Introducing innovation in a management development programme for a Primary Care Trust

Paul Smith, Libby Hampson and Jonathan Scott
Teesside University Business School

Introduction

The National Health Service (NHS) is the largest employer in the UK and since the late 1990s has gone through a period of unprecedented change in a wide range of areas from introduction of the NHS plan (Department of Health, 2000) designed to help the NHS meet the needs of patients and improve health outcomes; to the establishment of NHS Foundation Trusts in 2004 which have financial freedoms and are independently regulated. Recent developments have focused on improving quality (Department of Health, 2009) with the establishment of the NHS Institute for Innovation and Improvement and a drive for NHS organisations to become more cost effective through promoting innovation and improvement. This paper provides insight into this agenda through the introduction of innovation as part of a management development programme at a Primary Care Trust (PCT).

The management development programme was designed by a university business school (university A) in partnership with a PCT (Northern PCT) and was aimed at junior and middle managers addressing the core skills required from the PCT allowing managers to gain credits towards a business related degree. A few months into the programme the PCT requested that innovation be introduced into the programme as a way of developing ideas of saving money, instilling a new way of thinking amongst staff and implementing a new policy from the Department of Health (Maher, 2008). The paper tells the story of implementing policy into practice and begins with the background to the development of PCTs, the methodology used and examination of the literature on innovation and improvement. This is followed by an account of the management development programme and concludes by outlining
some of the lessons from the partnership and how this approach could benefit other NHS organisations introducing innovation and improvement initiatives.

**Development of PCTs**

PCTs are responsible for planning and securing health services for improving the health of their local population. They are responsible for funding and commissioning primary and secondary care. There are some 150 PCTs across the UK and they have recently been through large scale change via a process of rationalisation with many now serving larger geographical areas. On average they serve a population size of a quarter of a million and are in most cases co-terminous with local authority boundaries (NHS Information Centre, 2009). PCTs are responsible for assessing local health needs and providing a wide range of health services which include primary care services and community health services such as health visiting and district nursing. They need to ensure that the local population is served by enough General Practitioners (GPs) and are responsible for the provision of a range of health services such as dentists, Walk-in centres, NHS Direct, patient transport, pharmacies, opticians and integrating health and social care so the two systems work together.

The officer accountable for the PCT is the Chief Executive who ensures that the PCT carries out its functions in such a way as to ensure the proper stewardship of public finances. These responsibilities include the propriety and regularity of the PCTs finances; keeping proper accounts along with prudent administration and avoidance of waste and the efficient and effective use of all resources. It is this last area which the paper will explore and the impact it has on introducing a management development programme within a PCT.

**Methodology**

The methodology adopted draws on the authors’ experience of managing a successful management development programme for a PCT. The report of the case study analyses the key events that took place between 2008 and 2010, from direct observation, surveys, discussion and documentary evidence. The evidence draws on
Innovation and improvement

This section explores theories and literature on innovation and improvement in the context of the management of the NHS. Generally, much of the seminal literature on innovation and continuous improvement relates to the private sector. There is research which specifically examines innovation in public services (e.g. IDeA, 2005) but this section draws good practice and knowledge from the wider innovation literature and applies it to the NHS. In this section we commence with an examination of what the concept of innovation means, and in particular then link it to innovations and improvements within the managerial process. We make it clear throughout that innovation and improvement is not just about the development of world-class new technologies, products or services – it is as much about making changes and improvements in the way in which things are done or managed, i.e. within the process or the ‘business model’ (paradigm) by which the core service is delivered to the ‘customers’ (in this case, patients) (cf. Tidd et al, 2005). The second part of this section focuses (generally) upon the concept of Continuous Improvement and how, more specifically, this could be applied to managerial practices in the NHS. Thirdly, we consider the role of learning across the entire innovation and improvement process.

Defining innovation

In the literature, a distinction is made between invention, something new which is conceived or created, whereas an innovation is about application or putting into practice, and is then diffused (Link, 2008; Nelson, 1959; Rosenberg, 1972; Schumpeter, 1939). Therefore, innovation is “a process of turning opportunity into new ideas and putting these into widely used practice” (Tidd et al, 2005: 66). The practice of innovation is not, however, restricted to profit-making, private sector firms, since it can also apply to public sector healthcare organisations. Innovation can be further characterised or categorised in terms of (a) products and services, (b)
processes, (c) market positions or (d) paradigms, i.e. business models (Utterback, 2004) and, furthermore, along the lines of radical or incremental innovations. In this paper, we are considering innovation within managerial practice in the NHS which, as highlighted above in bold, are about incremental innovations, by continuous improvement, within the managerial process of delivering the core service of the NHS. In the next section, we examine the role of creativity and innovation in continuous improvement in the National Health Service.

