

# The State of the Healthcare Recruitment Industry: What We Learned from 2017, and What to Expect in 2018

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The healthcare recruitment industry, much like the healthcare environment, is ever-changing. It is difficult to prepare for the unknown, especially when it comes to finding talent and maintaining a population of qualified healthcare providers. Problems with team-building and cultural fit are particularly pervasive, in addition to specialty- and location-specific recruitment challenges.

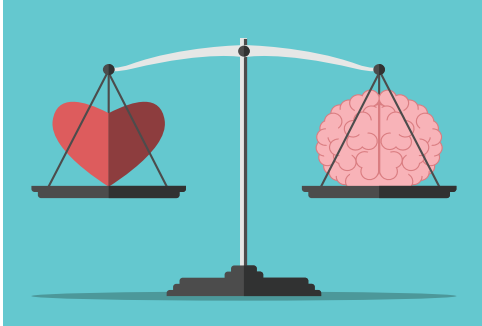
## What We Learned from 2017

Healthcare recruitment presents different challenges—and learning opportunities—each year. Here is what we learned in 2017 that could have substantial consequences for healthcare organizations in 2018 and beyond.



### The DACA Repeal Creates Additional Physician Shortages

According to the American Medical Association (AMA), one out of every four physicians practicing in the U.S. is an international medical graduate; many of these have Deferred Action for Childhood Arrivals (DACA) status. The repeal of DACA thus threatens the talent pipeline for healthcare professionals and could exacerbate the shortage of doctors here in the U.S. (According to several sources, there are already some signs that it is affecting the available pool of first responders.) This means that healthcare recruitment will become even more difficult in the years to come.



## Emotional Intelligence (EQ) Becomes Part of Healthcare Recruitment

The push for enhanced patient-centered care has led to demand for the core skills that make up emotional intelligence, or EQ: self-awareness, self-management, social awareness, and relationship management. There is mounting evidence from the National Institutes of Health that EQ leads to higher patient satisfaction and improved clinical performance, especially among nurses and residents. Now the industry is coming to realize that EQ skills are vital for strong physician leadership, with more and more recruitment efforts including assessments of EQ in potential candidates.



## Gender Inequality in Healthcare is Being Addressed

The recent spotlight on gender inequality has not spared the healthcare industry, where an ongoing gender pay gap exists. That gap exists at all levels of the industry: For example, female CEOs of hospitals earn 22% less than their male counterparts, and male nurses on average earn \$5,000 more annually than female nurses (even though they comprise just 5% of the nurse workforce). This highlights the need for hospitals to work together with recruiters to uncover and correct hidden biases during the recruiting and onboarding processes.



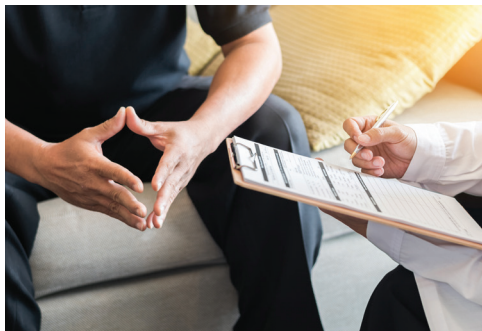
## Demand for Hospice Care Continues to Exceed Supply of Quality Hospice Physicians

Roughly one in 10 people who need hospice and palliative care ever receive it, according to the World Health Organization and Worldwide Hospice Palliative Care Alliance. This is due to the growing shortage of physicians specializing in this area; studies find that between 8,000 and 10,000 physician specialists are needed to meet the hospice demands nationwide, but only about 4,500 are specializing in the field. The shortage will become even more serious as baby boomers reach end of life—and will be something to pay serious attention to in 2018 and beyond.



## Independent Academic Medical Centers Will Multiply

New medical schools are popping up all over the nation in response to the need for more physicians. However, it's virtually impossible to finance a new hospital with each new training program. As a solution, newer residency programs are partnering with established healthcare institutions open to adding teaching programs. Expect to see more physicians doing their residencies at these independent academic medical centers.



## The Need for Psychiatrists is More Imminent

Roughly one out of five American adults experience a mental illness every year. The pace at which the pool of professional psychiatrists is growing is not nearly as fast as the growth of their prospective patient population. Fewer and fewer students are choosing psychiatry as a profession, likely due to low insurance reimbursements, declining wages, and burgeoning student loans. Finding ways to service those suffering from mental health issues will be a top priority going forward.



## Rates of Resident Depression and Anxiety Must Be Addressed

Becoming a physician is not for the faint of heart. Still, it is worrisome that recent studies show rates of depression, anxiety, and suicide in residents have increased over time. Making the matter even more complicated, residents have significant demands on their time, meaning they are less likely to receive mental health treatment than members of the general population. Hospitals and other facilities are just beginning to address this through stress-mitigating staff events and mandatory check-ins, but we can expect to see additional innovative solutions in 2018.

## What to Expect in the Coming Year

The only certainty in healthcare is change—and change makes prediction difficult. However, below is what we expect to see in 2018.



### Organizations Will Begin the Recruiting Process Earlier for Specific Specialties

Given our nation's demographics, physicians are retiring in large numbers, and many of these retirements are in specialties such as rheumatology, endocrinology, nephrology, pulmonology, radiology, psychiatry, and so on. In fact, a recent report by the Association of American Medical Colleges (AAMC) predicts that non-primary care specialties will experience a shortfall of between 37,400 and 60,300 physicians by 2025. This is putting pressure on organizations to recruit for specialists in ways they have not had to do in the past. Successful organizations are starting *now* to recruit for 2020-2021 graduates in these specialty areas.



