# What Threatens Psychiatric Administrators' Job Security?

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Psychiatric administrators face an uncertain future. Just ten years ago, physician executives enjoyed relatively stable careers (1). In the 1960s and 1970s, job security was virtually guaranteed. Current administrators, however, deal with the prospect of change every two or three years (2). Although the forces of managed care appear to have accelerated career changes, more subtle factors have created employment difficulties for psychiatric administrators. Sidestepping career traps has become a job in its own right. In this article I examine several of those factors and propose strategies for increasing job retention.

## Predictable factors

### *A changing society*

The climate of the new millennium may not suit many psychiatric administrators. Indeed, the term "administrator" has become passé. Contemporary terms such as "manager" and "executive" are used more commonly. Psychiatrists who spend a majority of their time in administration are more likely to fit the role of medical director than administrator. The latter term is closely linked to public mental health systems and is a throwback to the days when superintendents governed state hospitals. Modern management methods have changed radically over the years.

The work ethic has also changed. Society embraces loyalty no more than is required by either the worker or the organization. Forty-year one-track careers and gold watches are relics of the past. Instant gratification reigns. It's difficult to stay gainfully employed in times of turbulence and fast-food offerings. And with the increasing domination of for-profit health care, many companies march to the beat of Wall Street, where results are measured quarterly. But health outcomes simply take a lot longer to unfold.

Society is aging. Older patients require special attention as they increasingly drain health care resources. On the other hand, nearly all the medical students and house officers who will be entering psychiatry over the next two decades are members of so-called Generation X. Psychiatric administrators—most of whom are Baby Boomers—must understand Gen-Xers in order to create clinical environments that meet the unique needs and concerns of these newcomers. The much-discussed generation gap between the Baby Boomers and their elders during the 1960s and 1970s is equaled or exceeded by the differences between the Boomers and Generation X.

### *Mismatched competencies*

Harvard business experts coined the term "core competency." It means "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technology" (3). Core competencies produce a competitive advantage in organizations that have honed unique skills. Examples of such organizations are Honda, Sony, and 3M. When competencies are categorized broadly, a company is usually found to have no more than half a dozen.

Just as organizations have core competencies, so do experienced psychiatric administrators. Yedidia and colleagues (4) identified more than 20 areas of competency relevant to managing care. The areas were subsumed under four main competencies: patient care, performance monitoring, teamwork and care coordination, and organizational issues—for example, ethics and economics. Of course, the competencies of active clinicians are not necessarily the same as those of administrators. I believe the essential core competencies required of psychiatric administrators are leadership, management, and technology skills (5). Moreover, it is extremely important that the core competencies of psychiatric administrators are matched to the goals, vision, and mission of their organization. Otherwise, there is a high probability that psychiatrists will fail at their jobs.

### *Economic downturns*

Recessions are very predictable and affect all aspects of the economy. As the stock market sputters, as consumer spending slows, as dot-com companies fold, and as major corporations announce layoffs, psychiatric administrators become vulnerable to job loss. In that respect, they are not much different from executives in other industries. Even psychiatric practice can be affected when money is tight, because patients may postpone treatment and forgo payments.

A vicious cycle sets in once the economy falters. Organizations attempt to remedy their finances by

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slicing administrative expenses, a euphemism for downsizing. As the pressure to stay profitable mounts, further reductions in the workforce occur. Patient care suffers as a result of reduced levels of service, which leads to further financial erosion, and so on. The health care industry as a whole is grappling with ways to better focus on bottom-line issues, all the while reconciling the hard push for profits with the need to maintain top levels of patient care.

*Mergers*

Although the motive for mergers is clearly economic, merger waves are actually unrelated to the economy. Nevertheless, when organizations combine, the result is one less organization. Hospital closures reached a ten-year peak in 1999, with 64 hospitals ending acute care services that year. Forty-four acute care facilities closed their doors in 2000 (6). Being laid off has become a rite of passage in these days of mergers and corporate reengineering. Psychiatric administrators have unwittingly been used as pawns in the race to cut costs and increase profit margins and shareholder value while little attention is paid to the human side of mergers and acquisitions (7).

Moreover, the pharmaceutical and managed behavioral health care industries have undergone tremendous consolidation. Only a handful of companies manage pharmacy and mental health benefits for the majority of Americans who have health insurance (8). With more and more psychiatrists working in diverse settings (9), turnover is at an all-time high. More than 10 percent of the physician workforce changes jobs once a year (10).

