

How Hospital Leaders Can Build Good Working Relationships with Physicians

Key Points

- Good working relationships between hospital leaders and physicians can lead to improved strategic planning, efficient utilization of scarce resources, a shared vision, improved job satisfaction, recruitment and retention of superior physicians, and positive patient outcomes.
- Differences between hospital leaders and physicians may arise from a variety of sources, including education, career paths, or organizational perspectives. These differences may make it difficult for hospital leaders to engage physicians around hospital-based strategies.
- To build good relationships with physicians, hospital leaders should commit to a long-term, multifaceted strategy with specific actions, timelines, and anticipated outcomes.

Introduction

Hospitals success necessitates close physician collaboration. Physicians admit patients to hospital facilities, refer to hospital specialists, and use hospital diagnostic and other services. Hospital participation in new alternative payment models demands physician participation. In turn, hospitals may provide income and security for physicians [1]. Thus, hospitals and physicians often share mutual interests.

Despite the efforts of hospital leaders to improve physician relationships, an American College of Physicians Executives survey found that only 40% of those surveyed rated the relationship between hospitals and employed physicians as doing well [2]. The proportion declined to 16% for private practice physicians [2]. This Rural Health Value brief explains why good relationships between hospitals leaders and physicians are essential, why those relationships may not currently be ideal, and what hospital leaders can do to improve relationships with physicians.

Why Hospital Leader-Physician Relationships Are Essential

Hospital financial and clinical success is dependent on a shared vision between physicians and hospital leaders. As structural and economic alignment between hospitals and physicians advance under physician employment agreements and value-based care contracts, good working relationships will be more important than ever. However, hospital-physician relationships can be strained due to increased competition, advancing medical technologies, declining reimbursements, physician shortages, and increased patient volumes [4]. Poor working relationships can lead to lack of communication, uncertainty about future direction, mistrust between physicians and executives, greater physician turnover rates, and ultimately poor patient outcomes [5,6]. Good working relationships, on the other hand, can lead to improved strategic planning, efficient utilization of scarce resources, a shared vision, improved job satisfaction, recruitment and retention of superior physicians, and positive patient outcomes [5,6].

Why Relationships May Not Be Ideal

Limited resources, decreasing reimbursements, increasing unfunded federal mandates, and increased health care demand have caused conflict and frustration for both hospital leaders and physicians. These stresses may exacerbate negative stereotypical views of the other. For instance, the hospital leader may believe “I am truly concerned about the quality of care that is provided; physicians are only concerned about how they get paid. They don’t understand that there are limited resources available or what it takes to run a hospital.” Conversely, physicians may believe “I am truly concerned about the quality of care and health of the patients; the executives are only concerned about profit maximization and cutting costs. They don’t know the first thing about patient care.”

Differences between hospital leaders and physicians may arise from a variety of sources, including education, career paths, or organizational perspectives [7]. Furthermore, the professions of physician and health care executive often attract different personalities, each with their own strengths. Although the roles and personalities shown in Table 1 describe groups, not individuals, they illustrate differences that may affect hospital leader-physician relationships.

Table 1. Roles and Personality Characteristics of Hospital Leaders and Physicians

Hospital Leader	Physician
Delegator	Doer
Planner/Designer	Solution Oriented
1:N Interaction	1:1 Interaction
Collaborative	Autonomous
Organizational Identification	Professional Identification
Organization Advocate	Patient Advocate

Source: Adapted from “The Dual Role Dilemma,” by Michael E. Kurtz, MS.

In their workday, physicians often understand a problem, design a solution, and implement an action – all during a 15-minute office visit. Hospital executives, on the other hand, make organizational decisions more deliberately, understanding that the process of engagement, communication, and buy in are essential prerequisites to successful decisions. Physicians become frustrated at the slow pace of executive decision-making. Furthermore, physicians are socialized in their training to be independent, autonomous, and in control. These traits can frustrate an executive striving to engage physicians in a team approach to problem solving. Lastly, physicians identify with their profession while executives identify with their organization. This differing role identification may make it difficult for hospital leaders to engage physicians around hospital-based strategies.

Despite their differences, hospital leaders and physicians often share core values such as altruism, service, and love of a challenge [7]. To develop good physician relationships, hospital leaders should focus on common values, but also recognize professional and personality differences.

