



OCTOBER 2023

# THE INNOVATION IMPERATIVE FOR PHYSICIAN RETENTION

PERSPECTIVES ON MOTIVATING  
CLINICIANS TO STAY AMID  
THE GREAT RESHUFFLE

A RESEARCH REPORT BY

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# INTRODUCTION

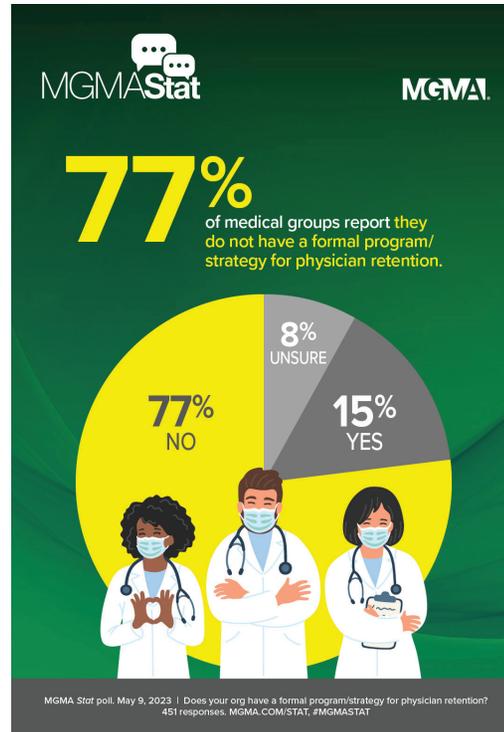
**For all that changed since 2020 across healthcare, one area near the top of health system and medical group leaders' minds has not been disrupted for the better: physician retention.**

Not a week goes by without major headlines heralding the concerning forecast of physician shortages across the United States in most specialties, yet there remains a disconnect between what healthcare leaders hope to do to avoid this calamity and what gets done: **Almost eight in 10 (77%) medical groups report they do not have a formal program or strategy for physician retention**, per a May 9, 2023, MGMA Stat poll.

Even for healthcare organizations with a plan, the financial pressures of inflation-bloated expense growth put pressure on them to continue offering high-quality patient care without breaking the bank.

To better understand how to confidently make progress on these crucial issues, LocumTenens.com partnered with Medical Group Management Association (MGMA) for a new study, *The Future of Work: Clinician Engagement and Technological Advancement*, in the summer of 2023. The findings address:

- Current priorities for healthcare provider organizations around physician retention
- Emerging trends that drive physician satisfaction in their organizations
- Opportunities to address negative factors that lead to burnout, turnover and vacancies



# HOW ARE PHYSICIAN ENGAGEMENT AND SATISFACTION MEASURED?

The best place to start in building strategies to mitigate physician shortages is understanding clinicians' attitudes about their work. The definitions of physician work — beyond their extensive training and use of clinical best practices — have evolved immensely in recent years, including working via telehealth and finding new ways to connect with patients.

As detailed in the January 2023 LocumTenens.com report, *The Future of Work: Redefining the Role of Physicians in the Gig Economy*, this rapid evolution of physicians' definition of work is the culmination of several significant changes:

- Increasing strain and burnout
- A growing desire for flexibility
- Availability of new opportunities

But despite the widespread awareness of these issues, there are several opportunities for leaders in healthcare provider organizations to listen better and gather information to address them.

## PERFORMANCE EVALUATIONS ARE THE MOST COMMON METRIC OF WORKFORCE ENGAGEMENT

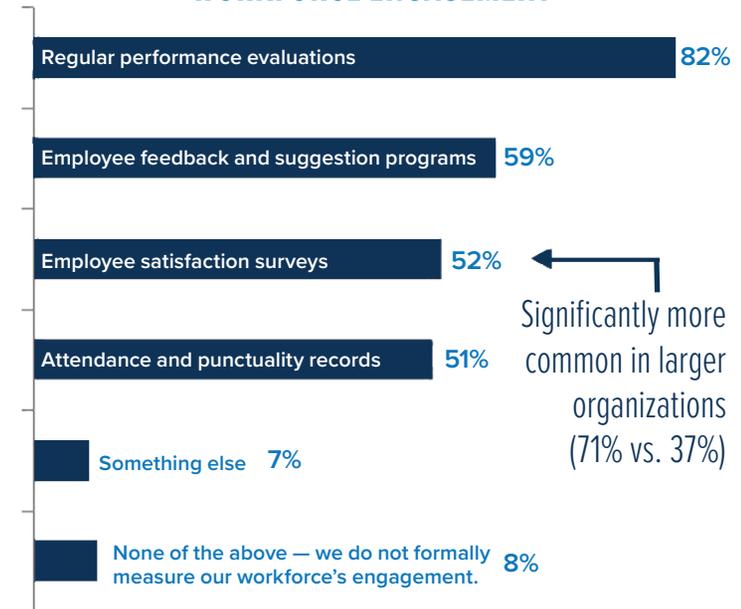
Regular performance evaluations are the top-reported measure of workforce engagement, with just more than eight in 10 organizations using this approach. The usefulness of this approach may vary, as many organizations typically perform evaluations annually or biannually. These evaluations often can end up being more of a review of productivity and quality goals rather than a dialogue with physicians that leads to a better understanding of their satisfaction or the factors influencing any dissatisfaction with the workplace.

