Education for Effectiveness

A review of management development needs for the National Health Service

MARTIN EASTEAL AND MICHAEL THOMAS
PA Management Consultants

A STUDY COMMISSIONED FROM
PA MANAGEMENT CONSULTANTS BY THE
NUFFIELD PROVINCIAL HOSPITALS TRUST
TO PROVIDE GUIDELINES FOR
HEALTH SERVICES MANAGEMENT

Nuffield Provincial Hospital Trust

Contents

Executive Summary

1 This report is concerned with the management development needs of the National Health Service following the adoption nationally of 'general management'. Part 1 is devoted to the results of a survey of senior health managers concerning development needs and practices, particularly those of Unit General Managers. Part 2 sets our own views on what needs to be done in the short and longer term to introduce development programmes nationally and to consolidate the many Regional and District programmes now under way.

2 The survey by PA was based upon eight questions posed by the NHS Training Authority. The results are intended to inform the debate on management development and to assist the deliberations of the Working Party on Management Education and Development set up by the NHSTA. Necessarily the respondents' thinking was evolving during the course of this survey and the views represent a 'snap shot' taken against a moving background.

In the following paragraphs we summarise the responses given to each of the main questions posed.

2.1 ***What are the major gaps in existing management practice in the NHS which need to be filled by general management, and how many management functions need to be carried out differently for the first time?***

Our respondents have identified a wide range of new functions with two major themes predominating:

- the need to 'get things done' with an emphasis on *results* rather than on mechanism;
- the need to strengthen individual responsibility and accountability.

Within these themes specific practices are identified including objective setting and control, greater cost consciousness, a greater appreciation of the service aspects of management and of the need for quality assurance.

2.2 ***How many key managerial roles are there likely to be at both Regional and District levels in addition to those with a specific 'general management' title? Is there a 'critical mass' with regard to those fulfilling general management responsibilities, and if so, what is it?***

Three functions—finance, personnel and service planning—were identified by most respondents, and clinical and nursing management were also seen as key, but there was disagreement about how these should be reflected in new management structures, and the relative importance of each function at Region, District and Unit management level. There was no consensus of opinion about the concept of a 'critical mass' although most respondents believe that the new management style will need to be expounded, not only by General Managers, but by other senior staff including clinicians and nurses.

2.3 ***What are the likely specific development needs of Unit General Managers?***

Unit GMs require development in those new functional areas identified above. There is considerable agreement on specific development needs in the areas of motivational skills including confidence building, inter-personal and negotiating skills as well as within the finance and budgeting area. The specific needs will depend upon the professional background of each UGM.

2.4 ***What will be the nature of the managerial relationship between clinicians and their representatives and between clinicians and the UGM (whether medical or not)? What will be the nature of the managerial incentives and sanctions in relation to the use of resources?***

Respondents identified this as an issue lying at the heart of general management. If a new and more positive relationship between management and clinicians cannot be achieved, then the old system and methods of working will reassert themselves. It is a difficult and sensitive area which can be dealt with only on the basis of mutual trust, and by involving clinicians more fully in the management and budgeting process. It is important to distinguish between the roles of clinicians as managers and as representatives. Simply appointing a clinician as UGM will not solve the problem. General management calls for clear and precise objectives, both financially and service orientated, within which all can work.

2.5 ***What are your intentions in relation to management budgeting?***

All intended to introduce management budgeting over the next few years, and in accordance with national guidelines. Most felt management budgets should give improved financial information and aid the integration of clinicians within

the management process. The implementation of budgets is seen to be probably the single most important specific management task facing UGMs in the next few years.

2.6 ***What overall development needs arise and how should they be met?***

Whilst some respondents were already implementing new development programmes, others (perhaps because many had only just been appointed at the time of our survey) had yet to give it much attention. From a wide range of answers it is possible however to categorise the development needs according to timescale and to the specific needs of the individual. In the short-term there is perceived to be an urgent need to equip those appointed as General Managers with the basic skills required for the task. Longer term more general processes of development should be introduced, including career planning, appraisal, etc. There is seen to be a requirement to place a new emphasis upon the needs of the individual; most appointees will have significant gaps in knowledge if only because management training in the NHS to date has been largely *ad hoc*, professionally based and not geared towards general management.

2.7 ***What is the internal capacity of Health Authorities and the training centres serving them, both Regional and national to meet this demand and how should any imbalance be met?***

There is widespread agreement that existing training capacity in the NHS is inadequate in total to meet the new needs and that its quality is variable. There is also a view strongly held by some that the new management ethos should be reinforced by using new non-NHS trainers. The imbalance of supply and demand (if extra resources are made available) should be met by expanding in-house capacity, making this capacity of more uniform quality and scale across the country and by using sources of development programmes new to the NHS. The NHS Training Authority is seen to have an important and leading role to play in this process.

2.8 ***To what extent does your Authority have a changeover plan and strategy for the implementation of general management? To what extent does your Authority recognise the new management development needs and what action have you taken so far?***

At the time of the survey few respondents had an articulated changeover plan, but the situation is rapidly evolving as the new General Managers begin to take stock of management needs. There is a general recognition that a new and more

positive approach to management and to management development should be adopted. The problem seems to be that it is not always easy for those at District level to make practical progress without a clear national and Regional lead.

---

3 The second part of the report sets out the management development programmes which the present situation in the health service would require. There is an immediate need for a 'short-term' programme for the 4-5000 people directly concerned with general management in all the professions. Our report sets out a suggested outline for this programme.

---

4 For the longer term success of general management, a more comprehensive approach to management development is required, led from the centre and embracing all the health professions. The NHS will need to continue to produce its own senior managers (increasingly from within the ranks of clinicians and nurses) and requires a concerted approach to the task. We propose a programme which includes:

- a statement of management philosophy and intention;
- a management selection programme which ensures that the health service attracts managers (including graduates) of the right calibre;
- a basic management skills programme, managed according to national guidelines;
- a management programme for middle and senior managers;
- a national system of development appraisal and task setting for individuals;
- a national career planning system to ensure that managers and potential managers are given exposure to a range of challenging management situations.

---

5 Our report details the steps that need to be taken. We do not underestimate the difficulty of the work and we see an important role for the Chairmen and the members of Health Authorities. But without a programme of management development the health service is unlikely to move from the mainly structural aspects of general management which it is currently addressing towards the more subtle aspects of individual performance which are required to produce the improvements in service that the Griffiths report envisaged.

1 Introduction

1.1 We were asked by the Nuffield Provincial Hospitals Trust to undertake a survey on behalf of the NHS Training Authority of the current position on management development with particular reference to Unit General Managers. The survey was intended to assist the NHSTA in the valuable work it is undertaking to prepare general management programmes for the NHS and particularly to assist the deliberations of the working party which has been set up to review management education and development. Specific questions were posed by the NHSTA and more than 50 people have been interviewed including Chairmen, General Managers, and other professionals within the NHS.

1.2 General Managers have now been appointed to the great majority of English and Welsh Regional and District Health Authorities. A start has been made on restructuring the NHS at unit level prior to the appointments of many hundreds of Unit General Managers. Clearly 'general management' is being widely and rapidly adopted and with it new techniques of management. But the success of this initiative and hence its continued application in the future will depend as much upon the skills of the people responsible for general management as on the particular structures adopted. Structures are relatively easy to change; people, and the skill, confidence and enthusiasm with which they carry out their tasks, present a greater challenge.

1.3 This is the purpose of a planned general management development programme—to achieve improved managerial performance through a planned programme of skills training, management education, and work experience. The National Health Service has no such programme at present.

