

Changing Management Cultures and Organisational Performance in the NHS (OC2)

Executive Summary

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prepared by:

Russell Mannion (University of Birmingham), Huw Davies (University of Dundee & St Andrews), Stephen Harrison (University of Manchester), Frederick Konteh (University of York), Ian Greener (University of Durham), Ruth McDonald (University of Nottingham), George Dowswell (University of Birmingham), Kieran Walshe (University of Manchester), Naomi Fulop (King's College, London), Rhiannon Walters (King's College, London), Rowena Jacobs (University of York), Paula Hyde (University of Manchester)

Address for correspondence:

Professor Russell Mannion

Health Services Management Centre

University of Birmingham

Park House

40 Edgbaston Park Road, Birmingham B15 2RT

Executive Summary

Background

The rhetoric surrounding policy changes in the NHS has, in recent years, extended beyond consideration of structural arrangements and incentive regimes, to encompass suggestions that NHS organisations also need to undergo significant cultural renewal if the desired improvements in quality and performance are to be secured. This report details the findings of a three year National Institute of Health Research Service Delivery and Organisation programme funded project into changing management cultures and organisational performance in the NHS undertaken by a consortium of researchers based at the Universities of Birmingham, York, St Andrews, Manchester, Durham and King's College, London. It builds upon (and should be read alongside) the associated SDO report – *Measuring and Assessing Organisational Cultures in the NHS* - available on the SDO website.

Aims

The overall aim of the project was to understand the nature of changing management cultures in the NHS and explore their relationships with changing organisational performance.

Specifically we sought to:

- identify and classify the extant cultures in key NHS organisations;
- explore how these cultures evolve and transform over time, both in response to external policies and as a result of internal or cross-boundary drivers;
- analyse the (longitudinal) relationships between changes in management cultures and organisational performance across a range of healthcare settings

About this study

To provide a backdrop to the empirical part of the study we first outlined the historical policy context and reviewed a range of theoretical frameworks and conceptual models for understanding cultural change in NHS organisations.

Given the diversity of views and approaches to understanding and assessing organisational culture and organisational performance, and the intrinsic complexity of any relationships, we adopted a multi-method approach during our empirical study, integrating both qualitative and quantitative approaches in order to examine these relationships in both *breadth* and *depth*.

In order to capture the breadth of any associations between cultural dynamics and health care performance we conducted national quantitative surveys of management cultures in hospital Trusts, PCTs and a sample of GP practices using a validated culture-rating instrument, the Competing Values Framework (CVF). These cultural data were linked to a pre-existing comprehensive and robust national performance data set. The combined dataset was used to explore culture/performance associations. Multivariate econometric analyses using regressions, ANOVA, multinomial logit, ordered probit and others were used to explore the associations between measures of culture and measures of performance. Each model was calculated using both unweighted values and values (weighted for job title of the respondent and for number of responses from an organisation).

In addition, to contribute *depth* and richness to our understandings of organisational change and performance relationships we conducted in depth case study methods across *three local health economies* with the aim of exploring how organisational change impacts on management cultures and health care performance. The case studies included different health economies with the following organisations as the focus of study:

- *an acute hospital Trust that has recently transitioned to Foundation Trust status;*
- *a Primary Care Trust pursuing a strategy of integration between health and social services, as well as implementing a division between commissioning and provider functions;*
- and an acute hospital Trust with high profile and long standing failings in clinical governance.

Key findings

The main findings from the study, and any qualifications or limitations that particularly need to be noted are as follows:

Despite some key differences between the key theoretical models and conceptual frameworks we reviewed for understanding culture change, they each share common foci on a *crisis* as the trigger for culture change; on the role of *leaders* to detect a need for and to shape and implement change; on *success* to consolidate the new order and counter resistance; and on *relearning* and *re-education* to explain the efficient assimilation of cultural change.

Our longitudinal quantitative analysis identified a significant shift in dominant managerial cultures in English hospital Trusts since 2001. Between 2001/02 and 2006/07, 'Clan' remained the dominant type of senior management team culture although its prevalence was in decline with a corresponding rise in 'Hierarchical' cultures from 2001. However, one year later in 2007/08 dominant 'Rational' culture had overtaken 'Clan' to become the most frequently reported dominant culture type. Our case studies supported these findings; that is there was a shift towards more rational cultures in the case study organisations.

- Between 2007 and 2008 there was a large shift away from Clan dominated PCTs, some loss of Developmental-dominant PCTs, and a sizeable increase in Hierarchical- and Rational- dominant PCTs. Clan remained the dominant culture at GP practice level over this period with over 80% of Practices remaining Clan dominant.
- We identified evidence to suggest a contingent relationship between organisational culture and performance using our quantitative data; however our analysis was limited due to data deficiencies.
- All three case study organisations were attempting to purposefully manage their cultures towards desired outcomes, with varying degrees of success. In all there was an increased emphasis on developing more robust performance management arrangements and strengthening lines of accountability for quality.
- Cultures within the case organisations defy simple categorisation as they are the product of a unique configuration of historical, internal and external background factors which combine to create particular cultural profiles for each organisation.
- The key drivers of change identified in the case studies can be grouped under five broad headings i) national system reforms; ii) crisis and threats to survival; iii) external assessments and monitoring; iv) reputation and status; v) local media.
- Across the Trusts staff identified a range of levers used by the trust to enact culture change as well as a range of organisational

impediments which served to block planned efforts at culture change.

- Across the case studies the increased emphasis on meeting external targets and the shift towards more performance management cultures was creating high levels of anxiety, particularly among front –line staff. The increased marketisation of the NHS was also reported to be a source of increased stress for hospital managers as services were increasingly threatened by competition from rival providers.

Conclusions

Culture matters and is seen to matter in the delivery of high levels of quality and performance in the NHS. Managers at all levels in both secondary and primary care, recognised the significance of culture and culture change within their organisations and were either actively engaged in trying to shape it or felt constrained by its pervasive influence.

Disclaimer

This report presents independent research commissioned by the National Institute for Health Research (NIHR). The views and opinions expressed therein are those of the authors and do not necessarily reflect those of the NHS, the NIHR, the SDO programme or the Department of Health

Addendum

This document was published by the National Coordinating Centre for the Service Delivery and Organisation (NCCSDO) research programme, managed by the London School of Hygiene and Tropical Medicine.

The management of the Service Delivery and Organisation (SDO) programme has now transferred to the National Institute for Health Research Evaluations, Trials and Studies Coordinating Centre (NETSCC) based at the University of Southampton. Prior to April 2009, NETSCC had no involvement in the commissioning or production of this document and therefore we may not be able to comment on the background or technical detail of this document. Should you have any queries please contact sdo@southampton.ac.uk