Staffing Stream

EXPLORE

How the VMS became its own worst enemy

Sheldon Arora | March 10, 2026



Hiring is a ticking time bomb in healthcare. From sourcing and onboarding to scheduling and timekeeping, the process is fraught with inefficiency. The biggest reason is that it hasn't evolved much beyond the era when facilities advertised locally to find candidates, with applications sourced and reviewed by internal HR managers.

Vendor management systems promised to be the solution, to manage high-volume hiring more effectively, work with more sourcing agencies and ultimately streamline the hiring process by creating a single point of contact. For quite some time, it worked. VMS providers quickly proliferated and supplied hospitals and facilities with candidates.

But the technology was never as helpful as it could be. Over time, myriad technology platforms, software systems and client/candidate portals created barriers between employers and job

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VMSs are not solving the problems job seekers and hiring stakeholders face. Candidates increasingly cannot access to tools job details and pay packages in one place. In addition, lack of communication leaves them feeling ghosted. For employers, staffing companies lack the technology to efficiently identify qualified candidates while minimizing costs.

With so many disparate systems and layers, including job boards, recruiters, vendors, suppliers, MSPs and VMSs, facilities are actually losing access to the right candidates. Inconsistent communication, lack of relevant data and friction for stakeholders are hurting every part of the hiring process. Candidates have little to no control and are getting increasingly burned out. At the same time, hospitals and healthcare facilities, still hoping for a better solution, attempt to maneuver for efficiency by frequently switching VMS providers. Each time they expect the VMS they hire will fix the system's broken parts.

If VMS platforms don't evolve to meet the crucial needs of all stakeholders, they are likely to see their era of dominance end. By positioning themselves as intermediaries between hiring organizations, talent suppliers and candidates, VMSs add more friction than they solve. For instance, efficient hiring hinges on real-time, accurate and informative data. While a VMS does aggregate large amounts of data, that information is shared selectively, with optimization decisions made to support its own lines of business. When that happens, there's a greater likelihood that a VMS will prioritize revenue by raising fees on transactions over supporting facilities and suppliers. As fees increase, they are filtered through the hiring ecosystem: hiring costs rise and candidate

pay declines. Ultimately, everyone loses, as lower compensation packages make it harder for facilities to find the right candidate at the right cost.

Clearing the Runway for Success

Healthcare facilities are already exploring whether they can bring VMS-style solutions in-house. In the short term, this might work. But in the longer term, healthcare employers are not staffing firms and don't have the resources or technology to bring hiring back in-house.

A more sustainable solution is a **self-service platform** where all stakeholders are working together in one place. The right technology would enable employers, suppliers and job seekers to access the full lifecycle of automated hiring. Hospitals gain the efficiency they need, and candidates get pay transparency and access to all jobs, not just the ones job boards select for them.

It's clear there's a major opportunity for technology to rebuild the current ecosystem by directly connecting suppliers, candidates and hiring managers. All parties are looking for transparency and simplicity in the hiring process with a straightforward solution that streamlines hiring and considers the needs of all stakeholders.

It's important to note that improved technology doesn't eliminate VMSs, other suppliers or support services. Facilities still need recruiting managers to run their job board, support sourcing and facilitate candidate communication. Through technology, the recruiter's role will change and their responsibilities will be redefined. Reducing time spent on redundant tasks and increasing time spent guiding candidates will elevate, not eliminate, the recruiter's role.

Imagine a world in which hiring is a technology-based, human-enhanced self-service application that coordinates bookings, scheduling, access and communication to keep the hiring process flowing efficiently. Just as the air travel industry proved what's possible when friction and obfuscation are removed from the process with self-service technology, healthcare is overdue for the same shift.