1.4 Significant changes in very large organisations such as the NHS normally occur as the result of highly energetic centralised activity, or alternatively from the aggregation of peripheral activities, each progressing at their own pace. While the former approach can have the advantages of consistency and speed, the latter is more often held to produce real commitment and 'ownership' of the change processes. In our recent investigations of the management development requirements facing the NHS we have been forcibly struck by the uncoordinated nature of current initiatives. While sympathetic to models of change that promote commitment and ultimate effectiveness above consistency and speed, we feel that the ambition of the Griffiths initiatives, coupled with the relative inexperience of the NHS in general management development, is likely to demand a clear national lead.

1.5 The NHS is usually presented as a highly centralised service and in many repects, of course, this is true. By contrast the NHS is relatively decentralised so far as management training and development is concerned. A national framework is likely to be required within which each level of the structure, each profession and each training institution can play a part. At present large numbers of people are being asked to act as 'General Managers', sometimes without the support which they might reasonably expect, whilst many more wishing to take part in general management have yet to be equipped with the basic management skills to do so meaningfully and successfully. Clearly the NHSTA has an important role to play both immediately and in the future.

1.6 The purpose of this report is to set out the results of our survey for the NHS Training Authority (Part 1) and briefly to set out the broad outline of a proposed management development programme (Part 2). We are grateful to all those who co-operated in the survey. Part 2 of this report, however represents our own independent assessment of what needs to be done.

2 The Purpose of a Management Development Programme

2.1 It is worth briefly restating the purposes of a management development programme for the NHS. 'General Management' as a process cannot be taught in the classroom. It is not something an individual can learn on a four or six week course.

2.2 Management development, in the words of the Department of Employment, is the process of:

Systematically increasing the ability and experience of the trainee by giving him planned tasks coupled with continuous appraisal and counselling by the trainee's supervisor.

Typically, planned management development is an expansion of career planning, staff appraisal, and counselling into a continuous, less formal process of instruction and advice and practical experience. Such day-to-day development may be exercised through consultation and operational control, completed work being assessed, followed up or discussed. Development is then backed up by more formal and traditional training courses probably undertaken during a period of months or even years based both upon the needs of the organisation as a whole and upon the needs and wishes of the individual.

2.3 Within the NHS a planned management development programme would:

- improve patient care, and awareness of consumer wishes;
- aim to provide a common standard of management throughout the NHS;
- aim, over time, to improve management standards throughout the NHS;
- provide the means for attracting able individuals to a career in NHS management, and provide a means for existing employees to become senior managers;

- aim to integrate the professions involved in health care into one common management ethos;
- and, provide an important statement of intention by national management.

2.4 The early articulation of such a programme by management nationally would go some way toward dispelling areas of scepticism within the NHS about general management. But only its co-ordinated application over several years will produce lasting and worthwhile results.

PART 1

THE SURVEY

3 Perceived Management Development Needs in the NHS

3.1 Our survey represents a cross section of views on general management at the present time. It is clear that, as a concept, general management has found acceptance amongst many former administrators. It has still to be accepted by the bulk of other professions within the NHS who tend to regard it with scepticism. Thinking is still naturally at a very early stage. Many General Managers have only recently taken up their posts (and some remain to be appointed) and the emphasis from the centre at the moment is on structural issues–the number of units, the organisation at Regional, District and Unit level—and on appointments. This inevitably means that many of those we interviewed had yet to give much thought to the issues involved. In our opinion also relatively few people in the NHS understand the processes of management development and have a realistic view of the rate at which real benefits are likely to emerge. Yet nearly all saw general management *development* as a vital ingredient for the success of the concept in the medium to long term.

It seems that much of the NHS is waiting for a lead from the centre to bring together local initiatives and supply the overall framework within which national, Regional, District and professional management development initiatives can be planned and organised.

The eight specific questions posed in the survey, and a discussion of the responses to them form the bulk of the remainder of this chapter.

Question 1 **What are the major gaps in existing management practice in the NHS which need to be filled by general management, and how many management functions need to be carried out differently or for the first time?**

3.2 Our respondents clearly saw that general management has a large role to play in the future at all levels of management. There is a realisation that existing management systems were inadequate to deal with the problems posed by financial retrenchment and the wish of government to see introduced such

major initiatives as management budgeting and new management information systems.

The major common themes among the answers are:

'Getting things done': a shift of management culture is needed, putting priority on the management of change and the need to emphasise *results* rather than *mechanism.*

Individual responsibility and accountability: there is need for a clarification of responsibility between individuals, for fewer decision-making teams and for more individual decision makers. There needs to be more emphasis on personal accountability.

These themes lead in turn to the need for:

- **objective setting** across a broad base of management, breaking down professional boundaries and establishing firm targets;
- **monitoring and reviewing performance,** with a better structure, more precise measures and also perhaps less detail than in the past. There is a feeling that the NHS often gets bogged down in detail, and that for example, performance measures tend to be so intricate as to be of little practical value;
- **improved service planning** in particular to improve management and service information, but also to put plans into effect more quickly. There is some feeling that plans are out of date by the time they are implemented;
- **better cost-consciousness** from all those involved in management to ensure that the resource implications of decisions at all levels are better understood. This involves not only clinical decisions but also decisions, for example, on capital projects and estate management;
- **a strengthened personnel function** to provide a full professional service to management. In particular manpower planning at all levels needs improvement;
- **a service orientation** to inject into NHS management the concept of service to the consumer. There is still a widespread feeling, reinforced by the medical profession, that patients should be grateful for being treated. Whilst 'service' on an individual level can be excellent, the concept needs reinforcing by management in order to ensure a change of attitude in many aspects of patient care;
- **improved quality assurance** i.e. the implementation of rigorous disciplines of evaluation and control of service quality.

There is widespread recognition of the key role which clinicians must play in the new managerial climate, both as General Managers and as those contributing to general management as Chairmen of medial executive committees, leaders of clinical teams and so on. Clinicians need to be developed

as managers. They must not expect, nor be expected by others, to be good managers simply because of the clinical position they hold, but must have a positive programme of management education. Views on the role of nurses were more divided. Clearly they have an important role to play. However, if nurses are to compete effectively for general management posts at Unit, District and Regional level, it is felt that changes are needed both in recruitment and training procedures, and also that some deeply entrenched 'professional' prejudices will often need to be overcome.

There is a particular need for these new skills at Unit level as it is here that day to day management necessarily occurs, and where there are real possibilities for change. Unit management has tended to be neglected in the past and there are wide variations in both quality and practice. It is at this level that the lack of general management has most often resulted in slow decision-taking or in decisions being taken on the basis of compromise and conciliation.

Besides these major themes, other comments by respondents identified the need for:

- fewer decision-takers;
- better time management and more delegation;
- greater focus on the calibre of individuals, rather than on groups or on a whole profession.

Overall, it is clear that there is a need for better management development encapsulating the points made above and bringing all the professions within a common management ethos.

Question 2 **How many key managerial roles are there likely to be at both Regional and District levels in addition to those with a specific 'general management' title? Is there a 'critical mass' with regard to those fulfilling general management responsibilities and if so, what is it?**

3.3 Most respondents interpreted this question fairly loosely and many noted key roles within unit structures. A common response was to give a short list of key functions rather than being explicit about numbers at each level. Only some were prepared to put forward any figure for a 'critical mass' and where figures were given they varied widely.

Three key functions were universally identified:

- finance;
- personnel;
- planning.

Of these, each is clearly pivotal at Regional level, whilst service planning is also significant at District level. Finance is a key function at District and Unit level, but there was disagreement as to whether the key personnel role should be at District or Unit level.

