



Developing Organisational Strategy within a Hospital

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Abstract

Background: Organisational strategy encompasses the vision underlying purpose of the organisation and its associated links among structure, process of management and applications of organisational behaviour. To achieve the long-term direction of the organisation it is imperative that strategy is implemented. Our hospital is based in South East England and although there are stark differences between the National Health Service (NHS) and business sectors, the factors, approaches and challenges behind the development of our organisational strategy are invariable.

Main body: In this article we explore the theory behind the development of organisational strategy within this context. The theoretical and practical implications of organisational strategy within a hospital are also discussed. Factors that govern a hospital organisation strategy are classified and explored. In particular, the role of clinical governance and its impact upon future planning and progression. In the article we propose an organisational strategy applicable to our hospital that can be used as a framework within a healthcare setting and reflects the values and principles of the organisation.

Conclusions: The development of organisational strategy is critical to the progression of any institution. In a healthcare setting, the market forces are offset against the ethical need to achieve good patient care. Strategy development is a dynamic process and as such is regularly reviewed to ensure its relevance and importance to the current healthcare climate.

Keywords: Management; Leadership; Organisational strategy; Healthcare

Introduction

Organisational strategy is defined as the underlying purpose of the organisation and embracing links among structure, process of management and applications of organisational behaviour [1]. Johnson et al. [2] view strategy as relating to the future of the organisation and its long-term direction. The literature has various terms such as corporate strategy, strategic management and organisational strategy which reflect the individual's perception of the underlying similar concept. Our hospital is based in South East England and although there are stark differences between the National Health Service (NHS) and business sectors, the factors, approaches and

challenges behind the development of our organisational strategy are invariable. Factors that impact upon our Trusts' organisational strategy can be classified into internal, external and strategy based. In terms of organisational structure, the hospital is a foundation trust which implies that it is semi-autonomous within the NHS. It is publicly owned and is accountable to the local population of patients, carers and staff through a council of governors. The structure of the hospital allows adequate resource allocation to different departments based on demand and the services they provide. Although the structure aims to improve efficiency and promote innovation in departments that are doing well, there is also an ethical obligation to support those services that are under-performing to improve patient care. There exists a tall hierarchical system with a combination of clinical and non-clinical managers which allows order and accountability. The vast workforce is undoubtedly one of the trusts most valuable resources and as such the tall organisational structure allows appropriate individual and departmental support and monitoring. This has been shown to improve both patient outcomes and efficiency. Clinical governance ensures that NHS organisations are accountable for continuously improving the quality of their services and ensuring a high standard is delivered to patients by creating an environment in which excellent clinical care will flourish [3]. The 5 key themes are patient focus, information focus, quality improvement, staff focus and leadership. Patient focus reflects services being delivered that are based on patient requirements. Information focus is ensuring data is stored securely and information is used appropriately. The review and attainment of higher standards is achieved through quality improvement. Staff focus and leadership allow the development of staff and the planning of improvement efforts. Organisational culture comprises of shared beliefs, values and behaviours. By virtue of their individual career choice, it can be assumed that all those in the hospital environment are united in wanting to do the best for patients. Decisions regarding the mechanism in which this is achieved are often difficult due to limited resources and considerations of the needs of the local population as opposed to an individual. This can often lead to subsidiary cultures. The Schein model of organisational culture explores how artefacts, espoused values and basic underlying assumptions reflect how an observer would view the organisation and factors in the gradual accustomization of attributes from employees which is often seen in the NHS especially in teams which rarely change [1]. Johnson and Scholes cultural web with its six inter-related elements is a concept that I feel has particular relevance within the healthcare environment. The six elements consist of stories, rituals, symbols, organisational structure, control systems and power structures [2]. The reputation of a hospital is largely influenced by an individual's experience or an experience that is known to them. The rituals and symbolism within a hospital environment are in part attributable to the culture of the NHS but also the natural hierarchy within the trust. This is further reflected in the organisational structure both as a single entity hospital but also within much wider entities at regional and national levels. Evidence has shown that patient outcomes and the efficiency of units are increased if specialist services are centralized at tertiary referral centres. This allows a more focused allocation of resources and targeted innovation. It also allows individual hospitals to build upon their particular area of expertise and attract staff with a very specialist skillset. The control systems and power structures allow for assessment of performance and accountability. Departmental managers, directorate leads, clinical directors and a chief executive exist within a tall hierarchical system to ensure leadership and direction is provided at various levels. Strategic narrative allows an organisation to set a clear vision and direction in a form that represents the organisation as being on a journey to achieve their desired goals [5]. It is postulated that this leads to greater employee engagement and higher levels of performance. The development of such a narrative is an opportunity