Continuous improvement in the context of the NHS
More creativity, stimulated by an innovation culture (i.e. an organisational culture which is innovative and creative (Christensen and Raynor, 2003)), coupled with appropriate incentive or reward mechanisms, would drive forward impressive levels of innovation and improvement within the organisation.

Much research has considered the important role of cross-functional teams which are highly important to the innovation performance of organisations (e.g. Love and Roper, 2009). Similarly, a positive innovation culture (Christensen and Raynor, 2003) assists the sharing of information within organisations. Therefore, it is important to involve employees within the innovation process, or continuous improvement or Kaizen as in Japanese companies, which is conceptualised as a cycle between knowledge, learning and innovations (Bessant, 2003). For example, there is much documentation on how productivity and efficiency was increased in Japanese manufacturing companies through Continuous Improvement (CI) based upon ideas from employees’ suggestion boxes (Schroeder and Robinson, 1993; Bessant, 2003). Indeed, such authors identify a clear link between practising high involvement innovation and the performance of the firm, as a result (Bessant, 2003; Tidd et al, 2005). Furthermore, there is a clear link between CI and learning (Bessant, 2006), as well as an important role for learning networks in the innovation process (Bessant and Francis, 1999; Bessant and Tsekouras, 2001; Bessant et al, 2003).

In the context of the NHS generally and a PCT more specifically, it is clear that with the drive to improve the delivery of the core healthcare services, the concepts of Continuous Improvement in managerial practice, by involving employees as well as managers, is one key means by which a successful approach to managerial
innovation can be adapted to the NHS. In the next section, we consider the role of learning in innovation and improvement.

Learning
Cohen and Levinthal (1990) focused upon external communication and learning, whereas we consider the importance of both modes of internal and external learning, in the new forms of organisation which include extended stakeholder networks comprising external consultants etc. Their key contribution was absorptive capacity (AC):

“The ability to exploit external knowledge is thus a critical component of innovative capabilities. We argue that the ability to evaluate and utilize outside knowledge is largely a function of the level of prior related knowledge. At the most elemental level, this prior knowledge includes basic skills or even a shared language but may also include knowledge of the most recent scientific or technological developments in a given field. Thus, prior related knowledge confers an ability to recognize the value of new information, assimilate it, and apply it to commercial ends. These abilities collectively constitute what we call a firm’s "absorptive capacity." At the level of the firm--the innovating unit that is the focus here--absorptive capacity is generated in a variety of ways. Research shows that firms that conduct their own R&D are better able to use externally available information.... This implies that absorptive capacity may be created as a byproduct of a firm's R&D investment.” (Cohen and Levinthal, 1990: 128).

It is clear that the learning has a critical role in the innovation process, whether in terms of absorptive capacity of external knowledge (Cohen and Levinthal, 1990), or of learning by doing or 'learning-before-doing' (Pisano, 1996). Whilst much of the literature does focus upon the firm-level innovation and learning, i.e. the ‘organisational learning’, it is implicit that individuals have a key role within this process – but they are often subsumed or collapsed into this economic notion of a “firm”, “business” or “company”.

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**Contextualising innovation, CI and learning from an NHS and public services perspective**

A key question emerging from the above review, in the context of the NHS is, “So what?”. Clearly, though, it is important to - first of all - understand what innovation actually is and why it applies to the PCT which is the subject of the next section of this paper. We have argued that innovation in managerial practice is important to the NHS because it facilitates the better delivery of its public service remit and its core healthcare services. Improving efficiency and performance is enshrined in a number of Governmental policies and documents (e.g. relating to improving quality - Department of Health, 2009). Linked to improving and innovating in managerial practice to achieve this end is the concept of Continuous Improvement (CI). Whilst CI most famously relates to *Kaizen* and other techniques adopted in world-class Japanese manufacturing, it also surely has relevance to improving and innovating within NHS managerial practice. That is, therefore, where learning comes in, particularly the ability of PCTs to absorb external knowledge (Cohen and Levinthal, 1990) and a Management Development Programme is perhaps one way of facilitating such approaches. Thus in the next section we present our case study in order to link the above literature to actual on-the-ground, practical interventions for facilitating innovation and improvement – through the learning process – within the NHS in order to achieve change and to improve the quality and performance of the organisation.

