

Leadership on the Brink: Healthcare Executives Eyeing the Exits

While the healthcare industry has been dealing with high employee turnover since the start of the COVID-19 pandemic, that turnover was largely among clinical staff. However, a recent survey found that significant healthcare leadership turnover may also be on the horizon. AMN Healthcare subsidiary B.E. Smith found that nearly half of healthcare executives plan to leave their organization in the next year.¹ This Health Capital Topics article reviews the survey and the reasons behind the intended exits.

B.E. Smith's survey, conducted in October and November 2024, garnered responses from 588 healthcare executives, 39% of whom were c-suite/trustees, 11% of whom were senior vice presidents or vice presidents, and 46% of whom were directors/managers.² Survey respondents largely worked in health systems and hospitals (73%) or clinics/group practices (10%).³ The revenue size of these employer organizations were well-distributed. Nearly half of respondents (43%) had worked at their employer organization for over a decade and another 18% had been employed at their organization for over 6 years.⁴

The survey reported that 46% of the 588 surveyed leaders "intend to leave their organization within twelve months."⁵ This notable percentage seems even more significant given that, across industries, the turnover rate is 5.45% for top executives and 7.6% for management.⁶

Potential reasons for this desire to exit current employment appear elsewhere within the survey:

- 43% of respondents, largely from smaller organizations, "consider their ability to attract quality leadership candidates to be extremely or very challenging";
- While hospitals' financial outlook has improved since the lows of the COVID-19 pandemic, leaders worry that the lingering financial and operation challenges "are not transitory" and are "resistant to near-term improvement";
- Only 34% of respondents anticipate better organizational health in 2025 compared to the year prior, and 48% anticipate no change. Notably, this response rate was 53% and 24% last year, respectively;⁷ and
- Nearly 75% have been offered a job opportunity in the last six months (17% pursued the opportunity).

Further, respondents identified the following forces as those most likely to disrupt healthcare in the next one to two years:

- Financial pressures and constraints (57%);
- Workforce issues (50%);
- Government regulations (34%)
- Advanced technology (21%);
- Changing leadership requirements (15%); and
- Non-traditional competition (13%).⁸

The survey authors noted that "[a]ll of these forces are up noticeably from last year, suggesting greater risk intensity and volatility."⁹

Hospitals have experienced particularly difficult financial and operational challenges since the beginning of the pandemic, and was one of the slowest recovering healthcare subsectors.¹⁰ As recently as November 2024, hospital patient volumes across emergency department and outpatient visits were decreasing.¹¹ Even while revenues (stemming from these patient volume decreases) were sluggish, expenses remained high.¹² While a January 2025 report found that hospitals' financials generally looked more encouraging, anticipated state and federal regulatory changes may (further) decrease revenues and/or increase costs (e.g., Medicaid cuts).¹³

The survey summarized that "this year's Trends results confirmed an ongoing slow erosion in satisfaction, though levels remain reasonably strong."¹⁴ While 79% reported feeling extremely or somewhat satisfied with their job, that percentage is down from 82% the year prior.¹⁵ For organizations seeking to retain their top leaders, the survey did provide some insight. Among the factors that most influence respondents to remain at their current organization include, perhaps unsurprisingly: organizational culture (44%), colleagues (39%); and compensation (38%).¹⁶

Ultimately, the B.E. Smith survey paints a concerning picture of a healthcare delivery system bracing for significant potential leadership departures, adding another layer of complexity to an already strained industry grappling with financial pressures, clinical workforce challenges, and regulatory uncertainty.

- 1 "Healthcare Leadership Trends for 20205: Must-Know Leadership Trends Healthcare Decision Makers Can't Ignore" B.E. Smith Leadership Solutions, 2025, available at: <https://online.flippingbook.com/view/825932016/25/> (Accessed 4/16/25).
- 2 *Ibid.*
- 3 *Ibid.*
- 4 *Ibid.*
- 5 *Ibid.*
- 6 *Ibid.*
- 7 *Ibid.*
- 8 *Ibid.*
- 9 *Ibid.*
- 10 "Healthcare M&A activity signals shaky financial recovery" By Jacqueline LaPointe, TechTarget, January 14, 2025, <https://www.techtarget.com/revcyclemanagement/news/366617976/Healthcare-MA-activity-signals-shaky-financial-recovery> (Accessed 3/24/25).
- 11 *Ibid*; "National Hospital Flash Report: November 2024 Data" Kaufman Hall, January 9, 2025, <https://www.KaufmanHall.com/insights/research-report/national-hospital-flash-report-november-2024-data>
- 12 LaPointe, TechTarget, January 14, 2025; Kaufman Hall, January 9, 2025.
- 13 "5 Key Facts About Medicaid and Hospitals" By Scott Hulver, et al., Kaiser Family Foundation, March 5, 2025, <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicare-and-hospitals/> (Accessed 4/16/25).
- 14 "Healthcare Leadership Trends for 20205: Must-Know Leadership Trends Healthcare Decision Makers Can't Ignore" B.E. Smith Leadership Solutions, 2025, available at: <https://online.flippingbook.com/view/825932016/25/> (Accessed 4/16/25), p. 11.
- 15 *Ibid.*
- 16 *Ibid*, p. 14.

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