

THE CEO EXPERIENCE IN VICTORIAN PUBLIC HOSPITALS: CHALLENGES AND STRATEGIES FOR LEADERSHIP STABILITY

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ABSTRACT

Leadership stability is increasingly recognised as critical to hospital performance and reform continuity, yet CEO turnover in healthcare is among the highest globally. In Victoria, where public hospitals operate under devolved governance but central accountability, leadership disruption risks slowing reform and weakening system confidence. This study explored what attracts, retains and develops Victorian public hospital Chief Executive Officers (CEOs), beginning with an appreciative inquiry into what helps them succeed. Sixteen CEOs, representing 21% of the cohort across metropolitan, regional and rural services, participated in confidential interviews in late 2024. A brief pulse survey in March 2025 provided additional context during early implementation of Local Health Service Networks (LHSNs). Analysis identified five recurring tensions shaping the CEO experience: performance expectations without structured onboarding; departmental relationships characterised by reactive engagement; governance that can enable or destabilise; leadership development confined to silos rather than system-wide; and reform ambitions that outstrip local capacity. Addressing these five system-level tensions through structured onboarding, trust-based relationships, governance capability, coordinated leadership pathways and realistic workload settings would strengthen leadership stability, reform delivery, retention and system performance.

KEYWORDS

Leadership Stability, public hospital, challenges

INTRODUCTION

Stable and capable executive leadership underpins hospital performance, workforce confidence and reform continuity, with evidence linking leadership quality to organisational outcomes and patient safety. [1-3] When a Chief Executive Officer (CEO) role turns over, strategy pauses, culture unsettles and implementation slows. CEO turnover is increasing worldwide, with health-sector turnover among the highest of any industry. [1,2] Leadership instability therefore poses a strategic risk to healthcare systems reliant on experienced executives to hold together clinical operations, governance and community relationships.

Contemporary health services face increasing complexity, workforce fatigue, reform intensity and heightened public scrutiny, all of which amplify the challenge and importance of leadership stability. Hospitals led by effective, long-tenured CEOs show stronger alignment between clinical and organisational priorities, more coherent culture and steadier performance over time. [2,3]

Victoria's public hospital system is one of the most devolved yet centrally influenced in Australia. Each of the state's 76 public health services is governed by an independent Board that appoints its CEO, while policy direction, funding and oversight remain the responsibility of the Department of Health. This dual accountability means CEOs balance local autonomy with central control, often across competing expectations.

The 2024 Health Services Plan acknowledged that these arrangements were "no longer fit for purpose" and recommended strengthened coordination through new system structures.[4] Hospitals Victoria and 12 Local Health Service Networks (LHSNs) were subsequently established to improve collaboration without removing hospital independence. Their success depends on sustained leadership capability and mutual trust between CEOs, Boards and the Department.

The study began with an appreciative intent—to understand what helps Victorian public hospital CEOs succeed in complex environments and identify the system conditions that influence effectiveness, development and sustainability. The analysis builds on *The CEO Experience* report (April 2025),[5] which distilled these insights into five recurring tensions that together define the leadership environment. The study aims to inform practical improvements to the conditions that enable CEOs to perform and stay.

METHODS

All 76 Victorian public hospital CEOs were invited to participate in confidential, semi-structured interviews. Sixteen (21%) agreed, representing metropolitan (25%) and regional or rural (75%) services and reflecting the geographic spread of Victorian public hospitals. Participants included first-time and experienced CEOs from nursing, allied health and finance backgrounds.

The one-hour interviews were conducted by the author via Zoom between August and November 2024. An interview guide was circulated beforehand, covering attraction, retention and development factors. Interviews were recorded with consent and transcribed.

A brief pulse survey in March 2025 captured early impacts of LHSN implementation on CEO workload, priorities and tenure intentions. It was added to provide timely context on leadership conditions following the policy announcement that occurred after interviews had concluded. Fifteen CEOs responded, reflecting a similar metropolitan and regional-rural distribution to the interview sample.

ANALYTICAL APPROACH

To protect anonymity, transcripts were numbered and de-identified before analysis. They were then read multiple times and coded manually by the author. Initial codes followed the interview-guide domains of attraction, retention and development. Additional codes for Board governance and Department relationships were created during analysis in response to their frequent emergence in the data.

The author initially drafted the report with extensive quotations to preserve participant voice, then reduced the number to improve readability while retaining meaning. Percentages are used to indicate prevalence without implying statistical generalisation.

RESEARCHER POSITION AND ETHICS

The author is an executive coach and organisational psychologist with prior research-leadership experience. The study was conducted independently and unfunded. CEOs participated in their professional capacity. No patient or clinical data were collected. Formal ethics approval was not required. Participants received a copy of the report for comment prior to publication to confirm accuracy and that their anonymity had been preserved. None requested changes.

FINDINGS

Five recurring tensions shaped the CEO experience and together influenced attraction, development and retention (Figure 1). All CEOs managed these tensions, to a greater or lesser degree and often at the same time. Together, they define the practical conditions shaping how CEOs lead, develop and remain in their roles.