**Management Development programme**

The management development programme was part of a contract worth £3 million between university A and the Northern PCT. The contract was managed and delivered by the School of Health at university A but the management development programme was given to the Business School to develop and deliver. University A is a post-1992 university with nearly 28,000 students 60% of whom are part-time. It offers a range of vocational and academic programmes and has developed a reputation as one of the leading universities for employer engagement. The Northern PCT was established in 2006 and serves a population of nearly 500,000 and is
based across five sites. The PCT corporate improvement strategy provides the vision for the management development programme and the following section highlights the links to organisational improvement:

‘All staff have a role in supporting change and leading improvement … It is the vision of the PCT corporate improvement team that the first step in delivering the transformational change programme … is to build the capacity and capability of staff so that they understand the methods of improvement and are able to apply them in their every day work’ (Internal Document 1)

As part of a major investment in staff development and training, University A was approached by the Northern PCT in late 2008 to develop and deliver a series of business management development programmes. The development of bespoke learning for staff at all levels across the organisation was a key element of the organisation’s change programme and intent to become ‘the most forward thinking commissioning organisation in the NHS …. well placed to deliver better health and well-being, care and value for all.’ (Internal Document 1).

The vision of the Northern PCT corporate improvement team was that the first step in delivering the transformational change programme was to build the capacity and capability of staff so that they understood the methods of improvement and were able to apply them in their every day work. In short, the move to change culture through the planned creation of a learning organisation, resulted in a comprehensive training needs analysis exercise which resulted in a substantial learning directory document and a systematic approach to the implementation and evaluation of organisation wide staff development.

Whilst practical considerations had to be taken into account in terms of the programme delivery, the main emphasis in terms of programme consideration and discussion was ensuring a move towards and understanding of the PCT statement of intent: ‘moving the emphasis from spending on services to investing PCT funds to secure the maximum improvement in health and well-being outcomes from the available resources’ (Internal Document 1). In other words that material would need
to be developed to draw on the vision, core values and corporate behaviour and aspirations of the Northern PCT.

Through general discussion it was also implied that the Northern PCT wanted to use the visual ramifications that cultural change through learning would offer, for instance creating a common-language, creating teams across departments and sections thus breaking down barriers, creating greater common understanding, appreciation and recognition of the corporate message and its relevance on an individual and team basis, clear messaging and communication and being seen to be recognising employee need and making the necessary provision. It was also deemed important that whilst the modules needed to be informative and meet PCT and university regulations and standards, they needed to be fun and practical – including aspects which had immediate relevance and could be easily transferred to the workplace.

In summary, University A was to develop and deliver programmes at both a foundation and intermediate level. Learning at the foundation level would be mandatory for all Northern PCT staff. This would ensure all staff had a basic understanding of the agreed, organisational improvement approach. Learning at the intermediate level would be designed for managers in leadership positions and would further develop key skills and confidence. The modules would be delivered at NHS premises and have a clear workplace focus thus allowing health care professionals to gain immediate benefit. To date, two foundation level programmes have been delivered, with a third in progress and the intermediate level programme will be piloted in April 2010.

Initially three modules were identified as meeting the needs at the foundation level: Personal and Team Effectiveness; Managing and Developing People and Organisational Communication. Discussion and practical constraints resulted in the first two modules only going forward with a commitment to embed organisational communication as a core skill throughout the teaching, learning and assessment in the other two, 20 credit, level one modules.

The indicative content of Personal and Team Effectiveness was to include perception, emotional intelligence, stages of team development, types of teams,
team roles, team leader roles, personal development and change, overcoming barriers to learning, managing conflict, assertiveness and negotiation. The content of Managing and Developing People was to include strategic HRM, recruitment and selection, equality and diversity, retention, performance management, pay and reward, managing absence, human resource development and employee relations.

Each module was to be delivered over two days including pre and post course work and appropriate assessments. Experience of this approach has proved successful in delivering leadership and management education to a range of professionals from Foundation through to Masters Level and in recent years University A has gained extensive experience of delivering core modules in a master class format, following its successful corporate development programmes. In addition to academic staff input, it was agreed that staff from the Northern PCT would be invited where appropriate to deliver mandatory sessions on policies and procedures.

