Health Foundation

22 September 2022

Building an organisational culture of continuous improvement

Learning from the evaluation of the NHS partnership with Virginia Mason Institute

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Key points

- The evaluation of the NHS partnership with Virginia Mason Institute, which examined how five NHS trusts in England attempted to build a culture of continuous improvement, provides important lessons about how to plan and implement an organisation-wide approach to improvement. This long read outlines some of the key learning from the evaluation and offers recommendations for national policymakers and local systems leaders.
- Crucially, the evaluation finds that a strong culture of peer learning and knowledge sharing is a critical enabler of organisation-wide improvement. The trusts with the highest CQC ratings had a much greater levels of social connectedness between staff than those with the lowest ratings. The evaluation suggests that trusts should prioritise efforts that allow staff to come together on a regular basis to share ideas and learning in an open and respectful way.
- Another key lesson is that visible and sustained commitment to improvement programmes from trust leaders is essential if they are to gain organisation-wide traction and support. Without this, there is a risk that performance gains from improvement programmes will be restricted to specific care pathways and services, and not generate organisation-wide benefits.
- Finally, the evaluation highlights the importance of ensuring that improvement priorities and metrics are aligned with organisational and national objectives. This helps to ensure that trust leaders, managers and local improvement teams are working towards the delivery of shared improvement goals.

Introduction

How can NHS provider organisations and systems reliably and sustainably improve care? Historically, most improvement interventions have been discrete, small-scale efforts run by individual teams, often without reference to what else is taking place in their trust. However, it is now widely accepted that a patchwork of local interventions is unlikely to deliver sustained improvement or efficiencies on the scale that policymakers and local leaders want. For this reason, attention is turning instead to the implementation of systematic and integrated improvement approaches that span whole organisations and systems. These approaches are likely to play a crucial role in enabling the NHS to meet the demanding annual efficiency targets it now faces, along with the array of pressing improvement challenges confronting it following the pandemic, such as the elective care backlog.

Some NHS trusts that have already embarked on organisation-wide improvement programmes have pointed to a range of improved service outcomes and productivity gains, as well as consistently high CQC ratings, as signs of the positive impact of their programmes. While these results are certainly compelling, up to now there have been few independent evaluations of organisation-wide improvement efforts and how to do them effectively. That is why the recently published evaluation of the NHS partnership with Virginia Mason Institute (VMI) is so significant.

As well as looking at the impact of the programme on organisational care processes and pathways, the VMI evaluation provides an independent analysis of what is required to plan, implement and – crucially – sustain an effective organisation-wide approach to improvement. For provider organisations looking to assess their own organisational readiness for improvement, and decide how they can deliver care and productivity improvement at scale, the evaluation will be invaluable. National bodies whose role it is to support organisation- and system-wide improvement also have much to gain from the evaluation.

In this long read we discuss the learning from the VMI evaluation and examine its relevance to the wider debate about how the NHS strengthens its capacity and capability to deliver improvement at scale.

Box 1: What was the NHS partnership with Virginia Mason Institute?

The NHS-VMI partnership was a 5-year collaboration with NHS Improvement (now NHS England) and Virginia Mason Institute (VMI) – a not-for-profit US consultancy specialising in the development of lean-based improvement capability among health care providers. In 2015 five NHS trusts were selected (via competitive application) to work with improvement experts from VMI in a partnership with NHS Improvement. They were:

- Barking, Havering and Redbridge University Hospitals NHS Trust
- The Leeds Teaching Hospitals NHS Trust
- The Shrewsbury and Telford Hospital NHS Trust
- Surrey and Sussex Healthcare NHS Trust
- University Hospitals Coventry and Warwickshire NHS Trust.

The goal of the partnership was to foster a sustainable culture of continuous improvement capability within the NHS trusts, and to derive lessons about how NHS leaders can develop continuous improvement capability across the wider health care system.

The evaluation of the NHS partnership with VMI was led by Dr Nicola Burgess at Warwick Business School between 2018 and 2021. Commissioned by the Health Foundation (with NHS Improvement), the evaluation examined the impact of the VMI partnership on the quality and efficiency of health care services. It also considered the role of leadership in driving improvement and the factors that support the development of an organisation-wide culture of improvement. You can read the full evaluation here.