## SATISFACTION SURVEYS ARE NOT WIDELY EMPLOYED TO MEASURE ENGAGEMENT

Almost one-half of respondents do not use employee satisfaction surveys as a measure of engagement, and smaller organizations (100 or fewer employees) are far less likely (37%) to use them than larger organizations of more than 100 employees (71%). Beyond that missed opportunity, there were 8% of respondents who reported no formal measures of workforce engagement.

While several surveys of clinicians typically rank compensation, schedules or staffing as top areas that influence dissatisfaction with an employer, the sense of being undervalued or otherwise unhappy with leadership or direction of the organization were highly ranked factors in the earlier *Future of Work* survey report. The absence of even a satisfaction survey — much less follow-up communication from the organization about the results

## WORKFORCE ENGAGEMENT



and how they are being used — can lead many clinicians to conclude that their satisfaction or engagement is not valued.

This is especially vital at a time when employees across several sectors report lower confidence in their leadership, and executives know this: In DDI World's *2023 Global Leadership Forecast*, engaging employees was ranked as the top critical priority of CEOs, ahead of driving profitable growth, strategic change or other business priorities.

“Hearing directly from our workforce about their feelings on their definition of work and their long-term career goals gives us a timely picture of how the industry is moving and evolving,” said Chris Franklin, president of LocumTenens.com, during an episode of the *MGMA Insights* podcast, noting that it allows provider organizations to “respond more proactively” to the changing needs of the workforce.

# TIME TO FOCUS ON INDIVIDUAL GROWTH AND DEVELOPMENT: WHO ARE YOUR COACHES AND MENTORS?

## CAREER GOAL PROGRESS



## TIPS FOR CREATING A TRUSTING RELATIONSHIP

- **Maintain confidentiality:** Verbally agree to this commitment and the parameters of confidentiality.
- **Be available and present:** Don't multitask during the conversation. Let the individual know he or she is the priority at that moment.
- **Keep commitments:** Lack of follow-through and broken promises erode trust.
- **Be honest:** Truthfulness and demonstrating respect go hand in hand. Provide challenge for thought while remaining supportive.
- **Be vulnerable:** Admit mistakes and show authenticity.
- **Be curious, not judgmental:** Curiosity leads to inquiry; judgment leads to defensiveness.
- **Let go of the need to be right:** Acknowledge there may be other perspectives.

Even for organizations proactively seeking physician sentiment on job satisfaction and engagement, **the incentive to keep a physician for the long run might require more than regular goal-setting and budgeting money and time for them to pursue continuing medical education (CME)**, especially as the competition for physicians in tight markets leads more organizations to boost their CME offerings.