As well as two days face to face teaching the modules were delivered and communication kept open between academics and delegates through the use of the Virtual Learning Environment (VLE). All delegates on the programme accessed the University VLE via their own Learning in the Workplace website.

The Pilot Cohort
The first foundation programme was launched in June 2009 with introductions to the programme from senior management representatives at both the University and PCT. A total of twelve delegates from across the PCT attended.

The programme was made up of a half day induction, a one day introduction to Insights Discovery personality profiling, two accredited level one modules (20 credits each) totalling four days learning and half way through the programme a half day ‘sandwich seminar’ event.

All delegates successfully completing the assigned work for the accredited modules have received a University Certificate in Professional Development (UCPD) in People Management, Personal and Team Development.
Feedback from the Programme
From the outset the programme aimed to create a non-threatening, friendly, student centred learning environment. This was commented upon universally across all days and is perhaps reflective of the amount of personal investment from all members of the delivery team in allowing time to get to know and understand the organisation and its aims thoroughly at each stage of the programme.

Importantly, feedback from the PCT was positive. In particular they commented upon the good working relationship between University A and themselves and specifically that delegates were ‘engaged and active in the process – ‘there is a ‘buzz’ about the programme’. There were some very valuable comments too from delegates about the opportunity afforded to them: ‘This is the first time I have been given the opportunity for management training’. ‘This is the first time an employer has invested in my personal development.’ ‘I’m excited by the learning process; it will increase my self management and multi-tasking skills.’

One of the key features, and crucial to the success of the programme, was that there was felt to have been a good mix of practical and theoretical work, and that this could be applied to their work situations. ‘Good application … especially to NHS.’ ‘I found out a lot of information I can transfer into my day to day work’. There were also some positive comments from delegates on the group dynamics in an overall debrief at the end of the programme and it was apparent there was a real feeling of ‘being a group’; one which a number of delegates were keen to keep going informally, and through organising future group meetings on a more formal basis.

Inevitably there were some ‘teething’ issues to be addressed which were around practical implementation such as enrolment, registration and blackboard. These problems were largely down to the limited amount of time before the start of the programme and limited administrative support.

Review of second cohort September – November 2009
The second delivery of the Management Development Programme (Foundation Level) took place between September and November 2009. The group consisted of 13 delegates (one delegate transferred from cohort 1).
As with cohort one the overall feedback from the groups about the modules, induction, Insights discovery day and the sandwich seminar was generally positive. One of the key features of the second cohort was that feedback from the pilot cohort was taken into account and programme changes both practically and in terms of the overall ethos were implemented in full. These included everything from the decision not to provide lunch on training days (with the exception of the induction and sandwich seminar days), to changes made to the topic for the sandwich seminar to reflect the innovation and improvement agenda (Maher, 2008).

This ability and willingness to monitor and evaluate and act on feedback within a short timescale has been one of the keys to the success of the relationship with the PCT and the programme itself. Changes to the second delivery were in making more productive use of the induction session to really help delegates reflect and consider why they had enrolled on the programme, why their place had been supported and what their expectations and concerns might be. Whilst the responses perhaps held few surprises, it set the tone that their opinions were valued and listened to, and of course gave an opportunity for any issues to be addressed before the group disbanded for the day.

Again feedback for both accredited modules was positive and the quality of the in-course presentations and work was high. Delegates in particular commented on how much they had enjoyed the days, that they had found the alternate use of practical and fun activities alongside theory useful, that they had been comprehensive and that they were given really practical ideas which they were able to take back to the workplace and apply

*Innovative Features of Programme*

The programme has produced some innovative features for corporate programmes at University A and allowed the PCT to take advantage of the flexibility and innovative learning processes to create a bespoke programme to meet their strategic needs going forward. These innovative features are outlined below.
*Insights Discovery Profiling*

Insights Discovery is an emotional intelligence profiling tool which identifies the uniqueness of each individual and highlights individual strengths and weaknesses both on a personal and team level. Insights Discovery was the profiling tool of preference used by the PCT.

Within University A there was no personnel accredited to deliver this particular model. Rather than just buy in expertise as an ‘add-on’, a decision was taken to explore funding avenues to support representatives from both organisations to train internally as accredited trainers. Such a move, as well as creating opportunities for both organisations to work more closely together and develop an understanding of individual work preferences, would also allow the team to consider Insights Discovery in a more holistic way for potential future use. By having accredited trainers within the organisation, opportunities for accessible, workplace follow up would be increased; the tool is potentially valuable for continuing professional development and personal development planning. In this way it can be embedded into organisational language and culture with greater consistency and reinforcement.