Two other key functions are clinical and nursing management. Many respondents are rejecting the consensus management system with representation of all groups at all levels but are uncertain as to where these roles fit under the new regime. These issues are being debated at length as new management structures are decided.

There was no consensus as to 'critical mass'. The idea itself (that general management needs a minimum number of adherents within any organisation to become successful and self generating) was new to many and not universally understood. Amongst those suggesting actual numbers, there was a wide variation. Many respondents, however, believe that the new managerial style will need to be expounded not only by 'General Managers' but by other senior staff including clinicians.

We have set out in diagrammatic form a composite view of the key and supporting managerial roles at each level. This is clearly only a crude guide, which will need modification according to local circumstances.

Level	Key Managerial Roles	Supporting Managerial Roles	Approximate Numbers
Regional Headquarters	Chairman Regional General Manager Directors of Finance, Planning Estates (including works) Medical management Personnel	Assuming 2 key second tier personnel in each directorate	20
District Head-quarters	Chairman District General Manager Directors of Finance, Planning, Estates, Medical nurse management, Personnel	Assuming 2 key second tier personnel in each directorate	20
Unit	Unit General Manager Unit Accountant Personnel Nurse and medical representative	Heads of Clinical teams or heads of community teams as appropriate to the unit. Nursing management. 'Hotel' functions.	10

Immediately it can be seen that, in a typical Region with 12 Districts, each District having four Units, there are likely to be as many as 700 key and secondary management positions and even within each District there will be at least 50. The definition of 'management' used here is narrow, below the levels identified are many more people carrying supervisory responsibility, and longer term planning of development and training resources must also include these potential future General Managers.

Question 3 **What are the likely specific development needs of Unit General Managers?**

3.4 Answers to this question depended upon the respondent's analysis of the weaknesses in current management practice identified in Question 1. However, there was a considerable degree of consensus, with the needs referred to most often being in the areas of motivational skills, including confidence building, inter-personal skills, and negotiating skills. The second most quoted area was finance, including management budgetting and basic financial accounting and analysis skills.

Many comments were related to the appointment of clinicians as Unit General Managers and their specific development requirements. These will be considerable because few doctors have had any exposure to management education.

The converse of this issue is that Unit General Managers will need to learn how to work with clinicians in a new relationship. This will apply even when the UGM is himself a clinician. (Indeed some respondents thought this relationship to be potentially the most difficult of all.)

On the whole respondents saw senior nurses as very much more experienced in management and in this respect more prepared to take on demanding General Management roles. The particular problem this population would face, however, was seen to be the resistance of many senior clinicians to a reversal of the conventional professional pecking order.

Development needs will vary widely and will depend to a large extent upon the individual concerned. The development needs of an Administrator appointed as UGM will vary from those of a clinician. Over time, these differences should become less important—they are essentially a product of the current transitional period—as in time all UGMs should have been exposed to a common management development programme prior to their appointment.

The specific development needs foreseen include:

- the management of change and organisational development;
- defining targets and objectives, monitoring and control procedures;

- the management of professionals;
- the planning process;
- time management;
- the art of delegation;
- the definition of service quality, and attention to all aspects of service;
- exposure to 'best practice' both in the health service and outside.

Immediately, there is a need for UGMs to be thoroughly versed in both management budgeting and in the management information systems requirements of Körner. There seems to be a widespread lack of practical awareness of computers and their potential application in the NHS. This is no doubt the result of the regionalised approach to computer use to date which has meant that few Districts have much practical computer knowledge. The various management initiatives now underway depend heavily upon computerisation, but experts will be relatively scarce. This may indeed be an area where the expertise of clinicians, many of whom are used to computer applications in their own fields, could be invaluable to General Management.

Question 4 **What will be the nature of the managerial relationship between clinicians and their representatives (at Unit and District level) and between clinicians and the Unit General Manager (whether medical or not)? What will be the nature of the managerial incentives and sanctions in relation to the use of resources?**

3.5 This question lies at the heart of General Management. Either a new and more positive relationship between management and the clinicians will be achieved, or the old system and methods of working will reassert themselves. It is clearly a difficult and sensitive area and it is no reflection upon our respondents to say that it was an area upon which no clear view has emerged from our survey. A summary of answers cannot be readily given. However, many interesting points have emerged.

There are clearly distinctions to be made between the roles of clinicians as representatives (e.g. as Chairmen of medical executive committees), clinicians who are involved in General Management (perhaps as members of District management teams), and clinicians actually appointed as Regional, District or Unit General Managers. There are also distinctions among clinicians themselves, in terms of professional specialisation and between consultants and other grades of doctor. It is clearly an oversimplification to speak of clinicians as a single group, as some appear to do, when in many respects the differences among clinicians may be at least as important as between them and other groups.

Most respondents have emphasised the importance of recognising and separating the clinician's role as a *manager* and as a *representative*. Previous management arrangements for the NHS have hopelessly confused these two roles. Thus, clinicians have served on District management teams both as part of management and as representatives of their groups. As they are elected by their fellows to this position, it is hardly surprising that they may have given priority to their representational role rather than to their managerial one. Whilst clinical representatives on DMTs have given useful advice and input to District management, their loyalties have often lain elsewhere. There is a conflict in their role with that of the District and Regional Medical Officer.

It is therefore crucial to the success of general management that the managerial and representational roles of clinicians should be clearly separated. Clinicians having the latter role are reponsible for representing the views of colleagues to management and vice versa, but management is ultimately responsible for taking decisions, having listened to all relevant opinions before doing so.

Even then the role of the Unit General Manager in relation to his clinicians is far from straightforward. The basic managerial sanctions are largely absent in that there are currently no clinical budgets against which to check the use of resources, and the contracts of employment of local clinicians are likely to be held at Regional rather than District level. Clinicians may well be working in more than one Unit which makes it difficult for any one UGM to exercise clear authority.

Our respondents see no easy solution to these issues. Indeed much of the skill required of General Managers will lie in being able to harness the very considerable skills of the British medical profession in the way best suited to improving local patient care overall. In the long-term, a common system of management development including all NHS professions offers the best hope of developing the confidence that each part of management needs to gain in another.

Finally, it appears certain that in the early years of general management at least, most clinicians will only wish to accept specific General Management posts on a part-time basis. Former Administrators in particular are sceptical about the practicability of part-time managers of busy units, but if it is felt to be right for clinicians to be appointed to these posts then appropriate organisational arrangements need be made. Interestingly we found some respondents expressing the view that clinicians should initially be encouraged to take *sub* Unit managerial roles, i.e. to learn the skills of management in a context with which they are already familiar and to whose goals they are already committted.

Question 5 **What are your intentions in relation to management budgeting?**

3.6 Responses were quite brief to this relatively straightforward question. All respondents confirmed that management budgets were to be introduced, though it is clear that not everyone advocates it. It would take several years to be introduced and offered no immediate respite from the particular problems of resource allocation and control now being widely experienced or from the problems of managerial relationships identified in the answer to Question 4.

Most thought budgets will ultimately aid dealings with clinicians. Better awareness should arise out of the trade-off between clinical and non-clinical expenditure. On the negative side, there are obvious difficulties of implementation. It will not be easy to motivate clincians to make savings and some General Managers feel that they will have responsibility without power. The emphasis will need to be put on discussion and persuasion to gain commitment and resolve conflicts.

Much has been written about management budgeting and this is not the place to deal with it in depth again. The level of financial information within the NHS is inadequate and needs to be improved. The implementation of management budgets at Unit level will be one of the most challenging management tasks facing UGMs in the next few years. Yet the national approach is seen by some to have a major weakness characteristic of the whole 'Financial Management Initiative', namely an over-emphasis on the 'financial' aspects at the expense of more general 'management' skills. Management budgeting can only succeed to the extent that it goes hand-in-hand with a general improvement in the management skills of all concerned. Otherwise, it is in danger of becoming just a formal and meaningless ritual.