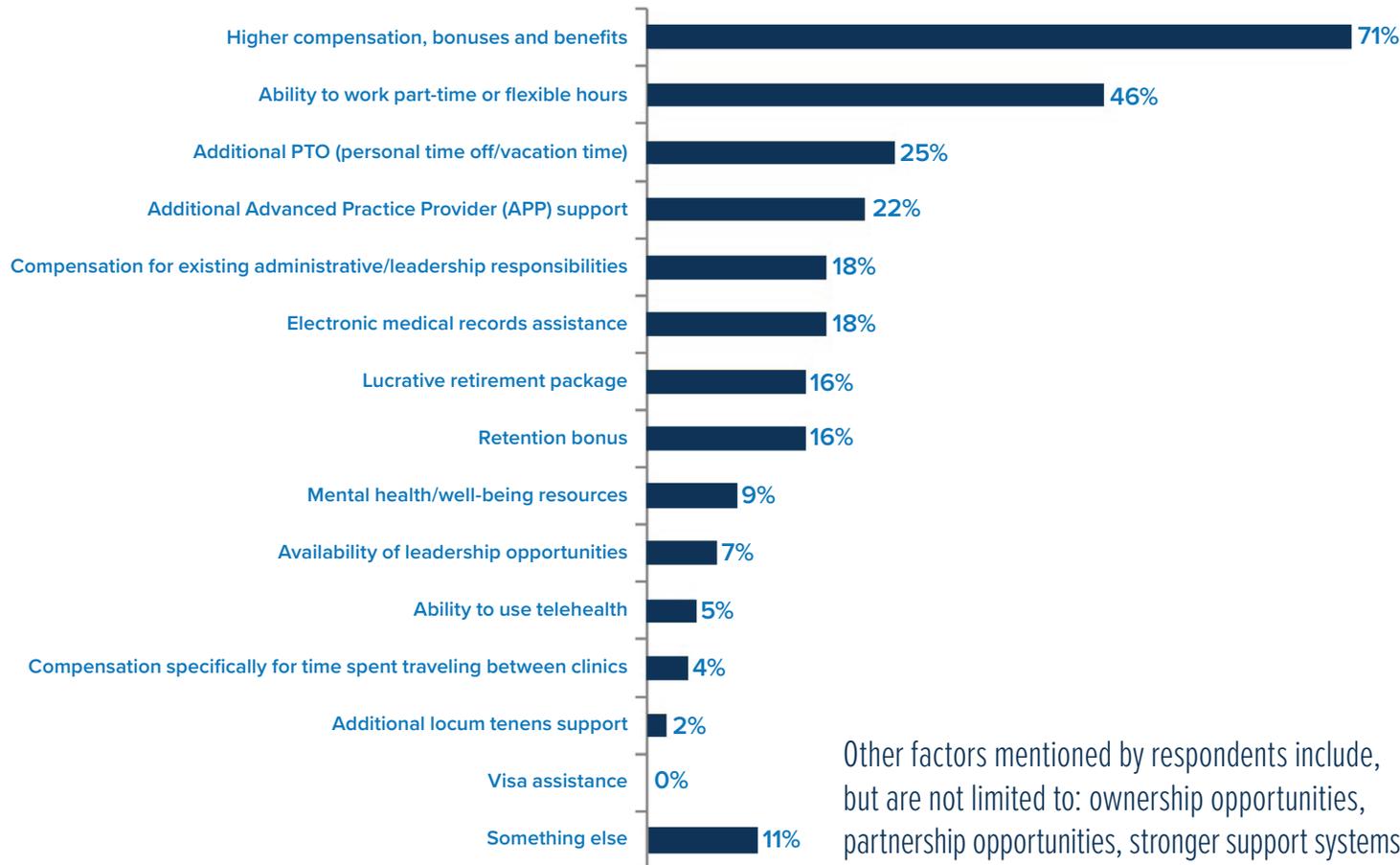
The latest survey found that less than one-third of respondents use either individual development plans (32%) or promotion/advancement rates (30%) with their physicians to measure progress toward career goals. **Creating a clear pathway for these clinicians to grow with the organization is a missed opportunity for developing a longer-lasting relationship and improving retention rates.**

While individual development plans might be viewed as a tool largely for early-career physicians, organizations should not overlook coaching and mentoring for physicians as an engagement and retention tactic, not to mention a way to establish and sustain a strong organizational culture. **“One of the most important things for people staying in their jobs is that they feel the organization is investing in them, and that they understand their vision,”** said Adrienne Lloyd, MHA, FACHE, CEO and founder of Optimize Healthcare, who emphasized that physician leadership development through coaching and mentoring can lead to “better communicators in terms of establishing and communicating” vision, especially in physician-administrator dyad structures.

Previous MGMA polling from 2021 found that **less than half (45%) of medical groups report providing leadership coaching/mentoring to clinicians** — processes that can improve performance and serve as tools to pinpoint and develop future leaders, as well as recognizing physicians who possess individual and organizational strengths. As noted by Shawntea “Taya” Gordon, MBA, FACMPE, CMOM, chief revenue cycle officer of H4 Technology, these types of development approaches are not “just about ‘feel good’ moments. **There are quantifiable benefits (e.g., shorter learning curves for new hires), which increase productivity and ... provide a strategic method for incorporating future leaders into an organization’s succession plans.**”

# PERSPECTIVES ON MOTIVATING PHYSICIANS TO STAY

## RETENTION FACTORS FOR PHYSICIANS



**Higher compensation, bonuses and benefits** for physicians are viewed as the top factor to retain physicians, as noted by 71% of all respondents. The next highest factor was **the ability to work part-time or flexible hours** (46%). Additional paid time off (PTO), such as vacation or personal time off, was cited as a top factor by one out of four (25%) respondents.

However, the tight labor market that emerged following the COVID-19 pandemic has made staffing the top challenge among healthcare leaders for the past two years, with the added pressure from inflation and higher expenses tightening provider organizations' budgets and making it difficult to invest in more support staff. More than one in five (22%) respondents said **having additional advanced practice provider (APP) support would be a motivating factor for their physicians to stay with the organization.**

## 4 STEPS FOR AN INFORMAL MENTORING EXPERIENCE

Wendy Marcinkus Murphy, PhD, associate professor of management at Babson College, says there are four steps business professionals can use to informally mentor employees:

- 1 Reflect:** Who has taken an active interest and action to advance your career both inside and outside the workplace?
- 2 Assess:** Map your developmental network to uncover patterns. Assess based on size, diversity, relationship density (who knows whom), strength and support types.
- 3 Learn:** Determine your goals and create your ideal developmental network map. Take an entrepreneurial approach to relationships and your own development.