to reflect upon the stakeholder perspectives and their beliefs about the desired direction of the organisation. Organisational strategy must align with financial assumptions and current resources. Within the NHS difficult clinical and resource decisions must be made. One must balance whether it is ethically acceptable to provide high-cost treatment for rare conditions benefitting few in the population which would ultimately compromise the delivery of treatment to more common but potentially less harmful conditions affecting a greater proportion of the population. Thankfully, such decisions are not placed on a sole individual and are usually within the remit of clinical commissioning groups. Hospitals can be either a Foundation trust or an NHS Trust. The difference is that a Foundation Trust has greater managerial and financial freedom. The aim was to devolve decision making from a central government to local communities. Although accountable and monitored by the Care Quality Commission and NHS Improvement, in the same manner as NHS Trusts, the extra autonomy allows Foundation Trusts to set their own strategy and direction. The cost structure of an organisation relates to the fixed and variable expenditure. The fixed costs are those that remain up to a certain level of activity and reflect wages, electricity bills, ground rent etc. The variable costs increase as activity increases and examples would include the cost of more prosthesis or mesh in theatre as more operations are conducted or the cost of more medications as more patients are admitted onto wards. One aspect of organisational strategy could be to reduce the variable costs to maximize revenue. When new services or innovations are proposed to be offered in the trust, a fundamental aspect of planning is to formulate a business plan to incorporate financial assumptions to ensure the proposed change not only improves patient care but is also cost effective. Research and innovation are an integral part of clinical governance and NHS culture, and therefore are common themes in most hospitals' strategic objectives. It is pivotal to the development of the care and treatment in patient care and provides a platform for both the organisation and employees to improve their practice. The reaction of stakeholders to proposed strategy is a marker of its acceptability and social responsibility. In the context of healthcare, stakeholders represent board directors, the local community, patients and healthcare regulators. Patients may object to a change in directional strategy if it affects them individually and employees may also resist if services are outsourced or devolved [2]. Therefore, it can be seen that stakeholder opinion and power has a considerable impact on organisational strategy due to vested and perceived interest in a particular direction. Geographical locations play a role in corporate strategy but this is less of an issue in hospitals as patient demand is universal across the country, as are the availability of resources in the form of investment and financial incentives offered by the government. The Carnegie Mellon Maturity Index (CMMI) is a capability maturity model that reflects a 5 level process maturity continuum. It culminates in the final level which is a state of continual improvement processes. Although largely based on Information technology (IT) software, it allows hospital administrators to identify and resolve organisational bottleneck and measure process efficiency [6]. External factors can also have an impact upon the development of strategy. The current COVID-19 pandemic has had such a profound impact upon the NHS and healthcare provision that the immediate focus of all providers is to cope with the increased demand and plan for the winter wave. Such global events cannot be foreseen but undoubtedly lead to a sudden change in strategy due to a redistribution of resources and the inevitable economic instability. The healthcare sector is also unique in that the goal is to provide excellent patient care with the resources available rather than to be a profit generating organisation. It must also uphold the various legal and medical regulatory requirements

and adhere to the various clinical guidelines and protocols. Guidelines provide a uniform minimum standard of patient care and discourage inter-hospital variation in the management of conditions. Audits can be used to assess current practices compared to set guidelines as an evaluation of performance. Another marker of performance is regular inspection by the Care Quality Commission; its recommendations for improvement have significant implications for future strategy due to their consequences on patient care and public perception of the hospital. The last 20 years have brought about major improvements in the technology available to clinicians. Laparoscopic (keyhole) surgery and robotics have revolutionized surgical techniques by allowing more complex operations to be completed with less complications and expedited recovery. Individual hospitals are at increased ethical pressure to provide innovative services offered in other hospitals to provide the same standard of care for their local community.

