

Institution: The Open University

Unit of Assessment: C19 Business and Management Studies

Title of case study: Shaping healthcare leadership and governance

1. Summary of the impact

Research carried out by the Open University Business School (OUBS) has identified how clinical involvement in the leadership and governance of health services should be undertaken in practice. The sustained stream of research has had an impact on healthcare services at a national level, contributing to the work of an influential think-tank, influencing a Government task force and contributing to the guidance provided by the national NHS Leadership Academy. The latter has led to the collaborative development of a major continuing professional development (CPD) solution with a key management consultancy group. The research has also significantly impacted on management and governance of local healthcare trusts and has contributed to guidance by the healthcare regulator.

2. Underpinning research

Building on early research in innovation (ESRC funded 1996–99) and business knowledge (ESRC funded in 2000 and 2003 under the Evolution of Business Knowledge Programme), a group of OUBS researchers led by Professor John Storey (employed at OUBS from 1996 to date) and Dr Richard Holti (employed at OUBS from 2001 to date) has developed a cumulative body of research and practice in the areas of leadership and governance which they have applied to the domain of service redesign in the UK's National Health Service (NHS). During 2004–05, Professor Storey and colleagues from the OU faculties of Social Sciences and Health & Social Care were funded by the UK's National Institute for Health Research Service Delivery and Organisation (NIHR SDO) to undertake a full review of the diverse and multi-disciplinary literature relating to 'governance, incentives and outcomes' across different sectors and then to apply these findings to the UK National Health Service. This work helped develop insights into the varied forms and levels of governance and to clarify the varied forms of incentives, including market-based and non-market-based modes.

During 2006–08, the NIHR SDO funded Professor Storey and Dr Holti, as a result of a competitive bidding process, to undertake a second extensive, empirically based research project into how issues relating to governance and incentives identified in the previous project manifest in the NHS and the challenges and issues that arose. This project, which was titled 'Comparative governance arrangements and comparative performance: a qualitative and quantitative study', was led by Professor Storey and Dr Holti and had participation from co-investigators at Cranfield University and University College London (UCL). Foreshadowing the recommendations of the Francis enquiry, this study found, *inter alia*, that the boards had interpreted their governance role in a rather detached manner and had placed excessive emphasis on management processes and financial stewardship. There was often neglect of clinical matters and of the patient experience. The study also revealed areas of good practice, including the attempts to involve clinicians in the management, leadership and governance process. Using robust statistical analysis the research demonstrated for the first time that health boards were least effective when chief executives were either too dominant or conversely too subdued and quiescent. This project also shed light on the multi-layered nature of governance in the NHS and the (limited) role of the regulators.

This extensive work then led to a third project (2011–12), titled 'Possibilities and pitfalls for clinical leadership in improving service quality, innovation and productivity'. This research was again led by Professor Storey and Dr Holti and funded by the NIHR SDO. The research investigated, through four detailed case studies, how far clinicians were able to exercise a leadership role in service redesign, and how they approached this. While detailing the many barriers to such influence, the researchers focused on the instances where determined and skilled efforts enabled clinicians to make and show a constructive difference in service design and delivery.

A fourth project has recently been funded by the NIHR SDO to continue this stream of work:

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'Methods of mobilising clinical engagement and clinical leadership by clinical commissioning groups' (Project number 12/136/104, 2013 to 2016, £475,000). This award reflects the value placed on this body of research by NIHR reviewers and the senior healthcare professionals who judge the competitive bidding process on their behalf. This work is again led by Professor Storey and Dr Holti. Team members include Professor Jean Hartley (OUBS) and Professor Martin Marshall (UCL).

3. References to the research

Authors shown in bold are Open University Business School staff.

