

ADF Teleconference 24/25 January 2005

I should first like to thank Dr Bruce Shepherd, Stephen Milgate and members of the ADF for the opportunity to take part in this teleconference on medical care.

My initial contribution will be to provide you with evidence of a disorder which for the past fifty years has been slowly but surely destroying our medical services in Britain. I say **destroying our medical services** rather than destroying the National Health Service, because, as I hope to show, it is the National Health Service itself which is the destroyer. The destructive process involves the **progressive displacement of productive activity by non-productive and often counterproductive bureaucratic activity.**

Before presenting my evidence I should like to correct a widespread and very damaging misconception: bureaucracy is not, I repeat **is not** synonymous with administration. By bureaucracy I mean a **rigid system of human organisation governed by fixed rules and tending to exclude individual initiative.** By administration I mean the **guidance and facilitation of an enterprise. And this should be the very opposite of bureaucratic.** The tragedy of the NHS is that it is an inherently bureaucratic organisation which imposes the bureaucratic mode of operation on all who work in it.

Two short stories will show what I mean by bureaucratic displacement. Some years ago I worked in a small hospital just outside London. The quality of the nursing on one particular ward was outstanding. I returned a few years later to find the ward in chaos. When I asked for the Sister who had previously run the ward so superbly I was told that she had been moved into administration. I found her in an office and she wept as she told me that she had been forced to leave her ward and become an administrator since her salary would have been reduced and fixed at a low level if she had remained in her clinical post. **The focus of nursing had been changed from the ward and the patient to the office and the seminar room.** The intimate care of patients had come to be regarded and rewarded as a menial task, a preliminary stage in a nursing career which was now seen to be essentially that of management as my second story shows.

Walking along a wide corridor in a London Teaching Hospital with which I was unfamiliar I asked a person in nursing uniform the way to a certain ward. "Oh, I don't know where the wards are, I am in administration" she replied as though I had insulted her. She turned and walked through some glazed doors which opened on to what had been a long Nightingale ward. It was now divided into a multitude of open-plan offices. Meanwhile in the A&E Department on the floor below patients were lying on trolleys for up to 48 hours and others were having their operations postponed owing to shortage of beds,

Two examples of bureaucratic displacement. Politicians dismiss such stories as 'anecdotal' - by that they mean that they relate to real people and real events rather than to statistics. So let us take a look at the statistics.

When the NHS was established in 1948 we had 480,000 hospital beds. By the year 2000 the number had fallen to 186,000. This represents a fall from 10 beds for every thousand of the population in 1948 to 3.7 in the year 2000. It means that we often now have insufficient hospital capacity for prompt investigation and treatment even of first class emergencies. According to the official statistics we have just under one million patients waiting for hospital admission. There is no margin for handling epidemics and admissions for elective surgery are frequently cancelled owing to lack of beds. In an attempt to deal with this state of constant crisis patients are now being sent to France and Germany for their operations. And still the number of NHS beds is falling

As for staff, the number employed by the NHS has more than doubled from 350,000 in 1948 to 882,000 in 2002. The greatest percentage increase has been among designated administrative staff. Between 1997 and 2002 Senior Managers and Managers increased by no less than **47.6%** compared to an overall increase in the workforce of **16%** (nurses increased by **1.8%**) But these figures reveal only the tip of the bureaucratic iceberg. **For example large numbers of nurses are now wholly engaged in management but are still counted as nurses. Of even greater significance is the proliferation of bureaucratic procedures involving all staff, progressively displacing their productive activity.**

And now, here we come to the heart of the matter.

Nearly thirty years ago I discovered a close correlation between the increase in the numbers of NHS administrative staff and the fall in numbers of NHS hospital beds that had occurred over the preceding nine years. For statisticians: linear regression analysis showed a correlation coefficient of -0.99. For non-statisticians I should explain that this figure represents an almost perfect correlation between the growth in numbers of administrators and the fall in numbers of beds.

A statistical correlation, no matter how close, is not necessarily significant. However I suggested that this correlation could have an important explanatory value if **the number of designated NHS administrators was proportional to the bureaucratic activity of the NHS workforce as a whole.** The correlation of the growth in numbers of administrators with the fall in the number of beds would then follow from a progressive displacement of productive activity of **all NHS staff** by the proliferation of useless and often counterproductive bureaucratic activities throughout the whole organisation. In this way, an expanding workforce and increased spending would be matched by a fall in production; the more that was put into the system the less would come out of it, a process I likened to the implosion of a black hole.

