



Complementary Recruiting

How to Choose and Work With a Search Firm

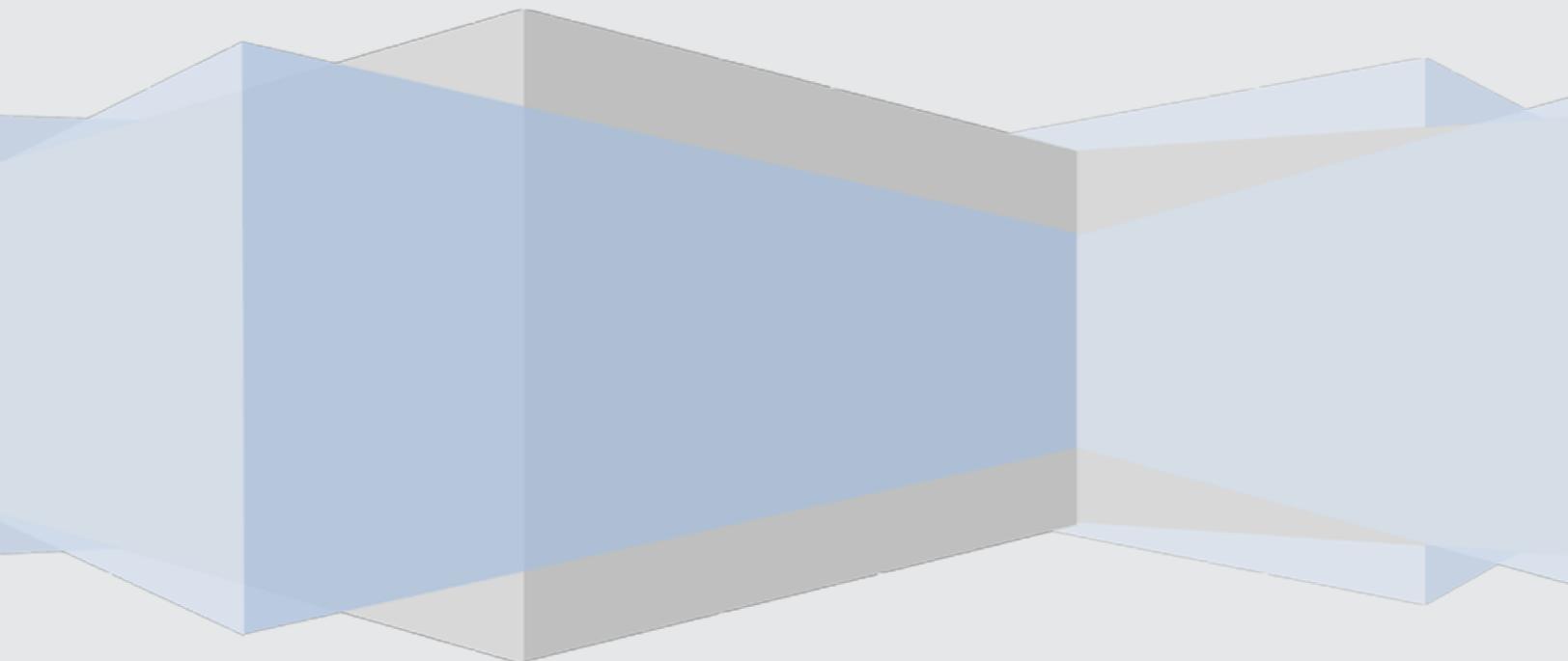


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Complementary Recruiting

How to Choose and Work With a Search Firm

This guide is provided to help explain best practices in physician recruitment. Its objective is to assist in-house recruiters with understanding acceptable industry standards when utilizing physician search firm services. It is the result of information gathered by the National Association of Physician Recruiters (NAPR) over many years through its Ethics Committee, survey information, and inquiries made by in-house recruiters to the NAPR Headquarters. The guide is especially advantageous to the new in-house recruiter who seeks insight into the basic relationships with physician recruiting firms.