### Recruiters Will Help Bridge the Generation Gap

The past few years have seen a deluge of management books giving advice on how to manage the upcoming generation. This is not surprising; according to several reports, 60% of employers nationwide report tension between employees from different generations. The healthcare industry faces its fair share of challenges in this arena. For example, younger physicians may not be used to the older “command-and-control” style of management common in hospital environments, or they may lean on technology (such as texting) that older physicians do not use (and that might violate HIPAA requirements). Tomorrow's physician leaders will need to understand these generational differences and be skilled at managing multiple generations. We expect recruiters to play a key role in identifying these leaders and placing them in the organizations where they are most needed.



### More Customized Recruiting Partnerships with Healthcare Systems

The past two years saw a flurry of merger activity in the healthcare industry, with more on the horizon. In fact, healthcare was the busiest sector for US high-grade M&A loans with a volume of \$40.5 billion, according to Reuters. As larger organizations continue to buy smaller practices (which they need to staff quickly and cost-effectively), they are relying more heavily on partnerships with recruiting firms so that recruiting efforts can scale up or down more flexibly, depending on need. The challenge will be identifying those firms familiar with a variety of geographies, environments, and workplace cultures.



### Medical Student Loan Laws Might Change

The Trump administration's changes to the federal budget may well mean that medical students will spend a longer time repaying their debts and could see less of any stipends they may receive, due to taxes. As 75% of the graduates in the Class of 2017 held an average \$190,694 in total student loan debt (STATnews.com), the changes will likely drive students away from specialties that pay less (see psychiatry, above) and toward more lucrative fields—or may drive some students away from the medical field entirely. We expect the talent shortages mentioned above to get worse before they get better, meaning increased competition for qualified individuals.

## What Does it All Mean?

In the face of uncertainty and change, organizations need to find ways to be flexible while remaining attractive to the best talent available—and they need help to do this. Innovative organizations would be wise to consider the following in 2018.



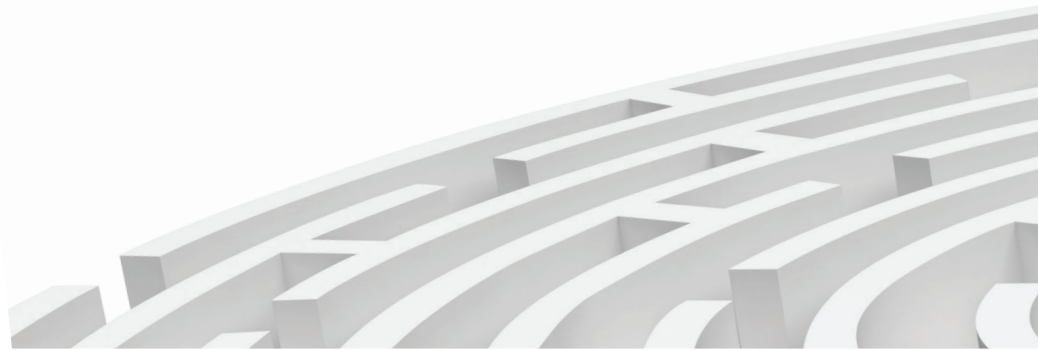
### Start Early

Many hospitals and medical groups are already recruiting the class of 2020 now, and even the class of 2021. Those that start early, recruit wisely. Implementing smart, value-added outreach over a sustained period of time will attract the best talent.



### Look for Leadership

Leading multiple generations and navigating change can be tricky. It takes a skill set that goes beyond mere medical knowledge and includes elements of EQ. Forward-thinking institutions will identify the competencies needed for success and find ways to assess for them when seeking new talent. At the same time, they will invest in training existing leaders.





### Consider Cross Training

As it becomes more difficult to find both specialists and leaders, existing staff will have to find ways to fill the gaps, even if temporarily. Take palliative care, for instance: While there were a total of 119 Hospice and Palliative Medicine training programs accredited by the Accreditation Council for Graduate Medical Education by the beginning of 2017, only about one-third of hospitals offer palliative care services of any kind, according to a review in the *Journal of Palliative Medicine*. The same review notes that these hospitals tend to be smaller and are usually located outside the coasts (American Midwest and South). When size and geography are barriers to care, one approach would be to compensate for the lack of palliative care specialists by getting more clinicians to learn basic palliative-care skills.



### Be Open to Creative Solutions *and* Outside Help

Thinking creatively and being open to change are the keys to finding innovative solutions to complex problems. As recruiting challenges occur, be open to outside help, especially from recruitment professionals who have their finger on the pulse of the industry. Such partnerships can often bring new perspectives and ideas that result in more cost-effective and successful recruitment initiatives.



## Final Thoughts

While most of the industry is aware of the AAMC's latest statistics about a growing shortage of qualified physicians, the root causes of this shortage are now becoming more apparent, as are possible solutions. The repeal of DACA, a stubborn gender pay gap, difficult conditions for residents, and crippling student debt might well be discouraging talented people from pursuing a medical career. While the statistics do not indicate a shrinking number of individuals entering the field, they do show that demand is far outpacing supply. Going forward, recruiting healthcare professionals will require innovative ideas for attracting new talent from different, diverse parts of the population, overcoming geographic challenges, and doing so in scalable, cost-effective ways.

Recruiting healthcare leaders will also need new approaches. Tomorrow's physician leaders will need to know how to manage multiple generations and diverse teams, as well as think critically about the role of technology in clinical practice. Recruiters can and will play a critical role in assessing and indentifying these individuals, as well as pairing them with organizations that are a good cultural fit. A healthcare industry that is in flux will continue to bring new challenges when it comes to healthcare recruitment. While preparing for the unknown is difficult, especially when it comes to finding talent and maintaining a population of qualified healthcare providers, those organizations that make the investment will be best positioned to weather any storm.



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