

7 WAYS TO EASE THE PAIN OF HEALTHCARE HIRING

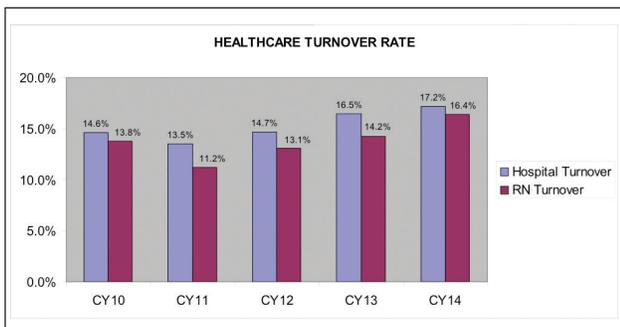
INDUSTRY PERSPECTIVE



Healthcare's Leader in Workforce Development

The expenses and complexities of hiring for healthcare organizations are constantly increasing. The healthcare industry is fast-moving, ever-changing, and intensely regulated, and the ones who face the task of hiring are typically inundated with thousands of applications. The industry is facing an unprecedented shortage of talent within an extremely competitive marketplace, making recruitment even more difficult. Pressures have intensified for these organizations, which are often understaffed, as they attempt to hire more individuals while continuing to deliver the best patient experience possible.

In addition to the overwhelming pressures involved in recruitment and hiring are the mounting statistics that tell us that healthcare employee turnover rates are higher now than ever. As seen in the following graph, the current rate is 17.2% up from 13.5% in 2011. Such high rates are costing the industry billions of dollars, and contributing to these staggering numbers are the costs related to recruiting, hiring, and training new employees. (Colosi, 2015, p. 1)



Source: NSI, Nursing Solutions, Inc., 2015

In this paper, we hope to help those going through countless applications to step back and find an easier approach to hiring that will both improve the success rate and reduce the costs associated with healthcare hiring. Some of these suggestions may be long-term implementation goals while others could be put to use today to increase your efficiency of recruitment. The ideas shared in this report are a compilation of industry best practices and in-the-trenches strategies we've learned from our colleagues, partners, and most importantly, our customers.

Challenges Driving Healthcare Hiring Costs

The amount of statistics, studies, and opinions on the root cause of growing healthcare hiring costs makes it difficult to find a definitive explanation. Additionally, the complexity of the industry leads to more complex answers, as the issues can vary widely from provider to provider. With that in mind, the following challenges are the primary issues that drive healthcare hiring costs.

Complex Organizational Structure – Hospitals and healthcare systems by their very nature are complicated organizations layered with specialized workers, key personnel, and disconnected departments. A single hospital could literally have hundreds of different job titles and dozens of departments all working independently. It's not uncommon for workers to hold multiple titles with multiple pay rates, making the recruiting efforts equally complex.

Aging Population & Workforce – Our aging population is creating a unique strain on the healthcare industry. On one end, you have an aging baby boomer population that is putting increasing pressure on the system for more healthcare services; while that same population, that includes our most experienced and qualified healthcare professionals, is aging out of the workforce. The U.S. Census estimates that by 2050, 20.7% of the workforce will be over the age of 65.

Shortage of Healthcare Professionals – The shortage of healthcare professionals is not new and is not getting better. The Association of American Medical Colleges estimates that by 2020 the U.S. will have a shortage of 90,000 doctors and medical specialists. Nursing programs are struggling to expand but are not accepting or graduating enough new nurses to keep up. Some government estimates predict a shortfall of nearly 1 million nurses by 2025.

Challenges Driving Healthcare Hiring Costs

20.7% | Of the workforce will be over the age of 65 by 2050

90K | Estimated shortage of doctors and medical specialists in the U.S. by 2020

1M | Estimated shortfall of nurses by 2025

1.5% | Of medicare reimbursement dollars are at risk based on HCAHPS scores therefore, healthcare recruiters cannot afford a “bad hire”

3.5M | Healthcare workers will need to be hired by 2030 to maintain the current ratio of providers to population numbers

22% | More new medical records and health information technician jobs that will be needed by 2022 to keep up with the transition to e-health and m-health based coding systems

HCAHPS – The patient experience, often reported by the HCAHPS survey, is a key driver for healthcare provider success. Now more than ever, healthcare recruiters cannot afford a “bad hire”—with up to 1.5% (increasing to 2% in 2017) of their Medicare reimbursement dollars at risk based on scores, the potential costs are too high. This in turn requires more prescreening, background checks, and a much more rigorous hiring process. The result is that hiring takes longer, resulting in increased recruiting costs and the potential loss of good candidates who are not willing to wait around for an answer.

