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PERSPECTIVES

Preparing for the End: Job Loss and Resilience for Physician Executives

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Abstract: As physicians increasingly assume executive leadership roles within health systems, they encounter heightened accountability and diminished job security. Termination from executive leadership is becoming an increasingly realistic occupational risk for physician leaders. Despite this trend, formal preparation for job loss remains largely absent from physician leadership training and professional development. Involuntary job loss among physician executives is an inherent hazard of leadership rather than a marker of individual failure. Organizational and management theory, particularly themes around transformational leadership and role identity, along with practical experience offer lessons to promote readiness, resilience, and professional continuity before, during, and after termination. Key domains include proactive negotiation of executive compensation, maintenance of clinical skills as a professional safety net, recognition of early organizational warning signs, and practical steps to protect professional assets and networks. Emotional and relational consequences of termination, including loss of role-based authority, shifts in professional identity, and changes in collegial relationships are also essential considerations. Ultimately, termination should be a catalyst for professional reinvention and appreciating the breadth of opportunities available to experienced physician leaders across health systems, industry, and clinical practice. Job loss is a foreseeable component of physician executive leadership. Deliberate preparation will strengthen leadership effectiveness, reduce fear-driven decision-making, and support sustainable, values-based leadership in healthcare organizations.

Keywords: physician leadership, executive job loss, leadership resilience

Introduction

Physicians have a conflicted view of executive leadership. On the one hand, we bemoan lack of accountability. We complain of mismanagement and a focus on revenue improvement and cost reduction prioritized over patient care and outcomes. This demand for professional accountability in part has been satisfied as health system executives are subject to increasing scrutiny from boards and corporate bosses, often prompted by financial underperformance.[1]

Simultaneously, a growing number of physicians aspire to join the ranks of these same health system executives. An increasing proportion of medical students are enrolling in dual MD/MBA programs, with the number of US medical schools offering joint degrees increasing nearly three-fold between 2002 and 2023.[2] This growth is echoed by the number of seasoned doctors seeking a transition in their careers through additional training - whether formal degrees, certificate programs or weekend crash courses in leadership, strategy and finance.[3,4] The effectiveness and impact of such programs have been difficult to document when systematically examined.[5,6]

As more physicians join the ranks of health system executive leadership and face increased accountability and diminished job security, we might in turn expect to see a growing number of physicians executives removed from their roles in the coming years. Increasing performance and economic expectations on health systems, especially in a volatile regulatory environment, will only amplify issues of organizational instability and leadership vulnerability. Aspiring physician leaders need prepare themselves for an experience relatively uncommon to our profession: getting fired. In the following sections, personal experiences, expectations and learnings are applied in the context of organizational and leadership theory to better equip physician executives for the unfamiliar risk of job insecurity.

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In the Beginning … Getting Ready for the End

A common adage in inpatient care management is that "discharge planning begins on the day of admission." Similarly, the physician executive must prepare for the possibility of termination from the time of initial appointment. Because of critical differences in human resources practices and expectations for executive leaders, the physician contemplating an executive role must specifically adjust their approach to compensation, incentives and benefits. These are not matters that can be resolved post hoc, as all leverage is gone once one has been removed from a leadership position.

Financial security for the former physician executive is ensured by two primary mechanisms. The first is integrated into the compensation structure of the executive role itself. Physician compensation tends to be very structured, anchored on standards by specialty, tenure and clinical productivity. Executive compensation, generally perceived as high relative to that of clinicians, reflects experience and scope of responsibility, tailored to the role and the individual. One often unspoken driver of the largesse is the tenuous nature of the executive roles themselves. The risk of unplanned loss of the executive salary effectively drives up the standard compensation package as long-term stability is not guaranteed. In fact, industry surveys and workforce analyses report an average tenure for chief medical officers to be just 3–5 years.[7,8] Because of these fundamental differences, compensation must not be tethered to your former clinical compensation and that of other physicians and instead pegged to the market standard for executives. Such data are routinely leveraged by consultants to inform board compensation committees and hiring agents. There are as well some publicly available data – IRS Form 990 documents provide a wealth of information about executive compensation for non-profit hospitals and systems and the AAMC also provides benchmarks for some physician leadership positions.[9]