Question 6 **What overall development needs arise and how should they be met?**

3.7 In specific terms, our respondents have already given their views. In many cases, it is clear that little positive thought had been given to this—not surprisingly in view of the priority given so far to the structural implementation of General Management. Of course, several Regional General Managers and a few District General Managers have begun local programmes, but these are relatively few and limited, of necessity experimental, and lack an overall national framework.

Timescale, short-term: there is perceived to be an urgent, immediate need to equip those already or about to be appointed as General Managers with the basic skills required. Most have fixed three-year contracts and will need to show rapid, positive results of their stewardship. Having been given the task, they must be supported by being given the skills for the job. At present, this support is seen to be inadequate, both from the point of view of the individuals concerned and from that of the national interest in making General Management succeed. Initially, the government presumably felt that the necessary expertise could be purchased relatively cheaply by importing experienced managers from the private sector. This has not occured at either Regional or District level and is unlikely to happen at Unit level where salaries and conditions will be even less attractive to those from outside the NHS. A programme of basic management skills training would:

- equip those appointed with basic management skills they may currently lack;
- improve their confidence as managers;
- begin the process of interchange between the professions: the key to a more fundamental change in management culture.

Timescale, medium and long-term: there is also seen to be a need to begin the process of management education and development for those who will be appointed as General Managers in the next five to ten years. A start on this process is vital so that long-term confidence in the process of General Management can be built up.

Individual needs: the particular needs of the individual appointed as General Manager should be carefully assessed and gaps in his management capability dealt with. Most will have significant gaps if only because management training in the NHS to date has been largely *ad hoc*, professionally based and not geared towards General Management. As has already been stated, the needs of clinicians, for example, will vary from those of former Unit Administrators. The need may also vary according to the type of Unit. Managing a major District General Hospital will be very different from managing a community unit, or a major mental hospital which is in the process of being run down. The overall programme must be sensitive to these needs.

What might be called the 'housekeeping' of the training also needs attention. Those appointed as General Managers will be busy from their first day and will not be able to spend much time away from their place of work. The circumstances of those now appointed leads to the conclusion that a series of short modules with a practical follow-up best suits the current circumstances. Again, in the longer term, different arrangements might apply, but then it should also be the case that meaningful and testing jobs should have been identified for future General Managers and that similarly they would not be able or want to spend much time away at 'off the job' training courses.

Question 7 **What is the internal capacity of Health Authorities and the training centres serving them, both Regional and national, to meet this demand and how should any imbalance be met?**

3.8 Our respondents answered this question by giving their own views on existing facilities and on the role of the NHS Training Authority. Most gave an opinion as to whether the internal capacity was adequate, but opinions were divided and sometimes poorly informed. Most saw value in using outsiders to some extent because the existing establishments did not necessarily have the new skills required. Many commented on the lack of co-ordination amongst the existing training centres and on the need for national, as well as Regional leadership on this matter. Not only was co-ordination poor, but quality was seen to vary from centre to centre. At the moment each centre is clearly and rightly trying to respond to the needs of General Management, but equally clearly not all have the resources or skills necessary to give the full range of advice and training needed. In this respect the NHS Training Authority was thought to have an important role in co-ordinating the national approach, setting guidelines, directing training centres towards appropriate specialisms, and developing new programmes.

Other comments on the existing capacity were as follows:

- many good programmes do exist at Regional level, but the Regional training effort was patchy and could itself be better co-ordinated
- there is much on offer, nationally, professionally, and Regionally, but it is unco-ordinated;
- what is available is traditionally structured and needs major change to adequately address General Management;
- more input needs to be made by Districts, and Districts should give greater priority to management training and need to devote more resources overall to it;
- training in the sense of traditional 'off the job' courses is no longer adequate and such courses need to be seen as part of a co-ordinated development programme;
- there is a danger of 'reinventing the wheel' by Districts, Regions and the national centres each going their own way;
- training is too dominated by the professional bodies, and by professional interests.

Several General Managers are giving very considerable thought to this issue and making real initiatives, sometimes using their own Regional resources, and sometimes using one of the NMTCs. The problem is partly one of co-ordination:

- to ensure that training is part of an overall management development programme;
- to ensure adequate resources;
- to ensure a uniform standard of management training across the country.

Question 8 **To what extent does your Authority have a changeover plan and strategy for the implementation of General Management? To what extent does your Authority recognise the new management development needs and what action have you taken so far?**

3.9 At the time of the survey a majority of respondents had no changeover plan, i.e. one that was articulated fully and generally known to members of staff. The need for structural change is of course appreciated and plans of action are being implemented. Although many had seen the NHSTA's more general Occasional Paper not many had followed its prescription. All too often it is apparent that General Managers have been appointed and then left to put the flesh on the bones of General Management. There is in any case a clear view that General Management should be allowed to develop over 4 or 5 years. There is a definite feeling that 'top class' people should be appointed at Unit level and that by giving them greater autonomy and accountability, they will be able to make substantial improvements.

On the other hand, there is a general recognition that a new and more positive approach to management and to management development needs to be adopted. The problem is that it is not easy for those at District level, where the issue mainly resides, to do much about it without both a clear national and Regional lead. All Regional General Managers are aware of the need to take the initiative; the variation appears to be only in the extent to which they have been able to start positive programmes, and many useful initiatives are being made. At the same time, there is some appreciation that a management development programme requires a concerted approach to:

- recruitment;
- basic management training;
- job rotation and career planning;
- higher level development;
- the immediate problem of helping newly appointed General Managers;
- individual performance and development appraisal.

Some Conclusions

3.10 Some common themes have emerged from our survey which are relevant to the wider question of a future management development programme. We have been impressed by the business-like way in which so many people who have spent their entire working lives in the NHS are now responding to and addressing different and very difficult management issues. In highlighting the problems, we do not wish to detract from the significant work that has already been done in a very short space of time.

3.11 Taking the question of *capacity* we need to have some idea of how many people require basic training in order to carry out General Management and within what timescale. On any reasonable assumptions about the type and length of programmes, and the numbers involved, it is clear to us that this programme capacity is not available within existing resources. There needs to be an immediate input of extra training resources both from outside the NHS and from an expansion of internal capacity. In the long-term, we foresee the need for an increase, mainly to provide clinicians in the training grades, and nurses with an adequate level of management education. It is for consideration how this should be achieved, but it does not seem that the existing provision at national level is adequate to the task.

3.12 The organisation and structure of the national management training centres is inadequate to the new task. The problems have been well documented by members of the NMTCs themselves, but the main issues seem to be:

- the centres are generally too small. They either need to specialise in a more formal manner than hitherto or to grow in size;
- the centres are possibly too orientated towards the NHS. It might be better in the longer term if they were less exclusive and were able to attract students from a range of public and private sector organisations;
- the difference in the capabilities of the centres means that some RHAs get significantly less assistance from their 'local' centres than others.

3.13 Another major question concerns the *quality* of the training being given. If senior professionals are to be encouraged to partake in General Management and to see the benefits of doing so, then training will need to be of the highest quality. This points again to more high level effort to accredit courses of the right kind to attract first-rate trainers (not necessarily first-rate academics) and to have regular systems of review. The training effort itself needs to be seen as

being as vital as the cost improvement programme, or the implementation of management budgeting to the future efficiency of the NHS. Our impression is that much training in the NHS, on specific health issues, is very good, but that management training generally is in need of improvement and change to meet the specific needs identified in this survey.

