

CREELMAN LAMBERT

HEALTHCARE – PEOPLE GOVERNANCE IN THE SPOTLIGHT

13 October 2011

The relevance of Creelman Lambert's report *The Board and HR* to healthcare – and in particular to Europe's largest employer, namely the UK's National Health Service – was starkly illustrated in two national press stories today. Neither are exactly new issues, but the governance aspects are increasingly central.

First, there is a report by the National Audit Office revealing that at least 20 NHS trusts, including 17 major hospitals, are not fit-for-purpose, and risk becoming an indefinite drain on an already over-stretched public purse. A further 30 trusts are in severe financial difficulties. As these represent 20% of the UK's 254 NHS trusts, essentially one in five are struggling for survival.

Second, there is the report published by the Care Quality Commission, identifying that some 20% of NHS trusts also fail to meet minimum legal standards in the provision of basic care to elderly patients, including supply of food and maintenance of dignity. 50% of 100 trusts surveyed were failing to do enough to meet patient's needs and must improve.

This is in the context of highly controversial structural change being promoted by the UK Government, a central plank of which is a declared policy to devolve more responsibility to local health professionals. Ironically, it is health professionals who are most fervent in challenging the viability of the proposals, and there are estimates that the 'reforms' will add over £1b to administration costs.

We highlight two different governance issues.

First governance issue – who's in charge

Who is going to be ultimately accountable for addressing the intertwined funding and operational standards crisis?

Scarcely for the first time, the allocation of governance responsibility between political and operational chiefs is at issue.

The current situation is neatly summed up by The Independent's senior columnist Steve Richards (13 October 2011) in posing the question. "If the Health Secretary won't be responsible then who will?". He adds that "a policy aimed at cutting bureaucrats looks more like one where no one knows who is in control."

Second governance issue – it's about management and culture

Interviewed on national radio, CQC director of operations Amanda Sherlock observed that the failure to care for patients "was not fundamentally a problem of resource and money", even though people and funding shortages are prevalent. Rather, it was about priorities and attitudes, and the culture of care. In that respect, she specifically pointed to the linkage between the boardroom and the front line of hospital wards in NHS trusts.

In declaring the situation "unacceptable", the UK health Secretary Andrew Lansley referred to over-reliance on tick-box mentalities, on self-reporting without sufficient oversight, and thus failings in

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both clinical and nursing leadership. He also referred to the need for the NHS to become a 'learning organisation' – dangerously close to HR-speak for a politician!#

In practice, do NHS boards know how to achieve effective oversight of culture? The evidence so far suggest that this is beyond at least some of them, or possibly that they don't even see this as part of their job.

Third governance issue – where's HR?

One observation we would make about the multi-faceted, complex and long-running debate about NHS structure and delivery is that it is hard to discern any sign of sophisticated, professional organisation design and development thinking. Given the depth of people issues involved, from governance actors to front-end effectiveness, is there a respected Human Resources voice at all within the decision-making process? If not, why not?

Similarly, it would be useful to hear what the HR function is doing to help boards and management grip the issue of culture that lie behind operational and behavioural failings. Given that there had already been significant public and press debate earlier in 2011 about standards and attitudes in nursing, the QCQ report findings do not represent 'news' to NHS executives. So where are the 'solutions' that HR should be facilitating?

The question of what role HR is playing – and what helps or hinders it from making an effective contribution – is certainly not visible in the debates about UK healthcare.

(We observe that HR in US healthcare is relatively visible.)

However in terms of governance, and given that 'people' is a central issue in tackling the NHS' travails, we feel it is a question worth highlighting.