

# Written submission

## **The King's Fund submission to the Health and Social Care Committee inquiry on NHS leadership, performance and patient safety**

The King's Fund welcomes the Health and Social Care Select Committee's inquiry into NHS leadership, performance and patient safety. We are pleased to contribute to the Committee's call for evidence.

### **About The King's Fund**

The King's Fund is an independent charity working to improve health and care in England. As well as our work to inform and improve health and care policy, The King's Fund has for many decades run a significant programme of leadership support and organisational development in the health and care sector. This evidence submission is grounded in both our policy research and analysis, and also our experience of working day-to-day with senior leaders throughout the NHS.

### **Our interest in this inquiry**

While the inquiry explores the relationship between leadership and both performance/productivity and patient safety in the NHS, we wish to contribute in relation to performance/productivity. This is not to downplay the importance of the associations between leadership and patient safety, which we have commented on elsewhere, but we trust others will contribute evidence to the inquiry on that topic.

### **How does leadership intersect with the NHS's productivity challenge?**

1. The NHS in England faces two key challenges with productivity:
  - The scale and urgency of the problem. There have been multiple reports highlighting reductions in productivity since the Covid-19 pandemic and subsequently (for example: Warner and Zaranko (2023a) or Arabadzhyan et al. (2023)). In general, these reductions in productivity have occurred despite

increases in operational (although not capital) resources. At the same time, the need to increase productivity has become urgent, as it has become clear that the NHS is unlikely ever to receive the resources it needs to meet increasing demand by doing more of the same (Dixon et al. 2018). NHS England's Long Term Workforce Plan, in particular, has made clear that the pressure to work differently – more cost-effectively – will only become greater in coming years (Charlesworth 2019, Warner and Zaranko 2023b).

- A lack of clarity in understanding what can drive productivity. Unfortunately, debate about how to improve productivity is hampered by different analysts taking a variety of starting points and approaches and, as a result, reaching conflicting positions on what needs to be done (Stein 2024, Anandaciva 2024). NHS England has, for example, argued that productivity has not declined but actually increased because 'the NHS is doing far more work' (Black 2023). Others, including The King's Fund, have argued for greater focus on capital (as well as operational) inputs, plus more focus on outputs and outcomes (Anandaciva 2023). In general, the differences centre around how much different analysts broaden their definition of productivity from a narrow view of operational inputs and costs to a wider view of outputs and then wider still to outcomes and the capital and human enablers of those outcomes.

2. Both of these productivity challenges need to be addressed: it will not be possible to resolve (1) unless there is first greater clarity and consensus about (2).
3. Our contention is that a broad understanding of productivity is needed, and because it can create the conditions that enable staff to work most effectively the role of NHS leadership must be a part of that. And since it is clear that the NHS will not be able to afford simply doing more of the same, there will need to be a transformation of ways of working in order to achieve the necessary improvement in productivity. Effective leadership will be essential to deliver that.
4. Leadership is therefore of fundamental importance to how well the NHS can meet its productivity challenges.

### **The evidence for associations between leadership and productivity**

5. There is a wealth of evidence which shows that leadership can determine staff engagement,<sup>1</sup> and levels of staff engagement in turn make a significant difference to health care organisations' performance and patient outcomes. Much of this evidence base in England has been built on seminal research for The King's Fund Commission on

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<sup>1</sup> There are various ways of defining 'staff engagement' but in the NHS in England it is particularly defined, through the annual staff survey, in terms of *motivation* (positive, fulfilling work-related state of mind characterised by vigour, dedication and absorption); *involvement* (ability to participate in decision-making and proactively make positive changes); and *advocacy* (extent to which an employee would recommend the organisation for treatment or as a place to work) (Dawson and West 2018).

Leadership in 2011, which concluded that compassionate leadership is associated with higher levels of staff engagement and higher external assessments of care quality, organisational performance and patient experience, and lower mortality rates (West and Dawson 2012).

