

**Keeping Quality Candidates:
The Critical Importance of Recruitment in
Physician Retention**



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The Challenges of Retention

As the debate over healthcare reform wages on, the U.S. is facing an unprecedented shortage of physicians. In an effort to curb Medicare costs, legislators in 1997 capped medical residencies, fueling a physician shortage that has deepened over the past decade.

In fact, the Association of American Medical Colleges predicts a shortage of as many as 159,300 doctors by 2025. To appreciate the widening crisis, consider that over the past 25 years, the U.S. population has grown by 30 percent, but the number of physicians graduating from U.S. medical schools has remained at a flat 16,000.

And assuming healthcare reform will pass in some measure in the near future, an additional 30 million uninsured people will suddenly have access to our medical system, further straining a system already stretched to the breaking point.

The current physician shortage is taking its toll on hospitals, medical centers, clinics, and physician practices throughout the U.S. And with an aging population, declining reimbursements, rising patient loads, and increasing regulation, more and more physicians are searching for better working conditions, higher compensation, and more meaning in their work. This has led to unparalleled physician turnover.

By 2004, physician turnover in the U.S. had reached 20 percent, and many in healthcare leadership have noticed. A recent survey by the Council on Physician and Nurse Supply found that 68 percent of CEOs believe that physician shortages are a serious problem that must be addressed.

The American College of Physician Executives (ACPE) bolstered these findings in their own 2006 survey of 1,250 physicians. Almost 60 percent of physicians reported having seriously considered leaving their own medical practices and 70 percent knew of a physician who had already done so.

The Causes and Costs of Physician Turnover

While physicians cite various reasons for leaving either a hospital or other medical practice—or leaving the field of medicine altogether—most of the reasons for physician attrition fall into common categories:

- ✓ **Practice Issues**
- ✓ **Disappointment in compensation**
- ✓ **Relocating closer to family**
- ✓ **Spousal issues or spousal job change**
- ✓ **Relocation for better community fit**
- ✓ **Poor cultural fit within the organization**
- ✓ **Work pressures and excessive call**

- ✓ **Work-life balance issues**
- ✓ **Lack of respect and appreciation**
- ✓ **Low reimbursement**
- ✓ **Medical liability**
- ✓ **Excessive regulations and procedures**

Excessive physician turnover can create a host of challenges for medical organizations, including loss of organizational revenue, disrupted work environments, decreased morale, increased physician frustration and burnout, greater workloads, and increased burdens on human resource and recruiting staff.

Additionally, many frustrated and dissatisfied physicians can spread their discontent among fellow physicians, nurses, and other employees within the organization, resulting in a toxic work environment and lower morale.

Physician turnover can also dramatically impact an organization's bottom line. Press Ganey, a healthcare-consulting firm based in South Bend, Indiana, estimates that the total cost of replacing just one physician to be upwards of \$250,000.

Creating a Culture of Retention

With the professional and financial stakes so high, retaining talented physicians should be of critical importance to the senior leadership of all hospitals and healthcare organizations. By embracing a culture of retention, and truly valuing physicians, organizations will be rewarded with smoother operations, a happier and more productive workforce, and a more robust balance sheet.

Fortunately, many hospitals and healthcare organizations are making strides in their effort to retain their best physician talent.

However, many physicians disclose that existing retention plans within their organizations are still woefully lacking. Citing a need for more respect, autonomy, organizational transparency, and work-life balance, physicians underscore the continuing need for retention improvements within their organizations.

Developing an Effective Retention Program

A robust and on-going physician retention program, structured around the needs of the doctor, can go a long way in improving retention rates. One size does not fit all in retention, and each physician must be looked on and treated as an individual.

It's important to remember that retention should begin during the recruitment process. In fact, good recruitment will lead to good retention. Attracting quality candidates from the start can make subsequent retention that much easier. So, recruiters should carefully

define the scope of the position, and then select candidates that most closely fit that definition. This can significantly lessen the possibility of hiring a candidate who later fails to fit into the organization's culture.