Who Are We?

The National Association of Physician Recruiters (NAPR) is the premier professional organization representing thousands of recruiters who are dedicated to excellence in serving the healthcare industry. The Association is committed to providing continuous and dynamic educational programs, governance through a Code of Ethics (http://www.napr.org/pdf/Code_of_Ethics_2009_May.pdf), and innovative candidate sourcing services to enhance the recruitment efforts for our members. Our non-profit trade association has been in existence since 1984 and comprises the most knowledgeable experts in physician recruiting.

Chapter One

HOW DO I CHOOSE A SEARCH FIRM?

What's the difference between contingency and retainer firms?

Contingency firms represent either candidates seeking jobs or clients seeking candidates to fill an opportunity. Fees are paid upon the successful placement of a candidate. NAPR's Code of Ethics prohibits member firms from charging candidates fees for their firms' services. Client organizations do not pay an up-front fee to contingency recruitment firms. Usually there are no expenses involved with this approach.

Retainer firms represent clients who are seeking candidates to fill a client's opportunity. Some or all of the fees can be paid in advance, or often over a specified amount of months, or paid with an initial retainer and the remainder of the fee paid upon the successful placement of a candidate. Retainer firms offer a more committed approach and daily attention to a client organization's search. The client pays for the cost of sourcing to identify prospective candidates. These reimbursed costs which are incurred by the recruitment firm usually include a specified number of recruitment calls per day, direct mailers, advertisements in specific journals, website advertising, email blasts, attendance/exhibition at specific trade shows or scientific assemblies, residency program presentations, and more.

Should I use a Large Search Firm or a Small Search Firm?

There are no assured advantages to using either a large or small firm. The deciding factor for any client should be how comfortable the client is with the search firm based upon the search firm's credibility, success rate, and understanding of the client's needs.

What Should I Know About Fees and Contracts?

Whether you work with a contingency or retainer firm, the amount of the fee is specific to each firm. Some firms charge different amounts for primary care, surgical specialties or because of the difficulty of a certain specialty.

Common elements of a search firm contract include:

- Specialty to be recruited.
- Fee and payment schedule.
- Expenses reimbursement (usually in retainer agreements).
- Length of time a candidate referral is valid (usually one to two years from the date of the original referral of the candidate).
- Replacement guarantee (language stating what occurs if the candidate fails to start or stay a certain period of time).
- Exclusivity (requiring the client to use only the firm contracted to conduct the search).
- The laws of the state which will govern the terms of the contract.
- The client's commitment to pay for candidate interview expenses.
- Term of contract and conditions outlining when or how the search contract can be terminated.

What Should My Expectations Be? Is There a Standard Length of Time to Fill a Search?

There is no standard time to fill a search. However, the search firm should be able to give a projection based upon its assessment of the client's location, candidate specifications and market for the particular specialty sought.

Who is My Contact Person?

Since interpersonal relations between the search firm and client are critical for strong working relationships, the in-house recruiter should ask if the person who sold the search is the same person who will be working on the search. If he or she is not the person who will be working directly with the client, then the client should be given a biography of the person who will be their search consultant and request a conversation with the search consultant to be sure there is a comfortable chemistry and confidence.

Should I Ask the Search Firm for Client References?

Retainer firms and contingency firms should provide the names of client references, if asked.

Clients may contact the National Association of Physician Recruiters, 800-726-5613, to inquire if a member firm is in good standing.

How many search firms should I work with?

The number of search firms a client chooses to work with is subjective. If the search is conducted on a retainer basis, there should be only that one firm involved. Clients who work with contingency firms may work with as many firms as they want. However, choosing a small core group of firms with which the client is comfortable will reduce the volume of calls from uninformed recruiters, and more importantly, reduce the possibility of duplicate referrals and potential fee disputes.

