Seven Job-Search Mistakes of New Physicians

Leigh Page | April 07, 2015

Seeking the Right Job

Each year, tens of thousands of final-year residents and fellows start looking for their first job. They have to deal with thousands of job openings, decide what kind of job they want, focus on a particular offering, and negotiate a contract.

This is a tough challenge for new physicians, who often have little background in the business of medicine. "Starting a career is one of the toughest things they'll do," says Tony Stajduhar, president of the Permanent Recruitment Division of Jackson & Coker, a nationwide physician recruiter based in Alpharetta, Georgia, an Atlanta suburb.

"Residents have been working in a somewhat protected environment," he says, adding that many of them don't yet have a clear idea of what they want.

Here are some common mistakes that new physicians make in attempting to land the best job possible.

1. Refusing to Cast a Wider Net

Call it "the curse of the first job," Stajduhar says. Overwhelmed by the sheer variety of choices and unaccustomed to negotiating for a job, new doctors often wind up in positions that are a bad fit for them, and they move on after just a few years. In a survey[1] of established physicians, Jackson & Coker found that more than half had left their first job after 5 years, and more than half of that group had stayed only 1 or 2 years.

"New doctors often don't pick wisely and tend to regret their decision," Stajduhar says.

One common mistake that newly minted doctors make, he says, is to focus their job search on a particular location. That narrow approach could force you into a job you don't really like. In fact, the Jackson & Coker survey found that when physicians had chosen "location" as the top priority in their first job search, they were more likely to leave within 5 years than those applicants who had chosen "quality" as the top priority.

Nevertheless, more new physicians still seem to be putting location first. In a 2014 survey[2] by Merritt Hawkins, another major physician recruiter, 69% of final-year residents cited location as one of the most important considerations in choosing a job, up from 57% in 2008. This emphasis on location is largely encouraged by employers, who believe that recruiting a physician with roots in the area will improve retention.

In some cases, doctors insist on a certain location because they have aging parents to take care of or children in school, but in many cases, it's just a comfort issue, Stajduhar says. "They just want to go back home," where they grew up. "They're not focusing on finding the best jobs."

Of course, if you remove the location filter from a job search, the number of possibilities can seem overwhelming. Stajduhar estimates that there are probably 20,000 current openings for internists alone. Winnowing down the choices means having a good idea of what kind of job you want. Do you want to work for someone or strike out on your own? Do you want to be in a large organization or a small one?

The answer often depends on your personality type, Stajduhar says. He suggests taking a personality test, such as the extended DiSC® or the Myers-Briggs Type Indicator®, which can be found on the Internet.

Time and Location Issues Are Important

2. Not Allowing Plenty of Time

To increase your odds of finding a good job, search firms recommend starting 12-18 months before your training will end. That means that residents and fellows who will finish in June 2016 should start looking for a job right now—in the spring of 2015.

What often happens, however, is that many trainees graduating *this year* are just starting to look. According to the Merritt Hawkins survey of final-year residents, 68% didn't begin a serious job search until less than a year before the end of training, and almost half of those didn't start until 6 months before the end of training.

Increasingly, new physicians are waiting longer to begin their search. In 2014, Merritt Hawkins found that only 23% of residents had begun their search a year before completing their training vs 82% in 2008.

It's not certain why residents are waiting longer, but the consequences are clear. "If you wait too long, confusion and panic can set in, and you can accept a job out of necessity rather than choice," Stajduhar says. Waiting also limits your choice of location. Moving to another state requires getting a medical license there, and that can take 9 months or more in some states, he says.

Starting early allows busy residents time to consider their options. You might start by going on the Internet and consulting the job listings provided by specialty societies, journals, recruiting firms, and healthcare organizations. In addition, consider subscribing to search apps sponsored by recruiters, journals, and others, which allow you to receive notices of opportunities as soon as they become available. You'll also have time to go to continuing medical education (CME) meetings, where you can meet people who can help you with your search, Stajduhar says.