Theoretical Analysis

There are various approaches for the development of strategy. Mintzberg and Waters (1985) tried to classify organisational strategy as either deliberate or emergent [7]. There also exists a compromise between the two approaches termed deliberately emergent. Deliberate strategy is intentionally delivered to employees by a strategic leader, the process of strategic planning or an external imposition of strategy formulated in a different setting [2]. In contrast emergent strategy arises when similar behaviours or traits arise over a period of time, even though they were not explicitly intended. The deliberate approach allows a more direct approach with more clarity to employees. All members of the organisation are then able to comprehend and focus on the desired objectives and goals. However, this approach does not promote flexibility or deviation, nor does it allow an appropriate response to negative feedback. The emergent approach allows for a more responsive reaction to unforeseeable scenarios through the action of a collective action rather than a collective intention. Quinns incremental model argues that the most effective strategy derives from a partial commitment in a learned and logical manner [8]. The stepwise approach allows interactive learning within a particular environment thus reducing uncertainty and dealing with personal resistance. However, it can also be argued that it doesn't provide employees with a long-term vision to work towards. The Ansoff analytical approach to strategy is a template for organisational growth [9]. The matrix implies that there are four directions that can be taken. Firstly, a greater share of the current market with the current product or service. This keeps the scope of the organisation with greater economies of scale but risks retaliation from competitors and is subject to both legal and economic restraints [2]. Secondly, a new commodity can be delivered to an existing market. This has the benefit of relatedness but can be costly in terms of product development due to new resources required and project management risk. The third direction is offering the existing commodity to new markets. This could encompass either new users or new geographical locations. This has similar challenges to product development but with the addition of unfamiliar territory. Lastly, the organisation could expand into new markets with new commodities. The need to diversify could arise from changing markets and the necessity to keep their brand relevant and profitable. Barney's resource-based view of strategy centres on how an organisation can gain a competitive advantage by using their unique resources and capabilities [10]. This requires organisations to reflect upon what is their most valuable resource to exploit opportunities and counter threats. It relies on their product or service being imitable or substitutable. Resources are not product specific and therefore can be leveraged in different markets.

Theoretical Implications

There are numerous different perspectives for developing and leading strategy. Forcefield analysis compares forces at work in an organisation that either hinder or facilitate change [2]. Each stakeholder will have an opinion on the direction they would like to see the organisation take and how this can be achieved. Managing these ideas and perceptions is essential for a good leader if strategy is to be successful. The structure of an organisation may potentially be a barrier to change. This is especially true of large organisations with several departments that may work in different ways. Autonomous working or virtual teams can be more challenging to implement new strategies within due to the lack of physical presence and direct hierarchical leadership. The network based organisational structure uses both outsourcing and IT systems to achieve their goals. As the organisation builds and grows, it can become more difficult to control and communicate, which is a fundamental aspect of strategy implementation. The volume of data in the operational systems that an organisation now possesses in terms of its users and population is vast. Therefore, data management and governance are an important part of meeting strategic objectives. This is an ever-evolving task and data must be kept secure but also appropriately accessible. The needs of consumers will vary both with time and technological advances. The NHS is seeing the effects of an ageing population with associated medical needs. This places a greater demand for services and changes the threshold for offering certain procedures or treatment. In addition, advances in practice and technology have also changed the dynamic of patient expectations. Another challenge in leading organisational strategy is when unexpected circumstances arise. An example of this is the current COVID-19 pandemic which has brought a necessary change in government and healthcare policy. The profound economic and social effects have meant that existing strategy for most organisations have had to be changed and adaptable. Such times pose a great difficulty in planning and implementation of organisation strategy due to the unpredictable future. Ethical and social responsibility play a significant role in healthcare strategy. Due to the constant development in medicine and technology, difficult decisions must be made on a regular basis regarding funding for patient treatment. However, such decisions need to be made in the context of the hospital being sustainable and working within its financial resources and workforce capabilities. This is difficult to achieve with the paradigm of providing excellent clinical care but also setting foundations for continued growth and development. Kaufmann et al. [11] propose that organisations exist as complex adaptive systems. This implies that to understand how the organisation fully operates relies on understanding the unit as a whole, rather than a sound knowledge of all the individual parts. Interactions are bidirectional and a change in one element can have an unknown impact affecting the whole system. The soft system methodology stems from the innate fact that each of us will have a different perception of the same situation [12]. The approach encourages debate and modelling of several human activity systems. Through discussion, systemic changes thought to be desirable and feasible are agreed with subsequent methodology implemented. Stacey used the concepts of collective strategy and co-evolutionary theory to assess challenges in strategic alliances [13]. Collective strategy reflects when alliances of a group to which the organisation is an invested party compete against a rival network of alliances. This challenges the individualistic approach to strategy by emphasizing the importance of collaboration. In co-evolution, alliances can change and evolve, thus requiring flexibility to be successful. A clear and directional