Key learning from the VMI evaluation

In this section we draw on lessons from the VMI evaluation to set out three important enablers for building and sustaining organisation-wide improvement. These are:

a) a strong culture of peer learning and knowledge sharing
b) a visible and sustained leadership commitment to improvement programmes
c) focused improvement priorities and metrics, aligned with organisational and national objectives.

a) A strong culture of peer learning and knowledge sharing

A striking feature of successful, well-managed organisations is the time and resources they invest in encouraging and enabling staff to share and discuss ideas and knowledge and to learn from each other. In many industries, for example, one of the most important functions of middle management is to ensure that there are reliable mechanisms in place to allow information and knowledge to flow vertically across each organisational tier and horizontally between teams and departments. By encouraging their teams to pull in ideas from elsewhere, and to discuss the learning from their own experiences with others (both positive and negative), managers can play an important role in preparing the ground for the adoption and spread of innovative practices.

NHS organisations have not always placed such a premium on peer learning, knowledge sharing or collaboration. In a pressured, resource-constrained environment, it can be difficult to find space for reflection and to create and maintain knowledge-sharing networks. And with new care models, the impulse to proceed directly to implementation (and skip planning and design discussions) can be hard to resist – especially in a service that is more used to enacting change than debating how to do it.

The importance of creating an infrastructure and culture geared towards effective peer learning and knowledge sharing is powerfully underlined by the VMI evaluation. Through a social network analysis carried out in each of the five participating trusts in 2018, the evaluation team identified stark differences between the trusts in the levels of social connectedness of their staff. The analysis found that Surrey and Sussex, a trust rated as outstanding by the CQC, had a much higher level of social connectedness among staff than the two trusts with the lowest CQC ratings. Whereas the former was characterised by 'close relationships, mutual collaboration and feedback', the latter had a high level of simple, one-directional exchanges, suggesting a lack of collaboration between individuals.

What lessons should we take from these findings? Learning, influencing and system-thinking skills have long been seen as vital components in the armoury of those working in quality improvement. But evidence of an association between high performance and a mature culture of peer learning and knowledge sharing at organisational level has been harder to find. This is just one analysis based on evidence collected at one specific point in time. Nevertheless, it reinforces the idea that organisations

wanting to strengthen their capacity to innovate and improve should put the creation of peer learning and knowledge exchange networks at the heart of their strategy, and treat it as an essential component, rather than simply a desirable one.

Organisations also need to think carefully about how they create an environment that is amenable to effective peer learning and knowledge sharing. As the evaluation shows, it can take time to build such an environment. Finding opportunities for people to come together and ensuring that this is embedded in the normal working week is also vital. But, perhaps most importantly, it relies on the presence of mutual respect between the people involved. One of the first steps on Surrey and Sussex's improvement journey was to make sure that staff were, as Michael Wilson, the trust's former chief executive, put it, 'speaking well of ourselves, well of each other, well of our organisation and well of our community'. Once this becomes the norm, it becomes easier for people to have meaningful conversations about improvement. This exemplifies one of the key themes of the evaluation: that delivering sustained, large-scale improvement first requires a concerted effort to create a positive organisational culture.

b) A visible and sustained leadership commitment to improvement programmes

Implementing any improvement intervention can be time consuming and challenging. However, the difficulty increases dramatically the larger the size of the undertaking. Scaling up a single intervention across multiple departments, or trying to harness a series of discrete interventions as part of a coherent organisation-wide improvement strategy, is far from easy. Moreover, it is perfectly possible for organisations experiencing significant performance challenges to drive sustained improvement in outcomes in one clinical area, without the benefits filtering through to other parts of the organisation.