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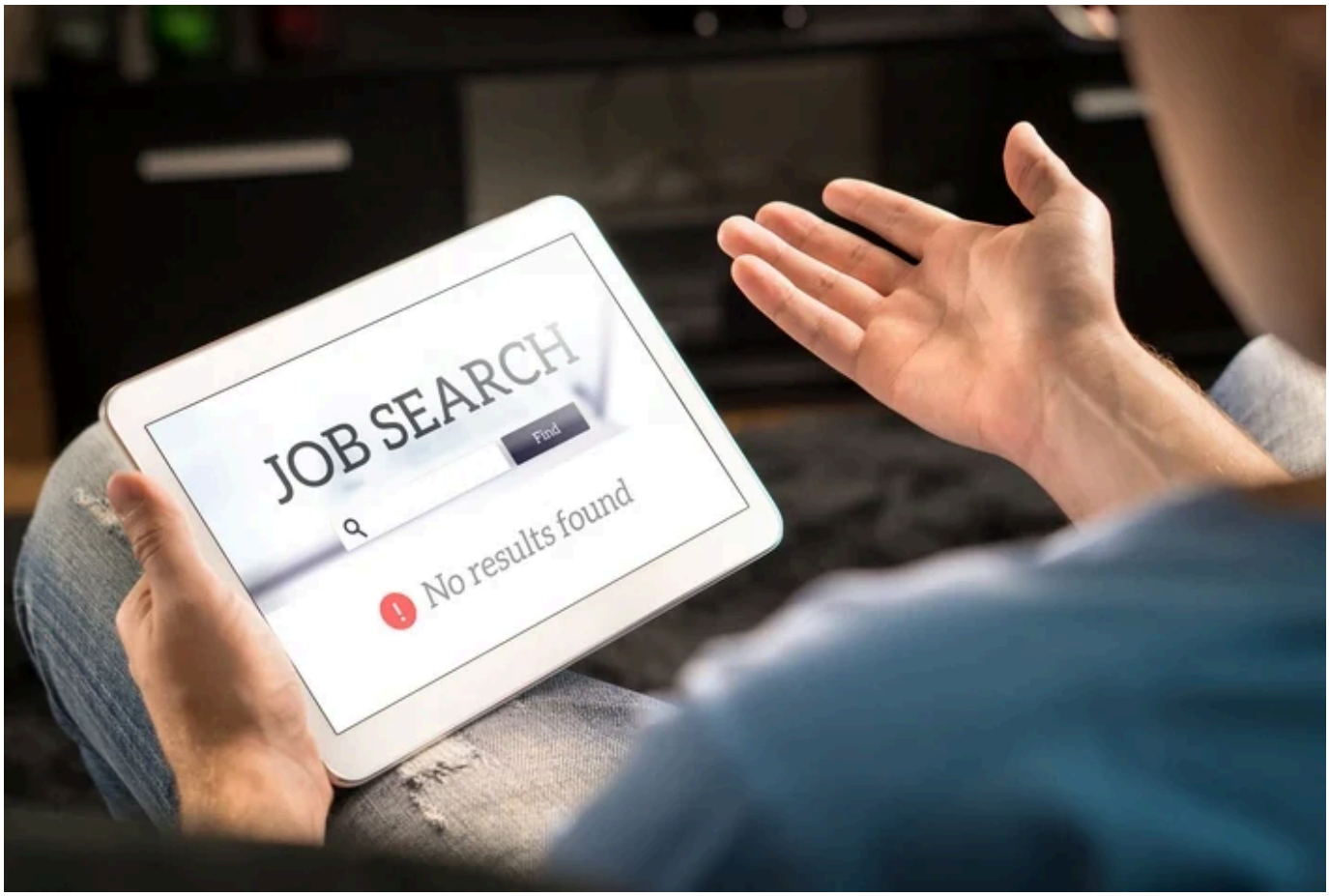
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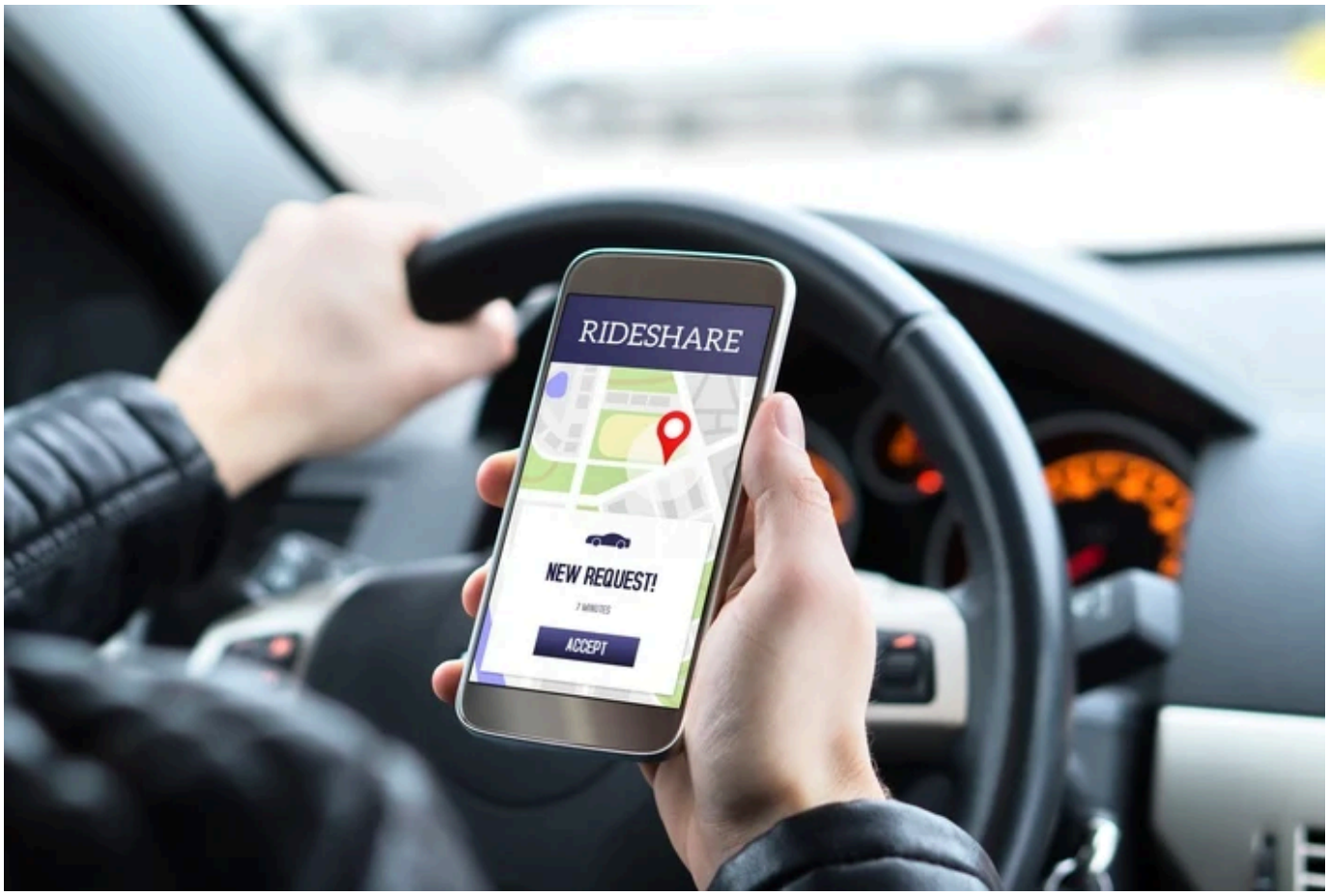
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