Thought and action

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Chapter 7 Conclusion

7.1. Introduction

Now that we have presented the empirical material in the previous three chapters we propose to go back to the position of the individual pharmacy manager. We recall that the central theme of this study was: 'What problems does a pharmacy manager face if he/she 'travels' to the customer mix?'. In **chapter 3** we showed that this question was contingent upon all other study material. Since we would like to improve our understanding of this organizational change, we will explain what we have learned from our results. We will start at the beginning of this study in order to make a sketch of the field and define our point of departure. After that, we invite you to 'walk' with us through the results of this thesis. Finally, we will discuss the news of this thesis both from the pharmaceutical and the organizational perspective.

7.2. Results

At the beginning of this study, in **chapter 3**, we presupposed that despite consensus of purpose, pharmacy managers interpret good quality in different ways. We assumed that the manager would select a certain mix of activities appropriate for the mission. According to the theoretical study, the manager would select a mix of pharmaceutical activities, financial-economic activities, and customer activities. We expected that the manager would stress some of these activities in accordance with his/her professional preference, all leading to good quality. Three pharmacy mixes were theoretically postulated: the product mix, the process mix and the customer mix. In each mix different activities were stressed. The product mix related to the specific standards the medicine should meet, the minimization of risks, and the minimization of error occurrence. The process mix related to what extent the pharmacy was organized profitably and efficiently. The customer mix related to the way in which the wishes of the customers were met. However, this was an analytical description. What were the pharmacy mixes in practice?

Thought and action in pharmacy practice

It was shown in a pre-pilot study that the pharmacy managers perceived all three mixes as being very important. Subsequently, a distinction was made between *thought* and *action* of the pharmacy manager. The methods for *thought* described what pharmacy-mix actions were perceived as being most important. The methods for *action* described what pharmacy-mix actions were actually performed. The theoretical and empirical descriptions of the three pharmacy mixes from the pilot were refined in a survey. This analysis showed that most pharmacy managers in the Netherlands *stressed* the importance of product and customer actions, but actually *performed* product and process actions. We were not surprised by this fact. In order to explain what we mean, we will re-introduce our presupposition and some issues from management science.

We presupposed that pharmacy managers could have different interpretations of what good quality would mean in terms of objectives and activities. Consequently, all three pharmacy mixes were legitimate positions from which to 'produce' good quality. We avoided some ethical problems by having this presupposition. We did not want to be in the position of judging whether a pharmacy manager was doing a good or a bad job with respect to product, process or customer performance. We note that these normative qualifications might have been helpful to other parties in the field. However, with such an approach we did not expect to be able to improve the manageability of the pharmacy organization for the individual pharmacy manager. Rather, we had to construct the fundaments for the learning cycle of Soft Systems Methodology (SSM). We tried to visualize problems of modelled activities and purposeful action aimed at intended improvements, seen through the eyes of the pharmacy managers. We did thus not intend to give an ethical judgement of the outcome, but used it as a starting point to make a sketch of organizational change. If the perceived improvements were to be visualized later then we had to define a point of departure for these improvements.

Management Science

In **chapters 3 and 5**, some material from the field of management science showed that the differences between *thought* and *action* could be expected. Argyris and Schön (1978) showed that a manager does not always act in correspondence with his espoused theory. "This is the theory of action to which he gives allegiance and which, upon request, he communicates to others" (1978: 11). The actual behaviour is another theory: the theory in use. They argued that the theory-in-use "may or may not be compatible with his espoused theory; furthermore, the individual may or may not be aware of the incompatibility of the two theories" (1978: 11). We assume that we visualized the espoused theory as not being completely compatible with the theory-in-use; the espoused theory then would relate to the observed product and customer actions for *thought*, the theory-in-use then would relate to the observed product and process actions for *action*. In connection with this issue of perceptions and actualities, Mintzberg (1978, 1994) has described the difference between intention and realization. He argued that "some strategies get realized, some strategies do not get realized at all, perhaps because of unrealistic expectations or misjudgments about the environment, and some strategies were never intended but get realized" (1978: 936). Mintzberg (1994: 24-25) later argued that deliberate strategy concerns with the intentions which have been fully realized, and emergent strategy is a realized plan which was not expressed as intended. Unrealized strategy is evidently not realized at all. Other work of Mintzberg (1979) has also suggested that emerging strategies could be expected in quite small pharmacy organizations. He argued that many small organizations have an entrepreneurial mode of strategy-making. This means that this strategy-making process tends to be highly intuitive and

