertise open pathways for scalability?
5. In what specific areas of talent management can we drive greater innovation through technology and data intelligence?

- **Candidate experience.** Effective engagement with potential hires throughout the recruitment process is extremely important today. During the pandemic, strong virtual candidate experiences can be achieved through technology-enabled, consumer-friendly interviews, assessments, and onboarding. Expansive RPO engagements also support after-hire technology in e-learning, compliance, and more.
- **Intelligence.** A crucial aspect of effective partnerships is data analysis, helping inform strategies and decision-making in the talent arena. The inputs are quantitative and qualitative marketplace data that impact recruiting, compensation, marketing, and branding tactics. Insights are also derived from analyses like “productive staffing grids” that use sophisticated analytics to construct cost-effective utilization strategies.
- **Performance improvement.** Tools such as the AMN Healthcare/Avantas Talent Strategy Scorecard utilize internal and external data to prepare comprehensive recommendations spanning every aspect of TM, from acquisition and recruiting experience to retention and policies. This deep-dive analysis assesses multiple factors influencing the unique advantages and challenges of the RPO client, identifying new opportunities and guiding recruiting leaders to make informed choices.

PERFORMANCE-BASED RESULTS

Recently AMN Healthcare was called in to assist Stanford Hospital in expanding its medical staff in conjunction with the opening of a new facility. Stanford had two fundamental requirements: a high volume of hiring and rapid results. AMN’s RPO program delivered:

- 293 nursing (SRN) positions and 202 advance practice provider (APP) positions were hired.
- These totals represented 237% of the SRN hire goal and 282% of the APP target.
- Within the first 6 months of the project, 142 SRN and 96 APP positions were filled, both exceeding the program milestones.

CONCLUSION

For several years, many healthcare organizations have expressed interest in implementing new, thoughtful strategies for talent acquisition and management. The COVID-19 crisis has underscored the need for and value of pursuing innovation. HR leadership has a timely opportunity to reorient systems and processes to be increasingly scalable, agile, and budget-conscious. The launchpad for such reinvention is the expansive, performance-based RPO model described in this report. It is a solution capable of meeting today’s exigencies and offering multiple pathways to long-term TM improvement. It is a vital strategy that deserves consideration by all.

FOR INFORMATION on AMN’s performance-based RPO solution, contact us at RPOinfo@amnhealthcare.com or visit AMNHealthcare.com/RPO.