The firms with which the client chooses to work will do their utmost to find suitable candidates. Candidates who are seeking a certain geographic area may be represented by numerous recruiters. Candidates should be referred properly and formally.

Chapter Two

WHAT SHOULD I EXPECT?

What's the Difference Between an NAPR Firm and a Non-NAPR firm and Why Should I Care?

When working with an NAPR member firm, you will have remedies in the unlikely event your experience is unfavorable. No search firm is too large or too small to belong to NAPR and abide by its Code of Ethics. It's about a standard of excellence and the commitment by the search firm to provide the precise service for which the client contracts. Size of the firm is not relevant.

The NAPR is the only international organization whose membership includes traditional physician search firms, in-house hospital recruiters, physician groups, contract staffing and locum tenens organizations as well as other physician employers. Our diverse membership is unified by these characteristics:

- We abide by a Code of Ethics.
- We have processes to amicably resolve issues or clarify questions that may arise.
- We are committed to the continuing education and improvement of our members as it relates to developments in healthcare and the process of improving recruitment techniques.
- We offer candidate sourcing programs for our members to aid with identifying physician talent for our members while significantly reducing costs. Only NAPR members have access to this specific pool of candidates.
- We are leaders and innovators. We both understand the laws affecting physician recruiting, and we help our members understand the effects these laws have on our industry. We are pacesetters who continue to provide remedies in this growing physician shortage marketplace.

By choosing to work with a member of NAPR, you can be assured that your physician search will be managed by a highly skilled recruiting professional.

The NAPR strives to continuously distinguish itself through its commitment to the improvement of the standards for the recruiting industry, its integrity and honorable business practices. We are devoted to providing ongoing industry leadership into the twenty-first century.

Chapter Three

IS THIS BAD BEHAVIOR?

Is This Bad Behavior—Can They Do That?

- ***Unsolicited Referrals***

Our hospital received an e-mail list of physician names and specialties from a recruiter we've been working with who wanted to let us know she is representing the listed physicians because she wanted to make sure she gets credit for these "alleged" referrals. Can the recruiter do that?

NAPR members do not make referrals unless they have their client's permission and also the permission of the candidate(s) with whom they are working. It is unacceptable to submit only a list of names. The Code of Ethics requires that the recruiter who provides the name of a candidate must send the candidate's Curriculum Vitae by the end of the next business day to validate the act of referring the candidate. This essential act by the client will protect the validity of a referral from a firm that made a proper referral.

If you receive any unsolicited candidate name(s) or Curriculum Vitae, immediately notify the recruiter, in writing, that you will not accept the name(s). This will invalidate any future attempt by that recruiter to claim a fee for an improperly referred candidate. If you do not respond immediately and with clear language there may be an implied consent that you accept the names as valid referrals, thereby negating the referral of the search firm which followed the accepted standards.

- ***Unscreened Candidates***

I sometimes feel I am wasting my time contacting some search firms' candidates. Why aren't the candidates screened better?

It is true that some firms will not appropriately screen candidates. However, prior to making a referral, NAPR members are required to examine a candidate's education, employment history, abilities and qualifications to ensure that the candidate generally possesses the attributes that best fit the client's practice opportunity, and that the candidate has expressed an interest in the opportunity.

- ***Maintaining Confidentiality***

I'm reluctant to give a recruiter complete information about our opportunity because we're setting up a Center of Excellence which we don't want our competition to find out about until plans are finalized. Should I be concerned that the recruiter will divulge confidential information about our plans and compensation to others?

NAPR members are required to maintain all confidences relating to business practices of clients or potential clients. However, keep in mind that the more information you provide the recruiter, the better he or she will be able to represent your opportunity to prospective candidates.

- ***Discrimination***

We prefer to replace a female OB/GYN with another female OB/GYN. Why is the search firm refusing to present only female candidates?

It is the obligation of the search firm to present all qualified candidates. All search firms must adhere to all EEOC, state, local or federal laws and regulations relating to discrimination.