non-analytical. “It is not, therefore, surprising that the resulting strategy, seldom made explicit, reflects the chief executive’s implicit vision of the position of the organization in its environment. In fact, that strategy is more often than not a direct extrapolation of his personal beliefs, an extension of his own personality” (1979: 307). In addition, we assume that the differences between *thought* and *action* also have relations with the dynamics of this planning process. The manager does learn on the ‘way’ from intention to realization. Sometimes, this learning might involve the adaptation of one’s earlier intentions, even if this means that some intentions were not realized at all. We characterized the learning cycle of SSM earlier on: “each time round the cycle the world experienced is a somewhat different place ...” (Checkland and Scholes, 1990: 3). We hope to have learned something from our past experience. In principle, this learning process is never-ending. Thus, in terms of SSM, we would argue that it is not only wise to adapt your intentions, but it appears to be inevitable. We have to keep in mind that learning could mean performing activities, but could as well mean adding, changing or even striking intended activities. Additionally, with respect to time, we should note that not all intentions might have been realized. Intention might be ahead of realization, as it were. The organization might be on its way to realizing what was intended. Pharmacy managers might have not come round to start the implementation of customer activities yet or had not completed the customer actions yet. This more ‘modern’ way of thinking about intention and realization has been adopted by others as well. Among them were Johnson and Scholes (1988: 115) in saying that “organization objectives should not be regarded as being an unchangeable set of expectations. The objectives should be viewed as open to amendment and will change as strategies develop.” In addition, Mintzberg (1994: 26) said “good bye to the long tradition in the planning literature, that likes to decompose and determine the importance of things a priori, and the fact that every failure of implementation is, by definition, also a failure of formulation.” What we have theoretically postulated here is that differences between *thought* and *action* are rather common, and that many strategies will emerge ‘on the way’.

Pharmacy practice on the meso level

This analysis would make us conclude that nothing very peculiar was happening at the community pharmacy in terms of management science. If we were not surprised by this fact, then what was the news? For the presentation of the results, a point of departure was determined first of all. No pure types were observed; different combinations of pharmacy-mix activities were stressed for both *thought* and *action*. This would be useful for our sketch of the organizational change. Although our current point of departure, the difference between *thought* and *action*, appears to be a common one, we would argue that it is more special than it seems. Differences between *thought* and *action* are predictable within management science, but are somewhat special when applied to the Dutch community pharmacy sector. Observed

customer and process actions are closely related within management science: many organizations try and improve their customer relations in order to make a profit and/or survive. In this situation, one would logically expect major importance to be given to financial activities that are in close relation with customer activities. However, the pharmacy managers showed that they had other perceptions of importance. We found a relation between product and customer. The professional quality of the pharmacy manager was perceived as being the most important issue here, and not profit. We did have some questions about the apparent specificness of the observed difference between *thought* and *action*: 'Why is there a missing link between customer and process?' and 'Why is professional quality of major importance?'.

We described the missing link between customer and process as being a special feature in comparison with other organizations. The community pharmacy sector suggests that pharmacy managers concentrate on (positive) customer activities. It seems plausible that pharmacy managers are securing their market share by stressing the customer mix and avoiding related financial issues. Sector organizations stimulate the customer mix by launching many ideas and activities. We can recognize this in the results for *thought*. However, as in any organization, the pharmacy has to make profit in order to survive. This profit is under major pressure. The tone of the public debate on financial issues in community pharmacy practice is mostly negative. The media and the authorities contend that pharmacy managers are concentrating on (negative) process activities and make too much money. There appears to be a tension between money and care in this line of business. A possible explanation for this tension can be threefold: pharmacy managers do need profit in order to enable survival, making profit by selling medicine to ill people is perceived to be not very ethical, and the authorities are in need of a reduction of public spending on health care. Within health care, and within the community pharmacy practice especially, the financial system has been changed many times (Gerritsen and Van Linschoten 1997). The authorities have tried to control public spending on health care and especially spending on medicine. For example, the introduction of maximum prices for medicine and a stronger selection of new medicine allowed for the reimbursement system affected the financial position of the pharmaceutical chain (Snier 1995, MarketScan International 1997, Nyfer 1997). The income of the pharmacy managers is consequently under major pressure. We assume that in reaction to this, the pharmacy managers have improved the monitoring of their financial activities. We can recognize this in the results for *action*. Considering the degree of negativity in the media (mentioned earlier in **chapter 3**) we believe that the pharmacy managers have done quite a good job. The link missing between *thought* and *action* has been an outcome of the ongoing dispute within the community pharmacy sector which is all about care, money, and ethics. Although we have resolved *not* participating in an