The other compensation mechanism that should be considered by every incoming physician executive is severance pay. Severance is the continuation of at least base compensation (usually without incentives) for a period after an executive is removed from the role, often up to a year. Academic physicians might look at severance as analogous to the bridge or startup funding typically provided to physician scientists at the beginning of their tenure. This generous but deserved compensation allows for a period of transition, exploration and discovery, when professional networks are solidified, and new plans are set. But severance can no more be first requested at the time of termination than a retroactive pay raise. Both issues need to be addressed at the time of initial negotiation and contracting.[10]

Readiness is not limited to financial considerations. Personal and emotional considerations are discussed in more detail later, but an understanding of the impermanence of executive leadership must be borne in mind from the outset. More practically speaking, careful consideration of maintaining clinical skills and privileges should be prioritized if possible. Continued clinical service not only enhances credibility, relevance and engagement, but also serves as a safety net in the event administrative responsibilities are unwound.

Reading the Writing on the Wall

The inability to recognize even obvious signs of job insecurity has left too many former physician executives shocked by unexpected loss of position and authority. The capacity to anticipate and prepare for even unexpected change is essential as options may be limited once the decision has been made. Ideally, adherence to conventional standards of feedback and opportunities for improvement will provide all the warning necessary to the physician leader who is not meeting expectations. Clear articulation and measurement of individual and team goals, formal performance reviews and candid feedback from peers and superiors should provide all the information needed to help understand the perception of performance and resultant job security.

Of course, these practices are not always followed. Goals and accountabilities may be imprecise, formal reviews are too often deferred and crucial conversations may never happen. Even more challenging is the reality that the tenure of a physician executive may not end because of measured underperformance. Leadership reorganization, concerns about alignment and fit or simply a preference to change direction can prompt the exit of any leader. The idea of "serving at the pleasure of" the Dean/CEO/President is real.

What can the savvy physician executive leader look for as an indicator of job insecurity? Exclusion is the most potent indicator. Physician leaders are most valued when they bring their vast experience, clinical perspective and relationship with the medical staff to the toughest of organizational problems. Whether the challenges are operational or far afield

from clinical practice, the valued physician leader has a seat at the table When the invitations to those key meetings and conversations dwindle or when your voice is no longer carrying the weight that it should, be concerned.

Getting Your Papers in Order

Keen awareness of the risk of termination allows for ongoing readiness for the impending change. On a practical basis, personal and private materials, files and intellectual property must be segregated from work product and secured for future access. Particular attention should be paid to employment and benefits contracts and other critical communications that might be lost if organizational e mail access is unexpectedly terminated. Ongoing projects and initiatives must be readied for transition – as we should be sure that our exit does not create undue risk for patients. This is an ideal time to continue refreshing your executive resume and curriculum vitae (which should be an ongoing practice) and it is never too early to secure recommendations and referrals both for new opportunities and representation.[11]

Emotionally, readying for a transition is even more important. The inevitable blow to one's confidence can be mitigated by strengthening ties with confidantes and mentors whose support will be essential. Consider your network both within the organization but also outside. These colleagues, always important professionally and personally, will never be more valuable than during this period of transition. Consider not only your physician and executive allies, but connections from other parts of the industry – pharma, payers and entrepreneurs. They will offer support but also can open the door to new opportunities. One especially advantageous option is to engage in trusted relationship with individuals in the field of executive recruitment. Practically speaking, their experience and counsel can be most enlightening.

It's Nothing Personal

There are predictable drivers of the emotional tumult experienced by the terminated physician leader. Among the most frustrating: your achievements and the success of your teams may be claimed by and attributed to others. Further, in the time after your departure, a surprisingly broad range of organizational failures may be assigned to you.

