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**Institutionen för Lärande, Informatik, Management och Etik, Medical
Management Centre**

Lean, Agile, and Lean and Agile Hospital Management

*Responses to introducing choice and competition in public
health care*

AKADEMISK AVHANDLING

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ABSTRACT

Introduction: The marketization of public health care, with its focus on choice and competition, challenges hospital managers to take a market-oriented perspective and position. A combination of lean and agile management strategies has been suggested as a way to achieve efficiency and control costs (lean) and to respond flexibly (agile).

Aim: To increase our understanding of how hospital managers can combine lean and agile management strategies as they face the challenges of choice and competition in public health care.

Method: The thesis consists of four studies: an integrative literature review and three case studies conducted at two Swedish hospitals. Study I reviews the empirical and theoretical literature on the use of agile strategies in relationship to lean strategies. The specific focus is how these strategies can be combined in hospital management. Study II is a case study of a hospital that followed “operational plans” as it tried to decrease patient waiting times. Study III is a case study of a hospital management team’s drivers and conceptualizations of lean and agile strategies related to expected outcomes. Study IV, which is a case study of the same hospital investigated in Study III, examines the mechanisms that enabled the hospital’s management team to use the lean and agile strategies in practice.

Findings: Study I shows that agile was portrayed as a new paradigm following lean, as a development of lean, or as a strategy that can be used in combination with lean. Unlike lean strategies, agile strategies focus on the management of the external environment using proactive, reactive, or embracive coping strategies. The study also examines various organizational capabilities that hospitals require in order to make optimal use of agile strategies. Study II finds that “operational plans” at various organizational levels were needed in order to operationalize the goal of decreasing patient waiting times. The study also finds that an aligned internal strategy can improve processes that span organizational boundaries although with a narrow production focus. Study III finds that sudden and unexpected political public health care policies and market pressure motivated a hospital management, already lean in operations, to look for ways to increase their agility. Agility in the study is conceptualised as the long-term capability for adapting to the environment and for managing budget reductions. Lean was understood as the ability of the hospital to perform its functions efficiently. Enablers were defined as the management’s ability to continuously react to changes, to alter work assignments to accommodate changes in the influx of patients, and to recruit employees with flexible work skills. Study IV finds that the mechanisms that help a hospital to become lean and agile in practice are management’s market-orientation, the use of established production processes, an organization-wide readiness for change, a rapid transition capability, and the flexible use of physical and human resources.

Discussion: Hospitals in uncertain and dynamic environments (as is typically the case for hospitals) needs to be both lean and agile. In combination, these two strategies help hospital management to use existing resources efficiently and effectively while at the same time it allows discovery of other assets.

Conclusion: Lean management may be viewed as a precondition for agile management. This means that the use of efficient and structured (lean) resources can improve market orientation and positioning (agile). To successfully combine lean and agile activities, hospital managers need to exhibit certain ambidextrous and dynamic effective management capabilities.