



### **Business process: Employing the self-service model for successful staffing management**

UnitedHealth Group ([www.unitedhealthgroup.com](http://www.unitedhealthgroup.com)), an innovative leader in the health and well-being industry, employs a team of 29,000 professionals who provide multiple health care related products and services to nearly 35 million Americans. One of America's most admired health care companies, according to Fortune Magazine, UnitedHealth Group's goal is to combine outstanding clinical insight with consumer-friendly services and advanced technology to help people achieve optimal health. The company consists of five distinct business segments and offers services ranging from network-based health care coverage for small, medium and large companies, global drug development and marketing services for the pharmaceutical and biotech industries, to providing investment capital for startup and early-stage companies that operate in the areas of health and well-being.

Having achieved significant benefits utilizing advanced technology in its own industry, UnitedHealth Group felt that similar benefits could be brought to the organization by adopting more advanced technology for its Human Resources division. Realizing the untapped potential of HR within the organization, in 2000, UnitedHealth Group undertook an initiative that would free HR from the burden of administrative transactions and enable the company's transformation to a strategic corporate partner. The team crafted a plan built squarely on the corporation's core values as set forth in the company's *Rules of the Road*, written by the company's founder, Bill McGuire, which states in part that the corporation will, "...cultivate policies and behaviors that value and reward working together," and, "...reward entrepreneurial qualities such as decisiveness, creativity, thoughtful risk taking and speed."

In keeping with these principles, UnitedHealth Group HR leaders set in motion a bold plan built on the decision to automate and outsource 105 transactional Human Resources functions. *HR Direct* is UnitedHealth Group's leading edge, self-service program that empowers both management and employees with the ability to control their own career development and well-being. Freed from the day-to-day administrative burden of a traditional HR function, recruiters, hiring managers and specialists at the organization are becoming highly consultative and focused on adding value.

### **The evaluation process**

UnitedHealth Group Vice-President of Recruitment Services Thomas Valerius spearheaded the Request For Proposal (RFP) process and, after careful due diligence and research, ultimately invited 10 vendors and assembled a selection team including individuals from both HR and IT. Seeking a Web-based solution that would align with UnitedHealth Group's philosophy and vision of a self-service model, the selection team evaluated vendors based on five primary criteria:

- ▶ PeopleSoft HRIS integration capabilities
- ▶ System functionality/technology
- ▶ The financial stability of the vendor
- ▶ References from other companies in the local community
- ▶ Implementation methodology/professional services offering

### **Integration is key to the selection process**

Expressing the company's strong desire to attract and retain the best people, Valerius stated, "We found the perfect partner in Taleo. The company's team of professionals has a solid understanding of the technology and services necessary for effective staffing management and we feel the company's approach, which involves self-service automation, is completely in line with the long-term needs of our organization."

"Integration capabilities were absolutely the biggest part of the RFP process," stated Valerius, "We had lots of technical people involved. Quite frankly, we were surprised at the complexity of the integration and were impressed by what Taleo offered to meet our needs."

Valerius, who reports high levels of implementation satisfaction from Phase I, which went live in January 2002 through Phase III, which was recently deployed, explained, "We selected Taleo because we wanted the best tool that would fit our company's philosophy and business objectives. That, along with the ability to seamlessly integrate to our PeopleSoft (HRIS) system, was our primary selection criterion. We were confident that Taleo had the most comprehensive staffing management solution that was clearly superior to any other and would integrate smoothly with our HRIS."

Beyond those primary areas of focus, UnitedHealth Group's major goals for a successful implementation included a number of criteria against which Valerius reported Taleo scored well:

- ▶ A streamlined, online requisition approval process allowing self-initiation by hiring managers and collaboration with recruiters and other HR professionals
- ▶ A skills-based solution that would enable a totally paperless process and less administration
- ▶ Robust reporting capabilities that would provide for accountability from all parties involved in the staffing process
- ▶ A system that would enable the company to track and control costs associated with staffing and measure other metrics such as time-to-hire and return on sourcing
- ▶ The ability to post to major job boards from one central source and enhance the corporate brand

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**Thomas Valerius**  
VP of Recruitment Services

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**Nathan Swanstrom**  
Manager of Information Systems

#### **A successful implementation across the board**

The implementation strategy and solution was rolled-out in three phases to cover the six business units that comprise UnitedHealth Group. A cross-functional core team was assembled to represent the appropriate business segments. Implementation began with a “Change Analysis” study conducted by Taleo consultants, which included a comprehensive review of existing practices and, importantly, examined the prevailing beliefs and attitudes of a cross-section of UnitedHealth Group recruiters and hiring managers. The resulting report outlined 11 proposed recommendations including Service Level Agreements (SLAs) for hiring managers, specific performance management metrics, role specialization and internal customer satisfaction surveys. Several of these initiatives have been successfully implemented with more currently in the planning stages.

