You are the chairman of the department of surgery at an urban community hospital and the head of a large general surgery practice. The oldest member of the group is about to retire, and you need to recruit a new partner. You are hoping to recruit a person relatively new out of training to provide succession planning for the group, because you know that in the next five to seven years you will be retiring.

You’re in your office when one of the junior surgeons, Dr. Simon, asks to speak to you. He presents you with several credentialing packets for out-of-state licensure. He is on the staff of your hospital; however, he primarily works at another hospital in the area. You ask Dr. Simon if he would be interested in staying and joining your practice. He states his family is in the area, but he’s not sure whether or not he wishes to be a junior associate in another practice. You spend time discussing how this particular practice runs, what his duties would be, and inform him that in a very short time he could become a fully integrated member of the group with equal say in medical matters and compensation equal to the amount of work that he produces. He asks several unusual questions, such as “How many times a day will you call me?”, “Will you be checking up on me?”, and “Will I be able to make my own clinical decisions?”

It becomes apparent from this discussion that Dr. Simon probably has been treated poorly in his existing practice. He has not been allowed to make his own schedule and his decision making was second-guessed. The senior member of the practice created extensive work for him, while Dr. Simon was compensated for a small percentage of the work that he actually performed and the senior partner was making a large profit.
At this point you explain how this new opportunity would be different, and that Dr. Simon would be a partner in two years, joining with the other three members of the group. The members of the group all feel that he is well qualified and would be an asset to the group. You are willing to offer him a position in the practice. After much discussion and cajoling, he finally agrees to join the practice.

Discussion Questions

1. What are the main concerns in this case?
2. Which organizational theories of management describe the behaviors of Dr. Simon’s first practice experience? The second? Provide a rationale for your responses.
3. Is succession planning important for medical practices? Give examples of what techniques are available to recruit new physicians.
4. Discuss the pitfalls of the new physician joining a practice. From the example in the case, outline what principles should guide a physician in taking on a new associate/partner.
5. How long should a physician be in a practice before he or she becomes a partner? Should he or she ever become an equal partner?

ADDITIONAL RESOURCES