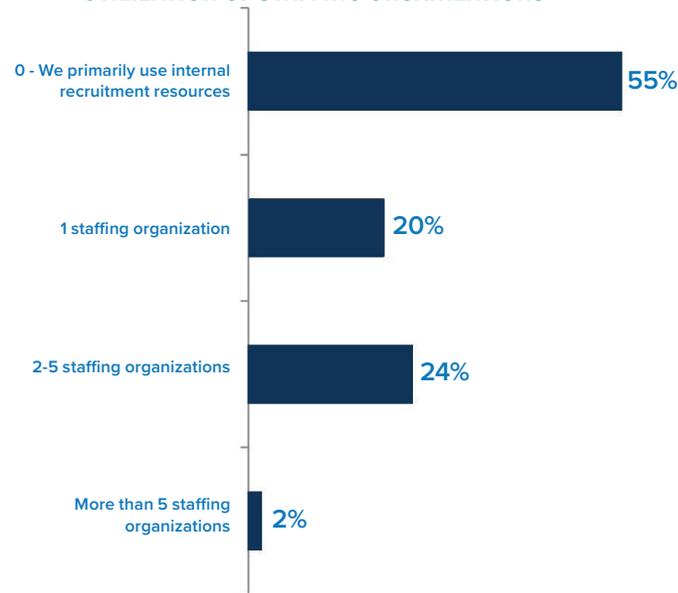
- 4 Teach:** Educate your workforce to apply a developmental network approach to their careers. Foster a developmental culture and encourage relational learning and rewards when developing others.

# THE FULL POTENTIAL OF PHYSICIAN SOURCING HASN'T BEEN TAPPED

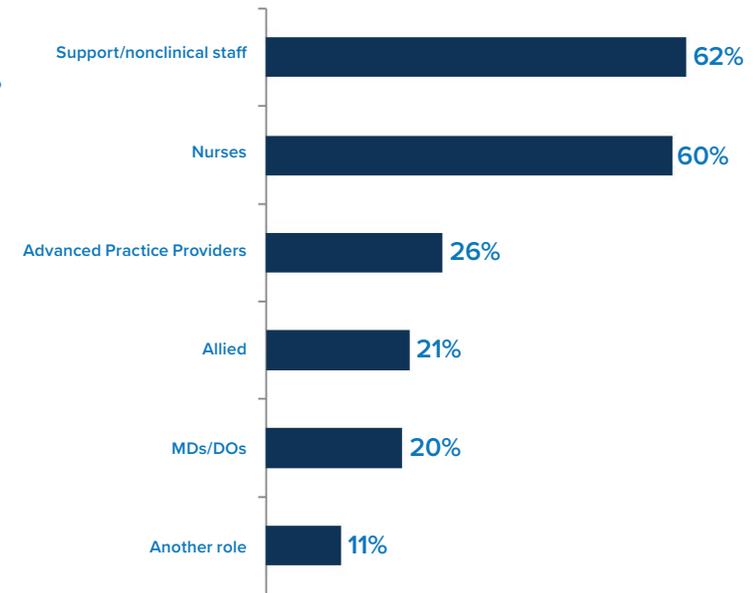
Faced with increasing concern for supporting the physician workforce through this period of labor market uncertainty, **provider organizations have not significantly shifted their approach to finding a flexible staffing solution:**

- External staffing organizations and float/flexible resource pools are not frequently utilized.
- Most organizations (68%) are not using or considering using float/flexible resource pools.
- Only one in five (20%) respondents noted they use a float/flexible resource pool for doctors.
- **The ability to offer additional support through locum tenens providers may be an overlooked option** among some organizations, as only 2% of respondents saw it as a factor for influencing physician retention when APP support is seen as one of the top four factors.