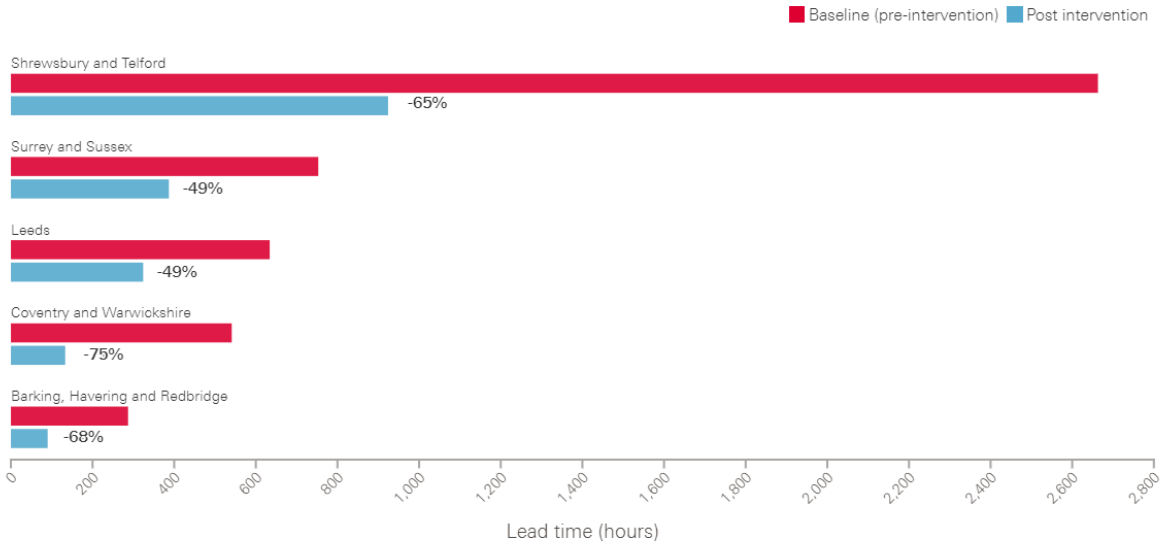
The VMI evaluation sheds some valuable light on why this is so often the case. Judged purely on the impact of the improvements made in the specific care pathways targeted by the five participating trusts, it is clear that the VMI partnership has delivered appreciable performance benefits. Looking solely at the metrics used to assess the impact of changes made through the 'rapid process improvement workshops' for each care pathway, all five trusts achieved substantial and sustained improvements.

Take, for example, 'process lead time' – meaning (for instance) the period of time between a referral and a patient's appointment, or between a patient's arrival and departure from a clinic. During the intervention period, all five trusts achieved significant overall reductions in process lead time, as shown in Figure 1.

Figure 1

All NHS trusts achieved significant overall reductions in process lead times during the intervention period

Process lead times* at each of the five participating NHS trusts



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Source: Report of the Evaluation of the NHS-VMI partnership • 'Process lead time' could refer – for example – to the period of time between a referral and a patient's appointment, or between a patient's arrival and departure from a clinic

Yet for the two trusts with the lowest CQC ratings, these operational improvements – and the improvement skills and capabilities developed by the teams responsible for them – remained localised and were not enough to offset the trust-wide performance issues identified by the CQC and NHS Improvement.

Why was this? According to Barking, Havering and Redbridge's former interim chief executive, Chris Bown, one reason was that the improvement work associated with the VMI programme at the trust was taking place 'in complete isolation to everything else happening in the organisation'. With the trust's leaders focused on dealing with the fallout from the trust being placed financial special measures by NHS Improvement and receiving a 'requires improvement' rating from the CQC in 2018, they had little head space to consider how to embed the VMI methodology across the rest of the organisation. Indeed, on his arrival in 2018, Chris Bown found that the trust's board and executive team were 'not particularly sighted' on the VMI programme at that point. Some trust managers also found it hard to reconcile the VMI approach (of gradual, incremental improvement) with the turnaround model used to pull the trust out of special measures, which was geared towards delivering short-term shifts in particular performance metrics.

At Surrey and Sussex on the other hand, the VMI programme lay at the centre of the trust's overall strategy. It was launched after 5 years of careful legwork that created a workplace environment conducive to the implementation of a trust-wide improvement approach. The trust had already co-

produced a set of values with its front-line staff that 'put the patient and quality of care first, above that of finance', according to a senior figure.

It had also implemented a programme to strengthen clinical leadership across the trust, focused on giving front-line clinical teams the chance to take the lead in tackling quality challenges. And unlike Barking, Havering and Redbridge, which had three chief executives during the lifetime of the VMI programme alone, Surrey and Sussex had had the same chief executive in post since 2010, a stable executive team and a consistent strategic direction. This stability, and the leadership team's visible and unstinting commitment to the VMI programme as the means through which the trust could strengthen its already strong position, was instrumental in ensuring that the programme was positively received across the organisation.

All of this suggests that the level and constancy of leadership investment in an improvement programme is an important determinant of its impact. If the programme is seen largely as a technical exercise to be led by a handful of experts working alongside front-line teams, then it is unlikely to enter the 'mainstream consciousness' of the organisation. But if it is seen by leaders as being core to organisation's identity and strategic vision – as something that will inform how all staff approach their jobs – then it stands a much better chance of being embedded and having an impact at scale.

c) Focused improvement priorities and metrics, aligned with organisational and national objectives

Priority setting and measurement have often posed challenges for improvement teams. Many find it difficult to decide what to measure, or how to take reliable measurements to determine whether changes have led to improvement. The VMI partnership was no exception. For many of those involved, measurement was one of the most demanding aspects of the programme. In the absence of any centrally set improvement priorities and associated metrics that were common to all five trusts, it was left to each individual trust to decide what it was they wanted to improve, and how to go about it. The trusts' different approaches to this task reveal much about their respective levels of improvement maturity, and also offer some important lessons to others planning improvement at organisation and system level.