strategy will help the Trust achieve the vision, principles and values of the NHS to provide safe and high-quality patient care. The importance of such a strategy has never been more valuable given the current climate of COVID-19 and its profound effect on resources, the delivery of services and the impact of delays in pre-arranged treatments or operations. The post pandemic era represents both a challenge and an opportunity. The challenge remains to try and restore the infrastructure and patient services back to pre-pandemic levels. However, it also allows reflection and an opportunity to build and improve our services to a level beyond that original baseline.

The organisational strategy proposed is based on the values and beliefs of the trust.

Getting to Good

This reflects improving patient quality, safety and experience. Despite the difficult circumstances, there have been achievements within the trust that we can be proud of and take forward. These include the rapid increase of Intensive Care Unit (ITU) capacity by 250% and over 70 colorectal cancer resections performed during a time in which most trusts ceased cancer operations. The achievements highlight the effectiveness of teamwork, both internally as a cohesive unit and externally using the private sector and other local trusts. The delay in treatment currently means there are 2047 patients on the waiting list for operations with 193 breaching the 52-week government-imposed referral-to-treatment pathway. Imbalances between waiting times among consultants can be partially corrected with the concept of pooled lists and an element of standardization in patient selection and operative techniques. There is understandably public apprehension regarding admission for elective surgery at the current time. However, this is essential as both a source of revenue for the trust but also to minimize waiting times. The introduction of a separate 'safe' pathway, in which elective patients are kept isolated from other patients in the hospital would help improve safety and confidence. Given the huge waiting list, it is imperative that there is no shortfall in theatre utilization or efficiency. Therefore, accurate data collection and analysis is required to ensure theatre lists are booked appropriately.

Higher Standards for patients

This reflects patients being treated in a timely way and always being able to access the best care. It is essential that the Trust is adherent to the latest infection control and clinical care guidelines. Support should be provided to front line departments and adequate intensive care resources be available to cope with the anticipated higher levels of demand. This will influence the routine services that are also provided by the hospital. The reduction in some activity may also represent an opportunity to improve the quality of service provided to patients. An example of this would be the reduced number of operating lists facilitating 2 consultants operating and encouraging a learning and developmental environment. The large patient population and consequential pathology results in ample opportunities for research and audit. The contribution of data to national research projects and important clinical trials should be initiated so that the hospital becomes a focal point for regional research. The measure of success of our actions should be the patient experience. A fundamental aspect of this is listening to patient feedback and formulating appropriate organisational changes.

A great place to work

The 2021 NHS staff survey comprising of 117 staff responses revealed that morale was rated 6.1/10. One way to improve morale is to ensure all staff feel valued both at a departmental and trust levels. Monthly departmental recognition events and annual trust awards would be one way of doing this. Good leadership that is strong and

fair with the ability to lead by example would also improve morale and teamwork. The trust, like most in the NHS, has a high turnover of staff. The dynamic workforce flow is inevitable. However, as the reputation of the trust grows along with the new services it can offer, it is hoped that vacancies will be sought after and attract the best candidates. Existing staff should also be supported to progress in their careers and fulfil their potential.

Delivering our future

This reflects transforming the way services are delivered to offer excellent integrated care. In the short term this focuses on preparing and acting upon a second wave of the COVID-19 pandemic. Reflection upon prior experiences, both positive and negative, will be invaluable. There will undoubtedly be a change in resource allocation and infrastructure to cope with the varying and unpredictable demands imposed by the current climate. The change in infrastructure could also improve the services currently offered due to the replanning and reorganization of departments. The pandemic has demonstrated the need for individual departments to work closer together to achieve the best results for the patient. Such integration will be built upon by establishing better links amongst and between specialties. In the long term, I feel our future lies in the expansion of specialist services to the local population and building networks across the region.