3.14 Considerable ambiguity attends the role of Authorities, and of Authority members, in the new managerial climate and there is widespread disappointment that the Griffiths committee did not make more radical and explicit recommendations in this area. It seems that effective management and in particular the concept of accountability is now clouded by some uncertain relationships between the Department, the Management Board, Regional and District Authorities and the various General Managers appointed to each Authority.

3.15 From our survey it would seem that:

- **The Current Commitment to 'General Management' is uneven**
  This is perhaps an obvious but nonetheless significant issue. Strong commitment is expressed, unsurprisingly, by those appointed as General Managers (with the clock ticking already on their 3 year contracts).

  On the other hand there is considerable suspicion and scepticism amongst the medical and nursing professions and also resentment and fear in the latter case which needs to be positively addressed. If medical professionals are to be attracted to General Management posts then specific structural and organisational support is required.

- **General Management is seen to be a component of a 'Culture' change**
  There is widespread theoretical acceptance of the need for a change of culture in the NHS towards a more 'consumer' orientated yet cost-conscious approach. It is also recognised that it will take time to achieve this change, with considerable resources being required to train, educate, and coach all those involved. As nearly three-quarters of the employees of the NHS have constant contact with the customer, it is not surprising that District and Regional General Managers are looking with interest at some of the current 'Customer Service' programmes being undertaken by organisations such as British Airways, British Rail and many others.

- **Management development needs support from the centre**
  Those now responsible for introducing General Management into the NHS mostly lack General Management experience. Contrary to Ministers' initial views, few appointments have been made from outside the NHS, a reflection both of the standard of managers already in the health service and of the

unwillingness on the part of the government to offer remuneration at a level which was attractive to many from outside. The NHS now has to recognise the need to develop and support those appointed at all levels.

- **Co-ordination at national level is required**

  Whilst there seems to be energetic co-ordination at national level on structural issues, there is little co-ordination or guidance on management development policies, either for the immediate needs of those now appointed or for the medium term. One result of this is that Regions and Districts are tending to go their own way and progress is uneven. Few Authorities yet have any reasonably articulated plan for the changeover to General Management. It is also unclear how the various national training elements, such as the NMTCs and the graduate scheme will operate and contribute to the whole. There is a positive opportunity, both for the Management Board and the NHS Training Authority, to propose a national policy and set national standards.

- **The role of Authorities must be clarified**

  The current Authority structure represents an historical development, not a rational system. Analogies drawn between private sector holding and subsidiary company Boards of Directors are often oversimplified and ignore the quite different environments in which such enterprises exist.

  In the face of this ambiguity, past managers, professional representatives and Authority members have formed a variety of relationships according to local and personal influence, rather than 'legitimate' power, be it representational or executive.

  General Managers, now charged with individual accountability, have inherited this unsatisfactory situation and are being asked to cope with problems that spring not solely from the fundamental and inevitable tensions that exist within the NHS but from these historical legacies.

  Unit General Managers will be accountable to their District counterparts but the relationship between the latter and Regional General Managers is far from clear. Equally uncertain is the role of the many energetic and dedicated Authority members, at District and Regional level.

  Under current arrangements managers in the NHS will continue to work within circumstances which will vary markedly between Districts and Regions. To a degree this must be a healthy reflection of varying local needs. To an equal degree, unfortunately, it reflects arbitrary, confused or capricious influences.

  It is conceivable that General Managers will be able to cope with these problems as well as the demanding issues of service for which they are to be held accountable. Many of our respondents, however, were concerned that General Managers were being asked to manage issues beyond their legitimate authority.

This situation must reflect on management development processes within the NHS. The arguments for a strong central initiative are compelling and while such developments must be sensitive to local needs it is not obvious that they must be equally sensitive to arbitary and in some cases irrational arrangements.

We are convinced that most new General Managers and a large proportion of Authority members would ultimately welcome a centrally instigated clarification of each others roles and the expectations each may legitimately hold of the other.

PART 2

MANAGEMENT DEVELOPMENT IN THE NATIONAL HEALTH SERVICE

Some Proposals

4 Towards an Outline Management Development Programme

4.1 Our survey has shown the need for a national initiative, presumably by the Management Board and the NHS Training Authority, to set up a management development programme as a framework for national, Regional, District and professional initiatives. In the following chapters we set out our view of the kind of programme required to stimulate and guide discussions and to provide a basis for action.

4.2 Before dealing specifically with the NHS, however, we briefly review here the major themes of management development in large private sector organisations as we highlighted them in our previous report for the Nuffield Provincial Hospitals Trust.

These common themes were:

- giving priority to direct and relevant managerial experience 'on the job';
- maintaining a strong commitment to management development from the very top of the organisation;
- centralising career planning;
- giving greater priority to the general education of senior managers who are presumed to be expert in the purely technical requirements of the job;
- emphasising skills training in the early stages of a career;
- giving due weight to the personal wishes of the managers concerned and having a system of individual development appraisal.

The requirements of an 'optimal' management development programme were seen to be:

- particular attention being paid to the selection, recruitment and early careers of graduate trainees and other potential managers;
- new recruits then receiving skill-based training in all the various sectors of management, preferably on a planned and graduated basis so that the junior manager has a relevant portfolio of skills by his early thirties;

- 'General Management' programmes being provided for those about to take up middle management positions, and later for senior management;
- planned career progression with rotation from one type of managerial job to another so that the potential general manager gains a wide range of practical experience.

At the time of undertaking our first Nuffield survey we were uncertain of the extent to which these general principles should be applied to the NHS. One result of our further work has been to convince us that the principles apply broadly to the NHS and that work should be set in hand immediately to apply them in the most appropriate way.

4.3 Consideration of a management development programme for the NHS needs to be informed by a knowledge of some of the major inherent problems. These we identify as being :

- **Timescale**

  There is an obvious requirement for management training and development for those now being appointed to General Management positions. There is also a medium and long-term requirement, and it is important to distinguish these from the short-term needs.

- **Prior experience and discipline**

  People will be exposed to General Management, and may be appointed to management positions from a wide range of professional backgrounds. The key development needs for an experienced administrator, for example, will perhaps focus on personal style, leadership skills, and confidence. For a consultant or senior nurse the initial need may focus on planning and budgeting procedures. Both short and long-term programmes need to address these issues.

- **Numbers and complexity**

  The NHS is, by any standards, a very large organisation employing more than a million people with many different skills. Clearly, a management development programme needs to cater for the very large numbers and high skill level of those involved.

- **How good are they now?**

  In many skill areas it is difficult if not impossible to answer the question 'how good are our managers at present?'. Existing appraisal systems for administrators and accountants were abandoned ten years ago, and the other professions have differing appraisal methods.

Some kind of standard and comprehensive system of appraisal could clearly contribute towards a structured development programme based on priority needs. We have been struck, in the process of appointing General Managers, at the lack of information within the NHS concerning its own senior employees and their abilities, potential and aspirations.

- **The professional basis of existing training**

  Management training in the NHS is dominated by the existing professional basis of most training. This applies equally to accountants (through CIPFA) and to managers (through IHSM) as it does to clinicians or to nurses. Large numbers of people are involved. For example, more than 2200 are currently passing through training for membership of the IHSM in more than 40 colleges. If management development is to succeed in the NHS then 'management' training must be controlled by the NHS itself, not by a professional body, with the NHS setting the policy within which a variety of professional bodies may then provide courses. At the same time the particular strengths of professional training need to be built upon and integrated within the overall management development programme.