ethical discussion, we thus have to acknowledge that we have landed in the middle of one. We have to accept that ethical disputes about care and money are systemic within this line of business, and therefore cannot be avoided.

However, earlier we did also suggest that this study showed a nuance of both positions; of the position of the pharmaceutical sector, as well as of the position of the authorities. It should be remembered that the product mix was the pivot of the pharmacy organization. It is remarkable that in terms of *thought* and *action*, most *in*consistent positions were found within the process mix and the customer mix. These results showed that pharmacy managers are neither consistently organized with respect to process (profit) nor to customer (patient). There seems therefore to be little evidence to support the statements of the authorities and the community pharmacy sector. Most consistent positions were found within the product mix. A possible explanation for the importance of the actions in the product mix is that it is the field in which pharmacy managers are well-educated and trained. It appears to be their main purpose. The historic conception of pharmaceutical tasks of the community pharmacist is still of great importance in education, work and mind of pharmacy managers. As well as this, customers, physicians and authorities also demand the highest professional quality. Activities of the process mix and the customer mix are conditional on the pharmaceutical expertise of the pharmacist. We would, of course, agree that customers also demand high professional quality of a greengrocer or a butcher. However, since we are operating within health care we argue that it is different. The domain of this sector is disease and health, which has a different importance to the customer and, consequently as well, to the pharmacy manager, when compared to food, for instance. To illustrate this, the consequences of the provision of an incorrect product can differ dramatically. A butcher's customer who has been given a fillet instead of a (cheaper) steak, might have noticed that the fillet was unexpectedly tasty and juicy. However, we cannot compare the butcher providing the right product with the pharmacist providing the right medicine to 'produce' a healthy patient. In the case of the butcher providing the wrong meat, the result would be a different meal to the one that was expected. In contrast, if the medicine of the pharmacy was incorrect, like we exemplified in **chapter 3** (WINAp 1997), the customer might be dead. That is another matter. We recognize the importance of this professional interest and knowledge of the pharmacy manager in the results of both *thought* and *action*; the product mix was the pivot of pharmacy organization.

Now that we have explained the missing link between customer and process and the importance of the product mix, we can introduce our 'travel' to the customer mix. But not before making some remarks about the issues we have to take into consideration for our sketch of the process of change, and the relevance of using

SSM. We predicted that the specificity of this observed *in*consistency at the community pharmacy could make our sketch of the 'travel' to the customer mix hard. Organizational change to the customer mix was expected to be a difficult matter since the product mix was the pivot of the pharmacy organization. The strong consistency in the product mix and the *in*consistency in the customer mix could handicap the 'travel' to the customer mix. In addition, it could be hard to 'catch' the organizational change in a model. It should be remembered that, a substantial part of the work of the pharmacy manager would involve emerging strategies and actions, and could therefore be hard to 'catch'. We have also been warned that the strategy of the pharmacy manager would be implicit. In this case we might well have to deal with personal beliefs and/or the personality of the manager; therefore the issues of complexity and subjectivity were at stake here. As we mentioned earlier in **chapter 3**, SSM is a methodology which could enable us to unravel 'knots' related to subjectivity and complexity. Subjectivity within SSM has been defined as the crucial characteristic of human affairs. Again, we stress that we were interested in the individual pharmacy manager and his/her managerial problems in the organizational change. And here we are: modelling improvements in the eyes of those who take the action. Subjectivity was a core issue in this part of the study. Moreover, SSM was most frequently applied to complex organizational problems; 'messy' problems. We argue that most organizational processes of change are complex, and therefore SSM could be suitable for our purpose. We had to accept however that, within SSM (Checkland 1981, Checkland and Scholes 1990, Checkland and Holwell 1998), little attention has been paid to descriptions of what was problematic in terms of formulation of root definition and criteria in practice. Consequently, we also introduced the work of other authors in order to help us with this problem. Let us therefore take a look at some specific problems we could expect in an organizational change.

