POWER TO THE MANAGER

Clive Loveluck

Hospitals are managed jointly by nurses, doctors and administrators—a state of affairs which has ‘all the hallmarks of compromise that is a disservice to all parties involved’. The case for a ‘chief executive’ for each hospital—although it would be fiercely opposed—is a strong one.

‘A clear assignment of authority and responsibility to a chief executive officer with requisite training and skills is not incompatible with sound patient care—in fact, it can be argued that it is essential to it’.

This is one of the arguments put forward in a very stimulating contribution by Walter J. McNerney, president of the Blue Cross Association, to the book ‘Problems and progress in medical care’.*

Certainly, his 6 weeks visit to Britain last year has resulted in some illuminating observations and highly pertinent questions about the National Health Service.

I think two of his ideas in particular are important for everyone concerned about the future of the NHS. First, the idea of the creation of a ‘hospital manager’ and second, the inter-relation of the ‘private’ to the ‘public sectors of the health service’.

The concept of a chief executive for hospitals is most attractive. Though not an original idea, it has been neglected in the NHS because it challenges the existing power structure in hospitals. Power currently rests with the medical profession and is based upon knowledge. Unfortunately, the knowledge possessed by doctors, whilst crucial to the doctor-patient relationship, is by no means central to the major problem of resource allocation. The nursing profession is flexing the muscles given it by the Salmon Report, but is still emotionally crippled by traditional obedience to the consultant. The third part of the triad—the administrator—is the least competent. Administrators, with few exceptions, are turned into eunuchs by a shortage of talent which can be blamed on the dreadful disparity between salary and potential responsibility and is reinforced by a closed-shop pattern of experience and training typical of a defensive profession.

* Problems and progress in medical care—essays on current research Ed. by Gordon McLachlan. Published for the Nuffield Provincial Hospitals Trust by Oxford University Press, £1.75.

These remarks may seem intemperate but there are solid reasons for them based on both experience and theory and it is rewarding to find these feelings expressed in American words:

‘The triad, in fact, may be symbolic of a decision not to act with a reasonable dispatch. It has all the hallmarks of a compromise that is a disservice to all parties involved’.

Mr. McNerney has put his finger on a crucial problem in our health service: how do we improve efficiency at the operational, i.e. hospital level? To train our senior staff at universities, where the emphasis rests upon the philosophy of the health service, will not help very much. To segregate by sending junior staff to polytechnics and colleges (where the vast bulk of management training is done) will only aggravate the problem. To create some kind of new administrative superstructure may help in the long run, but only if it avoids the present arrangements and allows us to ‘consider giving the administrator of a hospital a budget, reasonable guidelines and then letting him administer’.

The arguments against the hospital manager—in the sense of a single chief executive—are normally that hospitals are different, that they are not profit-oriented, that ‘business methods’ would destroy the doctor-patient relationships. There is truth in these arguments but they are out-weighed by two opposite questions:

‘It is a considered principle in management theory that change in a large system must be energetically sought and evaluated... different ideas must be honoured’.

McNerney

‘... seen as a form evolving in relation to its changing environment, the business firm has been unsurpassed over the last 50 years in its ability to effect rapid inventive transformations of itself without flying apart at the seams...’

Donald Schon 'Beyond the stable state'
It is by developing the power of ‘hospital managers’ that transformations can be achieved. But one precondition is to 'upgrade the quality of managers (by) establishing the simple rule that the position would be paid on a basis equivalent to consultants'. (McNerney).

The second suggestion that I would select from the many offered by Mr. McNerney is this:

‘The private sector can help fight the forces of institutionalization through pioneering with new programmes . . . (and) . . . can provide useful benchmarks of performance, in terms of quality and quantity, in terms of modes of diagnosis or treatment, and in terms of unit lists’.

The idea of developing a new policy toward a private ‘health sector’ of the economy as a means of stimulating the public sector—including innovation and change—and of providing comparative measures of performance is particularly interesting. When taken with the concept of the ‘chief executive’—it gives the possibility of at least using the private sector as a means of introducing the ‘business manager’ to the hospital world. It is, perhaps, no coincidence that it is in the private sector of the educational world that businessmen have started to move in as headmasters.

The advantages of this proposal as an innovating force must be weighed against the principles on which the NHS was based: ‘free care for all’. It is possible to argue that the complete withdrawal of all private health services would force the middle class to depend upon the NHS to such an extent that the state system would be forced into making massive improvements. This is surely a discussion which should be pursued.

Mr. McNerney’s essay is certainly stimulating—it alone is worth the price of the book. I would recommend everyone connected with the health service to read the essay and—if they are at all concerned for the future of the service—to discuss and argue its points.

For myself, the central point not only for the essay, but also for the NHS is:

‘. . . the interesting question of whether the NHS could use more money in several places constructively without change in the system, in the light of the shortage of professional and particularly management skills’.

This is the question we should all now consider: and can, when consultants stop communing with God, nurses stop talking with the angels, and hospital secretaries stop talking to themselves.