

How to Recruit New Residency Graduates

*Begin by understanding
what makes them tick.*

James M. Giovino, MD

Graduates fresh from residency training are the lifeblood of any specialty. Besides replacing retiring physicians, new graduates fill open positions created by physician turnover and practice growth. They bring the latest medical information, an abundance of energy, and new ideas – as well as some baggage – to a practice. The key to successfully recruiting new graduates begins with understanding them and then customizing your recruiting efforts to them.

The benefits to your practice

A new graduate might influence a practice in the following ways:

Up-to-date medical information. Most of us do not continue acquiring medical knowledge at the same breakneck pace we enjoyed during residency, and our ability to fight off knowledge atrophy through journal reading and CME conferences is tested more with each passing year. Fortunately, clinical experience blunts this effect, but a periodic infusion of young blood is often just what the doctor ordered.

Energy. New graduates also bring enthusiasm and idealism to your practice. By hiring new graduates, you can tap into 30 years of production potential. The graduates have their entire careers in front of them, and if you're lucky, those 30 years will be spent in your practice.



Fresh ideas. “That’s the way it’s done around here” thinking, which is a source of practice stagnation, is cured by adding new partners from over the horizon. We have seen over and over again that medical decisions (e.g., TURP vs. no TURP, lumpectomy plus XRT vs. radical mastectomy) often have more to do with the standard of care in a particular geographic area than with outcomes data. Bringing in newly trained physicians from out of town will help keep the local medical community from becoming stagnant.

If you’ve ever tried to get a group of experienced physicians to change even the most trivial aspect of their practice, you can understand why new graduates who are not set in their ways are real positives. Of course, your practice habits will eventually rub off on your new, young associates and become the fixed habits that will drive their next partners to distraction. ►

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Covered in FPM Quiz

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To successfully recruit new graduates to your practice, you need to understand them and customize your recruiting efforts to them.

◀ ▶
New graduates bring enthusiasm and idealism to your practice as well as some baggage.

◀ ▶
If you're sensitive to the baggage they bring, you'll be better able to recruit, hire and work with them.

◀ ▶
Many of them are looking for financial stability, even at the cost of decreased total compensation.

Understanding their baggage

Along with the benefits to your practice described on the previous page, new graduates bring with them varying levels of debt, lifestyle expectations, inexperience and fear. You should be cognizant of all of these things as you recruit, hire and work with new graduates.

Debt. Today's family practice residency graduates will spend 20 to 30 years making school loan payments as big as their mortgage payment and delaying gratification well into their 50s. They are hyperaware of their debt and have a low tolerance for financial uncertainty. Promising them future partnership, future earning and future stability is simply no longer a draw. Instead, financial stability, even at the cost of decreased total compensation, is a necessity.

For example, offering a new graduate a \$110,000 production guarantee plus 40 percent of production over the guarantee may be more attractive than offering 50 percent of production and no guarantee. You might also offer the production guarantee for up to three years (two to three years is the norm), but allow the new graduate to drop the guarantee at any time in exchange for bumping up the compensation to the full 50 percent of production.

Lifestyle expectations. Lifestyle issues – or differing perceptions of them – are threatening our specialty. The number of medical school graduates choosing family practice was down again last year [see “Family Practice Match Numbers Drop Again,” *FPM*, May 2001, page 22]. If you look at the national match numbers, you'll see that students are drifting to subspecialty careers instead; if you talk to medical students, you'll find that perceptions of earnings potential/indebtedness and lifestyle are two of the main reasons why. The perception among medical students is that family physicians work too hard for too many hours and don't make enough to cover loan payments *and* sup-

port a reasonable lifestyle. So when you interview new family practice residency graduates, don't be surprised if lifestyle issues are at the top of their list of concerns. If the thought of this troubles you, I'd suggest you may need to do some soul-searching before you're ready to begin recruiting.

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KEY POINTS

- New graduates bring up-to-date medical information, energy and fresh ideas to a practice.
- They also bring varying levels of debt, lifestyle expectations, inexperience and fear.
- Your recruiting strategy should include increasing your visibility to them, showing an interest in their families and crafting an offer that meets their needs.

