

Pressure at the top

Turnover and burnout – two words common in the lexicon of public hospital managers, but is the grass greener beyond the revolving door? **Kathy Stone** investigates.

OF THOSE CEOs who make the transition to the private system few, if any, look back, proving there is certainly life after public health.

Indeed, the phenomenon of “crossing over” has become so common that the Australian Private Hospitals Association (APHA) devoted an entire session of an annual conference to smoothing the transition for public sector refugees.

APHA executive director Michael Roff said while the organisation didn't collect statistics on the number of incidences, movement of hospital managers from public to private was almost exclusively one-way.

“The public sector is twice as big as the private so I guess it's just a fact of life that a lot of health administrators actually start their career in the public sector and move over to the private,” Roff said.

“Most people who move to the private sector stay there and certainly this session we ran, and some research that was presented there, sought to explain why that happened.”

One of the biggest points of dissatisfaction highlighted within the public system was the lack of focus on staff development and the scant opportunities to express initiative.

“In contrast, managers in the private sector are actually empowered to affect change through the decision-making process and through the strategic planning process, and ultimately that leads to greater job satisfaction,” Roff said.

Crossing over

CEO of Townsville Mater Hospital, John Amery, crossed over in 1999 after more than three decades in the public system.

“For me it was matter of being able to look at innovation and achieve innovation which, in my experience, was easier in the private sector,” Amery said.

“It was about redeveloping your health service in the most appropriate way, rather than the politically expedient way. Health CEOs in the public arena are always subject to bureaucratic and political pressure of one kind or another.”

Cue the federal health minister Tony Abbott, and his comments last year that the management of public hospitals could learn a thing or two from the private sector. Abbott pointed to the instability of tenure at the highest levels of public health as a sign of a system under stress.

Addressing the Menzies Research Centre in September he noted: “In three years as health minister, I'm sorry to say that I have rarely



spoken to a doctor or nurse with current personal experience of public and private hospitals who didn't prefer the private system”.

But Prue Power, executive director of the Australian Healthcare Association (AHA) – a national industry body for publicly-funded hospitals and healthcare organisations – believes the perception of high turnover within the public health sector could be over-stated and, if the UK experience is anything to go by, may actually reflect problems within a handful of organisations rather than across the board.

Nonetheless, Power agreed the private sector was a tempting proposition for some health



Tony Abbott

“It’s often a tough gig but if you can make it there it sets you up for the future.”

managers; offering more attractive rates, terms and conditions, as well as being “devoid of the same political pressures”

“To be honest, the public health system is going through major change and this is very challenging for CEOs,” she said.

“Their roles are tough and often lonely and under-remunerated compared with the private sector.”

“Unlike the private sector, we cannot cherry pick the service lines. CEOs are in a pretty vulnerable position, being the interface between the health department and service provision. When things don’t go as planned then there is often the need for a scapegoat politically, and the CEO fits the bill.”

Little wonder that some hospital managers, sticking with the public system, are looking for outside inspiration.

Hardy Group International (HGI) is a private firm specialising in the recruitment and development of executives, primarily for the public sector, and has about 35 hospital CEOs from across Australia and New Zealand involved in learning sets and executive coaching. Many of them are introduced, at least initially, by their area health service.

HGI managing director Kevin Hardy said: “People are looking for ways to enhance their knowledge and skills, and capacity to move

upwards in their career. I think there are increased pressures on them politically, financially, bureaucratically, and from the community as well!”

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Tough gig is right. In January Tasmania’s largest hospital, Royal Hobart, appointed its fourth CEO in two years. The following month, Wagga Wagga newspaper *The Daily Advertiser* ran a front-page article on the base hospital’s new woman-in-charge under the cheeky headline “Musical Chairs”. This was the sixth appointment since 2004.

Last year, a South Australian Parliamentary Select Committee published its final report into the troubled history of the Mount Gambier and Districts Health Service. The report noted that the service was characterised by high turnover rates among senior administrators, with no less than eight people either appointed or acting as CEO during a three-year period.

Among the reasons given in the report: “rapidly changing health systems, changing populations in the country, a movement of services from inpatient to community support and reductions in beds, but still the same number of patients”

Politics

For an environment so politically charged, governments are extraordinarily keen to be seen at arm’s length.

The South Australian health minister did not return H&H’s calls, and neither the NSW health minister nor the health department would comment directly on public hospital managers. Not surprisingly, CEOs were equally reluctant to go on the record.

There is precious little data on turnover rates among public or private hospital managers. Australian studies to date have concentrated on career hazards higher up the chain of command, where tenure is equally short and bloody.

As part of her PHD, Sue McAlpin looked at the experiences of senior rural health managers in NSW from 1993 to 2000, during a period of health restructure.

Her findings are illuminating for many reasons, not least of which is the enormous personal toll exacted on the executives charged with implementing reforms.

“If you are working in south-west Sydney and you’re the CEO nobody knows you,” said McAlpin, a senior lecturer at Charles Sturt University and a federal councillor with the Australian College of Health Service Executives (ACHSE).

“But one of the participants in my study had to have a bodyguard on his family because of the bad press he received”

“The problems are further exacerbated in rural areas because it’s very difficult to recruit to these positions. Who’s going to come out from a metropolitan area and take on that sort of role when it’s so tenuous?”

Ming Liang, a lecturer at Griffith University’s School of Public Health, has also written about the



Michael Roff

impact of health reform on turnover, and is now looking to broaden the focus of her PHD findings to include hospital CEOs.

She points to an Australian study conducted between 2000 and 2004, which puts the average tenure of other industry executives at 5.5 years. In contrast, senior health executives during a period of reform lasted an average 3.1 years.

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Somehow, CEOs have to bear the competing demands of a risk adverse health department with those of hospital staff and a community primed for quick and positive results. If there is a solution to that dilemma, nothing suggests a quick fix.

“The public system always suffers from a lack of money and there is always a huge service gap,” Liang said. “So if there is an over-demand in the community who will be under pressure? It will be the senior managers running the hospital!”

“I believe there will always be pressure on CEOs until the service gap has been filled and the community's expectations are met, or the community has been educated to get real and realise you cannot always have what you want.” **H&h**

“I believe I'll have the lobster again, Phillippe ...”



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