- ***Circumventing Authority***

Our in-house recruiter didn't reply fast enough to the referral from the search firm, in the search firm's estimation, so the search firm recruiter contacted our in-house recruiter's boss. Does NAPR condone this type of behavior?

NAPR does not condone such behavior and expects its members to conduct business with any client or potential client utilizing reasonable standards of professional conduct.

Chapter Four

I'VE BEEN BURNED!

Most Common Complaints Against Search Firms.

- ***Took the money and ran. I paid a fee, why haven't I ever heard from the recruiting firm again?***

NAPR members are required to provide regular search updates and furnish the recruiting services for which the client contracted. If the client has not received the contracted services, the client may file an Ethics Complaint. If the NAPR firm is found in violation of the Code of Ethics, the firm may be penalized, including the possibility of expulsion from the NAPR.

If the search firm is not a NAPR member, you should still attempt to rectify the situation by contacting the firm's owner. If that is unsuccessful, you may have to resort to legal action.

- ***Didn't honor the guarantee. The doctor reneged on her commitment and won't be coming to our community; why won't the recruiting firm replace the doctor?***

Some firms may offer replacement guarantees, whether or not they have a guarantee clause in their contract, because they value the client relationship. If the firm is an NAPR member and the contract requires a replacement, and the firm refuses to identify a replacement candidate, then the client may file an Ethics Complaint. If there is no guarantee clause or the doctor worked longer than the guarantee period, you have no recourse.

If the search firm is not an NAPR member, you should still attempt to rectify the situation by contacting the firm's owner. If that is unsuccessful, you may have to seek legal recourse.

- ***Cleared a candidate name but the search firm never sent me the CV!***

NAPR members agree that an in-house recruiter who accepts a referral and as such has "cleared" or accepted the candidate's name, must receive the referred candidate's Curriculum Vitae or appropriate Curriculum Vitae information by the end of the next business day in order to validate the referral. An NAPR member is required to provide the Curriculum Vitae information within the next business day or the referral is invalidated.

- ***Had a listing/databank service conflict. Our health system has a physician database. A firm made a referral and we found the name of that doctor in our database. Why does the search firm think it deserves a fee for the placement?***

NAPR members are well aware that clients have access to many of the same resources that recruiting firms do. If an NAPR member submits a referral to a client and the client finds the candidate's name in its database it is not sufficient to deny the firm its earned fee. In order for the client to deny the fee, the client must have been in contact with the referred candidate within the past 30 days, and have scheduled or is in the process of scheduling an interview.

Clients should inform the recruiter prior to establishing a formal working relationship that they subscribe to a databank, match service, or candidate listing service which could directly or indirectly affect the firm's eligibility to receive its fee.

- ***Claims I owe a fee because of Procuring or Substantial Cause. Our practice spoke to a family practitioner about our job but rejected the candidate because she did not deliver babies. One year later the recruiting firm presented the same candidate and the candidate had the required training to do obstetrics. Do I owe a fee?***

A fee is due because the firm presented the candidate who had now gained the appropriate credentials. Therefore, had it not been for their efforts, you would not have known about the added qualifications the doctor acquired. In recruitment terms the firm was the "procuring cause" which led to the placement.

Procuring or Substantial Cause as defined by the Code of Ethics: A continuous series of events which substantially contributes to a placement. The concept of Procuring Cause is strongly supported by the NAPR as a means of rewarding the Procuring Agent for his or her efforts relating to a placement. Procuring Cause constitutes the activities required as a standard of performance which comprehensively supports the best interests of both the hiring entity and the candidate.

- ***Provided a low number of candidate referrals. The search firm only sent me two candidates; shouldn't I have gotten numerous referrals?***

The client's geographic location, the number of potential candidates in a given specialty and other factors may impact the number of available candidates. While you may not have received the volume you expected, trust that your recruiter will present the most qualified candidates to meet your needs. The bottom line is that if the firm presented only one candidate, but that candidate was qualified and interested and you hired that candidate, then the firm satisfactorily completed its service.