3. Gravitating Toward Big Metropolitan Areas

New physicians looking for jobs ought to have the pick of the litter. Across the country and in most specialties—primary care in particular—there are vastly more jobs available than there are doctors to fill them.

But in many cases, new physicians find only sparse pickings. That's because they tend to crowd into major metropolitan areas—especially in the Northeast, where there's a glut of job seekers. The employers then have the negotiating advantage.

The Association of American Medical Colleges reports[3] that the nine states with the highest concentration of physicians are all in the Northeast and Mid-Atlantic. Not surprisingly, these regions had the lowest compensation rates in the country, according to a 2014 Medscape survey.[4] The big cities are where salaries really sag, even though the cost of living is much higher. Salaries in the New York City, Boston, and Washington, DC, metropolitan areas can be $50,000 to $100,000 lower than in other areas, according to Jim Barna, an attorney in Fayetteville, New York, who helps new physicians with their employment contracts.

Despite the numbers, however, the Merritt Hawkins survey of final-year residents found that 24% wanted to practice in communities of more than 1 million in 2014, compared with 6% in 2008. For these doctors, at least, the major metro areas are the most desirable.

Barna says that the trend makes some sense for new physicians. "Large cities are the places where most of them complete their training," he says. "It's often where they met their spouses and started families." Also, living in a more densely populated area makes it easier for a two-career couple to both find jobs. However, the trend creates "a glut of physicians competing for a limited number of positions," he says.

Those who insist on looking for jobs in large metropolitan areas can still improve their chances, according to Tim Leigh, a psychiatry recruiter in Bowling Green, Kentucky. Leigh says that he places a lot of new psychiatrists in Virginia, but most of them want to practice in the Washington, DC, area, where there's "an extremely tight job market, and they're not going to make as much money." To improve their chances, he advises them to locate in the outer reaches of the area—such as in Fredericksburg, Virginia, about 50 miles from the capital. "The farther you move yourself away from a major city, the better off you are," he says.

Meanwhile, great job offers can be found in small cities nowhere near large metropolitan areas, especially when competing health systems are driving up salaries. According to the US Bureau of Labor Statistics, the top-paying metro areas for physicians in 2013,[5] the most recent year for which data are available, included Rochester, New Hampshire; San Angelo, Victoria, and Wichita Falls, in Texas; Wenatchee, Washington; Wausau, Wisconsin; Sumter, South Carolina; and Pocatello, Idaho.

Not all small cities offer good jobs, though. Stajduhar advises job seekers to stay away from places like Lake Tahoe, central Colorado, and the Florida coasts because they're very popular with outdoorsy doctors, and employers can drive down compensation. "You're going to make less money, the cost of living is going to be higher, and in many cases there's a lot of managed care," he says.

What Do You Look for, Who Do You Trust?

4. Not Understanding the Pros and Cons of Employment at a Hospital

Many new physicians prefer to work in hospital systems rather than physician-led practices. Merritt Hawkins' 2014 survey of final-year residents found that 36% planned to work in a hospital. Their preference for all kinds of employment with a hospital may be much greater because hospitals also offer many positions within group practices, which are listed as a separate practice location in the survey.

New residents flood into large health systems in many parts of the country. In northern California, for example, Sutter Health and Kaiser Permanente dominate the job market, according to Keith Borglum, a healthcare consultant in Santa Rosa. "Kaiser alone takes a phenomenal percentage of the residents from training programs around here," he says.

Borglum thinks that large organizations can be a better fit for new physicians than for older doctors, many of whom have experience working in smaller, private practices and often can't tolerate the shift. For new physicians, large organizations mirror the large teaching hospitals where they've been training. They're used to working in teams and letting the administration take care of issues like billing. Also, "in my experience, new doctors tend to be less sure of their clinical skills," Borglum says. "They want to work in a group setting with mentors around them."