6. 'Compassionate leadership' can be thought of as an alternative approach to directive, pace-setting leadership styles of the past and has an extensive body of support for its adoption in the health and care sector. Without removing focus on ensuring performance and accountability, it emphasises four behaviours: *attending* (being present and listening to others), *understanding* (taking time to understand staff experiences of challenges they face), *empathising* (appreciating the emotional experience of work) and *helping* (taking thoughtful and supportive action and removing barriers) (Bailey and West 2022).
7. More recently, other English studies have, for example, shown associations between staff engagement and significantly better financial performance (Dawson and West 2018), patient and staff experience (West et al. 2021) and cost-effectiveness (Jabbal and Lewis 2018). As a result, NHS England and the National Quality Board – as well as The King's Fund – have all called for compassionate leadership in the NHS because of its strong associations with patient and staff experience and organisational performance.
8. Although differing in contextual details, the evidence from other countries shows a very similar picture. For example, in the USA, some studies have consistently shown associations between leadership that focuses on staff wellbeing, levels of staff engagement, organisational performance and efficiency in health care and in other sectors of the economy (Gallup, undated). Studies of the Medicaid system have shown a strong association between better patient experience – which, as noted above, can be driven by compassionate leadership and staff engagement – and higher efficiency and productivity (Trzeciak et al. 2017). In Canada, a movement promoting 'compassionomics' has developed<sup>2</sup> specifically to promote the evidence base linking compassionate leadership, patient outcomes and health care organisations' financial health.
9. There is also good evidence that staff engagement can be a key enabler for innovation in the NHS (Williams 2023) and for the types of service transformation that may be needed to unlock productivity gains (Cann and Hill, 2023). However, we should not forget that there is also evidence about the negative impacts that can arise from pace-setting leadership and poor staff engagement, not least from multiple public inquiries such as that into the Mid-Staffordshire NHS Foundation Trust. The National Quality Board has emphasised the importance of national leaders in creating an environment that supports compassionate leadership (National Quality Board, undated): relentless demands, pressure, and blame from politicians and national bodies are widely believed to inhibit compassionate leadership (Bailey and West 2022).

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<sup>2</sup> Details available at [www.compassionomics.com](http://www.compassionomics.com).

10. Reviews have shown how the practice of compassionate leadership can promote staff engagement and what board-level leaders should do to foster this culture (Collins 2015). But both formal research and practical case studies make clear that it is team-level leaders who have the most direct impact on staff engagement (West and Lyubovnikova 2012, NHS Employers 2021). It is essential that these leaders are developed and supported to make compassionate leadership a reality and that they are not undermined by undue pressure to just deliver cost savings (Gardner and Mortensen 2022). Implementing recommendations of the Messenger Review for developing team-level leadership and embedding expectations in routine management processes such as induction and appraisals would help with this, but to be realistic would also require wider action to address chronic excessive workloads and staff shortages (The King's Fund 2022).

### **What to do with this insight?**

11. There is a need to avoid narrow, reductionist narratives about productivity: improving productivity should be about much more than 'salami-slicing' costs or counting the throughput of patients. Leadership, and the culture that leaders create, need to be considered when improving productivity because of the strong evidence that they can make better performance go hand-in-hand with improving patient outcomes and staff and patient experience.

12. There is no conflict between 'soft' skills of compassionate, supportive leadership and the 'hard' bottom line of cost-effectiveness: the so-called compassion/performance dilemma is a false dichotomy. It is not a case of either/or, because the evidence is clear that compassionate leadership can drive better staff and patient experiences, which in turn can drive better outcomes, organisational effectiveness and productivity.

13. Senior leaders set the tone and direction, but leadership at team level – within individual services or pathways – is essential for creating cultures in which staff can work as effectively as possible. The NHS has a history of centrally imposed cost-improvement programmes and increasing performance management grip whenever budgets are tight. But there is a case for saying, in line with the Messenger Review, that local leaders should also be empowered to lead, and this expectation should be embedded in ongoing staff management processes.

14. National leaders and politicians should consider how they too can live up to the ambition of compassionate leadership as part of efforts to improve productivity. Recent debates on investment in technology, or on blaming and rooting out 'rogue' leaders, will not be sufficient unless there is also a wider, sustained effort across national bodies to deliver on NHS England's Long Term Workforce Plan and to support and embed the right local cultures throughout the NHS.

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