Medical journals are filled with advertisements for new employment opportunities, and every day psychiatrists across the nation receive queries from physician recruiters. As Markel (10) reported in the *New York Times* in May 2001, "The nomadic career path of today's physicians is caused in part by . . . diminishing job security that has long been a fact of life for most working Americans but has only recently become one for doctors."

*Type of organization*

A survey conducted by the American College of Physician Executives (ACPE) and reported by Kirz (11) has shed significant light on physician job terminations. Among 15 types of health care organizations examined, two-thirds of the terminations occurred in the following kinds of organizations: hospitals or health systems with more than 250 beds (25 percent), health plans with more than 100,000 members (18 percent), plans with fewer than 100,000 members (8 percent), hospitals with fewer than 250 beds (8 percent), and integrated delivery systems (7 percent). In other words, working in certain types of organizations and industries may pose a higher risk to psychiatric administrators' job security.

Parenthetically, the survey demonstrated that a large number of physician executives have been fired. Of 620 ACPE members who responded to the survey, 290 (47 percent) said that they had been involuntarily terminated from a medical management position during the past five years. Kirz (11) also found that being the first physician in a new or unclear job and working for an organization that has sustained two or more years of heavy financial losses puts the physician executive at risk of job loss.

*Recent termination or departure of a boss*

In the closing verse of the classic song "Won't Get Fooled Again," Roger Daltrey exclaims, "Meet the new boss; same as the old boss!" Persistent conflict with a boss, a board member, or a key stakeholder can certainly shorten the tenure of a psychiatric administrator. Even more perilous is the case of a psychiatric administrator who reports to a new boss because his or her previous boss was fired or left the company. New bosses may be difficult to adjust to and may be intent on replacing their subordinates with friends and former colleagues—many psychiatric administrators have literally been swept away by this type of proverbial housecleaning.

The fact that high-ranking executives benefit at the expense of their employees is no surprise. Numerous reports have documented a direct relationship between job cuts and compensation for chief executive officers (CEOs). In 2000 the "layoff leaders" received an average of $23.7 million in total compensation, including bonuses and stock options, compared with an average $13.1 million for CEOs overall (12).

The most notorious CEO of this breed is former Sunbeam executive Albert J. Dunlap, once viewed by Wall Street as a genius turnaround artist. Dunlap gained the nickname "Chainsaw Al" for the enthusiasm with which he fired thousands of employees at various companies to cut costs. He made corporate heartlessness respectable and redefined employee-employer loyalty as a one-way street. Of course, Dunlap eventually sank both himself and Sunbeam—as well as executives at the American Medical Association—and in the process taught CEOs a valuable lesson: If workers are treated as disposable commodities, both decency and profits are discarded. Nearly three years after Sunbeam Corporation began to collapse under the weight of accounting irregularities, the Securities and Exchange Commission filed a civil lawsuit against five former Sunbeam executives and the Arthur Anderson partner in charge of the company's audit, accusing them of engaging in a massive financial fraud. Dunlap topped the list of defendants. The case against him was settled out of court.

*Expired shelf life*

Most psychiatric administrators have a shelf life that theoretically is not much different from that of the medications they prescribe. Administrators have a certain amount of time in which they can do their jobs effectively, and often it is better not to continue when that shelf life has expired. Common reasons for moving on include an opportunity to grow in another job, the chance to learn new technology, and the potential to make new contacts. For psychiatric administrators who step down but remain at the same organization, it is perhaps a chance to return to their first love—teaching, research, or seeing patients. In many

respects, leaving administration may be the final promotion. A minority of psychiatrists leave medicine altogether and pursue other interests (13).

*The end of managed care*

Managed care is in its waning days (14). Paradoxically, the end of managed care may make psychiatric administrators more vulnerable than its beginning did. The new order places the consumer (patient) at the center of priority setting in health care. The consumer era offers numerous benefits but also presents severe potential difficulties for the health care system and for physicians in particular. Physicians will be pressed to share administrative services, information technology, and disease management initiatives. Health care organizations at the forefront of the consumer movement have already begun to redefine the role of the psychiatric administrator. Such changes are reflected in newly created positions for physician executives, such as chief medical officer, chief privacy officer, chief science officer, chief technology officer, chief knowledge officer, chief clinical strategy and innovation officer, and—my favorite—chief information officer, or CIO, also known as "career is over" unless psychiatrists get with the Internet revolution.

## Retention strategies

Unfortunately, stepping out of the workforce is not an option for most people. Psychiatric administrators are no exception. If you have recently been laid off or fired, or if you fear that possibility, as you should, there are steps you can take to minimize the risk of losing your job or at least ensure a soft landing.