Highly Specialized Positions – Doctors, nurses, and other technical medical staff all require very specialized training. There is also an emergence of various new “e-health” and “m-health” positions related to new technology being implemented in hospitals. This only adds to the long list of technical positions to fill. Healthcare recruiters must now find a way to fill highly skilled positions with a shortage of talent and also to fill new positions that may not have existed in their facility just a few years ago.

Affordable Care Act (ACA) – The Institute of Medicine predicts that the U.S. will need to hire an additional 3.5 million healthcare workers by 2030 to maintain the current ratio of providers to population numbers. The ACA is adding tens of millions of newly insured Americans, which places an immediate and urgent strain on the healthcare workforce.

Implementation of ICD-10 – Implementing the new international coding system for medical records is a daunting task that is taxing an already overworked administrative sector of the hospital. It also requires the retraining or hiring of many new workers for new or converted positions. The Bureau of Labor Statistics predicts that medical records and health information technician jobs will increase 22% by 2022 to keep up with the transition to e-health and m-health based coding systems.

Every healthcare organization is unique and is being affected by these and many other factors every day. The resulting impact on recruiting efforts is very challenging and real. In their own way, each of these challenges drives more expensive recruiting programs and increased hiring times, onboarding/training costs, and cost per hire. In light of all these challenges, there are better, faster, and easier ways to recruit.

This report shares 7 ways that healthcare hiring costs can be drastically reduced including:

1. Define Your Target Candidate Profile
2. Always Be Recruiting
3. Delegate and Automate
4. Build Your Employer Brand
5. Get Social
6. Leverage Your Data and Dollars
7. Improve Retention and Internal Referrals

7 Ways to Drastically Reduce Costs

I. Define Your Target Candidate Profile

In a time when there are shortages and immediate needs for most organizations, it's easy to fall into the trap of focusing on quantity and not quality. Decreasing hiring costs can often be attributed to something as simple as reducing the number of "bad hires." This does not just mean eliminating those who snuck through the prescreening process or background checks who should not have been hired in the first place. A "bad fit" can be just as burdensome. Hires that do not fit your culture, structure, or systems will lead to inevitable and costly turnover.

While a number of candidates will be able to "fill in all the boxes" (technical skills, experience, etc.) that does not necessarily make them a great hire. Taking time to outline the "target candidate profile" will save you time, money, and resources in the recruiting process while putting you in front of the professionals you really want to hire.

For example, if your organization has a demand for physical therapists you may target your search with language that is highly specific and describes why your hospital is a great place for those passionate about physical therapy. You will be able to better engage these candidates because you understand their situation and they are a better fit for your organization.

In addition to the job requirements, make a list of the attributes your target candidate will have. This could include anything from the type of experience they have (healthcare sector, organization size, etc.) to where you sourced them (recruiter, referral, etc.). Knowing who you are going after and why will allow you to target your search and streamline your evaluation process.

2. Always Be Recruiting

One of the most effective ways to lower hiring costs and find top healthcare talent is to hire ahead of need. We find that the most successful healthcare recruiters are always recruiting. The organizations that are consistently building relationships and their employer brand are more likely to find and hire the top talent and to do it faster and cheaper.

Making sure that Human Resources and the recruiting department are directly connected to the organization's goals is a big part of this strategy. Understanding the emerging needs and priorities of the organization will allow you to proactively penetrate the markets for future hires.

There are a number of low-cost, easy ways to do this such as:

- **Build a "Nurture Program"** – There are some candidates who might not fit your current needs but may fit your target profile down the road. Don't forget that qualified candidates take time to recruit; on average, it takes nine months to a year to recruit physicians. Create a simple communications plan to stay in touch with all qualified candidates.
- **Build a Candidate Community** – Start your own talent community online by using social media or by building it into your existing website where you can offer great content, tips, and info for your target candidate market.
- **Build a Recruiting Culture** – Make it known throughout your organization that you are always looking for great talent. Recognition and incentives for employees who provide good referrals can help bring in top talent.

Stay focused on keeping qualified candidates engaged. Find fast, easy, and fun ways to connect, build relationships, and ultimately build your team with them.