- ***Poor reference/background checking. Why didn't the search firm do a better job checking the candidate's references?***

While many recruiters may conduct due diligence to corroborate the information which candidates provide based upon contracts or verbal agreements with individual clients, it is the ultimate responsibility of the hiring entity to credential the candidate.

Public records can be searched; however, licensure issues which are under investigation are not discoverable until resolved and, therefore, a license verification will only show resolved outcomes with some sort of sanction. Additionally, recruiting firms do not have access to all resources that healthcare organizations may have, such as the National Practitioner Data Bank. A physician may provide a self query to the firm; however, the firm cannot formally request the information from the National Practitioner Data Bank.

- ***Controversy between two firms claiming the same candidate referral. Two search firms are claiming the referral to our hospital for the same candidate—now what?***

An NAPR member will immediately withdraw the candidate's name upon learning that another recruiter has previously and properly referred the same candidate. (Referral as defined by the Code of Ethics: "A Candidate requested by an organization or another firm or a Candidate presented in writing by an NAPR member to an organization or another firm seeking to recruit.") It is also the obligation of the client to clearly and timely respond to a referral to avoid these kinds of conflicts.

- ***A Firm expecting a higher fee. Our medical practice had a verbal contingency fee agreement with a search firm and now that a placement has been made, they want more money because the search was more difficult than they thought. Can they do that?***

NAPR members negotiate all financial arrangements with potential clients or clients with which they intend to do business prior to any formal written agreement. The financial agreement should indicate all conditions under which a fee may incur, the amount of the fee due and terms of payment, all of which are memorialized in writing prior to commencing a search.

Although an oral agreement between entities may, in some cases, be valid if irrefutable proof of this relationship can be demonstrated, it is far better to have an executed contract defining the terms.

Chapter Five

WHAT CAN I DO IF THE RECRUITMENT SERVICE IS UNSATISFACTORY?

Complaints and Remedies.

NAPR takes violations of its Code of Ethics seriously and carefully examines each complaint made.

FILE AN ETHICS COMPLAINT

If an attempt has been made to resolve the conflict directly with the other entity, with no success, an Ethics Complaint may be filed. Complaints may be in writing or via telephone to NAPR Headquarters or the Chairperson of Ethics and must be received within 12 months of the alleged violation, unless the Ethics Committee determines there were extenuating circumstances which delayed the filing of the complaint.

- The Complainant (the person filing the complaint) will be asked to provide a brief explanation of the circumstances.
- All information submitted pertaining to a Complaint is confidential.
- Following an investigation and a subsequent meeting by the Ethics Committee, a determination will be made and both parties will be notified in writing of the outcome.

UTILIZE NAPR ARBITRATION

The Arbitration Committee provides a forum in which parties involved in fee disputes may air and resolve their problems as an alternative to litigation. NAPR arbitration is non-binding.

The NAPR cannot take action against any firm which is not a member of NAPR.

Chapter Six

WHAT CAN I DO TO AVOID MISTAKES?

What Can I Do to Avoid Mistakes and Work Cooperatively With a Search Firm?"