What Hospital Leaders Can Do Today to Improve Physician Relationships

Increase Effective and Meaningful Communication with Physicians

When physician executives were asked how they would improve physician-hospital relations, their number one response was to improve communication [5]. Communication with physicians should be consistent, accessible, transparent, articulate, factual, beneficial, and should occur through multiple mediums. Two particularly effective communication strategies are individual attention and dialogue with physicians [5], both of which require a continuous effort over time. Strategies that have been successful in improving communication with physicians include the following [8]:

- Schedule one-on-one meetings at a time convenient for the physician. An agenda is not always necessary. A simple question such as “How can I help you do your job better?” may suffice.
- Avoid confrontational and highly charged words. Negative emotions rarely results in positive outcomes. Try the technique of imagining yourself “above” the conversation. How does it look? Welcoming and concerned, or provoking and irritated?
- Employ a formal physician survey. Although not as personal as face-to-face communication, physician engagement and loyalty surveys may identify trouble spots for executive focus.
- Use multiple media, multiple times. Examples include newsletters, e-mail, monthly CEO reports, and brown bag lunches.

Involve Physicians in Decision-Making

Meaningful physician involvement in management and priority setting can result in a competitive advantage and improve overall quality of care [6]. Although physicians may have limited experience in organizational decision making and planning, they have knowledge and experience that can be invaluable when charting a hospital’s direction. An interdisciplinary structure that supports collaborative decision-making leads to trust in hospital leaders and loyalty to the hospital [3,10]. The following strategies are recommended:

- Solicit meaningful physician input early and often and then act on it.
- Help physicians understand who has decision-making authority in what situations – physicians, CEO, or board.
- Keep physician leaders informed and meet with them regularly, even briefly.

- Engage physicians in balancing business and patient priorities.
- Use physician-led task forces to address specific issues.
- Increase physician leadership on boards/committees.
- Compensate physicians for their time on hospital committees while requiring active participation.

Increase Physician Satisfaction and Retention

Excellent communication between hospital leaders and physicians predicts physician satisfaction [3]. Therefore, one of the hospital leader's most important jobs is fostering positive medical staff relationships and developing physician loyalty. The hospital CEO should be primarily responsible for physician recruitment and retention. Moreover, the most successful physician recruitment tool is a practice environment (including the hospital) that is so positive that physicians want to stay. The following strategies promote retention excellence, which creates recruitment success:

- Get to know physicians personally.
- Truly listen to physician concerns and take appropriate actions.
- Measure physician satisfaction and turnover regularly, make changes to improve both, and then measure again.
- Compensate physicians appropriately for involvement in hospital leadership activities and in ways they value.

Develop Physician Leadership

Successful hospitals develop physician leaders and engage them in all clinical process design and most strategic hospital discussions. The skills necessary for effective physician leadership are not innate; developing physician leaders requires an investment in education and mentorship. This investment can result in increased physician loyalty to the hospital and wiser hospital executive decision-making, informed and influenced by physician experience [4]. Hospital leaders can use the following strategies to develop physician leaders:

- Identify, mentor, and educate physician leaders.
- Invest in physician leaders through focused physician executive training.
- Provide compensated time for physician leaders to hone skills and develop competencies.
- Include a physician leader on the executive ("C-suite") team.
- Attend health care leadership conferences together.

Financial Incentives

The afore-mentioned strategies to improve hospital-physician relationships are primarily focused on interpersonal relationship building. Not all incentives are financial, but workplace compensation remains an important incentive for most people. Physician compensation is a cultural marker; that is, we pay for what we value. Yet disconnects occur. For example, hospital leadership may say "Our organization is all about quality of care." Yet employed physicians are paid entirely for the volume of services delivered. Therefore, when designing physician compensation systems, hospital leaders may wish to consider financially incentivizing physician activities that are aligned with, and supportive of, hospital strategic priorities. This policy will foster hospital-physician relationships that share a vision of organizational success.

Conclusion

Relationships between hospital leaders and physicians are built on trust and mutual respect. A partnership built on trust and mutual respect allows interdependence and shared achievement of the Triple Aim – better care, better health, and lower costs [10]. Hospital leaders should commit to a long-term, multifaceted strategy with specific actions, timelines, and anticipated outcomes. Building physician relationships is not easy, and the results will not be instantaneous, but good physician relationships are essential to hospital success.

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