- **Structural issues**

  No management development programme could succeed without taking note of the structural issues involved. Within the NHS at present there is widespread uncertainty about the roles of the DHSS, the Supervisory Board, the Management Board, Regional Health Authorities, District Health Authorities, the NHS Training Authority, the National Management Training Centres, and so on. Since it is unlikely that the structure of the NHS will radically alter in the near future the management development programme must set out a clear role for each of these levels in the structure. Ideally, of course, the system should allow career development across District and Regional boundaries and not be restricted by territorial considerations.

- **Finance and other resources**

  It is clear that NHS expenditure on management development on a per capita basis is a fraction of that incurred in many major private sector companies. There is a need to increase expenditure in total and also to ensure better value for money. But since most management development must occur 'on the job' the major issue is not so much one of the absolute level of training costs as of 'freeing up' the system sufficiently to allow planned job rotation between worthwhile, challenging posts.

5 A Short-Term Programme of Action

5.1 In our view there is an urgent need for action to develop General Management skills at Regional, District, and Unit levels. While some Authorities are making rapid progress many others are more lagardly and there is a danger that the disturbance caused by the introduction of General Management, far from encouraging a uniform (and high) level of service, will further exaggerate the gap between those Authorities that typically lead the field and those that tend to fall behind.

5.2 While consideration of scale and local needs imply that a good deal of this work must be undertaken at Regional and District level, the closing of the gap between the excellent and the indifferent can only be achieved through a national, centrally stimulated programme.

5.3 We believe that an educative process needs to be initiated, not solely for those now bearing the title of General Manager, but as significantly for those who will have to work closely with them.

Only a fraction of General Managers have previous experience of the role envisaged by Griffiths and it is quite unrealistic to expect the majority to achieve a rate of change that might be normal in the private sector, while simultaneously learning their own job. Yet the short-term contract under which they will operate does seem to imply this expectation; hence the need for extending the education process to those close to the General Managers, be they functional or line managers, professional advisors or representatives, or members of an Authority.

5.4 We recognise that the NHSTA and a number of the NHS 'in house' training establishments are beginning to offer support in this area. While we welcome these initiatives we also recognise that such bodies currently work within the

consensual framework of which the Griffiths committee were critical. They cannot directly do more than encourage participation in new management development processes. Meanwhile Authorities are receiving quite explicit central instruction about structural change. As we have previously commented this inconsistency appears to be unhelpful.

5.5 Any short-term action should be capable of integration into a longer term 'management of change' programme as this is developed. There is a danger, however, that the pursuit of perfect integration will lead to excessive delay and inhibit the necessary urgency. In our view there are a number of initiatives that should be taken now to provide General Managers with support within the time frame they require it.

5.6 The basic components of a short-term programme are set out in the following paragraphs.

1. **The establishment of local Management Development Plans**
Regions and Districts should be required to set out systematically a three year programme of development activities for all staff involved in managerial roles.

While not all elements could be implemented immediately the plans should cover the introduction of:

- methods for assessing managerial ability and aptitude;
- methods for regular objective setting and performance appraisal;
- methods of planned career development for individuals with different career entry discipline;
- formal training in technical subjects such as; management budgeting, information systems, planning procedures and consumer opinion surveying;
- methods for exploiting 'on the job' learning opportunties through workshop based learning systems and boss-subordinate or third party counselling;
- individual development plans for the more senior managers;
- systems of review and appraisal of the Management Development plan itself.

2. **Formal training**
While believing firmly that management development takes place predominately 'on the job' we do see a role for formal training:

- in technical procedures with which job holders may be unfamiliar;
- in some models of organisational behaviour that will subsequently enable managers to learn more rapidly from direct experience and to share that experience, through a common language, with others.

In the first case attendance at training might be most economically organised on an 'exception' basis to recognise individual experience and development needs.

There are strong arguments, on the other hand, for all members of the target audience to be exposed to the second category of teaching.

We appreciate that with a potential target audience of some 4-5000 people, current NHS training resources are quite inadequate. We return to this issue below.

3. Shared Experience Workshops

Groups of managers should meet regularly, under guidance, to share emerging managerial problems and accelerate their learning processes through debate with their peers. Some structure is required and highly skilled 'facilitation' is essential in the early stages of group life.

We are aware that groups of this kind are now being set up at District General Manager level, centred either on a Region or a particular teaching institute.

The approach, now relatively commonplace in the private sector, should be extended to Unit level.

4. Individual Counselling

While 'boss-subordinate' appraisal will inevitably occur over the next few years it is not inevitable that the process will be well conducted. The 'bosses' may well feel that a third party counsellor could improve the quality of the process and subordinates may well wish to seek more time of a counsellor than their boss is in a position to offer.

In these cases there may be legitimate scope for the use of third party counselling systems. We are not enthusiastic, however, at the prospect of a proliferation of professional managerial confessors and where third party counsellors are used the nature of their role and the identity of their key clients need to be established very clearly.

5.7 Each of these components of a 'short-term programme' are being implemented, or at least planned, within some Regions and Districts, and although the numbers involved are currently very low there are already resource problems.

Present resources will be quite incapable of handling the load anticipated in this report. Solutions will need to include:

- the rapid development of modular training material for classroom use;
- the exploitation of distance learning techniques where appropriate;
- the extended use of sources of skilled training and consultancy beyond the conventional 'in-house' establishments;

- a rapid investment in the training of trainers, in-house consultants and counsellors.

While these facilities will primarily be used at District and Unit level their development will require national co-ordination.

5.8 The costs of this initiative will be considerable, and may well require 'new money' since Authorities have not been asked to make explicit provision in their financial planning. Nevertheless the total expenditure is likely to be a fraction of the costs to efficiency, morale, and ultimately service, that will arise from a failure to equip managers with the skill and confidence needed to make theoretical structures and roles practically effective.

6 A Longer Term Programme of Management Development

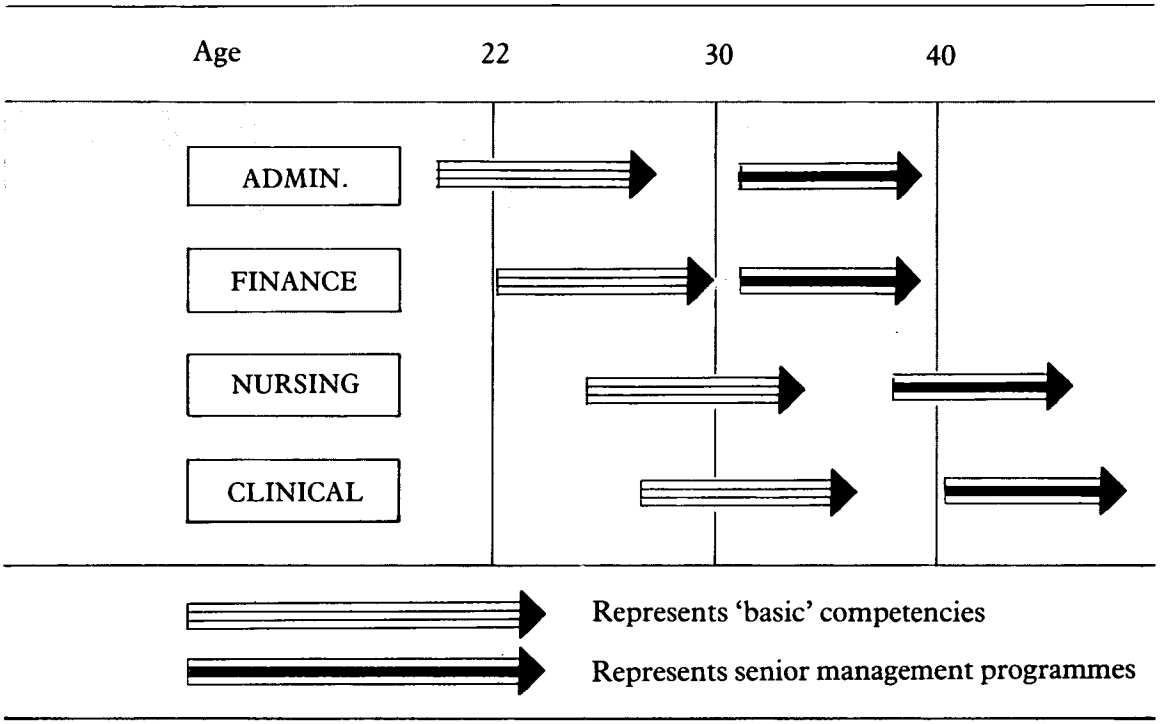
6.1 Whilst the short-term programme for action has priority it is vitally important for the NHS to begin to put into place the elements of a longer-term programme of management development. We see these elements, each of which interacts with the others, as being:

