

briefing

NHS management: Part of the solution not
part of the problem



“Creative and effective management is vital if we are to modernise the health service. It is one of the most important management challenges in the country” - Tony Blair, May 2002

Why does the NHS need management?

The NHS faces a vast and highly complex task: providing high-quality healthcare across the entire nation, in an environment of constant change.

A big operation

With 90,000 staff, from cooks to consultants, the NHS is the largest employer in Wales, employing over 8 % of the Welsh workforce. The NHS across the UK employs over a million people, making it the largest employer in Europe. In the course of a year, there are over 22 million individual contacts between Welsh patients and the NHS.

A complex operation

But it isn't simply about large volume and big numbers. Providing high-quality healthcare is a highly complex activity. The health needs of an individual patient can often be complex enough, for example requiring expertise and input from a range of health professionals. Yet the NHS has to ensure that it meets the diverse health needs of an entire population, providing services which are appropriate and accessible to all patients, whatever their needs, wherever they live.

An ever-changing environment

An additional challenge faced by the NHS is that it operates in an environment of constant change on a wide variety of fronts. In some cases, the pace of change is increasing. And very few of the changes – and the challenges – the NHS faces are entirely within its control: for example the level of health amongst the population is determined by a range of factors such as socio-economic conditions, housing and lifestyle.

- **Medical and scientific advances** - new treatments and drugs are constantly becoming available.
- **Increasing demand** - in 1945 the number of outpatient appointments in the UK was 1 million. In 2005 it was 46 million. The drugs bill in primary care in Wales is increasing by around 10% per year.
- **Demographic changes** – the NHS needs to keep up with the changing profile of the population, for example the increasing number of older people.
- **Rising standards and expectations** – patients and the public quite rightly wish to see continued improvements

in the quality of service provided by the NHS.

- **Organisational change** – along side all of these changes, the organisational structure of the NHS in Wales has itself undergone six major changes in fifteen years and is presently embarking on yet another change from 22 Local Health Boards and 8 NHS Trusts to seven integrated boards.

No organisation of this scale and complexity, which has to respond and operate in an environment of constant change on a wide variety of fronts, can be properly run without sophisticated and well-resourced management.

Who are management and what do they do?

NHS management today is very different from the stereotypical image of management as men in grey suits. As well as the obvious cases of full-time managers, there are a whole range of professionals within the NHS who have a management role. Many doctors and nurses for example have a key management role, leading their teams, establishing new and innovative ways of working, and redesigning services around the patient.

But what does “management” do? The answer is that there is an enormous range of essential functions within the NHS which come under the broad heading of “management”.

Making the “bureaucracy” work

Sometimes, day-to-day work in the NHS which is essential for patient care is described as “bureaucracy”, often with the implication that it is unnecessary or wasteful. But there are lots of behind-the-scenes functions within the NHS which are absolutely vital. Obvious examples are catering, portering, buildings maintenance and cleaning. Other examples are:

- **Managing patient records** – this is essential for safe and high-quality patient care and is an enormous administrative task, though IT is already making a big difference.
- **Managing the workforce** - though technology can help in many areas, providing effective healthcare to patients remains a labour-intensive business. The NHS therefore needs a large workforce, which needs to be managed and motivated.

- **Managing procurement** – to meet all the health needs of Welsh patients, the NHS has to purchase a vast range of supplies: everything from light bulbs to lasers, from antibiotics to zimmer frames.

Without all of these, the NHS simply could not function. If these key tasks are to run effectively, they need to be properly managed. In fact, good management can help identify ways of increasing effectiveness in these areas, for example through better use of information and IT, and through sharing of services across different parts of the NHS.

Implementing government policies and targets

As statutory bodies, NHS organisations are required to implement the policies, strategies and priorities of the government of the day. Since devolution, overall policy for the NHS in Wales has been driven by the Welsh Assembly Government. They have identified a plethora of areas as key priorities and have introduced highly challenging targets in these and other areas such as waiting times. Delivering on each of these important priorities requires considerable management resources.

Another key priority area is improving the quality of care provided to patients in Wales. For example, the NHS is responsible for clinical governance, a set of systems and processes aimed at ensuring that all clinicians follow best practice. This is extremely important in helping raise the standard of care received by patients.

Delivering results in these and other areas is vital if patients in Wales are to see improvements in the NHS. But delivery can only happen with strong, well-resourced and well-motivated management. If NHS management in Wales is given the investment and support it needs to do the job, and some organisational stability after April 2009, they can make an even bigger contribution to delivering the Welsh Assembly Government's vision of an improved service for Welsh patients.

Developing leadership and long-term thinking

As well as keeping the NHS running effectively, and implementing government policy, management also has an important role to play in stepping back from day-to-day activities and looking at the bigger picture and the longer timeframe.

For example, management is increasingly working with the Welsh Assembly Government to ensure that individual health policy initiatives take place within a long-term strategic framework, so that long-term objectives fit with short and medium-term developments. Management can bring its experience and expertise to help ensure that important strategic work can be translated into real benefits for Welsh patients.

Management also has a key leadership role in setting the standards and shaping the culture in the organisations in which they work.

One important example is helping to encourage a culture of innovation at all levels and across all disciplines within NHS organisations. Introducing new ways of working and looking at how things could be done differently is a vital management task as it can bring real benefits to patients.



Management is an investment not a cost

Public money spent on doctors and nurses is usually regarded as a good thing whereas public money spent on management in the NHS is usually seen as a bad thing. Why is one seen as an investment to be increased and the other seen as a cost to be reduced? Leaving aside the fact that "management" is increasingly involving doctors and nurses anyway, the main factor explaining this is that the impact that doctors and nurses have on patient care is direct and visible. In contrast, the contribution made to patient care by management (along with many other functions within the NHS) is less immediately obvious. However, the contribution made by management is now becoming increasingly visible.

Better management delivers better care for patients

Research led by Professor Michael West at Aston Business School has reinforced other evidence over recent decades which suggests that good human resources management (eg good communications, effective teamworking and lifelong learning) will bring about better patient care.

But there is a lot more that management can do to help improve patient care, with increased investment, and support from the Welsh Assembly Government. As Dr Bob Broughton, the ex-head of the BMA in Wales said: *“Over the last few decades, Wales has not developed nor fostered the full potential of health service managers who too often have been badly maligned in the media.”* The challenge now is to enable them to fulfil this potential as we move into a new era for NHS Wales

Of course ensuring value for money from management, as from all parts of the NHS, is very important. In fact, the benefits outlined above have been delivered at a time when the percentage of the overall NHS Wales budget invested in management activity has fallen from over 6% to around 4% in the last 10 years. This figure is far lower than in many other sectors and healthcare systems in other countries. In fact, far from there being too much money spent on management, there is a compelling case that the NHS has under-managed and that we need to invest more in management as a discipline.

The examples shown above demonstrate conclusively that investing in management does bring a real return, in terms of improved patient care. The role of management must therefore be seen as essential, and as part of the solution to the challenges facing the modern NHS - and not as part of the problem.



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