



POLICY

BRIEF

Feb 2023

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Strengthening collaboration between finance and service delivery teams to improve South Africa's health system

Working closer together to align service delivery plans with available resources

With universal health coverage (UHC) being viewed as a key health reform priority worldwide, public financial management (PFM) in many low- and middle-income countries (LMICs) like South Africa is raising specific concern.

It's becoming critical for countries like South Africa to strengthen PFM while working on this large-scale reform and one suggested mechanism to support this is authentic collaboration.

Despite South Africa having one of the strongest PFM frameworks in Africa, it's been strained by suboptimal processes and poor financial outcomes. Ever-shifting policies, the rising costs of care, and the unpredictable nature of medical needs are just some factors that make PFM in the health sector particularly complex.

Added to that, the lack of effective collaboration between service delivery and finance teams leads to issues such as the mismanagement of funds, unrealistic service delivery planning and, ultimately, declining quality of care. Attempts to remedy this in one South African province underestimated the role

Recommendations

Attempts to strengthen PFM strategies should consider service delivery challenges. The following measures could support such plans:

- Opportunities for authentic collaboration by diverse managers.
- Integrating ways to work shoulder-to-shoulder in interdisciplinary teams.
- Equalising power to improve trust, cooperation, and decision-making.
- Impartial and effective leadership in multidisciplinary committees.
- Collective decisions that support the health system's strategic goals.
- A training programme that gives finance managers a deeper understanding of health system complexities.
- 'Boundary crossing' to increase understanding and prevent perceptions that PFM is a barrier to service delivery.
- Better communication between monthly finance meetings.

of trust and interpersonal relationships in authentic collaboration and as such, these efforts were largely unsuccessful. With little indication of available funds, and annual performance plans drawn up without sufficient guidance on how to prioritise within a constrained health environment budget and service delivery plans remain delinked from one another.

The effects of cash-flow shortages and tight budgets due to local and global austerity are then exacerbated by unrealistic service delivery plans – which places service delivery and financial managers at odds with one another.

In this study, we looked at four strategies used by one South African PDoH to strengthen its PFM processes – and assessed their success in overcoming the main challenges outlined above. The study also evaluated whether the strategies improved collaboration and trust between service delivery and finance managers, which we found to be a prerequisite for overcoming the challenges laid out above.

The four strategies were to:

- deploy finance managers into service delivery units
- involve service delivery managers in monthly finance meetings
- introduce a weekly committee to review expenditure requests
- start a weekly managers' 'touch-base' meeting to coordinate activities

Using a collaborative public management (CPM) framework, we considered how each strategy brought stakeholders with different skills together towards a common goal, considering whether the teams achieved effective participation, ways of working together, support for the strategy, and trust among those involved.

Methods

Study design Our findings were based on participant observations and semi-structured interviews with stakeholders in one South African PDoH. We used ethnographic research methods and a case study approach to analyse how the strategies affected collaboration and trust between service delivery and finance teams. Their experiences of the strategies to strengthen PFM processes were evaluated and the findings were framed against the backdrop of CPM.

Study context Historically, there's been a lack of collaboration and trust between service delivery and finance teams in the province. Coupled with austerity measures and financial constraints, it has led to misaligned planning and PFM processes.

Participants PDoH employees responsible for financial or service delivery management at a district office, a public hospital, or the PDoH office formed the study participants, and 30 semi-structured interviews were conducted.

Data collection and analysis Data was collected between July 2017 and June 2018. Most of the observations and interviews happened either within the PDoH office, district office, or a public hospital.

The impact of the interventions on PFM

Deploying finance managers into service delivery units While there was little consensus on their role, this integration received high levels of support. Many finance managers became embedded in service delivery teams and gained a better understanding of the challenges, while service delivery teams started to integrate financial processes into their planning better.

Table 1: How each strategy fared within the CPM framework

| Strategy | Participation | Establishing ways of working | Mobilising support | Building trust |
|---|---------------|------------------------------|--------------------|----------------|
| Deploy finance managers into service delivery units | Strong | Moderate | Moderate | Strong |
| Involve service delivery managers in monthly finance meetings | Moderate | Weak | Moderate | Weak |
| Weekly committees to review expenditure requests | Strong | Moderate | Moderate | Weak |
| Weekly managers' meetings to touch base | Strong | Strong | Strong | Moderate |

Monthly finance meeting Some of the goals of the monthly finance meeting were to provide strategic direction and facilitate more realistic plans linked to service delivery needs. Led by senior finance managers, the focus was on conforming to finance-related processes – not on supporting service delivery. Finance managers also doubted the PFM skills of service delivery managers, while service delivery teams were at the mercy of decisions beyond their control. As a result, this strategy was not widely supported.

Weekly committee to review expenditure requests This committee was meant to check expenditure requests against strategic decisions taken at monthly finance meetings.

With no clear direction emanating from those, requests were prioritised with a limited view of service delivery needs. The committee created delays and fuelled mistrust and tension due to a lack of feedback and collaboration.

Weekly district-level managers' meetings to touch base Aiming to ensure that weekly activities aligned with the district's strategic plan, managers across teams reported that this meeting connected district finance and service delivery managers regularly and facilitated a shared understanding, while building trust. With both budgeting and district issues being heard and addressed, finance and service delivery managers were seen as equal contributors.

Emerging themes and the potential of power-sharing

The deployment of finance managers into service delivery settings as well as touch-base meetings illustrated that multidisciplinary teams could have a positive impact when members share power. The findings also highlighted how important impartial leadership is for consensus in the allocation of resources.

However, service delivery and finance managers were unable to collaborate in the monthly finance meetings. Their failure to develop realistic budgets and reprioritise expenditure led to mistrust – which put other strategies at risk. It once again emphasised how crucial trust is for collaboration.

Authentic collaboration

Effective PFM processes require service delivery and finance managers to work in alignment towards shared healthcare goals. No formal process can force of achieve this, and it calls for real engagement and active effort across all stakeholder groups – especially when a history of tension and mistrust is involved.

Acknowledging the extent of disconnect in the system is a critical starting point for successful reform, before establishing a new foundation built on participative leadership and the sharing of power.

Wrapping up

Despite evidence of the benefits of authentic collaboration, it has remained difficult to implement. Looking at why some strategies used by the PDoH worked better than others, and what lessons they hold for other LMCIs, the findings showed that equalised power and regularly bringing managers into each other's worlds could be highly beneficial for PFM processes – and improve decision-making, planning, and outcomes.

Looking forward, processes grounded in strong and mutual trust, meaningful opportunities to work together, and using 'boundary crossing' to allow diverse stakeholders to become more integrated will be critical to break down barriers and increase understanding.

Source: Wishnia, J and Goudge, J. (2021) 'Strengthening public financial management in the health sector: a qualitative case study from South Africa.' *BMJ Global Health* 6 (11): e006911. (<https://gh.bmj.com/content/6/11/e006911.abstract>)

Funding: This work was funded by the South African Research Chair Initiative

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