Claiming credit is only natural. Even trusted colleagues need to address any cognitive dissonance that surrounds the departure of a once trusted and respected leader. It becomes all too easy to diminish the nature and significance of your contribution, even among close colleagues. As for assigning blame to the departed leader, this is nothing more than a matter of perceived self-preservation among other members of the remaining team. Having seen one leader exited, they understandably might assign blame to the easiest and safest target before it lands with them.

Ultimately, these phenomena are unalterable, and no amount of protest will rewrite the organizational narrative. However, the prepared and secure former physician executive will be ready, confident in their ability to tell an authentic and positive story as they turn to their next opportunities.

The changing nature of our professional relationships is also worth mention, a point especially important for those who remain affiliated with the organization they once led. At a superficial level, the respect and recognition we enjoy as senior leaders are inextricably tied to the role and title themselves. We may convince ourselves that our impact is driven by our personal influence rather than the authority of the position. In fact, the former physician executive discovers that, like the plush office, the administrative support and the compensation, these perquisites will also expire at the time you exit the role. Relationships (social and professional) with your former colleagues from the executive team may become similarly complicated. On the one hand these are/were some of your closest work friends. But contact with them can become awkward. You in essence become a reminder of their own professional mortality. Do not be surprised when after the initial expressions of concern and support, the calls stop.

These more tangible phenomena are compounded by the effect of job loss on personal and role identity for the physician executive. Much has been written about the importance and complexity of these themes as physicians are trained and later make the transition from clinician to administrator.[12,13] However, questions remain about the implications for individual identity when those roles end and the physician returns to practice.

Negotiating the Logistics of Your Exit

The terminated physician executive needs a lawyer. They need a good lawyer. They need a lawyer they trust. An experienced attorney will not only know the letter of the law in terms of employment statutes and regulations in your state but will help decipher the specifics according to the policies and procedures of your former organization. They will complement this expertise with experience and savvy over what should be expected as usual and customary practices, both for the organization and for you. Importantly, they will serve as a critical counselor and even therapist in managing what you can, cannot and should not attempt to control.[14] No matter the uniqueness of your role, there are attorneys specializing in your situation – academic, private practice, large system, single hospital or group practice. Referrals can come from across the country and your peer contacts are certain to have specific recommendations.

Many a terminated physician executive has agonized over the logistics of sharing the news of their change in status with teams and colleagues, the language of internal and external announcements and even the choreography of the final day, all to soften the blow and even mask the nature of what's transpired. The best attorneys and those who have been through the experience previously will remind us that ultimately there is no disguising the reality of having been terminated. No nuance of language and no framing of intention or desire will disguise the nature of the exit. Instead, they will refocus you on issues of compensation, and more tangible terms around competition, solicitation and disparagement, which ultimately are of more enduring significance. That said, the greatest benefit of your attention to these issues may be to those that you leave behind. Professional, clear and candid communication offers your former team and colleagues the best chance to sustain or achieve the success for which you had advocated when in your prior role.

Conclusion

Termination should be framed as an occupational hazard, not failure. Being removed from an executive role need not be the most traumatizing professional experience faced by an experienced physician. After all, we are accustomed to managing matters of life and death in clinical care. A professional setback, no matter how unexpected or sudden, can be managed with preparation, readiness and support. Moreover, the consequence of losing administrative responsibilities and privileges does not leave the experienced physician without options. The talents and perspective of experienced physician executives are valued by payers, service providers, device and pharmaceutical companies and the growing and dynamic startup community.

Importantly, so long as clinical skills have been maintained, the newly underemployed physician can return to the calling that first brought us to medicine. Returning to a focus on patient care allows for a soft landing and a safe haven as a next move is contemplated. This professional security may be the ultimate "superpower" of the physician executive. Knowing that losing a role is not an existential threat empowers physicians in leadership. This perspective uniquely positions physicians as transformational leaders who can move beyond self-interest to inspire and intellectually stimulate colleagues and teams while recognizing the unique contribution of all.[15]

How much more effective would every health care leader be if they were freed of the fear of job loss and instead could focus exclusively on advocating for what is right for the organization and the patients we all serve? How we handle ourselves both in these jobs and when we lose them should reflect the same values and commitments that first called us to be physicians.

Disclosure

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