3. Delegate and Automate

There are a lot of moving parts in the healthcare recruiting process. Many of these processes are administrative in nature and could easily be automated with the right systems. Finding ways, even small ones, in which you can streamline and automate parts of your process can dramatically lower your cost per hire. The tools and technology created to aid in this process have come a long way in recent years. So whether you are using an antiquated ATS (applicant tracking system) or struggling with spreadsheets, here are a few ideas that can help.

- **Automate Administrative Tasks with an ATS** – An online ATS is a great way to simplify and streamline your entire recruiting process. These cloud-based systems now allow you to put all of your recruiting data and processes into one system that can be accessed by your entire organization. Most importantly, you can easily automate many of the time-intensive tasks that are slowing your team down.
- **Candidate Scoring System** – Creating a consistent candidate scoring system, using an ATS or your own manual method, can help you focus on your most qualified candidates. This will help save time and keep your best candidates engaged, resulting in better quality hires in less time.

- Leverage 3rd Party Integrations – There are a myriad of integrations built specifically for the healthcare industry, most of which can integrate with your ATS. This allows you to seamlessly delegate important and time-consuming steps to technology partners built specifically for tasks such as pre-screening, assessments, and more. With the increase in compliance-related steps in the hiring process, this can be a great way to save time and money and to properly protect your organization.
- Align People & Processes – This suggestion may appear simple on the surface, but it can serve as one of the fastest and easiest ways to improve your recruitment results. Chances are that you have a pretty lean team to work with, which is all the more reason to make sure that you are leveraging their strengths properly. Take a look at your team and ask yourself if you have the right people aligned with the right processes. What are their strengths? What do they like doing? Who gets the best results in each area? Tweak a few roles or try something completely new. Don't be afraid to change things up; you might be surprised how much making a change can help.

4. Build Your Employer Brand

Employer branding has become more of a priority in recent years, but you might be wondering how it can actually help lower your recruiting costs. The secret of employer branding is that it creates a powerful self-selection tool for your candidates. This eliminates a large portion of unqualified candidates, or those who are not a good organizational fit, from even applying in the first place. The result is a tremendous amount of saved processing time and the attraction of better quality candidates.

Most healthcare organizations miss the mark on employer branding because it is not viewed as important or pressing enough to be prioritized or it is considered a role of the marketing department and thus overlooked. Any of those reasons may be valid, but they are costing your recruiting department valuable opportunities every day. A recent study by TalentPuzzle discovered that 1 in 3 applications submitted by college graduates are motivated by employer branding.

The good news is that there are some simple steps that you can take to make an immediate impact. Here are a few to consider:

- Evaluate Your Current Employer Branding – This could include something as simple as looking up your organization on Google, reviewing your career site design, or even pulling up your hiring documents. What could your candidates read on Google about working for you? Is your career site up-to-date with a clean and easy to navigate design or was it a basic template thrown up years ago? Is it optimized for mobile use (which is on average half of your traffic)? Are your hiring documents clean and consistent or do they have various versions of your logo and color scheme? These are all part of employer branding and they are the first things your candidates see. Essentially, this is how they evaluate you. Do an honest assessment of your organization, make an action list, and start on the basics.
- Do Your Own Market Research – Sometimes the best data is right in front of us. Ask your candidates, employees, and executives what they think about your employer branding. What do they like? What do they connect with? What suggestions do they have? Elicit input from your marketing department on how to integrate these suggestions into your employer branding.
- Develop Your Employer Messaging – In no way are you trying to rework the corporate messaging, as that is a truly a function of the marketing department. It is important, however, that you have messaging as an employer that speaks to your target candidates. In molding this message you might consider some of the following questions:
 - » What makes your organization special?
 - » What does your organization stand for?
 - » Why would someone want to work there?

Answers to these questions can be a great start in building your employer brand. You'll soon find your best candidates coming to you not just because they know you are hiring, but because they know why you are hiring.

5. Get Social

It's no secret that social media is an important tool for healthcare recruiting. A recent Harris Interactive study showed that 65% of healthcare employers plan to hire recent college graduates. Another Aberdeen Group study found that 73% of 18-34 year olds found their last job through a social network. A 2015 LinkedIn Recruiting Trends Report shows that social professional networks are the fastest-growing source of quality hires, increasing 73% over the past four years. So, if you are looking to hire recent grads or Millennials, you know where to find them—social media.