*Primary prevention*

All psychiatrists learned about primary prevention in medical school, but few have applied the principles to their careers. Primary prevention means protecting your job while you still have it. Don't wait for a termination notice before you start being concerned about your future. You must be proactive and stay abreast of the trends in medicine and psychiatry as well as the trends in your organization. Learn in detail the strategic directions the organization is taking and find a way to add to its success. Network widely within the organization, find a mentor to direct you, and keep learning. Larry Tyler, president of one of the premier recruiting firms in the United States, advises, "The key to surviving termination—whether it's expected or not—is to be prepared. Devise a game plan for the future while you are happily employed, not after you've lost your job" (15).

It is also important to position yourself as an employee who completes projects on time and delivers on promises. Unless you demonstrate your importance to the company, you may find yourself on the hit list. Ironically, physician executives tend to devalue their own importance. Dunham and colleagues (16) found that when there were statistically significant differences between physician executives and nonmedical executives in their rating of organizational objectives, the nonmedical executives always rated the value of the role of the physician executive higher than did the physician executives themselves. Psychiatric administrators should realize that they are especially qualified to be executives, because there are many similarities between managing people and conducting psychotherapy (17–19). More than a dozen psychiatrists currently hold the position of dean at U.S. medical schools.

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Primary prevention means behaving professionally at all times. Avoid gossip rings that tend to promote fear and unfounded rumors that do nothing but paralyze and demoralize workers. Especially resist the urge to gossip during mergers. Instead of participating in a whine-fest, simply try steering the conversation toward a brainstorming session or some other productive activity.

Continuing education is a must for all psychiatric administrators. Continually add to your skills and training to acquire new knowledge and prevent decay of existing knowledge. Although a complete rundown of programs appropriate for psychiatrists is beyond the scope of this article, there are many options, including programs offered inhouse (20), at universities and colleges, through professional organizations, and on the Internet. Many programs are offered locally as well as at a distance, and some offer a combination of the two. Subjects that constitute the ideal curriculum include accounting, finance, economics, marketing, management theory, strategic planning, and the decision sciences—for example, statistics and probability theory (21).

Generally, the more serious you are about a full-time career in administration and management, the more beneficial are graduate programs in business or public health and administration (22). However, having a master's degree in one of those areas does not shield you from unemployment. The field has become very crowded; 15 to 20 percent of physician executives now possess an M.B.A, an M.P.H., or a similar degree. If anything, the real value of attending graduate school lies in learning the language of business—being able to "talk the talk"—and learning how to think outside the box (23).

Many physicians enter management with the belief that an advanced business degree levels the playing field, but nonmedical executives still tend to view physicians as "doctors" first and foremost. Nobody ever went to medical school because they couldn't get into business school. Besides, just a third of CEOs running the largest 1,000 companies in the United States have M.B.A. degrees themselves (24). Although there is little

doubt that business-trained physicians will play key roles in the response of medicine to change, an analysis of the work of administrative physicians did not reveal a clear distinction between these physicians and many others who have managerial responsibility (25).

*Secondary prevention*

Once you realize that your job may be in jeopardy, several tactics can be used to help you avert an unwanted termination. However, first learn to recognize the warning signs. These include feeling a bit out of the loop, getting called on by your boss for petty infractions, being omitted from meetings and e-mail distributions, not being sought after as an opinion leader, feeling as though your company is not interested in developing you for the long term, and not being asked to submit your operating plan for the next year.

These subtle signals are indicators that you should start polishing up your résumé. A résumé is usually preferred over a curriculum vitae for a management position. In fact, you should keep your résumé current even if you have a great job. Updating your résumé provides insight into your progress as a psychiatric administrator. It may highlight gaps in your management experience and skill sets that need to be cultivated. Additionally, if you keep your résumé up to date and on file with a few executive recruiters, they may be able to serve you more effectively if you seek another job opportunity or suddenly become unemployed.

An important component of secondary prevention is investing in the politics of retention. According to Kirz (11), this tactic requires extending your reach beyond your boss and everyday associates to key stakeholders throughout the organization—board members and community and medical staff leaders. The ability to make and sustain high-level connections may be a good measure of a psychiatrist's suitability as an administrator in the first place. The importance of getting out from behind your desk and networking cannot be overstated. Not only can people in your network save your job, but they are also your primary source of contact and referral when it comes to looking for a new job. Unfortunately, as many physicians move up the management ranks, their networks suffer.