## UTILIZATION OF STAFFING ORGANIZATIONS



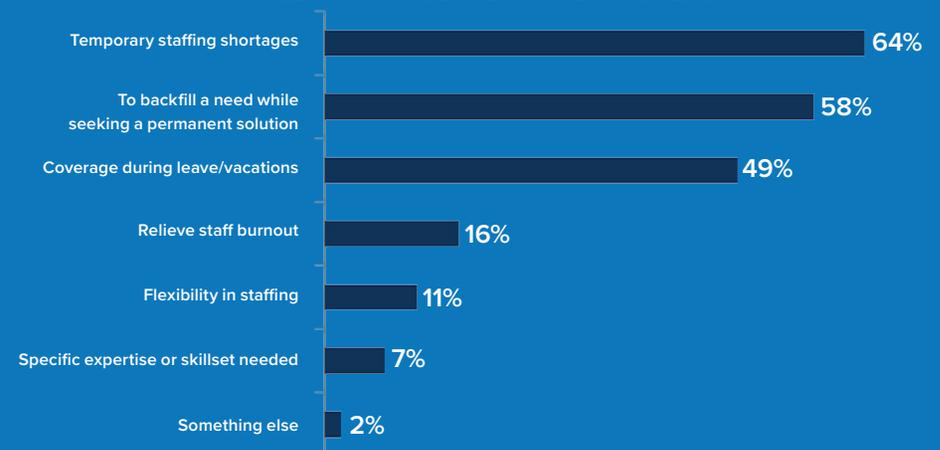
## FLOAT/FLEXIBLE RESOURCE POOL ROLES



## THE POTENTIAL TO ADD PHYSICIAN TALENT VIA LOCUM TENENS HAS GONE LARGELY UNTAPPED:

- Despite physician shortages, most organizations (79%) have not taken the first step in adding a locum tenens provider to reinforce their clinical teams.
- Among organizations that have used locum tenens, **satisfaction with the quality of care delivered by locum tenens professionals is high**, with 89% of respondents being at least somewhat satisfied with the quality of care.
- Those **positive experiences led nearly half of the respondents (43%) to hire a locum tenens clinician as a permanent employee.**

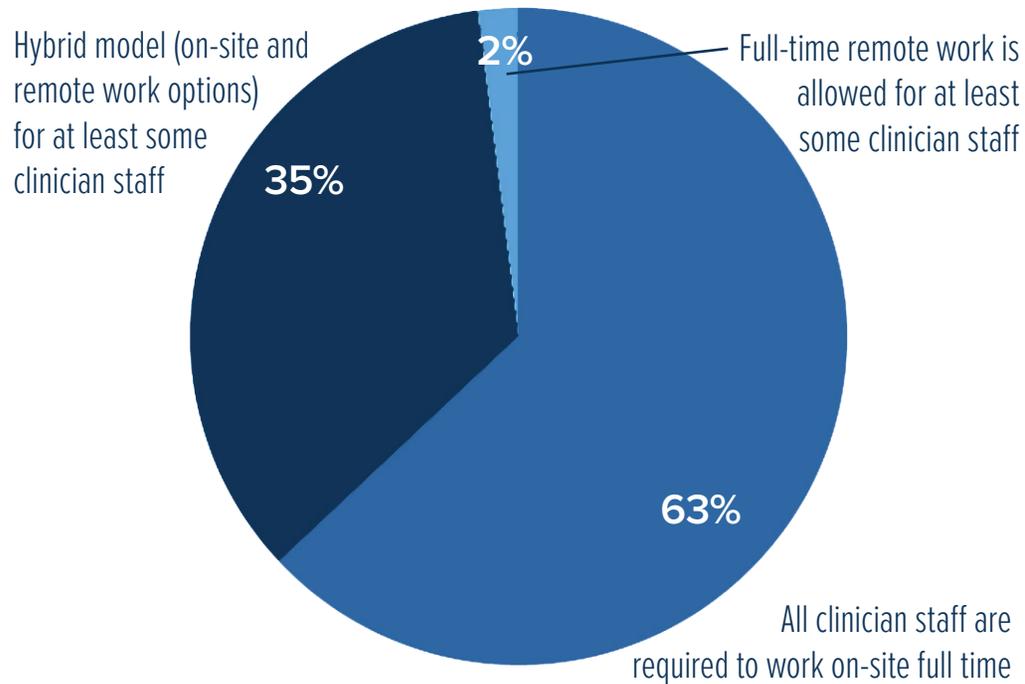
## REASONS FOR EMPLOYING LOCUM TENENS



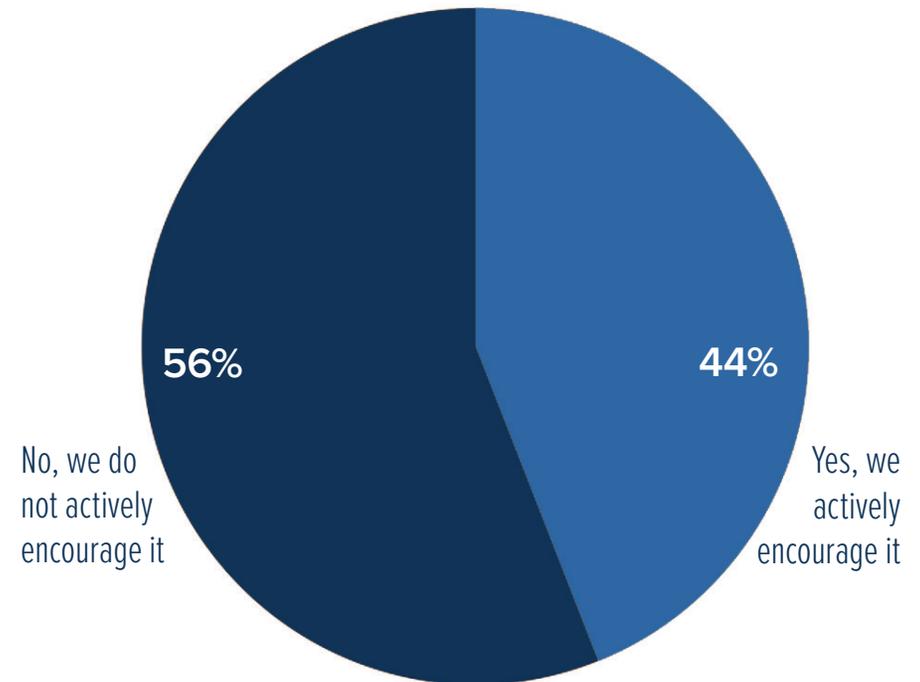
# HYBRID WORK OPPORTUNITIES FOR CLINICIANS: BACK TO THE OLD NORMAL?

