

The English NHS reforms: a wasting altruistic dividend?

The issue

For the past three decades the English National Health Service has been the subject of repeated reforms designed to make managers' explicitly responsible for achieving service delivery targets within budgets and to improve quality by increased clinical scrutiny. These reforms have been copied or adapted widely around the world.

While some successes have been achieved in England (reduced waiting times), costs have continued to rise. Many argue that the introduction of 'high powered' managerial incentives have undermined clinicians' intrinsic motivations, so adding to costs from reduced productivity.

This study was designed to explore the way doctors and nurses at a London teaching hospital have responded to the NHS reforms and, in particular, their effects on motivation and productivity.

The background

A large body of work has been devoted to understanding what motivates public sector employees to contribute to organisational goals. There is considerable agreement that workers respond to a complex set of incentives created, not only by financial rewards, but also by contractual arrangements, leadership, managerial practices, the culture of the workplace and so called 'intrinsic incentives'. The latter include altruism, reputation and the satisfaction of making a contribution to the 'public good.' A major challenge facing public service reforms around the world is to understand the relative strength of such incentives in different cultural and organisational settings; in particular, whether tougher management regimes squeeze out effort arising from costless 'intrinsic incentives,' so eroding the 'altruistic dividend'.

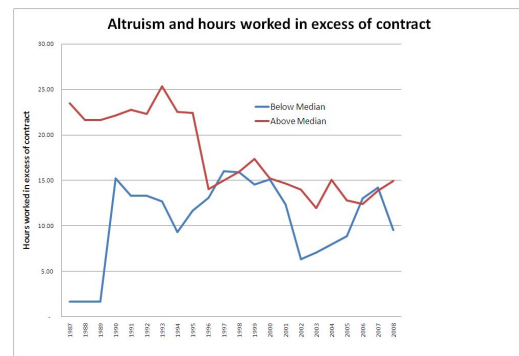
The project

The project has interviewed 46 doctors and 47 nurses who graduated between 1960 and 2005 and are employed by the University College and London Hospital Foundation Trust (UCLH). They were asked to recall how much time they spent at work in the posts they held since 1980 and why. They also completed a psychometric enquiry. The results allowed proxies for 'intrinsic incentives' to be compared with reported work patterns across the sample and over time. Proxies for 'extrinsic incentives'

(pay, employment regulation, management regime and 'team citizenship') were also assembled. Both types of measure were compared with clinical activity and productivity measures.

Preliminary results

Although the sample was small and non-representative, for doctors, the total number of hours, as well as the number of hours worked in excess of contract, appears to have declined over time. This was partly, but not wholly, due to the introduction of the European Working Time Directive in 2004. Whilst doctors that favour association and are more altruistic and pleasure seeking were more likely to work longer hours in excess of their contracts than less 'knightly' types, this difference appears to have declined over time. Stronger management regimes may have reduced 'knightly' doctors' motivation to 'donate' time. If so, this indeed suggests an erosion of the 'altruistic dividend'. However, the data also suggest that a stricter management regime may have increased the level of effort by others. For nurses the trends are less clear.



Significantly, despite the overall reduction in the number of hours doctors worked, overall productivity, as reflected in finished consultant episodes per consultant, has increased since 2004. It is possible that a more nuanced management regime might achieve even greater productivity by preserving the effort of 'knights' but also mobilising the effort of 'knaves.' These conclusions must remain tentative for the moment but merit further investigation.

Status: completed with funding from the UK General Medical Council and part of the ESRC Public Services Programme