For the two trusts with the lowest CQC ratings, the task of priority setting was seen as an opportunity to involve their workforces in the decision-making process around the VMI partnership. By asking staff to identify their priorities for change, and giving influential clinical leaders a key role in deciding which care pathways to select, the hope was that staff would feel ownership of the programme, and that a network of leaders willing to champion it would emerge.

The reality, however, proved otherwise. At Barking, Havering and Redbridge, timing was a problem. Inviting staff to name their 'biggest issue' at a time when the trust was grappling with major

performance challenges, and fragile staff morale, created what one middle manager described as 'a massive public finger-pointing exercise'. Moreover, the trust soon realised that the initial target selected for improvement after the engagement exercise – 'the first 24 hours' – was too broad. Translating it into a manageable improvement exercise with clear objectives proved too difficult.

Meanwhile, at Shrewsbury and Telford, the decision to prioritise the preferred improvement targets of influential leaders, rather than following the data and focusing on the trust's biggest burning issues, also led to frustration.

The other three trusts opted for a different approach. They took the view that in order to secure sustained trust-wide support for the improvement work linked to the VMI programme, especially among managers, the care pathways and the metrics linked to them needed to be closely aligned with national and organisational level improvement priorities. Their executive teams also decided that priority setting was an issue of such strategic significance that they needed to take the lead in identifying them.

For example, it was the executive team at Leeds that chose orthopaedic elective activity as one of its care pathways, with the intention of using this improvement work to help the trust meet a series of national orthopaedic targets. The fact that the three trusts already had mature approaches to staff engagement in place, as well as established cultures of peer learning and knowledge sharing, did much to make this possible. Without this engagement work, the trusts' executive teams may not have had the same licence or confidence to take a more directive approach. In the case of Leeds, the path to the VMI programme had been paved by a bottom-up, workforce-led approach to identify the values and behaviours that underpinned 'the Leeds Way', the trust's cultural framework launched in 2014.

Nonetheless, all five trusts found it difficult, at least initially, to decide what metrics to set once they had selected their care pathways. In many cases they were set at too high a level. Coventry and Warwickshire, for example, developed a metric on the overall productivity of its theatres. But with more than 30 theatres, this metric proved too broad to pick up the significant improvements made in the trust's handful of urology theatres.

What do these findings tell us? First, in common with many other analyses of improvement capability across the NHS, they highlight a marked shortage of measurement expertise within trusts. By the end of the VMI partnership, many of the participating trusts had developed a much better understanding of what metrics to select at each level, but the initial mistakes they made were hard to put right and had an impact on the momentum of the programme. This shows that strengthening the measurement capability of provider organisations and systems is essential, to equip them to lead major, large-scale improvement initiatives. Second, the findings underline the value of ensuring that

the ‘golden thread’ between operational, organisational and national improvement priorities is maintained.

The evaluation’s findings in relation to the strategic judgement of the trusts’ executive teams are also instructive. Understanding when to open up key decisions to wider workforce consultation and when to take the lead is a vital strategic skill. The VMI evaluation suggests that stable executive teams, with experience of how to foster a culture of improvement in complex human systems, are better placed to make the right call (in this situation) than new leaders in challenged trusts with limited track records of staff engagement and peer learning. Any assessment of trusts’ readiness for improvement must consider the strategic maturity of their executive teams, especially in terms of their approach to staff engagement.

Conclusion: what can national and local leaders do to equip organisations and systems to become platforms for innovation and improvement?

In summary, the VMI evaluation sets out the key components behind an effective organisation-wide approach to improvement. It has shown that any such approach must start with a focus on culture. Sustained improvement happens when staff have the space to share ideas and learn from each other, and when they feel encouraged and supported by the peers and leaders to test new ideas.