- a statement of management philosophy and intention;
- a management selection programme which ensures that the NHS attracts sufficient potential managers, including graduates, of the right calibre;
- introduction of a basic management skills programme, run according to national guidelines;
- introduction of a management programme for middle and senior managers;
- introduction of a national system of individual development appraisal, interviews and objective setting:
- introduction of a centralised career planning system to ensure that managers and potential managers are given exposure to a broad range of tasks and environments.

Each of these elements are dealt with in turn below.

6.2 It cannot be emphasised too strongly that such a system should be applied to all those within the NHS with management potential, including clinicians and nurses. However, the aim of management development would not be to create good General Managers at the expense of the existing professional training and expertise of clinicians and nurses, or indeed of other skills. General Management is not a substitute for such skills, but is an addition to them. This means that different professions may enter the management development programme at different ages and at different stages of their careers. The following diagram represents this schematically.

A LONGER TERM PROGRAMME OF MANAGEMENT DEVELOPMENT



Thus, for example, a clinician may undertake the 'basic' competency programme as set out below in his late 20s and early 30s whilst in a training grade. He would then expect promotion to consultant in his late 30s ideally in an environment demonstrating the impact of General Management. Later he will need to undertake the senior programme as he becomes the chairman of a team and may wish later to become a Unit District General Manager.

6.3 In time, no doubt, an overall manpower plan for the NHS can be developed and related issues of payment for performance, staff appraisal and so on can be tackled comprehensively. Management development policies are sufficiently separate and urgent to be dealt with initially in the way we suggest. However, it is worth saying how we believe the situation will develop over the next ten years if the introduction of General Management is handled correctly now. In 10 years time we foresee:

- that General Managers will be resourced almost exclusively from within the NHS;
- that there will be more intense, internal competition for the top jobs;
- that clinicians and nurses will hold between a third and a half of all Unit and District General Manager posts;
- that those with financial skills will hold more senior posts than at present.

A statement of management philosophy and intention

6.4 Our survey of the private sector, our knowledge of the NHS, and simple common sense suggest that an early statement of top management's philosophy and intentions with regard to management development is vital and important. It would show the commitment from the top which we believe is crucial to the long-term success of management development and which will be necessary in overcoming the structural and professional inertia of the system. The statement should not be lengthy but should be widely disseminated to all employees. It should set out certain basic aims together with a brief summary of how these are to be carried out. It would be positive and attractive and aim to appeal to all professions. There are many examples from the private sector which could be used as models.

A new graduate and management selection programme

6.5 The existing *graduate* recruitment programme is currently being reviewed and it will undoubtedly need further amendment to take account of General Management and of the changes we are now recommending overall. It would seem that the NHS fails to attract its share of the best graduates, that initial training and rotation during the 2 years of the scheme is of variable quality and often little more than a 'Cooks Tour' of the NHS, that graduate entrants are expected to make their own way in terms of job selection and rotation far too early, and that the theoretical input of training varies depending on the institution to which the individual is attached.

6.6 We believe that the NHS needs to attract its share of the brightest graduates. This will not be an easy matter given the lack of positive image of the health service at present and the relatively poor financial rewards. Certain general principles stand out:

- the NHS should initially aim to take more graduates into its General Management stream than an immediate calculation of needs would suggest because there tends to be a high drop-out rate;
- whilst a high initial salary is no doubt an incentive it is also important to offer both 'fast track' advancement and the prospect of real responsibility at an early stage;
- graduate recruitment cannot be left entirely to Regions and Districts. A nationally organised process is essential.

6.7 The experience of the National Management Training Scheme should be built upon. We suggest that the NHS should consider the experience of the National Police Recruitment Scheme and advertise widely for high-flyers on a national level. It seems probable that the NHS should be taking at least 200 graduates nationally each year in this way. Their development in the first four years should be managed centrally and nationally and they should be put through the basic management skills programme (see later) in this period. Regions should be asked to supply the necessary number of key posts, graded according to experience required and challenge offered, but there should be an individual centrally responsible for co-ordinating these arrangements.

6.8 It is likely that a properly managed national campaign would attract many more than 200 graduates. Those not considered suitable for the national scheme would then be encouraged to apply direct to relevant Districts. The number of 200 is considerably more than the 40–50 per year being taken in the existing National Management Training Scheme. It may be objected that such an increase is not warranted when more clinicians and nurses are expected to occupy senior posts. We believe, however, that the demand for graduate managers will increase rather than decrease in a health service with General Management.

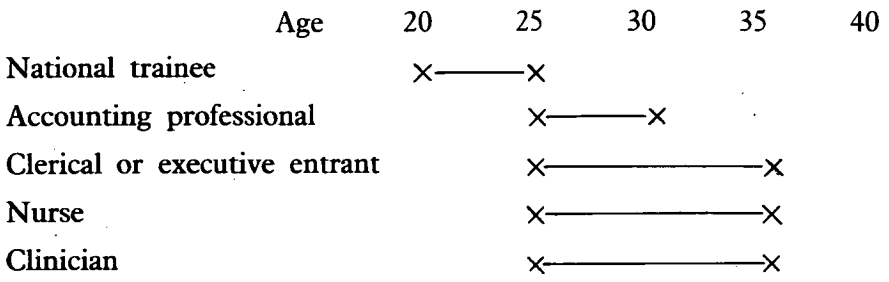
6.9 However, graduate selection, whilst important, can be only a part of the total management selection system.
Non-graduates from outside the NHS, and individual employees within the health service obviously deserve the opportunity to become senior and middle managers in the future. The NHS should actively encourage talented people to get on and make a positive contribution. In this respect we see a basic management skills programme as having an important role.

Basic management skills programme

6.10 All new entrants to the NHS management scheme, whatever their origins, should be put through a basic skills programme with the object of ensuring that they are all aware of 'best practice' before taking up a key management post. The age at which this will occur will obviously vary as shown diagrammatically overleaf.

A LONGER TERM PROGRAMME OF MANAGEMENT DEVELOPMENT

Age of entry to basic management skills programme



6.11 In principle, the scale and basic requirements of the programme should be agreed by national management; the elements of the programme should be determined by the NHSTA who would also monitor performance; the operation of the scheme would be a Regional responsibility with the actual training being undertaken by a combination of external management colleges, the NMTCs and Regional training centres. Assessment would generally be co-ordinated at Regional level, except for the National Management Trainees.

6.12 The composition of these 'core competency' programmes is obviously open for discussion but we would see them consisting of such basic themes as:

1. Health care:

- epidemiology and service planning;
- 'marketing' and consumer relations;
- clinical and nursing professional issues;
- comparative health care systems.