FIGURE 1. THE FIVE TENSIONS SHAPING THE CEO EXPERIENCE OF VICTORIAN PUBLIC HOSPITAL CEOs



ONBOARDING: PERFORMANCE PRESSURE VS SUPPORT GAPS

CEOs described entering demanding roles with immediate performance expectations but no formal onboarding. Many recounted steep learning curves, ambiguous expectations and early isolation.

“My first year as a newly appointed chief executive—that was tough.” Another recalled being promised mentoring *“that never materialised.”*

Without clear induction, new leaders had to self-navigate complex governance, funding and departmental relationships. The adjustment period created a six-to-twelve-month lag in effectiveness just as strategic alignment was most critical. Even experienced second- or third-time CEOs described needing to relearn the system's informal rules. *“I can't tell you how many times I wished someone had just sat me down in the first week and explained how things actually work here.”* Peer networks helped but varied in reach and timing. Structured orientation to key relationships, departmental processes and governance expectations was viewed as essential to shorten adjustment and reduce strain.

DEPARTMENT RELATIONSHIP: WANTING PARTNERSHIP VS FEELING MANAGED

Relationships with the Department of Health were regarded as essential, but collaboration was inconsistent. While some engagement was constructive, much of it was described as reactive or directive.

Many said consultation came late, after key decisions, leaving their expertise underused. *"There's so much wisdom sitting around the table, sitting there and saying nothing."*

Frequent data requests and shifting expectations diverted attention from strategy and added to administrative burden. For smaller and rural services, this was especially acute: *"Everything is treated as a priority, and the work is packed on, packed on, packed on."*

CEOs also cited uneven communication—*"It feels like the left hand doesn't know what the right hand is doing."*—and described performance reviews led by staff without sufficient contextual understanding.

Despite frustration, most expressed a desire for calmer, more collaborative engagement that would enable earlier dialogue, reduce rework and build trust between the Department and health service leaders.

GOVERNANCE: BOARDS AS ENABLER VS GOVERNANCE RISK

The Chair–CEO relationship was critical for both effectiveness and tenure. Seventy-five percent of CEOs described supportive Chairs and capable Boards that offered constructive challenge and trust. *"I feel just so, so lucky to have landed this role with a Board Chair where we work so well together."*

At their best, Boards provided clarity, mentoring and measured oversight. *"They challenge and stretch you, but they're generous and kind."*

However, the remaining quarter experienced difficult dynamics. *"A bad Board can do you in—and vice versa."* When roles blurred or relationships soured, CEOs diverted energy from strategy to managing process and politics.

A recurring difficulty, particularly for first-time CEOs, was addressing interference without jeopardising relationships. As one experienced leader observed, *"It's hard when the Chair wants to take on an executive role but you don't have the authority to say, 'This is my side of the fence.'"*

Board turnover compounded these challenges. CEOs, particularly in rural services, often had to orient new metropolitan appointees to local realities—distance, staff shortages and community expectations—adding to workload and tension.

LEADERSHIP PIPELINE: DEVELOPING LEADERS SYSTEM-WIDE VS IN SILOS

All CEOs saw themselves as responsible for developing successors, but pathways into CEO roles were fragmented and inconsistent. Unlike clinical careers with defined training progressions, aspiring executives relied on chance, informal mentoring and individual study—postgraduate programs, governance courses or short leadership intensives.

Some organisations had comprehensive succession plans, while others relied on acting arrangements or external recruitment. *"None of the directors are going to be automatically ready to take on these big jobs because they're not being prepared for it."*

Leaders supported the idea of a public-hospital-specific development pathway combining mentoring, coaching and system exposure. *"It's not about grooming them to be anything like me—it's about helping them be the best version of who they are."*

Most agreed that leadership development was a shared responsibility, but one that cannot be delivered consistently without central coordination or dedicated resourcing.

SYSTEM REFORM AND CAPACITY: SYSTEM AMBITION VS LOCAL IMPACT

CEOs supported the intent of system reform but said implementation had increased workload without adequately considering administrative capacity, particularly in smaller rural services.

The March 2025 pulse survey found that 53% of respondents were working four or more additional hours weekly. To absorb this, 60% reported working longer days and weekends, while just over half (53%) were spending less time on core service priorities or supporting their executive teams.

Impacts were most acute for country CEOs, 64% of whom said their core responsibilities were affected and 64% planned to leave sooner than previously intended.

One CEO summed up the strain: “*We support the intent, but it has to be doable.*” The issue was not resistance to collaboration but structural reality—many rural CEOs manage everything from strategic planning to facility maintenance within tight resources. System reforms that overlook administrative capacity risk undermining the very sustainability they seek to achieve.

DISCUSSION

The findings show that leadership continuity in Victoria's public hospitals depends less on individual capability than on surrounding conditions. The five tensions identified illustrate how structural and relational settings shape attraction, development and retention. These are system effects rather than reflections of individual capability. They highlight opportunities to strengthen system performance through more deliberate support for CEOs.