Once appropriate candidates have been recruited, the interview process affords both sides the opportunity to discover common ground. The job must meet a physician's needs, so find out what those needs are by interviewing carefully and seeking honest answers. By asking probing questions, and clarifying the answers, you can help determine cultural fit. Show potential candidates a mission statement and organizational principles to demonstrate the underlying philosophies guiding the organization. Being proactive during the interview process can better offset potential hiring mistakes and the possible loss of the candidate in the future.

Offering a potential candidate a working interview can be a smart move for organizations and for potential candidates. In essence, you offer the position to a candidate on a locum tenens basis, before either obligates permanently. A working interview allows a candidate to "try on" the position for a few months, experiencing the professional culture of the organization before committing. The organization, in turn, will have the opportunity to evaluate whether or not the candidate will be a good long-term fit. Working interviews are becoming a more popular recruitment tool, especially in non-primary specialties.

Steps to Retention

Studies have found that the highest turnover of physicians occurs within the first three years of employment, so organizations that are serious about developing effective retention plans need to place greater retention emphasis during that first three years. That doesn't mean that retention strategies drop off after three years; they shouldn't. But focusing on a physician's needs should be greatest in the beginning.

Physicians who leave their organizations cite a lack of respect, appreciation, and interaction with senior management as top reasons for their departure. To deter this feeling of alienation, leadership must maintain regular contact with physicians and their families by asking questions, eliciting feedback, and anticipating any problems early on. Taking the time to check in on a physician's expectations can provide the opportunity for gathering valuable feedback and building strong relationships.

A retention plan should also furnish a new physician with a knowledgeable and trusted mentor within the organization. Pairing a new hire with an ally will allow the physician to more quickly acclimate to an unfamiliar environment, as well as provide a safe atmosphere for giving and receiving feedback.

Taking the time to ensure that a new physician and his/or her family adjusts and acclimates to the community cannot be overemphasized, and recruiters can be instrumental in helping a family with this transition by making sure they have organizational support. Families who feel they are part of a greater community are much

happier and more likely to stay. Conversely, families that feel alienated from a community can have a detrimental work effect on a physician. A good retention plan should pair someone from the organization with the physician's spouse and family to ensure a smooth transition.

Policies that address flexible work schedules, organizational decision-making procedures, professional development, partnership opportunities, and profit sharing should also be specifically laid out.

Although the goal is to retain qualified and talented physicians, sometimes a departure is best for both the physician and the organization. Recruiters who learn of a previous placement's leaving should take the opportunity, if appropriate, to discover the reasons that the physician is departing. Dig deep to find out the specific reasons behind the departure. Doing so can reveal possible problems within the organization that may negatively impact other physicians and staff.

By eliciting feedback from the departing physician—and the colleagues who are staying—a recruiter can learn valuable information that can make the next hire easier to find and place long-term. It's also an opportunity for an organization to better define organizational goals, uncover and correct problems, and enhance the overall retention process.

Healthcare is ever changing and so should an organization's retention strategy. A retention program is not static and should evolve with the practice. Invite input at all levels. And make it a point to routinely review and revise the plan as circumstances and situations change.

Conclusion

Even the slightest decrease in physician retention can have huge ramifications, so hospitals and medical organizations must actively demonstrate that they value their physicians as highly regarded contributors to their overall success.

Recruiters should keep in mind that physicians in most surveys report a greater desire for connection to senior leadership, their colleagues, and their communities and try to enhance that connection from the start. At its most basic, physicians want meaning in their work and a sense that they are contributing to the greater good.

Organizations that openly convey the pride and respect they feel for their physicians, while demonstrating the opportunities and value the organization provides, will find their retention rates rising.

Incorporating an active and effective retention strategy can dramatically improve an organization's work environment and bottom line. Those that choose to be proactive in the retention of their physicians may find themselves navigating calmer waters in a time of rough seas.

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