2. Leadership and motivation:

- styles of leadership;
- influencing skills;
- meetings, and group work;
- managing change and conflict.

3. Planning, organising and controlling:

- target setting and performance measurement;
- budget and cost control;
- time management;
- management information systems..

6.13 Courses would be available on a planned basis at the centres mentioned above. Regional management in consultation with Districts would arrange and fund attendance. In principle there is no reason why individuals should not both apply for a place (and be subject to an assessment procedure) or be selected by senior management. It is vital that the courses are open to all professions, although they could be tailored to avoid any overlap between professional training and this programme.

6.14 Given the numbers involved we believe that distance learning techniques could usefully be employed as part of the programme, and certainly as a means of allowing even more people within the health service to become knowledgable about management techniques.

Middle and senior management programme

6.15 It is very important to ensure that management training as such does not end with the 'core competency' programme. We see the need for a middle and senior management programme organised in a similar fashion to the first programme in terms of structural responsibility.

The choice of programme elements will obviously require a good deal of development in the light of other initiatives but the objectives are likely to include the encouragement of:

- an awareness of the UK economic, commercial, social, and political environments as they affect the long-term planning of the health service;
- an understanding of the key processes of internal management in large, complex organisation structures;
- an understanding of the processes of managing the complex external interfaces of the health service;
- an ability to contribute to the specification, and to make effective use of, advanced management information systems.

The programme would make significant use of resources external to the NHS, such as outside management colleges and training consultants. It would also aim over time to set up 'consortium' arrangements with private sector organisations. Individuals would be able to attend Business Schools on a full or part-time basis in accordance with national guidelines.

A national system of individual development appraisal and task setting

6.16 If the system we are proposing is to work it will be necessary to increase the level of knowledge and information about managers in the NHS available to senior management at national, Regional and District level. Personnel officers at each of these levels must begin, if they have not already done so, to collect information on managers' formal skills, their development needs, and their perceptions of their future careers. Initially, there will be managers wishing and needing to go on elements of the 'core competency' programme and the senior programme we have described. However, there is an urgent need to begin the appraisal process–no doubt the tools available will be imperfect at the start but it will be a beginning to a continuous process. At the same time managers and potential managers should be set objectives by their immediate superiors in a 'cascade' fashion.

6.17 It is likely that sectional and professional concerns will inhibit the broad scale implementation of objective setting and performance appraisal systems (as they are currently delaying the implementation of such systems in the teaching profession). It is important, however, not to allow development appraisal to be delayed by protracted negotiations over performance appraisal. A suitable format for development appraisal could be readily prepared. The short-term programme we have outlined and the basic skills programme will begin immediately to supply senior management with information they need on the performance of individuals, and some professions will undoubtedly accept the sensitive implementation of appraisal with enthusiasm.

Centralised career planning

6.18 Centralised career planning lies at the heart of successful management development. Most development happens 'on the job', not in the classroom. It is perhaps unfortunate that such a centralised organisation system as the NHS should not already have more co-ordinated career planning, but we do not underestimate the difficulties involved in its implementation. The programmes we have proposed above must in time be complemented by a system of career planning.

6.19 The necessary steps seem to us to be as follows:

- a recognition that centralised career planning in fact involves each of the three levels of the service, national, Regional and District, and the agreement of a suitable role for each level. For example, Districts could be responsible for

those still undergoing the 'core competency' programme, within Regional guidelines. Regions would be responsible for those in the senior management programme;

- agreement nationally on the main principles to govern the job rotation plan, including such things as rotation *across* levels in the structure and the relative numbers of nurses and clinicians to be included in the scheme;
- identification of 'development' posts, throughout the NHS, i.e. the classification of key jobs by
  (i) the minimum skills/abilities required,
  (ii) the development opportunities afforded;
- agreement on procedures for filling posts;
- establishment of national, regional and district monitoring procedures.

6.20 This may seem a formidable list. No doubt it will take time to introduce and it will be constantly subject to review. However, it is not so formidable when viewed in the context of the other changes we have listed. If managers are to follow, for example, the 'core competency' programme it will be necessary for a far more positive management approach to job rotation to be introduced, and one result of the management programmes will be better and more uniform information on both individuals and the posts they fill. As a start we suggest that all those undergoing the short-term programme might be asked to identify:

- other key management posts within their areas of direct responsibility;
- the names of at least 3 existing employees who could be expected to be able to fill these key roles within the next 3-5 years;
- the names of their own successors in 3 and 5 years time;
- roles for which there is no obvious candidate and which might be offered to a broader constituency.

7 The Role of Members

7.1 We have commented earlier that considerable ambiguity attends the role of Authority members and their relationship with 'General Management'.

7.2 We would prefer to see some central clarification of this issue but inevitably it will be important for the future success of General Management to involve members of Health Authorities in the development process. Chairmen of Authorities will presumably need to play a major role in reviewing the performance of General Managers, in setting objectives and ensuring that they perform their allotted task within the national management development framework. We suggest that consideration needs to be given to training Chairmen for this new role.

7.3 Members of Authorities seem to be largely forgotten in the new arrangements: their role is unclear and their place in the system seemingly of small importance. The composition of Authorities reflects the now 'outmoded' concept of representation of all interest groups and of consensus management. We doubt that the current composition of Health Authorities is suited to General Management but if this is not to be changed there is a need for members to share the learning processes of those cast in executive roles.

7.4 This is not to say that all members should be asked to participate in the formal training elements secured for NHS managers. Such a proposal would be neither practical nor necessarily desirable since we would not wish to see them absorbed in the process of general management. Their role is meant primarily to establish priorities and goals, the 'what' rather than the 'how'.

7.5 Nevertheless some Authority members have personal experience of managing large complex organisations, and some informed understanding of the proposed change in management style would, we believe, improve the effectiveness of the relationship between Authority members and their executives.

7.6 The new General Managers will be put under particular stress in the next few years as they attempt to accomplish changes in the face of the many powerful, and in some cases antagonistic, forces ranged about them. Authorities have the potential to be a substantial aid or hinderence to this search for change and the NHS would be shirking its responsibility if a negative approval from members was to be allowed to develop through ignorance.

7.7 To a large extent the development of this understanding will be best accomplished within the normal framework of Authority meetings, and the focus for learning should probably lie here. Many members will respond more to sensibly structured debate around the pressing local issues than they will to academic abstractions and theories of management.

7.8 On the other hand, debate on local issues can become too partisan to advance the understanding we seek, some more relaxed processes could be beneficial. Already a number of NHS training establishments are offering brief courses specifically for Chairmen and members and there is clearly scope for expansion of such facilities. Additionally some Authorities are seeking exposure to non NHS experience from external sources and such seminars and workshops are relatively easily set up at District or Regional level.

8 Conclusions

8.1 Management development is not cheap, but its rewards will be substantial. It is not the answer to all management problems, nor even of skill shortage problems where specific attention will need to be paid to the future recruitment of specialists, for example in accounting and computing. Some managers will doubtless continue to be appointed from outside the health service but the NHS needs to make a positive and well directed move to introduce an overall management development programme and to provide the context for the currently poorly co-ordinated approach of the many bodies concerned with management and training in the NHS. Without such a move the existing impetus behind General Management will lose force.

8.2 The proposals set out in this report are based on experience of both the private sector and of the NHS. There is now a need for the centre to seize the initiative and begin the lengthy process of providing an ordered and comprehensive system of management development. In time this will produce a more effective health service staffed by people who not only wish to serve their communities as best they can but who actually have the management tools at their command to put their wishes effectively into practice. Without such a lead there is a danger that lofty ambitions will ultimately be condemned to the grave, shared by other well intentioned but ill-supported changes in the NHS.