

How to lead effectively through managerial transitions

Turnover is increasing across health systems

Leaders should prepare to step in

Leadership instability in healthcare is not new, but its impact is accelerating. Over the past several years, organizations have faced sustained pressure on leaders, faster retirements, and a thinning pipeline of mid-career talent ready to step into increasingly complex roles. At the same time, restructuring, wider spans of control, and expanded responsibilities have pushed many leaders into roles without the preparation or mentorship necessary to succeed.

The pressures are most visible at the departmental level, where many early and mid-career clinicians are hesitant to pursue leadership roles. Recent American Organization for Nursing Leadership (AONL) research shows that director and manager positions are often perceived as high burden and low support, with expanded spans of control, administrative overload, and limited mentorship.

This aligns with broader workforce data. Younger clinicians are prioritizing flexibility, boundaries, and well-being, making traditional 24/7 leadership roles less appealing. At the same time, many organizations lack consistent pathways for development and psychological safety, leaving fewer leaders ready to step into roles that are more operationally complex than ever.

These challenges mirror broader system-level trends. AONL’s 2025 Nursing Leadership Insight Study highlights sustained pressure on nurse leaders, while the American College of Healthcare Executives (ACHE) continues to report elevated CEO turnover, typically 16% to 18% annually for over a decade. Much of this is driven by retirement, burnout, and increasingly complex roles.

Turnover at the top creates downstream instability. As COOs step into CEO roles or take on broader system responsibilities, gaps widen across leadership layers. At the same time, organizations are consolidating roles, with CNOs increasingly assuming dual operational responsibilities.

The result is consistent: Leadership instability is not isolated, but rather, systemic, compounding, and felt across every level of the organization.

How leadership turnover impacts day-to-day operations

The pressures are intensified by financial and quality expectations under the One Big Beautiful Bill Act (OBBBA) and related policy shifts. Leaders are being asked to reduce avoidable variation in daily operations, improve quality and safety outcomes, and maintain access, all while operating within tighter margins. In practice, leaders must deliver operational reliability across cost, quality, and access all at once. When leadership is unstable, that reliability breaks down.

When a leader departs, the impact is immediate. Responsibilities shift, bandwidth stretches, and attention is pulled away from core priorities. Many organizations rely on interim leaders to

• AUTHORS

• **Anne Schmidt**
 • *Director, Clinical operational excellence and lead, Care variation reduction, Optum Advisory*

• **John League**
 • *Managing director, Leadership development solutions, Advisory Board*

• PUBLISHED

• **June 2026**

16%

to

18%

Annual turnover for health system CEOs

maintain continuity. While experienced interims can provide short-term stability, they can also introduce variability in leadership style and decision-making. Their temporary status can create ambiguity around long-term direction. For potential new hires or emerging leaders, frequent interim turnover can also signal instability to both staff and potential hires. These dynamics underscore a core challenge: Leadership transitions require intentional design.

Rethinking leadership transitions

Creating the conditions for leadership success

To navigate this environment, **executives need to rethink how they approach leadership transitions**. The goal is not simply to replace a leader. It is to create the conditions for success, whether the organization is onboarding a new leader or retaining an existing one. Even when turnover is unavoidable, organizations can maintain continuity, prevent coverage gaps, and avoid overburdening remaining leaders through a structured approach.

This approach signals stability to staff and creates forward momentum. At the center of this approach is a roadmap for quality and safety — a clear, actionable plan that outlines current performance, identifies priority gaps, and defines the steps required to strengthen reliability. A roadmap helps leaders define a starting point, outline priorities, and explore outlets to engage their teams around shared goals. Instead of spending months diagnosing what needs fixing, leaders can focus on coaching, relationship-building, and driving improvement.

The best way to lead people into the future is to connect with them deeply in the present.

JAMES M. KOUZES
The Leadership
Challenge



Why this approach works

This approach delivers early wins. It rebuilds staff confidence and reinforces leadership credibility. It also provides a foundation for mentorship, giving leaders the clarity and structure needed to grow into their roles. In high-impact areas such as the ED, critical care, surgical services, and the cardiac catheterization lab, this level of intentionality is essential to reducing variation and maintaining safe, efficient care.

When organizations adopt this mindset, the role of external support becomes more targeted and strategic. Consulting is not about responding to disruption. It is about maintaining stability while boosting performance. Internal teams are often stretched thin and may not have the capacity or objectivity to assess performance or build a transition roadmap in real time. External partners can bring structured methodologies, additional capacity, and a clear point of view to help leaders operationalize their approach.

Consultants amplify rather than simply replace internal leadership. They help organizations move faster, avoid common pitfalls, and ensure leaders step into clarity, even amid chaos. In this way, consulting becomes a strategic investment in quality, safety, and workforce well-being, strengthening leader confidence, stabilizing teams, and accelerating improvement at a time when organizations cannot afford to lose ground.

Tools for leading through transition

Creating the conditions leaders need to succeed

Creating conditions for success is often counterintuitive. It requires slowing down. A proactive approach to transitions can't simply mean bringing new leaders up to speed as quickly as possible. It must also mean supporting those leaders with the time and support to build awareness across four key areas: purpose, context, self, and others.

Slowing down also allows leaders, especially those new to the role, to operate within a “holding environment,” a psychologically safe space to process uncertainty, build trust, and focus on what matters most.

This kind of environment is not passive. It is intentionally designed to support clarity, alignment, and early decision-making. Without it, leaders are often forced to react before they're ready, increasing the risk of misalignment and missed priorities.

In practice, this means creating space for leaders to assess current performance, align with key stakeholders, and establish a focused set of priorities before being expected to drive results at scale. Organizations that take this approach are better positioned to stabilize leadership, reduce variability during transitions, and sustain performance over time.

What leadership will require moving forward

Leadership instability is unlikely to resolve in the near term. Turnover, evolving workforce expectations, and increasing operational complexity will continue to reshape how healthcare organizations are led.

In this environment, stability will not come from avoiding transitions, but from managing them effectively. Organizations that treat leadership transitions as a core operational priority, rather than a temporary disruption, will be better positioned to maintain performance and continuity. This requires a shift in mindset. Transitions must be structured, supported, and intentionally designed to reduce variability and enable leaders to succeed early in their tenure.

The organizations that invest in this approach now will not only navigate ongoing change more effectively, but will build a more resilient leadership model, one that can adapt to future challenges while sustaining performance.

Want to create strategic roadmaps?

Optum consulting can help organizations align priorities, data, technology, and change management to drive sustained improvements in throughput and continuity of care.

Go to www.advisory.com/optum-support to get in touch with Optum consulting.

Endnotes

1. [APM Measurement Effort](#). HCPLAN. Accessed May 20, 2026.

2. Hill A, et al. [Path to Value survey: 5 key insights from healthcare leaders](#). July 24, 2024.

3. [2025 Medicare Advantage and Part D Rate Announcement](#). CMS. April 1, 2024.

4. [Medical Expense and Utilization in Medicare Advantage During 2023](#). AHIP. February 28, 2024.



655 New York Avenue NW, Washington DC 20001 | [advisory.com](https://www.advisory.com)

This document does not constitute professional legal advice. Advisory Board does not endorse any companies, organizations, or their products as identified or mentioned herein. Advisory Board strongly recommends consulting legal counsel before implementing any practices contained in this document or making any decisions regarding suppliers and providers.

© 2026 Advisory Board • All rights reserved.