INTERPRETING THE FINDINGS AND THEIR IMPLICATIONS

CEOs described strong purpose and public-service motivation, yet that commitment is tested by inconsistent onboarding, variable governance practice and reactive communication with the Department. These dynamics affect how long leaders stay and how effectively they operate.

The tensions reveal a need for greater coherence in how the system manages executive leadership. Current arrangements rely heavily on each CEO's experience and networks; when these are strong, performance is high, but when they are not, pressures erode confidence and continuity. Predictable structures for onboarding, feedback and development reduce this variability.

Together, the five tensions show how leadership sustainability functions as a feedback mechanism within the system. When CEOs are well supported, knowledge and relationships compound, creating organisational learning that accelerates reform. When turnover or strain disrupts that continuity, the system must continually relearn what it has already solved. Designing structures that preserve this relational and institutional memory is therefore both a workforce and a reform imperative.

IMPLICATIONS FOR SYSTEM PRACTICE

Addressing the five tensions requires deliberate system design rather than individual adaptation. Strengthening leadership conditions requires coordinated attention to several levers:

- **Structured onboarding:** A six- to 12-month learning curve is inevitable as CEOs experience the annual cycle, but it need not involve a lag in effectiveness. Clear briefings, relationship mapping, governance orientation and mentoring can accelerate alignment and confidence for new CEOs.
- **Trust-based Department relationships:** Clearer communication channels, realistic timelines and earlier consultation improve decision quality and reinforce mutual respect. Recognising differences in capacity across hospitals, particularly smaller and rural services, is essential.

- **Governance capability:** Well-inducted Boards and skilled Chairs help maintain boundaries and constructive challenge. Peer learning among Chairs and access to neutral facilitation when difficulties arise can preserve focus on strategy.
- **Leadership pathways:** Visible, system-wide development pathways and targeted learning in governance, system navigation and influence would strengthen the leadership pipeline.
- **Capacity for collaboration:** Reform initiatives should account for workload differences and provide temporary project relief or flexible resourcing to prevent system priorities from displacing local obligations.

SYSTEM LEARNING AND ENGAGEMENT

Between June and November 2025, findings from *The CEO Experience* were presented to the Minister for Health's office and the Department of Health. [6] The briefings focused on practical, low-infrastructure responses to strengthen leadership capability. The work is now at an early planning phase, and these findings have contributed to Departmental discussions on workforce and leadership planning.

LEADERSHIP CONTINUITY AND SHARED RESPONSIBILITY

Leadership continuity shapes how well hospitals absorb and recover from inevitable change. When induction, governance and relationships are managed consistently, new CEOs find their footing more quickly and services maintain momentum. When supports are inconsistent, performance relies on individuals filling gaps rather than on system structures that make continuity easier.

RELATIONSHIPS AND SYSTEM PERFORMANCE

Relationships are the foundation of system effectiveness. Public hospital CEOs work within interdependent networks where outcomes rely on how well organisations connect, not on individual effort. Constructive relationships between CEOs, Boards and the Department enable coordination and reform; when they fracture, pressures intensify. The findings highlight relational conditions—role clarity, mutual respect and consistent communication—that strengthen the system as a whole.

CONTRIBUTION TO THE LITERATURE

This study contributes to the literature by applying an appreciative lens to examine what enables and constrains leadership effectiveness within a devolved health system. By focusing on the conditions that help CEOs succeed rather than only the challenges they face, it offers a constructive systems perspective on executive sustainability.

LIMITATIONS

This research captures the perspectives of 16 CEOs and a 15-respondent pulse survey and findings should be interpreted as indicative rather than representative. The study reflects CEOs in role during 2024–25 and may not apply to future contexts or other jurisdictions. Perspectives from Department of Health staff, Board Chairs and members, former CEOs, and clinical and non-clinical employees were outside scope but would add further depth in future work. Longitudinal evaluation of initiatives targeting the leadership conditions identified in this study would help determine which approaches most strengthen leadership sustainability.

CONCLUSION

Victorian public hospital CEOs bring deep expertise and commitment to public service. They describe demanding work shaped by structural and relational conditions that can be improved. Addressing these conditions—onboarding, departmental relationships, governance practice, leadership pathways and collaboration capacity—offers a practical route to greater stability and stronger attraction to the role to help ensure the position continues to draw high-calibre candidates.

Leadership sustainability is a form of organisational capability. It supports institutional memory, relational trust and the continuity of learning that underpins effective reform. When these conditions are in place, CEOs can operate with greater

confidence and adaptability, and their experience compounds within the system rather than being lost through turnover. Sustaining that capability is essential to performance and public value.

Structured onboarding, trust-based engagement and governance clarity help maintain this continuity of learning and performance. In a sector where turnover is high, [1,2] improving the CEO experience is not about additional support for individuals; it is about creating the environment in which capable people want to lead, can lead effectively, and stay long enough to make a lasting difference.

CONFLICT OF INTEREST

The study was undertaken independently and without external funding. The author provides executive coaching and organisational psychology services to senior leaders and organisations, but had no coaching or advisory work with any participating organisation during the research. The author may consider future opportunities to support implementation or leadership development initiatives arising from this study.

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