*Sandwich seminars*

In addition to the training days and academic modules, the programme team developed the idea of sandwich seminars. The thinking was to create earmarked time for delegates to be encouraged to engage with the taught programme and relate it directly back to workplace issues. The time would also create opportunities and flexibility for the programme team to make adaptations or infill and address specific material or issues as and when they arose.

In the first pilot group, it was decided to run the day with key PCT personnel discussing departmental and organisational policy and practice. Areas addressed included the corporate development agenda, workforce agenda, HR and organisational development and training and development. In addition one to one tutorials were offered to all.

In the intervening period between the first and second cohorts, the innovation and improvement agenda (Department of Health, 2009) became imminent and the
decision was taken for the second cohort to use the time to introduce key messages from this agenda and begin involving delegates in considering ways in which they might help or contribute to future planning. A group ‘brain-storming’ session around the changing NHS agenda was planned which would focus on an article in *The Guardian* (Edwards, 2009) in which Nigel Edwards, NHS Confederation Policy Director, discussed how the NHS could make £20bn in savings, advocating ‘removing waste, duplication, unnecessary steps and delay’. There was some very positive feedback from this session – some around the benefits of the group meeting and generally considering work and roles from different people’s perspectives.

There was obviously variation in the amount of information or involvement individual’s had with the innovation and improvement agenda, but several interesting comments were made:

‘I think that the organisation doesn't take the time or doesn't have the time to speak to the staff actually at the 'coal face' who may be able to point out wastage or areas for improvement that never get raised otherwise.’ ‘Very interesting, lots of ideas, but will they be used?’ ‘Enjoyable and brought the QIPP agenda home’. ‘I feel that the group came up with some good ideas and had a lot of suggestions which would aid our trust to save money.’

As everyone is based in different places it is difficult to coordinate, but the sandwich seminar has proved to be a good opportunity for the group(s) to come together for support, to network and for fruitful discussion.

**Conclusions**

The Northern PCT has partnerships with a number of educational providers to deliver their leadership and management development programmes. What makes this programme stand out is the close working relationship which has developed and the bespoke nature of the programme making it current and of practical use to the NHS; this has been critical to the development of the programme. Regular meetings and discussions have taken place since the inception of the programme and will continue. This mode of working has been extended to all module leaders and as new
modules have come on board, module leaders have been encouraged to talk to and visit the learning in the workplace team to gain a first hand understanding of the organisation’s needs and aspirations. This has resulted in a very focused and personalised offering and a genuine involvement in the programme and individuals concerned.

Among the successful areas for other NHS organisations to note was that the university and PCT were able to offer a work based learning approach thus making it easier to target health care professionals. The programme has helped to start address organisational development issues such as the introduction of the innovation and improvement agenda and the embedding of corporate values. The programme has helped to raise the profile of management development across the organisation and demonstrated the commitment of the organisation to staff development. The partnership between the university and the PCT has started to deliver a bespoke solution to what had become a longstanding and complex training issue.

There have been a number of problems which arose from the partnership; for example a shifting agenda driven largely by government policy on the NHS which made trying to accommodate changes in the programme at short notice difficult. The PCT has been subject to a number of organisational changes and subsequent shift in priorities which has meant the cancellation of cohort 4 at the Foundation level and pushing back the start of the Intermediate level of the programme. This has meant the programme team at the university having to regularly re-schedule the programme to fit which has caused problems with staffing.

The programme is still in the early stages and it is too soon to tell whether this mode of delivery is sustainable as it is resource intensive particularly for the university. The key test will be whether it passes what it has been dubbed the acid test for this type of partnership (Keithley and Redman, 1997) and prosper over the long term and accommodate new contexts in a changing and competitive business environment. The question of the elements needed to ensure that this type of partnership can last over the long term can be addressed in a future paper. On a wider note the model of knowledge transfer outlined in this paper and in particular the practical interventions
for facilitating innovation and improvement may have possible applications in sectors outside the NHS.

While taking into account the issues raised above this case study demonstrates how a partnership of this nature can provide a way forward for NHS organisations to deal with their staff training needs and embed current policy developments in improving organisational performance.

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