- i. **Salaman, G. & Storey, J.** (2008) 'Understanding enterprise', *Organization*, 15(3): 315–323. An article which draws on prior research in order to critically assess the meaning of innovation and enterprise. (Quality indicator: ABS 3)
- ii. **Salaman, G. & Storey, J.** (2009) 'Nature has no outline, but imagination has': contrasting executive renditions of the 'commitment to innovation', *European Management Journal*, 27(4): 234–42; explores the management of innovation work. (Quality indicator: ABS 2)
- iii. **Storey, J., Holti, R., Winchester, N., Green, R., Salaman, J. & Bate, P.** (2010) *The Intended and Unintended Consequences of New Governance Arrangements within the NHS*, London: Queen's Printer and Controller of HMSO online at http://www.nets.nihr.ac.uk/_data/assets/pdf_file/0003/64290/FR-08-1618-129.pdf; a substantial publication of 252 pages subject to full anonymous refereeing prior to publication. (Quality indicator: the report was also highly praised by the anonymous peer reviewers and by senior managers in the NHS (NIHR SDO feedback on final report 1st Dec 2009)). The report subsequently was the subject of a cover story in the *Health Services Journal* (HSJ) 25 February 2010 and was also a news item in HSJ on 18 February 2010.
- iv. Dixon, A., **Storey, J.** & Alvarez Rosete, A. (2010) 'Accountability of foundation trusts in the English NHS: views of directors and governors', *Journal of Health Services Research and Policy*, 15(2): 82–9 online at <http://oro.open.ac.uk/24828/> (Quality indicators: is listed as among the 'Most Read' in the *Journal of Health Services Research and Policy* 2012. Source: jhsrp.rsmjournals.com.libezproxy.open.ac.uk/reports/most-read)
- v. Taylor, S., Bell, E., Grugulis, I., **Storey, J.**, and Taylor, S.L. (2010). Politics and power in training and learning: The rise and fall of the NHS University. *Management Learning*, 41(1): 87–99. (Quality indicator: ABS 3).
- vi. **Storey, J. & Holti, R.** (2013) *Possibilities and Pitfalls for Clinical Leadership in Improving Service Quality, Innovation and Productivity*, London: National Institute of Health Research, HMSO, online at http://www.netssc.ac.uk/hedr/files/project/SDO_FR_09-1001-22_V05.pdf; a substantial publication of 172 pages subject to full anonymous refereeing prior to publication.

4. Details of the impact

The impact of the research at national level includes contributing to the work of the highly influential independent health policy think-tank, the King's Fund. The research findings from the second NIHR SDO-funded project were included in two reports written by the researchers in collaboration with the King's Fund, *Accountability of Foundation Trusts in the English NHS: views of directors and governors* and *Accountability in the NHS: Implications of the government's health reform programme*. Both reports are available on the King's Fund website. These reports draw on the underpinning research to map the formal accountability relationships of foundation trusts in England and explore the interpretations of these relationships. The analysis concluded that although major policy objectives give greater autonomy to foundation trusts and encourages them to be more accountable to the local population, they continue to look towards the Department of Health rather than to the local population and its representatives. They identify five types of accountability most relevant to healthcare: accountability by scrutiny, management, regulation, contract and election (evidence 1 and 2 below). The reports in turn influenced the Government's task force, the NHS Future Forum. In 2012, the Chair of the NHS Future Forum, was tasked by the government to assess future models of governance in the NHS. He noted how these King's Fund analyses of governance in the NHS influenced the thinking of the Future Forum about the design of

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the governance of the clinical commissioning groups formed following the Health and Social Care Act 2012. In particular, the need to widen the governance apparatus was acknowledged as the need to safeguard against ritualistic and formal modes of governance and regulation.

The underpinning research has more recently (2012 onwards) shaped the new model of leadership adopted by the NHS's National Leadership Academy. This provides the basis for the full suite of leadership programmes for managers and clinicians throughout NHS England, as described by the Head of Professional Development, NHS Leadership Academy:

'Thank you for the work Richard Holti and John Storey did towards the research that underpinned the primary research for the new Healthcare Leadership Model for the NHS and beyond. Their report—but more, the reading, thinking and synthesis that went before—has informed what I believe will become a truly impactful model. ... You can be pleased that your initial work has influenced so well a core model of leadership that will underpin the core Professional Leadership Programmes of the world's 4th-largest employer.' (3)

