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Personal perspective

General practice, special management?

Christopher J Cowton, Julie E Drake

The UK's National Health Service (NHS) is a big organisation by any standards. It is a complex body which employs a large workforce and requires a huge amount of funding to carry out its prescribed functions. To meet its many challenges, a commercial business approach has been increasingly promoted, especially since the Griffiths Report of 1983. Mere administration has been deemed insufficient for the task. Strengthening management, raising its profile and status, developing management skills and competencies, and investing in management information systems and so on have been seen as crucial to the success of policies directed towards securing value for money and improved quality of care for a given budget.¹

Yet experience has shown that general management, of the sort thought to be characteristic of big business, does not take root easily in the NHS. In part the difficulties might be attributed to professional resistance on the part of doctors. The appointment of a professional cadre from outside their ranks threatens their own power and standing, while the assumption of managerial duties by doctors, even on a part-time basis as in the clinical director role, can raise significant personal career issues. However, beyond such "political" issues there remains the fundamental question of the appropriateness of transplanting private sector management practices to the NHS. In particular, how suitable are practices developed in and for the private sector—where profit is the primary goal and there is a direct link between customer satisfaction and funding—to the task of caring for patients? The precise relevance of "big business" ways to the NHS remains a pertinent issue.

Management in primary care

Much of the debate over management in the NHS has been conducted with hospitals in

mind, yet the issue of management has also appeared on the primary care agenda. The now-defunct GP fundholding scheme was the most obvious spur towards the recognition of management as an issue for family doctors. For example, one of the research subjects in our own research into fundholding² saw himself, among other things, as an entrepreneur,³ trying to organise good deals for the practice, both financially and clinically, and trying to generate some fund savings. Another commented that fundholding was seen by those in the practice as primarily a "business venture".

The latter subject's reason for becoming the lead partner for fundholding is interesting, however; it was because he already had an interest in the "business side" of the practice. Indeed, although fundholding may have been a spur towards a heightened awareness of business management in general medical practice, its demise should not be allowed to mask the fact that GPs, as independent contractors, have always had to manage their own affairs. The introduction of the new GP contract in April 1990 added to the administrative burden, but there has also been a more general, long-term trend towards greater size and complexity as the traditional single-handed practice has tended to disappear. Individual practices still retain considerable strategic autonomy within the new system of primary care groups (PCGs), both in what they do and how they do it; and as long as many GPs do not become health authority or primary care trust employees, that will remain the case. Such autonomy provides fertile ground for the exercise of managerial, not to say entrepreneurial, skills. Furthermore, the general trend towards increased scrutiny of public expenditure and pressures for greater accountability on the part of professionals are likely to lead to increasing calls for GPs to adopt a professional approach to management.

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Management for primary care

The question is: what sort of management should GPs adopt? Like hospitals, they face the challenge of adapting private sector approaches and techniques which dominate management thinking and hence tend to have the cachet of being "professional". But GPs face a further challenge, for so much management thought is predicated not only upon the profit motive but also upon large-scale activity. Large scale both prompts, and makes possible, specialist groups of managers devoted to functions such as IT, finance and human resources; which further leads to a need for systems and processes to coordinate these various specialist functions. Thus, even management approaches and techniques *successfully* adapted for a hospital might be of limited relevance to a general medical practice, for although the setting is health care, it is on a very different scale. The role of a budget, for example, is very different for the owner-manager of a small, independent undertaking than for a hospital department manager, even though their operations might be of similar size.

Perhaps, then, it is not simply the transfer from private sector business to public sector health care that poses a challenge for those who would advocate improvements in the management of general medical practices, but also other aspects of the differences in context. This concern finds implicit support from the Audit Commission:⁴

In several respects—size, independence and ownership by a partnership—practices have more in common with small law or accountancy firms than with other NHS organisations. (p. 43)

Unfortunately, although David Maister's work on the management of professional service firms (not necessarily small ones) could be a useful source of ideas and insights,⁵ the general body of knowledge available on the management of small law or accountancy firms is limited. However, while general management thinking has tended to presume a reasonably large-scale setting, there has in recent years developed a significant body of knowledge regarding small business management, with specialist books, journals, conferences, etc. Deliberately established on the premise that general management literature often did not pose the right questions or propose appropriate

solutions for small businesses, this body of management knowledge offers much in terms of understanding and improving the management of general medical practices. It might be a minority interest in business schools, but doctors, professional managers and trainers would be well advised to consult the body of management thinking specially developed for small businesses. Although there is some debate about what exactly constitutes a small business (how big can small be?), general medical practices possess enough of the key characteristics to fall comfortably within any of the main definitions.

Although there are, of course, differences between general medical practices and small businesses, there are also some important similarities, some of which reflect the strategic freedoms that may be open to small businesses but not to large public companies. For example:

- As long as the demands of short-term creditors can be met, personal values can be brought to the fore because the undertaking is not beholden to the stock market
- In many small businesses, especially new ones, the major participants have a strong technical background and professional commitment
- The major participants continue to practise in their area of technical expertise while trying to acquire and exercise broad, general management skills
- Decisions need to be taken about how to acquire specialist management expertise, while facing the problem that it will probably not be economical to employ specialists (let alone whole departments of them) to deal with functions such as IT, finance and human resources.

Conclusion

Whatever the source, it is clear that a body of knowledge tailored to the management needs of general medical practice would be invaluable. What we have argued in this short piece is that it might be as well to look to small business management as to general (healthcare) management for models and insights. One means of making progress might be to go beyond simply trying to

apply the existing body of knowledge on small business management. Attempts could also be made to engage the interest of the community of management scholars teaching and researching small business in UK business schools. Researchers into the management of general practice could seek to establish links with appropriate colleagues; or perhaps they should not only place their research findings before a medical management audience but also, through conference presentations and publication in relevant journals, seek to capture the attention of small business researchers. General medical practice might have much to learn from such scholars, and they are likely to find general medical practice a challenging and rewarding context for the exercise of their expertise.

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- 5 Maister DH. *Managing the professional service firm*. New York: Free Press, 1993.