Leaders also play a critical role. They need to put improvement at the centre of their strategy and signal their long-term commitment to driving organisation-wide change, and be willing to invest in developing the required improvement capabilities. In addition, leaders and managers need to be skilled in selecting, aligning and orchestrating the various elements of an improvement programme, and ensuring that they constitute a clear and coherent undertaking that all staff comprehend and support. A nuanced understanding at leadership level of how change happens in complex systems is also vital: this helps leaders determine when to lead, when to engage others, and when to support others to solve problems, rather than address them themselves.

Strong leadership commitment to improvement needs to be complemented by efforts to strengthen the capacity of clinicians and managers to lead change. The presence of clinicians in leadership and management roles has been consistently associated with higher hospital performance. Meanwhile, middle managers have been shown to play a critical role in creating the conditions for improvement to flourish in health care organisations. Yet, as the recent Messenger review of NHS leadership and management found, there is scope for significant improvement in the way that clinicians and non-clinicians alike are prepared, trained and supported for management and leadership roles.

What are the implications of the VMI evaluation findings for national and local leaders? Given that national bodies in England are in the midst of examining what support local organisations and systems require in order to develop the culture, capacity and capability to continuously improve quality, the publication of the VMI evaluation report could not be more timely.

Five recommendations for national and local leaders building on findings from the VMI evaluation

1. **Improvement and innovation initiatives at organisation, system and national level should be part of an integrated transformation strategy and delivery agenda.**

The VMI evaluation has shown that improvement work in NHS trusts can get marginalised when it has to compete for leadership attention with other strategic change priorities. Taking an integrated approach, one that brings together an organisation or system's innovation, quality improvement, digital transformation and organisational development under the same umbrella, would help to mitigate this risk. And this also matters at national level: national bodies should ensure that centrally driven improvement priorities and support for organisations and systems are aligned and are part of an integrated transformation agenda.

2. **Organisation- and system-wide transformation initiatives should be prefaced by efforts to foster a culture in which peer learning and knowledge sharing are encouraged and supported.**

The VMI evaluation has strongly reinforced the message that the success of any innovation or improvement initiative is contingent on the ability of those participating in it to share ideas and knowledge in a respectful climate that encourages learning. It shows that peer learning and knowledge sharing should be prioritised by organisations and systems and put at the centre of their transformation strategies. This should be supplemented by efforts to ensure that organisation- and system-wide objectives are clearly communicated so that every individual understands how they can contribute to their delivery.

3. **New leaders in challenged organisations and systems need strong, visible and sustained support from local partners and national bodies while they establish themselves and build their strategic confidence.**

Leadership stability and strategic constancy of purpose play a crucial role in allowing organisation- and system-wide improvement efforts to flourish. The VMI evaluation has underlined the importance of this stability and highlighted the pressures on organisations dealing with performance challenges and high leadership turnover. To give new leaders the space and confidence to make difficult strategic calls, and break the cycle of high turnover, local and national partners of challenged organisations and systems need to offer their executive teams sustained backing and ensure that the demands they make of them are proportionate, constructive and aligned. Guidance and support should also be offered to help challenged organisations and systems build the culture, capacity and capability they will need before embarking on a trust- or system-wide improvement programme.

4. **Middle managers need to be closely involved from the start in the planning and implementation of organisation- and system-wide transformation initiatives.**

Middle managers play a pivotal role in ensuring that staff have the time, space and permission to undertake improvement training and work on improvement initiatives. They can also help to make sure that improvement work is aligned with organisation, system and national level priorities. Yet middle managers are not always closely involved in improvement initiatives, while they rarely receive training and support on how to lead and support improvement. This needs to change if improvement is to become embedded and sustained across whole organisations and systems.

5. **Strengthening the priority setting and measurement capability of organisations and systems needs to be a priority.**

In line with previous evaluations of large-scale NHS improvement initiatives, the VMI evaluation has highlighted the marked shortage of measurement and priority-setting skills within the NHS. Organisations, systems and national bodies need to work collaboratively to identify the extent of the skills gap and develop a strategy to address it.

Creating a climate in which organisations and systems can build the culture, capability and capacity needed to develop an integrated and comprehensive approach to improvement is not straightforward. It requires time, resources and constancy of purpose – at both local and national level. However, if the NHS is to develop the means to improve care at scale, and, crucially, to sustain these improvements, then it has to ensure that organisation and system level improvement efforts are prioritised and properly supported at every step.

Supporting information

Bryan Jones is an improvement fellow in the improvement team at the Health Foundation.

This long read was published originally on 22 September 2022 at the following address:
www.health.org.uk/publications/long-reads/building-an-organisational-culture-of-continuous-improvement