With the rapid expansion of telehealth and the corresponding implementation of hybrid work offerings, some physicians enjoyed much more flexibility in conducting telemedicine appointments from somewhere beyond the walls of their clinic or hospital.

### REMOTE/HYBRID WORK FOR CLINICIANS



### HYBRID WORK FOR ELIGIBLE POSITIONS



But just as the pandemic became more manageable in recent years and public health mandates lifted, the return-to-office trend seen in other sectors is showing up in healthcare, too:

- Almost two-thirds (63%) of respondents note that all clinician staff are required to work on-site full time, while 35% offer a hybrid model for at least some clinician staff, and only 2% report full-time remote work is allowed for some clinician staff.
- Less than half (44%) of respondents actively encourage hybrid work for eligible positions.

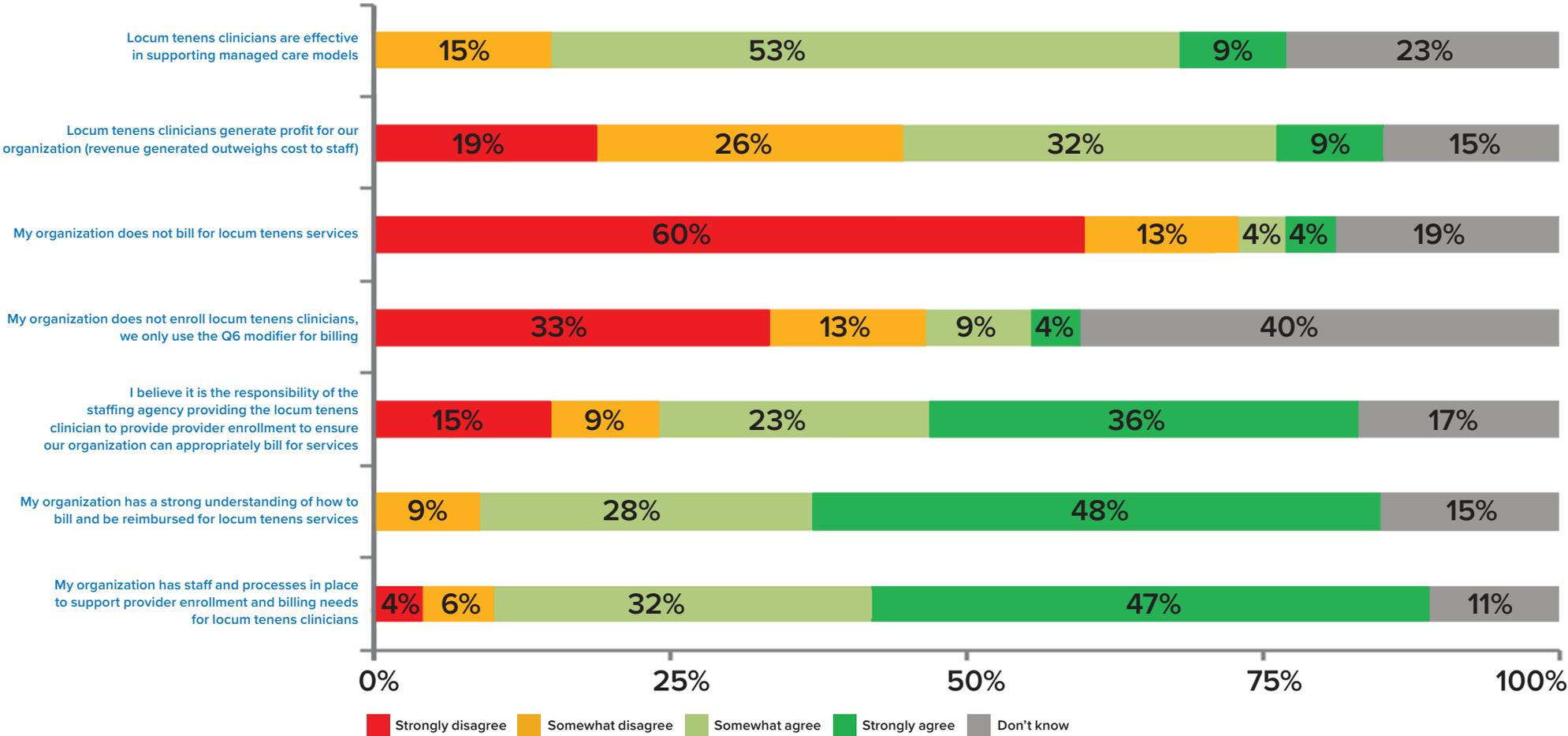
While the future of telehealth utilization remains unclear amid post-pandemic regulatory and legislative updates, **offering flexibility to physicians who seek it and work in specialties that lend themselves to effective virtual care delivery is another tool in the toolkit to meet the needs of patients and physicians alike.**

