# Medicine and management: crossing the divide

**There is great managerial hierarchy within the NHS. Doctors play a key role in this although it may not be stated as such. This article examines the history of management in the NHS and key management skills that can be adopted by doctors to deliver effective health care.**

Management is defined as 'the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims' (Koontz and Weihrich, 2008). Whether doctors and managers should in fact be one and the same has been discussed at length within modern health systems. Given that the NHS is Europe's largest employer, clinicians who help form the core of frontline service should perhaps view managers as an essential part of the system makeup, yet this is rarely the case (Edwards and Marshall, 2003).

This article will examine the history of management in the NHS and key management skills that can be used in effective health-care delivery. Many of these skills are actually already practiced by doctors and drive many of them to develop these skills in becoming future leaders and managers. One fact remains, however; in times when significantly improved quality and costs of service are required, clinical staff, whether as managers or not, need to be involved in the decision-making processes that will change the shape of our practice.

## History of management in the NHS

The NHS was formed on 5 July 1948. Adverts stated:

> **'It will provide you with all medical, dental and nursing care. Everyone – rich or poor, man, woman or child – can use any part of it. There are no charges, except for a few special items. There are no insurance qualifications. But it is not a "charity." You are all paying for it, mainly as taxpayers, and it will relieve your money worries in times of illness.'**

Incredibly this commitment to universal care still remains today, although the platform on which it is delivered has changed. It was felt at its inception that the government should control budgets and provide infrastructure while doctors should decide how resources were used (Klein, 2006). As time passed, it became evident that patients did not always receive the best possible care which was partly attributed to the lack of coordination between primary care, local authority health services and hospitals. The National Health Service Act of 1973 was the first major reorganization of the NHS. It introduced increasing levels of management with greater control given at a local level; the aim was to provide health care tailored to the needs of the local population. The act also introduced the concept of 'consensus management' where decision-making power was more evenly distributed across professions such as administrators, accountants and nurses. However, this inclusive policy was ultimately derided since the dilution of power merely promoted greater indecision.

The Griffiths Report (1983) proved a watershed. Roy Griffiths, who was the Managing Director of J. Sainsbury plc, was asked to look at effective use of manpower in the NHS. In doing so, he found that poor management was at the root of the wider problem. His report commented:

> **'In short if Florence Nightingale were carrying her lamp through the corridors of the NHS today, she would almost certainly be searching for the people in charge.'**

The report effectively ended consensus management and reintroduced a hierarchical management structure. It also argued for doctors to play a major role in management and also in control of financial budgets. Accordingly this led to the creation of 'doctor-managers' who formed clinical directorates. The early 1990s saw the next major reform. The Conservative government introduced an 'internal market' into the NHS to provide competition so that health services could become more efficient and ultimately cheaper. This transformation sidelined doctor-managers and led to non-clinical managers making decisions for financial reasons. This improved well-tracked performance indicators such as waiting times but, importantly, it worsened hospitals' performance in areas which were not well tracked such as mortality following emergency admission for cardiac events (Propper et al, 2008).

More recently, there is once again renewed enthusiasm for doctors to be involved in management. Lord Darzi's (2008) report *High Quality Care For All* called for doc-

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tors to be 'partners' who collaborate with other organizations and take responsibility for the management of finite resources as well as 'leaders' who work with other clinicians and managers to change systems that benefit patients.

## Management skills

Clinical managers are important since they provide the link between what happens on the shop floor and what happens in the boardroom. The skills that they bring to the role may be inherent to the individual but there are three key areas where learning from best examples outside of medicine is useful. These areas are applicable not only to clinician managers but also to juniors on the wards who wish to perform their role more effectively. If these concepts are learned at an early stage in a junior doctor's career, they may be ingrained by the time that individual reaches a senior position.

Three key business activities that are linked to effective health care are:

- Performance management
- Lean thinking
- Talent management.

### Performance management

Performance management is defined as 'a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance' (Armstrong and Baron, 2004). In essence this means ensuring goals are consistently being met in an effective and efficient manner. Within medicine, it refers to setting clinical quality and productivity targets before using them to manage processes.

The concepts are applicable both at an organizational and individual level although inherently the two are linked. While it may seem that this business concept has little role within health care, it is evident that it already exists within medicine today but just under the different parts which make up its whole.

#### Plans and appraisals

Medium to large businesses operate a system of planning and appraisals. This is where a manager sets a plan for an employee at the start of his/her job and then tracks performance, development and further needs; for doctors, the manager is most frequently the consultant while the employee is the junior doctor. Commonly, junior doctors see this as a tick-box exercise but, used constructively, it can be an exercise for improving performance. The most useful way of doing this is to set objectives and performance standards. Objectives are targets which should be accomplished within a set time period while performance standards are issued when time-based targets are not possible. The value of an appraisal can be enhanced if it comes from multiple sources and members of a team (360° appraisal) since it can be more rounded and less biased.