Owing to a combination of circumstances that existed 30 years ago, I believe that I was given a glimpse of a deep mechanism that is usually concealed by 'contaminants'

Those circumstances were:

- The very large size of the organisation which damped out the effects of local variables

- A rigidly centralised structure

- Absence of the distorting pressures of commercial viability

- And ignorance within the Department of Health of the significance of the statistics it was publishing.

The NHS had provided a huge 'culture medium' for the uncontaminated growth of bureaucracy. And the Department of Health had provided uncontaminated statistics to prove it.

Since that time, there have been two major underlying causes for the failure of

various attempts to reduce bureaucracy and improve the performance of the NHS.

The first cause stems from the failure to recognise that *bureaucratic displacement is a disorder which is not confined to designated administrative staff; it involves all members of the organisation. Bureaucracy's most destructive effects are due to its permeation and impairment of the activities of non-administrative staff.*

An example is the progressive transformation of nurses from patient-centred carers to administroids whose requirement to produce detailed patient care plans and participate in workshops and seminars leaves them little time to attend to patients' basic dietary needs or prevent them developing pressure ulcers.

The second major cause derives from the mechanical nature of bureaucracy. Its proliferation is not simply the product of individual empire building. Although a bureaucratic organisation encourages, and is nourished by, individual self-interest, **proliferation is inherent in the system itself.**

The following story illustrates this point. A doctor took a group of medical students to see a very sick patient in a hospital bed. The doctor told the students: 'This patient has had no fewer than 12 major, highly dangerous and complex operations. Each one has been essential to her survival, except the first, which was totally unnecessary.'

I am sure that almost every procedure in any bureaucracy can be convincingly defended as 'essential to the working of the system'. Moreover, experience shows that any attempt to modify or eliminate a procedure will add to the overall bureaucratic weight of the organisation. As with the Hydra, if you cut off one head, two will grow in its place.

Chaos theory can provide a clue to the fatal flaw that lies at the heart of centralised bureaucracies. We now know that minute changes in the variables of complex physical systems can lead to vastly different and therefore unpredictable outcomes. If we apply the same concept to complex human systems we get the familiar 'law of unintended consequences'.

In gigantic, centrally directed systems such as the NHS, unintended consequences

arising from remotely generated directives will keep emerging. They will then provoke centrally prescribed adjustments that, in turn, will have their own unintended consequences. These will then require further adjustments, and so on until, to use an Information Theory metaphor— noise drowns out the signal.

Thank God no organisation is 100 per cent bureaucratic, but bureaucracy, relentlessly increasing, directly or indirectly, permeates, vitiates and displaces the productive activity of all members of the organisation. Stealthily lethal, bureaucracy slowly but surely kills.

Bureaucratic monsters arising among organisations whose survival depends upon their persuading customers to buy their products are sooner or later destroyed or dismembered by their competitors. However, in a protected environment, shielded from competition, a bureaucracy will grow indefinitely and approach ever more closely the black hole state, in which externally supplied resources are entirely consumed by its furious internal activity. And this is what is happening in the NHS.

By contrast, within non-bureaucratic organisations, continuous ad hoc procedural adjustments are made on personal initiative rather than imposed by remote directive. If successful, these local adjustments are likely to be more generally adopted. If unsuccessful, they are usually eliminated without widespread damage. The efficient non-bureaucratic organisation has a Darwinian internal economy involving a process of natural selection and survival of the fittest procedures. Such organisations may be described as ‘sensitive’ or spontaneously responsive to internal and external stimuli. An essential component — the motor — of such systems is the dependence of their survival on their performance.

Sensitivity to external stimuli transmitted throughout the system, rather than centrally prescribed rules and directives, is what ultimately drives and governs

individual performance in the non-bureaucratic organisation. By contrast labyrinthine systems of ‘monitoring’ and the setting of targets — with penalties and rewards — is characteristic of bureaucratic organisations attempting to improve performance. As was notoriously demonstrated in the Soviet Union and as we are now finding in the NHS, centrally imposed targets cause systemic distortions and rigidities that further impair performance and also, inevitably, lead to falsified statistics and the coercion of those tempted to reveal the truth.

My friends, the National Health Service is an experiment which has failed. The cost of this failure to patients, to the medical profession, to the nursing profession and the to profession of Hospital Administration is beyond calculation. But the experiment will not have been in vain if others learn from its example not to repeat it.

Max Gammon January 2005