Social networks are the fastest growing source of quality hires, increasing over the past 4 years **73%**



65%
Of healthcare employers plan to hire recent college graduates

73%
Of 18-34 year olds found their last job through a social network

You probably have also realized that recruiting with social media is quite competitive and can feel like a waste of time. The key is getting beyond the job boards and connecting with your candidates where they are. Used properly, a social media recruiting strategy can be a tremendous tool for reducing your hiring costs as it allows you to target, engage, and recruit those that fit your target candidate profile. Here are a few tips to leverage your online efforts:

- Facebook and LinkedIn and Twitter – Use these social networking tools to talk about employees, job openings, career fairs, and other employment related items. You can easily add a Career Section to your hospital's Facebook page and build a connection with potential candidates.

- Align with Marketing – Chances are that your marketing department already has a social media strategy in place. Ask for help and be sure to communicate how you plan to use the various platforms for recruiting. Some of these platforms, especially LinkedIn, can have a very steep learning curve, so save some time and frustration by asking for help.
- Be Focused – This goes back to tip #1: Define Your Target Candidate Profile. The more you know about who you are looking for, the easier it will be to find them. Social media is a maze designed to keep users engaged. Without a clear path or plan, you will easily get lost and waste lots of time in the wrong areas on the wrong people. In addition to your candidate profile, you will want to identify common professional groups (LinkedIn, Facebook), hashtags (Twitter), or related community/association sites (ASHHRA) where you want to be active.
- Be Active – Common feedback we hear is that social media doesn't work for hospitals. A frequent response we receive is, "We're online but nothing really comes from it." The most important part of social media recruiting is being active. Being active does not mean being logged in or being a fly on the wall in a group discussion, it means being actively engaged. Create conversations, ask good questions, and share great content. It is called social networking for a reason, so conduct yourself online just as you would at a public networking event and you will see better results.
- Be Consistent – A lack of consistency when using social media usually results in ineffective efforts. It is easy to be active for a day or a week or when you are actively hiring, but consistent exposure is key. Social media becomes a place for you to extend your employer brand and begin building your own community. It does not take a lot of time; in most cases less than 20-30 minutes a day is all that you need to maintain a consistent profile. Use tools like Hootsuite or TweetDeck to automate some of your consistent content sharing, and be sure to watch the ratio of content vs. promotion. Consistency is great, but be sure that 80% or more of your posts are adding value to your audience and that you are not just posting job announcements.

Keep in mind that social media is another “hook in the water.” It’s a very inexpensive way to leverage your employer brand and connect with your target candidates. However, it is more of a passive recruiting strategy, so set your expectations accordingly. It’s a great way to enhance your online job boards and direct recruiting, but it takes focus, activity, and consistency to reveal results.

6. Leverage Your Data and Dollars

Healthcare recruiting is tremendously competitive, and recent trends indicate that it’s not going to change anytime soon. One common mistake made by many healthcare providers, and most other industries for that matter, is overpaying to get great talent. That does not mean that better talent does not warrant better pay. It does mean, however, that you do not have to overpay.

In fiercely competitive industries like healthcare, it’s easy to adopt a scarcity attitude and simply use higher pay as your only way to attract top talent. Would you believe that some candidates might even come to your organization for less? A recent GlassDoor survey revealed that 66% of healthcare professionals are likely to accept less money to work at an organization with a great culture.

The takeaway here is not just to lower your offers or mindlessly overpay, it is to recognize that there are more factors at work, many of which are in your control. Keeping your finger on the pulse of some key data points can go a long way in helping reduce your recruiting costs. Here are two ideas to consider:

- Know Your Numbers – Identify how your existing employees are being paid. How is pay allocated? Who receives bonuses and why? Do you have a pay for performance model? All of these questions can help you develop creative pay strategies to attract top talent without giving it all away up front. You may also be able to adjust your offers to better allocate base pay and to leverage your recruiting dollars better. A great way to do this is to work closely with your colleagues in compensation to better understand and be aligned with their compensation strategies. The main goal here is to pay appropriately.
- Know Your Market – While market compensation data is somewhat of an inexact science and is a quickly moving needle in healthcare, it’s still helpful information to have.

In fast-moving, competitive markets like healthcare, it’s easy to assume that you know the market pay rates, but it could vary greatly based on the region, specialty, or even size of the organization. Your candidates may have a very different idea of market pay based on their prior experience, so the more data you have to work with the better. There are a number of great compensation survey services and your compensation department will be a great resource.