Management Science

We claimed earlier that the survival kit of a manager in an organizational change would consist of an aim and related criteria; the latter comprising norms and monitor instruments. Since the pharmacy manager intended to change the organization we were in need of a destination or aim. Where do we go? We established earlier that the customer mix was the destination for the pharmacy organization in this study. We did not however say anything about the specific difficulties we could expect here. How hard is it to define a usable destination? Simon (1945) introduced an operational problem in connection with this issue: how can we actually support decision-making in a pursuit of ends. He determined some problems in this context: ends are often incompletely or incorrectly stated, a complete separation of means and ends is impossible, and there is a tendency to obscure the role of time. Following De Leeuw (1994), we could expect the influence of the environment to be present in a

control situation, and, consequently, it would not be very easy to determine whether the realization of goals is the partial or complete result of the control. With this information, we learned that it may be rather difficult for managers to define a usable aim. Moreover, Vickers (1965) noted that the establishment and modification of relationships through time is more important than the endless strive for goals and, in addition, no end or goal can ever be more than a means. Some of the problems in the use of the criteria for effectiveness related to a well-known problem, which De Leeuw (1994: 69-72) described in his systems theory of control. It does not mean that the control did not function if the objective was not realized, and, likewise, if the objective had been realized it is questionable if this were thanks to or in spite of the control. We stress that it was not easy to define good norms for effectiveness. In connection with this issue, we have to keep in mind that Schön (1983) has warned us that it would be hard to diagnose signs of trouble; especially how to find out what is wrong. We observed a similar problem with the pharmacy managers.

Now let us assume for the moment, that managers are able to overcome these problems. What we then need are criteria. The necessity of such criteria is threefold. First, in an organizational process of change it would be convenient to obtain information about whether we are on the right track to our destination. Second, we would want to know where on this track we are during such a process of change. Third, we might want to judge whether in the light of our destination the modelled activities were worth the effort. Checkland and Scholes (1990) argued that such processes of communication and control are necessary in order to survive; the activities should logically be judged on efficacy, effectiveness and efficiency. De Leeuw (1990) is of the opinion that an evaluation is a minimum requirement for exerting effective control. We have thus established that criteria are vital in the organizational change, but how hard is it to find and formulate the related norms and monitor instruments? Vickers (1983) warned us that cultural and personal criteria are very complex, and that problems with evaluation could be expected: it was hard to formulate a norm. He described difficulties with the comparability of disparate variables, uncertainty, and the difficulty of time. He added that value judgements of appreciation cannot be proved correct or incorrect, since there are no external, ‘objective’ criteria (Vickers 1965). Their correctness could not be proved. We saw earlier that in SSM (Checkland and Davies 1986) a similar statement was made with respect to ‘Weltanschauung’ or ‘Ws’: ‘better’ could just as well be ‘worse’ for different individuals. In addition, Schön (1983) warned us that the use of algorithms generally failed to yield effective results in business management. Here we have to accept that we are in a swamp of confusing messes in which algorithms can hardly be used. According to Schön (1983), it is hard to diagnose signs of trouble within an organization. The manager faces a twofold problem: how to find out what (if anything) is wrong, and how to do so in a way that enhances rather than reduces his

ability to fix what is wrong. We can infer, therefore, that even if the manager is able to construct an aim, it would be hard to define usable criteria relating to this aim. Now that we have re-introduced some theoretical issues we would invite you to go back with us to the pharmacy practice. Were these problems, in any similar way, experienced by the pharmacy managers?