As the director of a family practice residency program, I received a phone call a couple of months ago from a physician looking for a new partner. He began his list of requirements by saying he didn't want “one of those residents who didn't want to work.” He defined this as anybody who didn't *want* call every other night, who didn't *want* to see 40 patients a day and who didn't *want* to work weekends and evenings. I wanted to say “Good luck, buddy.”

I value my time off. In fact, I value the time with my family *more* than my time in the office. Do I work long hours? You bet. Do I enjoy my work? You bet. Would I want to work with that guy? Not a chance. I would hazard a guess that none of us *wants* to take call, work evenings and weekends and see patients at such a pace that we can't sit down, but we do these things when they're necessary.

New graduates are not unlike the rest of us in this regard; the difference is that they are not ashamed to admit they value their time away from work. While this may turn off some potential partners and administrators, I have found that new graduates work as hard as any of us. They just pay better attention to balance in their lives. Be prepared to address lifestyle issues as you recruit new graduates, and work to make sure they (and their spouses) understand that you understand their needs.

Inexperience.

Most new graduates are unaware of what being in practice feels like. They probably have never

had to worry about meeting payroll or about a potential lawsuit. They may be shocked to see that medicine is practiced differently in different places, and they'll probably use words like “always” and “never” far more often than a grizzled veteran would. Also, most new graduates cannot see four or five

patients per hour for eight hours a day right out of the gate, many cannot bill or code to save their lives, and some will struggle with “I’m the boss now” when it comes to working with the nursing staff. Since it typically takes 18 to 24 months for new graduates to work through these issues and find their stride you must match your expectations to this reality. You will also learn to appreciate those graduates who come out of residency better prepared in these areas.

Fear. Do you remember your first night on call as a new graduate? There was no attending physician to back you up or senior resident to run things by. If you’ve forgotten, the first year of practice can be a fearful one. All of a sudden, you have new roles and responsibilities to fulfill. Some graduates handle these changes better than others. A classic example of an “adjustment disorder” brought on by these stressors is the “I’m the boss now” syndrome mentioned above. Some new graduates may act the way they *think* an attending physician should act until they learn through experience how they *need* to act.

Customizing your recruiting efforts

Once you know what to expect from new graduates, you’ll be better prepared to recruit one to your practice. Other keys to recruiting a new graduate include increasing your practice’s visibility, showing an interest in the recruit’s family and crafting an offer that will meet the recruit’s needs:

Increase your practice’s visibility to new graduates. There are lots of openings out there, so your competition is stiff. Various strategies that will help get your job listings in front of senior residents include journal advertisements (especially in the AAFP journals because their circulation includes all third-year family practice residents), direct mailings (these can usually be distributed to individual residents through the chief resident or director of all the family practice residencies in your target area), Web page advertising and professional recruiters. Another strategy that is highly successful and free is to develop an ongoing relationship with a residency program or a medical school as a rotation attending physician. If you teach the residents, impress them and

make them feel like equals, you will have no problem filling your open positions with the highest quality graduates.

Show an interest in the recruit’s family.

When you interview a new graduate, it’s important to be interested in his or her spouse or significant other. Don’t act interested; be interested. Find out how you can help meet the family’s needs for years to come. If

you convince the spouse that the family will be happy, you’re 90 percent of the way there. If you forget to win over the spouse, you can forget about signing a new physician. I can’t tell you how many times I hear about a potential practice opportunity passed over because the recruiter forgot about the resident’s spouse.

In most cases, you are hiring a family, not just an individual physician. So, you need to impress the whole family. Talk about the housing market, the day care and preschool information for your area (the costs, whether there is a waiting list, etc.) and the family activities available in your area.

For new graduates who are single, talk about the condominium and apartment market and the social scene (theater, dancing, bars, movies, restaurants, etc.). Keep in mind that they might be looking for friends and dates with whom they’ll share common interests. Describe other businesses in town that employ young professionals and talk about the influence that any local college or university has on your community. Each conversation you have with a recruit is an opportunity to paint a picture of you, your practice and your town.

Craft an offer that will meet the recruit’s needs. When you put together an offer, think about how each part of the offer can be customized to appeal to his or her needs:

- **Salary guarantees.** These are important for the first two or three years, since student loans loom large for new graduates. Earning potential above the guaranteed salary is also important in order to help new physicians become efficient. Explain how you plan to build the practice so that he or she can earn more than the guarantee (e.g., how many ads you will place in the local paper and how often, how many new patients join your practice per month and what percentage of these new patients will be given to the new physician). ►

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SPEEDBAR®



For new graduates, who are not ashamed to admit they value their time away from work, lifestyle issues often top their list of concerns at an interview.



