

Delivering Quality Health And Social Care In Uncertain Times: How To Get Control Over The Supply And Cost Of Agency Workers



A Guide For HR
And Procurement

Introduction

“Pressure on health and social care services across Northern Ireland is reaching crisis point. The recent cash injection of £40 million can only offer short-term respite for those HSC Trusts tasked with finding a further £30 million of cashable savings.



At the same time demand is increasing for services that health care boards are legally obliged to provide. Without the right number and quality of practitioners in post these services cannot provide the standard of care we wish to give our most vulnerable members of society.

With funding of public services already in a tenuous state trustees can have little confidence the situation will improve within the current political crises. All this means HSC’s will have to get a greater control of recruitment spend if they are to continue to meet future demand for services.

And this is a goal that can only be achieved through the proactive management of recruitment supply chains. It became a big trend in the public sector over the past decade. Some trusts are a long way down this journey, and others have yet to embark. This is a guide for those at the start of the journey, to introduce terminology and explain how it works for an organisation.”

— **Chris Grimes**, Sales Director, Matrix SCM

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What Is A **Recruitment Supply Chain**? Who Has Them? What Are The Different Parts?

A supply chain refers to all the people, technology and processes involved in recruiting an employee. Instead of recruiting a candidate directly through its in-house HR function, an employer recruits candidates through an agency.

Supply chains can comprise single or multiple tiers. An employer may manage its relationship directly with multiple recruitment agencies, or more usually with high volume recruitment, appoint a master agency to manage those relationships on its behalf.

Typically, Health and Social Boards across Northern Ireland recruit through recruitment agencies in some way or another, however without a formal agreement in place, the process can often be chaotic and inefficient.



What Problems Come From Having A Recruitment Supply Chain?

An employer passes control of the recruitment process, either in part or whole over to the supplying agency. In turn, this enables the supplying agency to control the supply chain including costs, the agencies it works with and the candidates it chooses to put forward for selection.

With the balance of power firmly in favour of a supplier, HSC Trusts are potentially at the mercy of vested commercial interests, which could include:

- Supplying workers signed to their own agency first rather than putting forward the best candidate from another agency;
- Holding staff back particularly in hard to fill roles forcing the local authority to make a costly, distressed purchase;
- Time-to-fill a role takes longer as agencies without a suitable candidate, sit on a vacancy, rather than pass the opportunity to another agency;
- Playing one board against the other secure higher agency fees;
- Encouraging workers in post to “jump” mid-contract to a higher paid role with another board;
- Most agencies conduct retrospective, sample based, compliance checks, which increases the risk of a HSC Trust appointing a worker who does not comply with employment rules.

🚫 How Does This Hamper A HSC Trust?

Under increasing pressure to deliver more with less trusts are struggling to:

- Meet fulfilment requirements especially for harder to fill, niche and short notice requests;
- Attract applications from the best candidates;
- Control cost: without clear visibility of spend this is very difficult making the delivery of year on year cost savings harder;
- Anticipate and respond to a dips or surge in demand;
- Be confident 100% of workers are employment compliant before taking up post;
- Control their employer brand and enhance candidate experience;
- Deliver on strategic and local needs.



What Are The Options For Managing A Recruitment Supply Chain?

An employer has three main options each carries advantages and disadvantages.

Informal Ad-Hoc Arrangement / Preferred Supplier List

Low cost but tends to be a hugely time-consuming approach to recruitment because the council takes responsibility for managing recruitment and their relationship with supplier agencies, compliance and processing payment of workers across multiple agencies. It is not possible to achieve economies of scale or create management information on agency resource spend. Liability remains with the local authority.

Master Vendor Single Supplier or Managed Service Provider (MSP)

This is a less time-consuming approach because the Trust outsources recruitment to a large brand agency, who manages a supply chain of other recruitment agencies. The Trust deals with a single point of contact which reduces demand on internal HR resource. However, the lead agency has a vested interest in its own success and is likely to submit its own candidates in the first instance even if those further along the supply chain are more suitable for the role, consequently:

MVs often struggle to fulfil all of the Trust's diverse requirements particularly within harder to fill job categories and hold on to new orders for too long in an attempt to find their own candidates.

Talent from specialist local and smaller recruitment consultancies outside of the lead agency's supply chain can be overlooked simply because they registered with a non-participating agency.

Neutral Vendor Managed Service Provider

Provides all the advantages of a MSP with regard to size of talent pool economies of scale without a vested interest in any single agency getting the business. Power is shared equally between the local authority and the Neutral Vendor, resulting in:

- Increased choice, quality of candidates;
- Greater access to diverse supply chain and SME suppliers;
- Greater visibility over spend and usage of agency;
- Transparency in pricing;
- Compliance checks;
- Ease in filling 'harder to fill' vacancies;
- Management information – predict trends.

How To Put A Supply Chain In Place

Gather together in-house experts, procurement, HR, business and hiring managers to identify current and future recruitment needs and select an approach to managing a supply chain that best meets these needs.

Conduct a tender process driven by procurement to ensure your appointed solution drives maximum cost savings and business benefits.

Implement the solution, which may involve changing HR processes and IT and payroll systems and training staff.

Educate your supply chain – teething issues will inevitably occur post implementation. Take time to educate your supply chain around your specific and local needs.

Areas of gain from neutral vend managed by supply chain are:

- Savings in recruitment agency spend;
- Improved fulfilment rate and time to recruit;
- Better supply chain;
- Reduction of off contract spend;
- More simple and efficient end to end system for procuring agency workers.

Conclusion

Almost all Health and Social Care Boards in Northern Ireland recruit through a supply chain. Many are waking up to the fact that most supply chains are managed to the commercial advantage of the supplying agency. Only an approach that manages the supply chain to the Trust's competitive advantage will be able to deliver cost savings and wider business benefits.





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