# LOW BARRIERS TO LOCUM TENENS

In the quest to find adequate physician support in a time when several clinician roles are in high demand across the industry, **the ability to integrate locum tenens providers into the organization has few barriers**, per the survey:

- Organizations using locum tenens typically reported that **these clinicians effectively support the managed care models they use**.
- Respondents report they feel **equipped to handle billing and enrollment for locum tenens clinicians**, with expected support from external agencies.

LOCUM TENENS PERCEPTIONS, BILLING AND SUPPORT



# PUTTING IT ALL TOGETHER: FORMALIZING PHYSICIAN RETENTION STRATEGIES

As Kurt Scott, founder and CEO of The Physician Leadership Career Network, wrote for *MGMA Connection* magazine, **building an effective physician retention strategy will require a lot of listening and commitment from the organization's senior leadership** to address issues that come up.

"It's important not to gloss over any issue; doing so will be the fastest way to lose your credibility," Scott wrote. "This does not mean you have to agree with all the recommendations of a retention committee. It means you need to address each, even by simply acknowledging disagreement or explaining why an issue cannot be addressed at this time."

## CREATING A PHYSICIAN RETENTION COMMITTEE

Looking at current turnover rates and other bits of data, it's evident that having a committee to review and analyze the numbers for common themes is an important step to "brainstorm and make recommendations for remedies and improvements," Scott wrote.

"In my experience, this piece of the process will improve physician turnover instantly by 5% to 10%. By demonstrating that the issue of physician turnover is being addressed in a structured, formal way, physicians and staff will understand that it is important to the organization, which brings hope for improvements," he added.

Scott recommends that for larger medical groups of 100 doctors or more, the committee should be six to 10 physicians, including your head of physician recruitment/retention. For a group of only a few dozen physicians, the committee should be four to six doctors and whomever leads overall recruitment efforts.

Scott also urges caution about bringing in many nonclinical voices. "Avoid including nonphysician administrators or vice presidents, which can make the committee less credible among the doctors," Scott wrote. "However, **include a couple of your most vocal and influential physician naysayers or critics. If you can engage this group, it will help turn them into advocates who will help promote the positive results.**"

**"BY DEMONSTRATING THAT THE ISSUE OF PHYSICIAN TURNOVER IS BEING ADDRESSED IN A STRUCTURED, FORMAL WAY, PHYSICIANS AND STAFF WILL UNDERSTAND THAT IT IS IMPORTANT TO THE ORGANIZATION, WHICH BRINGS HOPE FOR IMPROVEMENTS."**

## GATHERING UNIQUE DATA

Scott suggests groups categorize data into five to 10 categories to address. Individual data points include the following.

### Turnover rate and assessing departures

How many physicians are leaving your organization of their own free will or involuntarily? Scott recommended excluding any temporary, interim and locum tenens physicians (any physician you hire or contract with a defined end date) to make your baseline more meaningful.

- **Voluntary departures:** You should understand the issues behind physicians leaving voluntarily. There are two main ways to get this information:
  - **The autopsy approach:** The exit interview is the best way to hear firsthand about the reasons your physicians leave. Each should be well documented and blinded (name removed) to lower the risk of bias and provided to the committee for analysis.
  - **Send a simple survey to those who left in the past year:** This can be done electronically via email for better response rates, or it can be mailed.
- **Involuntary departures:** It's important to review everyone's involuntary termination to look for issues that may have been overlooked during the hiring process. Information obtained is sensitive and should be handled appropriately. Results should be blinded before shared with the committee.

CONTINUED ON NEXT PAGE...

# PUTTING IT ALL TOGETHER: FORMALIZING PHYSICIAN RETENTION STRATEGIES ...CONTINUED

## CURRENT STAFF

Create a simple electronic survey to be sent to all your physicians regarding their current feelings about practicing with your organization. You can include multiple reminders to help get more staff engaged.

The survey should ask physicians:

- What one or two issues create the highest level of dissatisfaction in practicing with us?
- What one or two things are responsible for your highest level of satisfaction?
- What one or two issues would cause you to leave for another opportunity?