Right skills Right Time Right Place

The next trust value is developing teams with the right skills at the right time in the right place for the optimal patient outcome. This would involve the knowledge and implementation of evidence-based practice. It would also include participation in national programmes such as the 'Getting it Right First Time' initiative in which performance and outcome data are analyzed to identify areas and methods of improvement. Guidelines are regularly published and through the process of audit the trust will ensure compliance with the recommended standards of care. Finally, effective and efficient team working within a multidisciplinary setting would promote a continually improving and evolving organisation.

Healthy Finances

Healthy finances allow more effective patient care by allowing resources to go further. The trust generated a consolidated deficit in 2021 of £5m, which is £0.4m better than the planned deficit. The resumption of elective activity will improve the revenue generated by the trust. Another potential source of income is bidding for new services that the clinical commissioning group is willing to fund both operatively and endoscopically. The rationalization of medicines and prescriptions through committees will reduce avoidable costs and procurement boards will barter to achieve competitive deals on necessary equipment. The trust should also ensure that it is getting paid accurately for the services it is currently providing through accurate coding. Lastly, making more staff aware of the finances of the trust and how the NHS is funded will facilitate a greater understanding as they progress through their careers and a heightened awareness of cost implications.

Practical Implications

It is important that the strategy is reviewed both during its development and at completion. The strategy should be able to set a realistic path to achieving and maintaining clinical, financial and operational sustainability [14]. The approach to implementation will be a combination of both deliberate and step-change techniques. As infrastructure and operational policy are required to be altered, it essential that deadlines and objectives are met

in a timely manner. Therefore, although the emergent approach has a role once the strategy has been implemented, the deliberate approach would be more suited in this scenario. Due to the complexity of the NHS and the numerous departments within, a significant number of vast changes implemented at the same time would not be practical. Such an event would have a detrimental impact upon how existing services operate and may represent a patient safety issue. Therefore, the stepwise approach with pilot implantation would be appropriate. This would facilitate issues to be identified at a stage in which they could be corrected prior to full implementation. The key processes and activities need to be identified with short and long-term milestones. This will allow progress to be evaluated. The short-term activity is focused on a measured response to the COVID-19 pandemic and the restructuring of resources to support the heightened clinical activity. The first stage of strategy implementation is to identify what resources, funding and management of constraints are required to achieve the short-term goals. Regular evaluation of the impact of the strategy on stakeholders, in particular patients, is made using the large amount of data recorded within the NHS and feedback from both patients and staff. Staff within the organisation will have to be informed of the new strategy and the direction the Trust is taking, with clear and well directed communication. Due to the large numbers of people involved a communication strategy and plan will be implemented to keep staff both informed and engaged. The monitoring of the strategy will be through the achievement of objectives in improving patient care, services offered to the clinical commissioning groups and promoting the trust to staff. The hospital is unlike most other businesses in that revenue is to achieve sustainability rather than being the ultimate marker of success. Therefore, although the extra income generated by the acquisition of new services being offered is an objective measure of growth, the ability to offer these new services to patients is the aim. Another measure of success is the feedback received through patient and staff surveys. However, it is widely accepted that there is bias attached to this and that those who have had a negative experience are more likely to respond. NHS improvement recommend the following criteria are used to monitor the strategy to ensure its success [14]. Firstly, during the development stage, evaluating whether the trust understands its external opportunities and challenges in addition to its internal strengths and weaknesses. Secondly, assessing whether the trust has robust solutions to address challenges. Lastly, determining whether the trust has the capability and a credible plan to deliver the strategy. Once the strategy is completed, the Ten Timeless Tests of Strategy developed by Bradley et al. [15] can be used to compare the strategy against best practice. This would allow reflection and continual professional development.

Conclusions

The development of organisational strategy is critical to the progression of any institution. In a healthcare setting, the market forces are offset against the ethical need to achieve good patient care. The proposed organisational strategy is both practical and realistic. It sets out a framework to which a healthcare organisation can grow whilst still adhering to the core principles and beliefs to which the public and staff entrust. In addition, the complexities and challenges of strategy development have increased because of the pandemic and the limitations it has created. In particular, the focus on recovery in terms of services provided and the reduction in waiting times. Strategy development is a dynamic process and as such is regularly reviewed to ensure its relevance and importance to the current healthcare climate.

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