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Leading the technical evaluation, as well as the team currently responsible for completing the integration scheduled for completion this summer, was UnitedHealth Group Manager of Information Systems Nathan Swanstrom. “Taleo has been very accommodating, and able to respond to our varied requirements,” stated Swanstrom. He continued, “The team has provided a flexible framework of XML and messaging that will make the integration with PeopleSoft a large success. From a technology standpoint, Taleo is way ahead of the curve with the tools it brings to the industry.”

“Early returns on the system are very good,” says Valerius, “and the implementation was on-time and on-budget.”

#### **With Taleo: The long-term benefits**

UnitedHealth Group recruiters are currently servicing 5,500 hiring managers and effecting approximately 10,000 employees per year. Since January, online job applications have grown steadily on a month-by-month basis, and currently tally approximately 6,000 per week. In the first four months alone, UnitedHealth Group’s online candidate database grew to an impressive 26,000 pre-qualified candidates.

Taleo was selected as the backbone of UnitedHealth Group’s efforts to move toward human capital management and, as part of a larger *HR Direct* effort, it was one of seventeen ambitious, separate initiatives that were underway in January 2002. Never satisfied with the status quo, and as one of the first companies to implement Taleo 5.0, UnitedHealth Group again showed thought leadership by leveraging three distinct advantages of this best-of-breed solution to realign staffing along functional rather than organizational boundaries:

- ▶ Taleo 5.0’s highly configurable workflow allowed UnitedHealth Group to engineer a standardized staffing process that permits recruiters to effectively function across organizational boundaries without re-learning the roles and responsibilities required of different processes.
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- ▶ The shared platform of job templates allowed UnitedHealth Group to standardize job descriptions, with a resulting decrease in number from more than 3,000 to about 900. The system accommodates the modification of requisitions as they are created in response to real-time opportunities, thereby reflecting the particular needs and nuances of a specific organization or location. An unanticipated side benefit of this effort, Valerius reports, was that it required a high degree of collaboration between recruiters and hiring managers to create accurate descriptions that could be translated into skills and questions to be utilized in Taleo's solutions. This resulted in stronger relationships and greater understanding of the corporation's needs by both parties.
- ▶ With the shared candidate database and communication process Taleo provides, recruiters are able to focus on a single functional discipline, gaining valuable sourcing expertise while building relationships with a self-managed pool of candidates from across the country.

Pushing the envelope still further, UnitedHealth Group has configured the Taleo online application to include all necessary information to serve as a legal employment application. This effort, now about 80 percent complete, has all but eliminated a major bottleneck, helping the organization move one step closer to its goal of a paperless hiring process. Similarly, the Taleo system is used to interface with background checking services, automating that process and saving, again, steps and paper.

Valerius notes the following:

- ▶ Prior to Taleo, time-to-fill varied widely between business units, averaging between 50 and 75 days. Company-wide, this critical measure is now averaging an impressive 27 days.
  - ▶ Search fees, due in part to the increased candidate flow provided by Taleo, have declined by more than \$1 million in the last year. Advertising costs have also been reduced.
  - ▶ A consistent process and meaningful metrics are in place for the first time in company history.
  - ▶ Valerius reports positive feedback on the successful automation of the once cumbersome and time-consuming requisition approval process and also that his company's executives view the streamlined process with systematic requisition approval as very favorable.
  - ▶ Taleo provides a means to leverage UnitedHealth Group's internal talent through open job posting via the employee intranet, which is linked directly to the Taleo application.
  - ▶ Recruiters now post directly to key job boards, with critical "loop back" functionality, driving candidates directly into UnitedHealth Group's candidate database, which works to enhance corporate branding.
  - ▶ Successful early deployment of kiosks has been achieved in a few geographic areas.
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He continued, “Process mapping, which is where the implementation begins, is critical to ensuring that ‘go-live’ is successful and Taleo really did a great job partnering with us to ensure that the implementation was a huge success.” He continued, “We are really looking forward to exploring other enhancements to our staffing strategy in the future, and we believe Taleo will play an important role.”

#### **iLogos Research**

Valerius calls iLogos, “Taleo’s best kept secret,” expressing great satisfaction with the unique ability to help UnitedHealth Group stay abreast of recruiting and staffing trends. iLogos Founder and President Yves Lermusiaux provided UnitedHealth Group consulting expertise and best practice sessions tailored to both executives and end-users. Valerius reports feedback from the audience-specific sessions with iLogos as very positive, helping them understand not only the goals of the implementation, but the overall market conditions driving the change and how the Taleo value proposition aligns to provide a total solution.