Results should be tabulated and grouped by category through your retention committee.

## RETENTION COMMITTEE RECOMMENDATIONS

Once the data is collected, the committee should review and categorize. Each category should be addressed individually with recommendations for improvements.

A findings report should be developed for presentation to senior leadership for consideration. That presentation should be attended by your CEO, COO, CMO, CFO and CHRO, head of physician recruitment/retention and the designated retention committee representative or spokesperson.

Discuss all issues, evaluate recommendations, and determine what can be agreed to in this initial meeting. Leave the final report with recommendations for attendees to review on their own, and schedule a second meeting for the following week with expectations that each category will be discussed and addressed.

The results and agreed-upon recommendations should be compiled into a report and presented to the medical staff. This is a subject that hits home with them, so be prepared for a large turnout. The designated committee representative along with senior leadership should be involved in making the presentation to ensure credibility.

Expect this process to take about three to four months to complete. It needs to be a priority, so senior leadership should be driving it forward at every possible opportunity. But followed successfully, it allows organizations to reduce turnover, improve physician satisfaction and engagement, and boost revenue through fewer departures.

## CONCLUSION

Healthcare providers proved up to the task of innovating throughout the COVID-19 pandemic, rapidly implementing telehealth services and public health measures to keep care delivery going while protecting patients, providers and staff. While the intense staffing shortages that followed have proven to be an immense challenge on par with the pandemic, **several areas remain in which practice and health system leaders can improve efforts to proactively measure physician satisfaction and engagement, build development and coaching/mentoring infrastructures that deepen the relationship with those clinicians, and effectively broaden their sourcing of physician talent.**

While this work requires time and effort, the keys to improving physician retention are not a secret: **With the right combination of compensation, culture and support, healthcare provider organizations can innovate their way through the Great Resignation and gain the productivity that will provide the revenue recovery many are looking for in the age of inflation.**

# METHODOLOGY AND DEMOGRAPHICS

The survey was conducted in June and July 2023 by Corona Insights. Physicians and healthcare administrators from Medical Group Management Association’s database were invited to participate in the survey via an email invitation and subsequent reminders. Participating respondents were incentivized with entry into a sweepstakes to win one of two \$100 gift cards. In total, 256 responses are represented in the data. The survey took about seven minutes to complete for each participant.

AGE	ORGANIZATION SIZE*	ROLE IN ORGANIZATION*	PROFESSION	TYPE OF ORGANIZATION*
45 and older: 84% Under 45: 16%	1: 1% 2-9: 2% 10-99: 53% 100-149: 10% 150-999: 14% 1,000-9,999: 10% 10,000 or more: 9%  <i>* Figures do not equal 100% due to rounding.</i>	Practice Administrator/Manager: 64% Director: 15% C-Level (CEO, COO, CFO, etc.): 11% Non-Clinical Staff: 2% Vice President: 1% Consultant: 1% Other: 5%  <i>* Figures do not equal 100% due to rounding.</i>	Overall organizational oversight/management: 55% Operations: 14% Human resources: 9% Ambulatory services: 4% Finance (e.g., billing, revenue cycle management): 4% Nursing/clinical: 2% Practicing Physician: 2% Business development: 1% Consultant: 1% Physician relations/liaison: 1% Other: 7%	Physician practices: 62% Outpatient clinics: 13% Hospitals: 10% Healthcare Business Management: 1% PPM/MSO: 1% Ambulatory surgical centers: 1% Other: 11%  <i>* Figures do not equal 100% due to rounding.</i>

## About LocumTenens.com

LocumTenens.com specializes in optimizing healthcare staffing strategies with flexible, hybrid and temporary placement of physicians, advanced practitioners and psychologists through both onsite and telehealth services. As operators of the locum tenens industry’s most-visited job board, LocumTenens.com connects healthcare organizations with medical professionals to ensure patients have access to quality care. Founded in 1995, LocumTenens.com is a leader in the healthcare staffing industry, and an employer of choice placing clinicians who deliver care to more than ten million patients in over 4,000 healthcare facilities in the U.S. Headquartered in Atlanta, LocumTenens.com is a Jackson Healthcare® company. [Learn more at www.locumtenens.com.](http://www.locumtenens.com)



## About MGMA

Founded in 1926, the Medical Group Management Association (MGMA) is the nation’s largest association focused on the business of medical practice management. MGMA consists of 15,000 group medical practices ranging from small, private medical practices to large national health systems, representing more than 350,000 physicians. MGMA helps nearly 60,000 medical practice leaders and the healthcare community solve the business challenges of running practices so that they can focus on providing outstanding patient care. Specifically, MGMA helps its members innovate and improve profitability and financial sustainability, and it provides the gold standard on industry benchmarks such as physician compensation. The association also advocates extensively on its members’ behalf on national regulatory and policy issues. [mgma.com](http://mgma.com).



