

NHS managers: part of the solution, not the problem

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About the research

Policymakers and sceptical public opinion have frequently cast doubt on the contribution of public sector managers. This is especially true in the NHS, where it is claimed that managers soak up resources that might otherwise be used to improve front line services. Accordingly, policies aimed at controlling the growth and remuneration of managers are often very popular, conforming to media stereotypes of unproductive “fat cats”. For example, the former Secretary of State for Health Alan Milburn famously described managers as “men in grey suits”, pledging to reduce their numbers. When in a similar role, Jeremy Hunt suggested that “the NHS made a historic mistake in the 1980s by deliberately creating a manager class who were not clinicians”.

The findings show that, contrary to popular belief, managers do not engage in empire building activities in relation to growth in their numbers and lower managerial turnover. A higher proportion of managers to staff is also associated with higher average salary per manager. Furthermore, the results reveal that higher manager-to-staff ratios in hospital trusts have a statistically significant positive impact on the efficiency and effectiveness of services provided. Thus, despite some high-profile cases of incompetent management practices and organisational failures, our research does not offer evidence that managers engage in self-serving behaviour. In fact, it emphasizes the overall net positive contribution that NHS managers make to healthcare. As such, along with clinical staff, investment in managers should be a key priority in implementing the [NHS Long Term Plan](#).

This research used a longitudinal database of 160 English NHS acute care hospital trusts spanning six years (from 2007 to 2012). We selected those years because it was easier to collect and combine data on managers and the performance of hospital trusts and the data was consistent. We employed multiple regression analysis to investigate, first, whether managers engage in self-serving behaviour expressed as increases in their relative numbers, salary levels, and stability in the role. Second, we wanted to know if a larger management function has any (negative) implication for organisational performance. Here, we looked at three separate indicators: relative financial efficiency, overall patient experience, and rate of infection for *C. difficile*.

Policy implications

NHS managers are far from being a bureaucratic burden and a waste of public money; rather, they add value to the healthcare system.

- Policies aimed at downsizing managers are potentially misguided as they undermine the productive potential of managers and should therefore be reversed.
- Following the new NHS Long Term Plan focus on workforce, the NHS should expand the number of its managers. For the secondary care sector, an increase by one percentage point would mean an investment of less than £500 million.
- To maximise taxpayers’ investment, efforts and resources should be concentrated on fostering the ability of NHS managers by increasing their knowledge, skills and expertise to effectively perform their function.
- Managers should be better motivated and incentivised to focus on organisational performance goals by fostering their public service ethos.
- Managers should be given greater opportunities to contribute to performance goals by increasing their formal autonomy to make decisions closer to the front line of service provision.



Key findings

- The proportion of managers-to-staff stood at roughly 2%, which is below the average 9.5% for the whole UK workforce (Kirkpatrick, Altanlar, & Veronesi, 2017). Senior managers represented around a third of all managers.
- A higher ratio of managers-to-staff was associated with a lower proportion of managers (to the overall workforce) in the following year. Additionally, the manager-to-staff ratio did not have any significant impact on the levels of turnover of managers. Higher levels of hospital managers to hospital trust staff led to higher managerial pay levels (per manager).
- Infection rates decreased and patient experience improved with higher proportion of managers to staff. Increases in the manager-to-staff ratio also appeared to have a positive impact on overall efficiency up to a certain point (around 3% of the workforce).
- There is a very high likelihood that it is the proportion of managers to staff (our main explanatory variable) that is driving improvements in efficiency, patient experience and clinical quality and not the other way around. This conclusion followed additional robustness tests to explore (and discount) the possible impact of past performance and other confounding factors such as a trust size, status, location, financial conditions, and treatments provided on the main findings.
- For an average size hospital trust, a 1% growth in the managers-to-staff ratio (approximately 39 managers at a basic gross salary cost of £2million) would appear to reduce the infection rate by nearly 15%, increase efficiency levels by 5% and improve patient experience by around 1%.

Further information

Full details of the study are published in: Veronesi, G., Kirkpatrick, I., & Altanlar, A. 2018. Are Public Sector Managers a “Bureaucratic Burden”? The Case of English Public Hospitals. *Journal of Public Administration Research and Theory*, <https://doi.org/10.1093/jopart/muy072>. Copies are available from the authors on request.

Please also see our blog in The Conversation: <https://theconversation.com/what-thenhs-needs-is-more-managers-104455>

References

Kirkpatrick, I., Altanlar, A., & Veronesi, G. 2017. Corporatisation and the emergence of (under-managed) managed organisations: The case of English public hospitals. *Organization Studies*, 38 (12): 1687-1708.

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