The pay isn't bad, either. According to the 2014 Medscape compensation survey, hospital-employed physicians made $262,000 on average, somewhat less than in a single-specialty group ($273,000) but more than doctors in a multispecialty group ($260,000), solo practice ($222,000), or academic, research, military, or government organization ($198,000).

However, Borglum and others warn that new physicians need to be cognizant of the drawbacks of employment as well as its advantages. In a separate Medscape survey,[6] employed physicians indicated that they liked not having to run a practice, deal with insurers, or work extra hours, but many of them were concerned about having limited influence in decision-making, less autonomy, and more limited income potential.

For example, income can be connected to meeting productivity goals, which means that these physicians need to be speedy and efficient, like doctors in a private practice. Dale J. Block, MD, a family physician employed by Premier Health, a five-hospital system in southwestern Ohio, says that new physicians who enter employment still need to develop basic business skills. Dr Block, who runs a Premier-owned solo practice, also helps recruit physicians to Premier and lectures residents about the business of medicine.

New physicians gravitate to big systems to find security, but in truth, "there are no secure jobs," Dr Block says. "You're going to have to work hard and prove yourself." At Premier, he says, the newly hired physician starts with a guaranteed income for the first 12-18 months, then moves to a payment model partly based on productivity. When employed physicians don't meet productivity requirements, "they can be let go," Dr Block says.

5. Putting Too Much Faith in Recruiters

A physician recruiter can be a valuable asset for busy residents who need help deciding what kind of job they want. At no cost, recruiters can help you look for job openings and deal with the organizations offering the jobs.

But they do have some distinct limitations: Even the largest recruiters have access to only a fraction of the total number of jobs available. Also, their interests are aligned with the employers who pay them, which may blunt their usefulness when new physicians start negotiating for a job.

There are several hundred physician-recruiting firms—from large companies like Merritt Hawkins and Jackson & Coker to small operations dealing with certain specialties or regions. In addition, health systems, hospitals, and some large practices also have their own in-house recruiters who may work in tandem with independent recruiters.

Residents and fellows first get acquainted with recruiters when answering job ads or by direct solicitations from them. According to the Merritt Hawkins survey of final-year residents, 63% had been contacted more than 50 times by recruiters and others about openings, and 46% had been contacted 100 or more times.

New physicians are expected to form a relationship with one or two recruiters but no more than that. The thinking goes that organizations that are contacted by several recruiters on behalf of the same doctor will assume that the doctor has problems being hired, and they'll lose interest.

For all that recruiters can do to help you polish your CV and introduce you and your family to a community, they're not much help in negotiating employment contracts due to their loyalty to their client, who is, after all, paying the bill. "Recruiters can usually answer basic questions about the contract, but their incentive is to get the deal signed," says Ericka Adler, an attorney in Lincolnwood, Illinois, who specializes in physician contracts.

Learn to Slow Down

6. Rushing to Accept the First Good Offer

One major reason why new physicians aren't happy with their first job is that they didn't thoroughly investigate the opportunity before signing the contract.

"A lot of young physicians jump at a job without doing much due diligence," says contract attorney Jim Barna. Rather than refuse a job that has glaring problems, "they might try to deal with it by just working a little harder," he says. "After all, that's what they do with clinical problems. But when it comes to employment problems, it just leads to burnout."

Take the time upfront, Barna advises, to examine the job opportunity from many different angles. "Ask in-depth questions when talking to the recruiter and physicians in the organization you're applying to," he says. "Meet doctors in the community and ask their opinions." These interactions can be part of your visit for the job interview, or you can call people later.

Jackson & Coker's Tony Stajduhar adds that it's important to get an idea of the culture of the organization during the interview. "When you walk into an office, you can feel the atmosphere," he says. "Is it friendly and cooperative, or is everyone not getting along? If you want to find out more, call a doctor afterwards."

Dr Block says that it's important that young physicians also "ask about physician turnover," which, he says, can indicate deeper problems if doctors in the practice are always on the move.