- **Partner with a professional.** The recruiting firm you choose represents you, and their reputation and image are reflected by their success. Utilizing NAPR member firms provides clear standards and safeguards throughout the process. Do research when choosing a search firm. You can find a member directory at www.napr.org and you can call NAPR headquarters at 800-726-5613 to inquire as to whether a member is in "good standing" with NAPR.
- **Set Expectations Up Front.** Letting the firm know what your expectations are is important. Let the firm recruiter know how you work and what you expect from him or her. Ask what the recruiting firm requires from you. Ask for a clear understanding of how the firm recruiter works. Explain what your needs and timeline are for your open searches and discuss the firm recruiter's ability to meet these criteria. This will help ensure a mutually successful working relationship.
- **Avoid Fee Conflicts.** Excellent record keeping is your first defense against finding yourself in a fee conflict. Many in-house recruiters prefer to clear candidate names only through email. This is very helpful for documentation purposes and makes logging referrals easier. Logging all referrals by referring firm, specialty, name, and date of referral is critical. An efficient and preferred method is with a computerized spreadsheet program which has "search" capabilities. This way, you can enter a candidate name and specialty and search each new potential referral before accepting/logging a duplicate. Avoidance of acceptance of duplicate referrals is key in eliminating conflicts. Documentation is extremely important in the process and imperative to have when a conflict arises.
- **Be aware of "First In versus Procuring Cause."** The question of who is entitled to a fee when there is a conflict regarding "procuring cause" versus "first in" is an all too common issue many recruiters face in business. This issue can put the client at risk for paying a double fee.

"First In" means the firm which referred the candidate first to the client. The firm which claims it has the first bona fide referral must provide the Curriculum Vitae within 24 hours of submitting the name. Many times the firm which states it sent the candidate's Curriculum Vitae in first to a client for consideration, is not entitled to "First In" credit because no Curriculum Vitae accompanied the candidate's referred name.

Procuring Agent is the firm which claims it brought about the placement. The firm believes without its efforts, the placement would not have been made. It contributed to a series of events that culminated in the placement.

Procuring or Substantial Cause as defined by the Code of Ethics: A continuous series of events which substantially contributes to a placement. The concept of Procuring Cause is strongly supported by the NAPR as a means of rewarding the Procuring Agent for his or her efforts relating to a placement. Procuring Cause constitutes the activities required as a standard of performance which comprehensively supports the best interests of both the hiring entity and the candidate. Despite NAPR's strong endorsement of the concept of procuring cause, a valid, documented "First In" referral will invalidate procuring cause.

- **Know what steps to take if you have a fee conflict.** The first step is to find out if both parties are members of NAPR. Inform the firms that there is a conflict and ask them to work it out and respond back to you in a timely fashion. If they cannot, the firms can seek non-binding arbitration through the NAPR's Arbitration Committee.
- **Be circumspect regarding Discrimination.** Recruiters are often inadvertently asked to discriminate in the pursuit of suitable candidates. Clients may ask for "younger" or "female" doctors. These requests affect both recruiting firms working with an in-house recruiter, and in-house recruiters who may be helping a local physician group.

Requests for recruiters to identify "young, American born, female, Christian", etc. candidates violate the Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits employment discrimination based on race, color, religion, sex, or national origin. Whether intentional or not, discrimination is illegal.

The Equal Employment Opportunity Commission's Compliance Manual (www.EEPC.gov) states that recruiters may be held legally responsible for the discriminatory actions of their clients.

What is NAPR's position on discrimination?

The Code of Ethics clearly prohibits discrimination. NAPR represents the standards for our industry and consequently requires members to avoid any semblance of legal impropriety by avoiding language, phrasing or actions which are either discriminatory or could be deemed discriminatory.



THREE DECADES OF EXCELLENCE

The National Association of Physician Recruiters, in existence for almost 30 years, is the only organization which is comprised of both in-house and for-profit recruiters. This combination of expert recruiters provides both a wealth of experience and a unique perspective which can significantly improve your chances of success.

NAPR provides its membership with information about the latest trends, recruiting techniques, basic and advanced education and invaluable candidate sourcing tools, so our members can provide state-of-the-art assistance when you call upon them.

Whether you use a search firm for a one-time difficult search or choose to avail yourself of an ongoing advisory, consultative or supportive relationship, NAPR members are proud and committed to serve you. Why not partner with the best?

Complementary Recruiting Guide Committee:

Jane E. Born, Ethics Committee Chairperson; CEO, Born & Bicknell, Inc.

Wanda M. Parker, Security Committee, Chairperson; Principal, The HealthField Alliance, Inc.

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