



---

# RCN Policy Unit

---

**Policy Briefing 09/2007**

---

## **Productivity and the nursing workforce**

**RCN Institute and Policy Unit**

June 2007

Royal College of Nursing  
Policy Unit – Room 209  
20 Cavendish Square  
London  
W1G 0RN

Telephone 020 7647 3754  
Fax 020 7647 3498  
Email [policycontacts@rcn.org.uk](mailto:policycontacts@rcn.org.uk)

## Introduction and Key Points

This policy briefing has been written particularly for Directors of Nursing and their senior team. It describes some of the key issues for productivity and the nursing workforce and includes a summary of some technical issues around productivity, and a synopsis of what is known about productivity measures and productivity improvement.

It also coincides with the launch of *Releasing Time to Care: The Productive Ward* which provides an opportunity for ward staff to review how they work with a view to:

“...maximising the time spent by clinical, managerial a

- **Is there strong clinical leadership?** Service improvement tools and approaches work much more effectively where there is strong clinical leadership and an associated culture of continuous service improvement.
- **Is there clinical engagement?** Are *all* ward staff and other key staff involved in the process right from the start? This should include decision making about choosing outcomes of most relevance.
- **Do the right people have the necessary authority to make changes happen?** Clarification of areas of accountability and governance are important to the process of implementation
- **How will any time saved be used?** A very key question which staff who participate in such programmes will undoubtedly raise as measuring productivity might be perceived as a way of reducing staff numbers.
- **How will any changes made be sustained and spread to other areas?** And how will lessons learnt be shared across directorates/departments and fed back to commissioners, patients and staff?

## The Context

There has been considerable public and political interest in NHS productivity recently as a consequence of government increased NHS financial investment. The Treasury (and its' Chancellor/Prime-Minister-to-be Gordon Brown) has made it clear that as public services account for a substantial part of the economy, productivity is a policy priority:

“Increased public services productivity is also important because it gives people the public services they require, ensures that taxpayers receive better value for money, and helps to lay foundations for a high productivity economy through improved education, health and transport infrastructure.”<sup>2</sup>

However the technical relationship between productivity and investment is unclear. In 2001 the National Audit Office said: “If costs and benefits were incurred by the same people and were in easily comparable form then

---

<sup>2</sup> HM Treasury (2006) Productivity in Public Services. [www.hm-treasury.gov.uk/](http://www.hm-treasury.gov.uk/)



This approach follows five principles:

- Specify value
- Identify the value stream or patient journey
- Make the process and value flow
- Let the customer pull
- Pursue perfection.<sup>8</sup>

The ward team are thus taken through a series of learning modules which incorporate these principles and introduce a range of service improvement tools and approaches from which they can examine the way they work and how this can be improved. The usefulness of these tools - like any others - is dependent upon the context, how they are applied, implemented and for what purpose.

## Key Questions: Getting the Most from Service Improvement Tools

The RCN supports initiatives which have the potential for service improvement and enhancing the working lives of nurses. However there are some key questions that senior nurses need to consider at the start of introducing the productive ward programme – or any other change process - to nursing staff and their wards. These questions are based on evaluations of the RCN's ten years plus experience of devising and delivering leadership and team development programmes<sup>9 10 11 12 13</sup>.

The RCN experience of delivering development programmes in many different organisations in the UK and internationally is that the biggest challenge lies in enabling participants to apply the learning to their work and carry this forward to make a real and





## Defining Productivity

Definitions of productivity are bound up with the related terms 'efficiency' 'effectiveness' and 'value for money'. The diagram below is a useful summary of the:



- **Basic** Comparison of outputs (treatment activity) to inputs (labour and capital)
- **Quality of treatment** Outputs can then be adjusted to take into account quality measures (or *outcomes*) such as mortality, morbidity, infections, and patient experience, before comparing them to inputs.
- **Economic performance** Productivity can also take into account the impact of the cost of ill health to the economy and economic performance

Traditionally NHS productivity has been calculated in a simplistic fashion with output growth estimated as a weighted average of the growth in twelve very broad activity categories called the Cost Weighted Efficiency Index<sup>17</sup>. This was problematic because simply 'counting the numbers' in each category masks an assumption that quality (or outcomes) have

This is a complex area for investigation not least because external factors also impact on health status. So although attempts have been made to measure changes in extra life years secured within each treatment category by using two broad variables - changes in the mortality associated with each intervention and changes in the age profile of patients<sup>19</sup> - it is still difficult to disentangle how far those gains might be external to the health intervention and due to general improvements in population health.

## Is the NHS Productive?

The difficulty in a definitive answer to this question is that it depends upon what is measured. So although bed occupancy, patient throughput, and in-patient acuity have all increased whilst waiting times have decreased, this does not in itself answer the question which must relate financial cost of the service to both health outcomes and NHS staff activity.

The ONS assessment of NHS productivity 1995 to 2004 found mixed results:

- Productivity appeared to have decreased by between 0.6% and 1.3% per year when the existing measure of productivity was used (i.e. dividing NHS outputs such as the number of surgical operations by NHS inputs such as capital and workforce)
- An alternative method using a wider range of NHS outputs such as patient survival rates, waiting times and public health improvements

## The Importance of Measuring Nursing Wo

It is clear that simply counting how many patients, how fast they are treated and discharged is insufficient. This approach will miss the impact of nursing interventions on care quality and clinical outcomes. The productive ward programme when used with regard to the key RCN questions previously set out is one means of helping nurses look at their productivity in a ward situation and improve it.

The RCN Policy Unit is currently leading research regarding financial input, nurse staffing levels and workload, cost effectiveness, and clinical outcomes. The RCN Institute is engaged in a variety of initiatives that encompass measuring the impact of nursing interventions on patient care, raising standards in the delivery of essential nursing care, and leadership and team development in the clinical situation.

## Conclusion

Productivity in health care is both complex and political. It is important that senior nurses understand the range of issues involved because they are becoming part of the public sector narrative. Therefore they must position themselves to become fully engaged in local discussions and decisions about productivity and its measurement because of the subsequent impact on patient care and the working lives of nurses.

The productive ward program offers an opportunity to revisit ways of working with a view to improving patient care and releasing staff time for further reinvestment in direct patient care.

# Appendix 1

## Resources

The RCN holds a number of resources that support the implementation of change and the creation of workplace cultures which enable service improvement. For example Facilitation Standards can be located at:

<http://www.rcn.org.uk/resources/practicedevelopment/about-pd/tools/>

And a series of Clinical Team Effectiveness Guides can be downloaded from the link below:

<http://www.rcn.org.uk/publications/>

Hard copies can be obtained by contacting RCN Direct on 08457 726 100 quoting publication code 003115.

For further information on workplace resources for practice development contact: [Practice.DevelopmentEnquires@rcn.org.uk](mailto:Practice.DevelopmentEnquires@rcn.org.uk)

The RCN can also provide tailored leadership, team development and practice development programmes. For further information please contact: [janet.donnelly@rcn.org.uk](mailto:janet.donnelly@rcn.org.uk)