7. Improve Retention and Internal Referrals

Whether you are talking about new customers or new employees, the rule is the same: it costs much more (7-10 times as much) to find a new one than to keep the one you have happy. Put another way, there is no better way to reduce recruiting costs than to reduce the amount of recruiting you need to do.

The idea here is to work both sides of the funnel. So much of recruiting is focused on attracting new talent, as it should be. However, working to improve retention and internal referrals can be one of the most effective recruiting strategies you can employ. Here are some effective strategies to consider:

- Make Retention Part of Recruiting – The ultimate success of recruiting lies in the retention of your top talent. Healthcare recruiters can play a big role in this process as they have one of the greatest impacts on a new hire. Some easy ways to boost retention of recruits include:
 - » Create a Communication Plan – Map out how you connect with your candidates during the entire hiring and onboarding process. Highlight the touch points and note any glaring gaps. Remember, this is an overwhelming time for them and our job is to make it as easy as possible for them.
 - » Set up a Socialization Program – Help new hires get acclimated to the workforce faster by connecting them with colleagues they will be working with.
 - » Implement Stay Interviews – In the book *The Seven Hidden Reasons Employees Leave* by Leigh Branham, it’s estimated that 35% of American workers quit in the first 6 months. One way to boost your retention is to implement stay interviews as part of the onboarding/training process. Stay interviews are a simple one-on-one meeting between a manager and the new

employee designed to identify reasons the employee might stay or leave. Implementing stay interviews at the 90-day mark can be a great retention tool.

- Re-Recruit Your Top Talent – Remember all of those great hires you had? Hopefully they are still there and looking for a new opportunity within the organization. Recruiting internally can be a great way of sourcing the talent you need. Internal job boards, career sites, and communications are all effective ways of spreading the word to your existing workforce.
- Employee Referrals – In most cases a candidate referral from an employee who fits your “target profile” results in the best quality candidates. Not only do you avoid the time and costs of recruiting (estimated to be \$30K and up for most medical positions), but also you often begin the relationship with a warm introduction from a trusted colleague. Create an incentive program to encourage your employees to refer great talent, and watch your recruiting team grow.

Summary

Healthcare hiring is hard, but it doesn't have to be. Even with the influx of competition, compliance, and complexities surrounding the healthcare industry, there are an equal number of strategies to help reduce your recruiting costs. By utilizing both the direct and indirect recruiting methods shared in this report, you can develop new ways to improve your quality of hire while reducing your cost per hire. In summary, the seven ways to reduce costs that we covered included:

1. Define Your Target Candidate Profile- Outline a profile of your target candidate to put you in front of the professionals you really want to hire and to save time, money, and resources.
2. Always Be Recruiting- To maintain efficient recruiting, you must understand the emerging needs and priorities of your organization and build a system to stay in contact with qualified candidates.
3. Delegate and Automate- Streamline and automate parts of your recruiting processes by using the right systems.

4. Build Your Employer Brand- Create a clear branding message to eliminate a large portion of unqualified candidates from applying while also attracting better quality ones.

5. Get Social- Go beyond just posting on job boards and actively use social media to engage with and recruit potential candidates.

6. Leverage Your Data and Dollars- Know your salary numbers and the market in order to pay new hires appropriately.

7. Improve Retention and Internal Referrals- Create an employee referral incentive program and make retention of existing employees part of your recruitment plan.

Take some time to review these seven ideas and complete an honest assessment of your organization. Where is the easiest place to start? What do we need the most help with? Do we have the people, processes, and technology in place to execute our plan? Answering these questions will help you create a strategy that will dramatically reduce your healthcare hiring costs.

About HealthStream:

HealthStream is a leading provider of workforce, patient experience, and provider solutions for U.S. healthcare organizations. We are dedicated to improving patient and resident outcomes through the development and support of healthcare organizations' greatest asset: their people---the professionals on the frontline of care delivery every day.



209 10th Avenue South - Suite 450
Nashville, TN 37203
800.933.9293
www.healthstream.com

HEALTHSTREAM (NASDAQ: HSTM)

HealthStream is a leading provider of workforce development and research solutions for providers throughout the continuum of care. We are dedicated to improving patient and resident outcomes through the development of healthcare organizations' greatest asset: their people—the professionals on the frontlines of care delivery every day.

REFERENCES CITED:

Colosi, Brian, "2015 National Retention & RN Staffing Report," NSI Nursing Solutions, Inc.. www.nsinursingsolutions.com, March 2015.