Candidates should pay particular attention to the contract. It's usually sent to you simply with a request to sign and return it, and "some people just do that," Barna says. "You should *never* just sign a contract. It should first be reviewed by an attorney." Sometimes prospective employers say it's a standard contract and can't be changed, but Barna says that even contracts from large organizations are usually altered.

Find a contract attorney skilled with physicians' contracts because they're quite different from other contracts, according

to Ericka Adler. She says that contract attorneys typically charge $1500 to $2000 to review the documents, although some charge somewhat less and, mindful of residents' tight budgets, will allow for a payment plan.

Often, new physicians get more than one contract offer, says Ezra Reinstein, a physicians' contract attorney in Needham, Massachusetts. This rattles some of his clients. "They feel they have a moral obligation to decline one of the offers, post-haste," he says. He advises clients to slow down. Sometimes one of the contracts still hasn't been presented yet.

"Don't be in a hurry," Reinstein says. Wait until both contracts can be compared side by side. "Figure out which is the less appealing one," and then, rather than reject the offer, "tell them what they would have to change," he says. "Give them a chance to make a better offer."

Reinstein says that new physicians need to be cautious. For example, some employers ask candidates to sign a "binding offer" letter before the contract is sent, with the expectation that many details will be hashed out later. He counsels against signing because it implies a commitment to key issues, such as salary, that are difficult to undo later.

Negotiating the contract usually comes down to the physician, not the attorney, yet the mere presence of a lawyer might make the prospective employer more defensive. "I don't want to damage the relationship," Barna says. That said, he encourages candidates to use the attorney as the heavy in the negotiations. "Feel free to blame me," he says. "Tell them, 'The lawyer says it needs to be like this.'"

Now It's Up to You

7. Failing to Be a Tough Negotiator

The central focus of contract negotiations is your compensation. Your salary for your first position after training is crucial because it will become a benchmark for subsequent salary levels that you'll receive.

"There's always room to negotiate salary," Reinstein says. Employer representatives may refuse to budge, asserting that they can't pay more than "fair market value." The Stark Law, the Medicare Anti-Kickback Statute, and IRS guidelines prohibit hospitals in particular from paying more than the going rate for the area, based on surveys of physician income by location and specialty. However, salaries for new physicians are often lower than average—at the 25th percentile of the average salary, for example, according to a report[7] by *The New England Journal of Medicine* Career Center. Therefore, it's unlikely that a payment boost would violate the law.

Reinstein says that candidates should be careful not to give the impression that they're satisfied with a certain level of compensation too early in the process. You first need to have an understanding of all aspects of the work, such as inclusion of overnight call. If you indicate agreement with a salary level early on, "the employer views it as a commitment, and it's very hard to negotiate that figure any further," he says.

Just as important as the base salary are extra perks that employers throw in to sweeten the offer, which can amount to tens of thousands of dollars in extra pay. Common ones include paid malpractice and disability insurance, matching contributions to retirement plans, paid CME classes, and, in rare cases, even a housing allowance. Reinstein adds that employers who won't budge on base salary are often willing to increase these extra payments.

For example, employers usually provide a signing bonus, ostensibly meant to cover a new physician's extra expenses, such as payments on student loans. According to Merritt Hawkins, 70% of its job searches involved a signing bonus. The average amount was $21,773, with a high of $150,000.

The money doesn't come without a catch or two, however. You must report it as taxable income, and if your employment ends before the contract expires, you're often required to return at least part of the payment—plus you won't get back the taxes you paid on this income, Reinstein says.

Before you sign anything, "think of other benefits you want in the contract," Reinstein says. "If research is important to you, ask for a research budget. If time off is important, ask for additional days off."

Conclusion

Your first job will be something you'll always remember, so it's important to make sure it's the right one for you. Though it can be hard for a busy trainee like yourself to find the time to do a thorough job search, as you can see from what our experts shared in this article, the benefits are well worth it—and may pay handsomely for many years to come.

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