Keep your job description current. Virtually all psychiatric administrators find themselves in a role that is different from the one they were hired for. The good news is that working in a new role reflects a capability to learn and grow on the job, to anticipate the needs of the organization, and to redesign yourself along with the organization. But unless you work closely with your boss or someone in the human resource department and literally rewrite your original job description—perhaps even suggesting a new job title to correspond to your new role and responsibilities—senior management will never know you have acquired new skills and responsibilities, and they may even consider you obsolete.

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Finally, answer these questions: Do I have good chemistry with my boss? Do I have a midrange salary? Do I bring in revenue for the company or provide value-added services? Do I have good leadership skills? Do I have good computer skills and other technical expertise? Do I work long hours when necessary? Am I willing to relocate? The likelihood of maintaining your job increases in proportion to the number of times you answer "yes" to these questions. Affirmative answers to such questions demonstrate flexibility, commitment, knowledge, compromise, and good interpersonal skills, all of which will help you dodge bullets.

*Tertiary prevention*

Once you've been handed your pink slip, numerous action steps are required. Within hours, you must come to terms with your fate, which means not blaming yourself or the company for what has happened. Look at the situation objectively and see your termination as a market change or an economic decision. Remember that change is inevitable, and growth is optional. You will also do well to remember the third law in Shem's *The House of God:* "At a cardiac arrest, the first procedure is to take your own pulse" (26).

You must begin to search for a new job immediately, otherwise anger and demoralization are likely to set in and prevent you from moving forward. In addition, keeping busy is a good way to handle the grieving process. By any means, avoid getting involved in consoling former colleagues who remain with the company yet may be experiencing "survivor guilt"—they still have a job!

Approach your job search as if you are still working full-time. Spend 35 to 40 hours each week making contacts, doing research, and following up on leads. Consider building your own Web site—many freshly minted college graduates have them. Also consider consulting with a career coach or counselor, especially if you need help with long-term career issues or are thinking about switching sectors—for example, from a hospital to a managed care setting. Taking the time to seek professional consultation is perhaps the only valid reason to delay your job search.

Various search techniques have been described (27–29), and I will not repeat them here except to say that networking and using recruiters, classified ads, and online resources are proven methods. Do not panic and take the first job available unless it appears to be an excellent fit. Conversely, don't be too demanding and wait

for an overly specific position and salary. According to the outplacement firm Challenger, Gray and Christmas (http://www.challengergray.com), it takes an average of two or three months for discharged lay managers and executives to find new jobs. Companies hire even as they lay off, because they cannot afford to wait until the economy picks up and take the risk that available workers will already have found employment. Additionally, companies that have downsized need to replenish their workforce with proven talent in order to fulfill new business priorities and skill shortages.

If you haven't interviewed in a while, brush up on skills with a colleague or mentor. A good initial interview is likely to result in an invitation to return for further interviews. A bad interview will probably stop you dead in your tracks. I know of psychiatrists who have sought jobs at big health care companies, often without much luck. Their big salary expectations, odd mix of skills, and inexperience get in the way.

While you're between jobs, don't hide from friends and family or try to conceal your circumstances—you'll need all the support you can get—but don't broadcast your situation to coworkers and the community. Never bad-mouth your former boss and colleagues, and make sure you agree on the "parting line" with your boss so you both present the same explanation to potential employers.

Finally, remember that an ounce of prevention is worth a pound of cure. You should negotiate a severance package with your next employer. Assuming you're not fired for "cause," severance should provide you reasonable benefits and compensation to get you through to your next job, plus a cushion for safe landing. Many physicians are also able to negotiate for outplacement services, although the value of these services to a seasoned executive is questionable.

Never feel too desperate or grateful to negotiate a generous departure deal up front. As a psychiatric administrator you are particularly well positioned to negotiate such a deal, because you have skills that are in high demand.

## Conclusions

This article stems as much from the management literature as it does from my own experience. One could say that I've learned in medical and business schools and that I've learned in the "school of hard knocks." The point is that the role of the psychiatric administrator of yesteryear bears little resemblance to that of the contemporary physician executive. Likewise, the work challenges and risks are different. Modern psychiatric management is a very volatile and relatively new profession.

Psychiatric administrators today have no choice but to understand the business of medicine equally as well as they understand the practice of medicine. I imagine that if our administrative forefathers were to view the scene today they would feel much like the narrator in the Paul Simon song "Hurricane Eye," who comments, "I've been away a long time and it looks like a mess around here." But if there is one thing time has not changed, it is the passion that we, as psychiatrists, bring to work every day, whether to heal troubled patients or troubled health systems. ♦

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