#### Coaching or mentoring

The term 'coach' is associated with sports and a 'mentor' may be heard of in the corporate world, but they are terms rarely heard within medicine. If one considers that coaching means developing a person's skills and knowledge so that job performance improves, it becomes clear that doctors are often coaches to their juniors but are referred to instead as 'trainers'. An important aspect of performance management is the ability to train others and also to have team members who are willing to be trained. Training itself, however, is not a skill which may come naturally and it should be highlighted in appraisals such that it can be addressed. Furthermore, having an attitude that is open to being trained is also an important aspect of being a doctor since drawing on the expertise of experience can only benefit one's career.

#### Learning and development

While training is given by someone in a senior position, a more junior employee such as a registrar or core trainee is more interested in learning and development in order to progress up the career ladder. One of the key benefits of trainee development is that the knowledge and skills accrued are likely to result in better patient outcomes.

#### Competencies

An employee's ability to do his/her job may appear to be easily assessed, but before the advent of Modernising Medical Careers, underperforming trainees could carry on progressing without being stopped. One of the key changes that Modernising Medical Careers introduced, other than moving towards streamlined training, was to set a competency-based approach to training, with doctors creating portfolios of evidence to demonstrate these competencies. While also regarded by some as a pointless form-filling task, it is an objective marker that doctors are able to do the job they are being trained to do. A single competency is not as valuable as a series of them which can truly reflect learning and development.

#### Measures

Performance can only be improved once a baseline measure has been set. At a surgical consultant level, this includes metrics such as complication and mortality rates. At a junior level, this includes defined competencies as well as other measures such as publications and presentations. This emphasizes how measures should be appropriate for the grade of doctor. Moreover the number of measures should be neither too few or too many – too few and it is difficult to differentiate between doctors of varying capabilities while too many and the value of the important measures gets diluted.

#### Pay

As highlighted by the corporate world, performance-related pay can be used as an incentive to improve performance. Within the NHS, this is seen by hospital

trusts being afforded autonomy if they achieve various government-led targets. For doctors, supplements for reducing waiting lists, clinical excellence and setting up new initiatives are available, while private practice is understandably driven by output.

### Lean thinking

In the 1950s, the management team from the Toyota car company (currently the world's biggest car manufacturer) visited Ford Motor Company's (the world's biggest car manufacturer at the time) factories in America to see how they built their cars. Instead of being inspired about how best to manage their own business in Japan, they saw large amounts of stock on site, uneven patterns of work from day to day and corrective work required even at the end of production. Such inefficiency prompted Toyota to decide that they would create more value with less work. On a subsequent visit to the US, they visited the Piggly Wiggly supermarket and were impressed with the processes they used for reordering and restocking goods. Toyota used this 'pull system' where products were pulled in to assembly by demand, leading to an even streamlined practice. Evolution of this management philosophy has become known as the Toyota Production System and it is from this that lean manufacturing and subsequent lean thinking has derived.

The translation of lean thinking to clinical practice is that one should attempt to streamline the activities of the day and to adjust to demands as they arise rather than take needless steps which will give the same outcome.

At an organizational level, this involves creating well-designed clinical pathways and adhering to clear protocols. An example for the junior doctor is to find out which patients require blood tests and to perform them on these only, rather than indiscriminately write out blood forms for all patients which then need to be chased at the end of the working day.

### Talent management

Talent management encompasses the methods used for recruiting, developing, rewarding and retaining high-performing staff. It is likely that doctors have always sought to work with other high-performing staff to ensure the best possible patient care but as a business concept, this was only formed in the 1990s. It is a term that will become more widespread with greater medical engagement; namely where doctors are encouraged to get involved in the organization of health services.

## KEY POINTS

- Doctors should be both 'partners' and 'leaders' to drive effective health care.
- Performance management includes making plans and appraisals, coaching or mentoring, and fulfilling competencies.
- Lean thinking involves streamlining activities to adjust to demands as they arise.
- Talent management will become better known as doctors engage in the organization of health services.
- Good leaders need to be effective managers.

## Leadership

There has been no mention so far of leadership. An individual can be a leader and a manager but, in many ways, you will only be a good leader if you are an effective manager. The main difference between a good manager and a good leader is that a leader must be able to motivate. Furthermore, a leader must have vision, be able to empower others and be an excellent communicator. Leaders need followers, therefore good leaders empower people because they know they cannot do it all themselves. So to empower people, you need to know your individual team's strengths and weaknesses and work with team members to develop appropriate skills.

Leadership by doctors is set to be the cornerstone of the NHS. In 2008, the Medical Leadership Competency Framework was developed by the Academy of Medical Royal Colleges and the NHS Institute for Innovation. The framework seeks competency in leadership to be an integral part of a doctor's training so that he/she may be a practitioner, partner and leader. The five qualities that are pertinent to clinical leadership are demonstrating personal qualities, working with others, managing services, improving services and setting direction.

## Conclusions

It is a common perception among doctors that management is easy – it is not. Managing patients is very different to managing resources and teams. There is, however, a crossover in skills between the commercial sector and medicine which is most evidenced by performance management. The British health-care system is open to continuous change but currently there are opportunities for doctors to get involved in affecting a change at a management level. It is vital that those who are capable of excelling in such a role are recruited and retained to provide a lean vision. BJHM

*Conflict of interest: none.*

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