Since most new graduates are unaware of what being in practice feels like, it typically takes them 18 to 24 months to find their stride.



Once you understand new graduates, you need to increase your practice’s visibility to them, show an interest in their families and customize your offer.



One way to make your practice visible to residents is to develop an ongoing relationship with a residency program or medical school.

◀ ▶
In most cases, you are hiring a family rather than an individual physician, so you need to impress the whole family.

◀ ▶
If done right, salary guarantees, signing bonuses and loan repayment will play a big role in bringing new graduates to your practice.

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It's also important to offer flexible schedules, buy-in options and learning opportunities.

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If you take the time to understand the needs and wants of new graduates, you will increase your recruiting effectiveness.

- *Signing bonuses and loan repayment.* Signing bonuses (\$5,000 to \$20,000 is the going rate) can break the tie between two similar practices. Offers of loan repayment are a big draw for new graduates as well, but not if the value is simply deducted from the rest of the financial package you are offering. If you say, "I'll give you \$130,000 of production guarantee or \$100,000 plus \$20,000 of loan repayment," you are implying that your potential partner is too stupid to add. Effective loan repayment benefits are usually packaged as annual signing/re-signing bonuses ranging from \$5,000 to \$20,000 per year. The numbers often increase each year the new partner remains in your practice up to five years (e.g., first year \$10,000, second year \$15,000, third year \$20,000).

- *Work schedules.* A four-day or four-and-a-half-day workweek is common. However, many new graduates will want a full, five-day workweek so they can earn more. Giving the recruit the flexibility to choose (and change his or her mind) will help sell your practice.

- *Vacation packages.* Four weeks of vacation is an absolute minimum, and four to six weeks is the usual range.

- *Buy-in options.* Will the new doctor be a partner or an employee? Today's graduates are not turned off by the notion of being an employee as long as the compensation is satisfactory. They want to be treated as equals, have a voice in decision making and share in the profits equally. On the other hand, an offer such as "you'll make partner in two years, after you buy in, and some day all of this will be yours ... after the rest of us die" is not attractive.

- *Learning opportunities.* Offering one or two weeks of CME is essential, and providing cash (\$1,000 to \$3,000) for CME is not uncommon. Also, consider offering to help the new graduate learn to code better. My experience has been that you'll increase revenue by at least 25 percent with this intervention alone, and it will continue to help every year your partner is in practice. Sell this point to the graduates, and describe your plan to help them improve their coding skills.

Retaining new graduates

Conventional wisdom holds that at least half of new graduates will leave their first practice within 5 years. Why? When I talk to graduates who are changing positions, the most

Each of the following *FPM* articles covers one or more aspects of the hiring process, including recruiting, hiring, credentialing and incorporating new physicians into your practice:

"Nine Keys to Better Recruiting." Fox CH. January 1999:26-32.

"Hiring the Right Physician for Your Practice." Capko J. September 2000:41-44.

"Getting New Physicians Credentialed Quickly." Moore KJ. March 2000:19-20.

"Tailoring New Physicians to Fit Your Practice." Grimshaw R. April 2001:39-44.

common reasons I am given are personality differences between partners, overbearing administrators, poor compensation, excessive time away from family and narrow scope of practice due to medical staff turf issues. The good news is that most of these causes are manageable if you can identify the issues at the time of the interview by gathering answers to the following questions:

- What is the recruit's expectation of necessary time away from work?
- What level of managed care is he or she used to?
- Is this the kind of person you can see yourself being friends with?
- What do you honestly think the recruit will make working a four-day workweek, if that is what he or she wants?
- Will the recruit get privileges for the procedures he or she wants to do?

If the recruit doesn't touch on these issues during the interview, you should. New graduates may not know to ask these things until after they jump into the fire for the first time.

The last word

It's well worth the time it takes for you to understand the needs and wants of new graduates *before* you try to recruit them. If you do, you will increase your recruiting effectiveness and your ability to hire a new partner that will stay with you for the long haul. What a new graduate brings – the benefits along with the baggage – will also help to keep you and your practice up to date, energized and growing. 

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