The impact on the NHS Leadership Academy of the research has led to collaboration with the global management consulting firm Hay Group to develop a continuing professional development (CPD) solution for the NHS Leadership Academy. The award of a contract to the OU and Hay Group was announced by the NHS Leadership Academy in February 2013 (4). It is the first national programme for leadership and the largest investment in leadership development ever undertaken by the NHS. There have been 1,500 practitioner (managers and clinicians) registrations for the training (as of 31 July 2013) and the NHS have planned that 12,000 healthcare professionals will undertake the CPD in the next three years. The impact of the underpinning research was described by a Director at Hay Group:

'Hay Group has been working with Richard Holti and John Storey to develop a new Leadership Model for the NHS Leadership Academy. Without doubt the intellectual input from Richard Holti has shaped the thinking behind this Leadership Model in a fundamental way and the research on NHS leadership and governance he conducted with his colleague provided the basis for this.' (5)

In addition to influencing policy at a national level, the work of Professor Storey and his colleagues has also had an impact at the level of individual hospital trusts. Based on the underpinning research, Professor Storey, together with Professor Paul Bate (University College London), was invited to be part of an action research project to improve the governance and leadership of University College London Hospital (UCLH) (Feb 2008 to March 2009). The project, led by the Chief Executive, involved the devolution of certain types and degrees of governance from the Board to the major service lines within the hospital, termed 'service-line management' (SLM). Professor Storey's role was to concept test the idea and implementation of SLM at UCLH. His involvement included a review of the existing governance structures and processes within UCLH and an evaluation of the migration towards devolved service-line management. The Chief Executive, UCLH, described the impact of the research:

'UCLH is a national institution with an international reputation, and the work that Professor John Storey and Professor Paul Bate undertook on clinical engagement and governance greatly influenced our thinking around the organisational structure of our Board and the increasing engagement of clinicians in developing our future strategic direction.' (6)

After successful adoption by UCLH, service-line management was adopted by a number of other healthcare trusts, which were advised by Professor Storey and colleagues. These NHS trusts included: Luton & Dunstable NHS Foundation Trust, Northampton General NHS Trust, Kings College London NHS FT, NHS Salford and NHS Lambeth & Southwark. The former Chief Executive of Luton & Dunstable NHS Foundation Trust commented:

'Professor Storey's work on governance and service-line management came at an opportune time when I was CEO of Luton & Dunstable Hospital in 2009. We were experimenting with earned autonomy of our Directorates. We wanted to devolve a number of decisions and powers previously vested in the Board or Executive, and his advice on appropriate governance arrangements at both Directorate and senior level was really helpful.' (7)

The Director, Greater Manchester Clinical Support Unit, commented: 'We found the findings of the research conducted by John Storey and Richard Holti extremely valuable in opening the

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conversation on models of leadership with clinicians (doctors and nurses). It introduced and gained professional acknowledgement of the emerging development of shared leadership models across integrated sexual health services in Greater Manchester.’ (8)

The concept of service-line management has more recently been approved and endorsed by the health regulator, Monitor, as the management model for all foundation trusts in the UK health service (9).

5. Sources to corroborate the impact

1. Report written in collaboration with the King's Fund – *Accountability of Foundation Trusts in the English NHS*; online at <http://www.kingsfund.org.uk/publications/articles/accountability-foundation-trusts-english-nhs-views-directors-and-governors>
2. Report written in collaboration with the King's Fund – *Accountability in the NHS: Implications of the government's health reform programme*; online at <http://www.kingsfund.org.uk/publications/accountability-nhs>
3. Email from Head of Professional Development, NHS Leadership Academy – available on request.
4. Open University press release announces the award of the NHS Leadership Academy contract to The Open University and Hay Group 19 February 2013; online at <http://www3.open.ac.uk/media/fullstory.aspx?id=25179>
<http://www.leadershipacademy.nhs.uk/about/media/news/programmes/largest-ever-leadership-programme-to-transform-nhs-culture-announced/>
5. Email from Director, Hay Group – available on request.
6. Email from the Chief Executive of University College London Hospitals – available on request.
7. Email from former Chief Executive of Luton & Dunstable NHS Foundation Trust – available on request.
8. Email from Director, Greater Manchester Clinical Support Unit – available on request.
9. Monitor's Service-line Management guidance; online at <http://www.monitor-nhsft.gov.uk/developing-health-care-providers/service-line-management>