Pharmacy practice on the micro level

In **chapter 6**, pharmacy practice was studied on the micro level. Here, the main questions of this thesis were studied: 'What problems does a pharmacy manager face if he/she 'travels' to the customer?' and 'What is the role of the support of stichting VNA and SAL Apotheken in this process of change?'. It was argued that a pharmacy manager, in such a process of change, would be in need of an aim (for instance, 'improve customer relations') and would also be in need of a mechanism in order to evaluate whether the modelled activities were successful in the light of this aim. These instruments are necessary in order to survive, and in order to be able to judge whether the modelled activities and/or the performed actions had made a contribution to the process of change, or were a waste of effort. Criteria are generally involved in evaluation; these consist of norms and monitor instruments. In this thesis it was decided to define norms as the measures of performance by which a certain activity, set of activities or model could be judged. The measurements are defined as the instruments to visualize or monitor to what extent the norm had been achieved. Furthermore, aim, activities, norms, monitor instruments should be linked; we would expect them to form a 'purposeful whole'. We adopted the term 'emergent properties', applied it on various levels, and analyzed whether any of the parts made up a 'purposeful whole'.

It was observed that pharmacy managers experienced problems with the formulation and use of aim, norms and monitor instruments and problems linking aim and customer activities. We argued that it is not easy for pharmacy managers to define a usable aim and related criteria which 'cover' the modelled customer activities. In the pharmaceutical sector most aims, norms and measurements, for monitoring or exerting control, relate to the product mix and process mix. However, in the customer mix, some aims were rather abstract, vague and defined for a meso level. In this situation it was hard to find proper criteria (comprising norms and monitor instruments) for the micro level. In terms of the modelled customer activities, and related criteria for efficacy, in order to monitor whether these customer means did work, we argued that many managers did evaluate their activities in a rather proper way. Criteria for efficacy were modelled and actually used in the control process, and this sometimes led to control action. However, a main problem was: 'What to do with the result if a measurement for efficacy was made without having a usable norm?'. Not all managers performed control action to manage such situations.

Another problem was that some pharmacy managers did not monitor their modelled activities at all. A lot has to be learned with respect to the customer mix. Managers do need aims and evaluation for their individual pharmacy practices.

We also noted that the support in the pharmaceutical sector was poor with respect to these problems. Although many organizations (like the KNMP) which operate in the sector are a good source of new ideas, they fail to give proper support to the individual pharmacy manager with the formulation and measurement of aims to do with the 'travel' to the customer mix. Pharmacy managers are not helped with meso goals and evaluation, especially not if they do not know how to translate this to their pharmacy practice. They are in need of micro-instrumentalization: aims, norms and monitor instruments for customer activities, applicable at their own pharmacy.

Moreover, the quantitative survey of 1996 and 1997 at 63 pharmacy managers suggested that no striking or 'alarming' differences between supported and non-supported pharmacy managers could be observed. However, we did find some subtle differences in our qualitative data. Many of the ideas for activities, as well as for some monitor activities, came from the support structures of stichting VNA and SAL Apotheken. In fact, many inventive and fresh customer activities that could be used in organizations other than health care, were modelled at pharmacies of stichting VNA and SAL Apotheken. Professional independence was important. In many cases, pharmacy managers had the right to refuse participation in intended activities and monitor activities of the support structure. With respect to their modelled activities the meetings with the colleagues were not of a great help to most supported pharmacy managers. We would doubt much improvement in the problematic situation through the support. Most modelled activities were not influenced by the discussions. The support meeting did not facilitate change, so to speak. The managers merely informed each other during the discussions. We have to note however that regional differences sometimes meant that the problematic situations for the supported pharmacy managers could not be compared. The advantage of the supported pharmacy managers over their non-supported colleagues was that they had a structure which was close to their pharmacy organization and very present. Nevertheless the managers were not supported in solving the problems described earlier. We would therefore conclude that the difference between supported and non-supported pharmacy managers was minimal for the modelled change to the customer mix.

7.3. Discussion

We assumed that most of the issues distilled from the field of management science, that were raised earlier would be relevant in community pharmacy practice. We confirmed that some pharmacy managers experienced problems with the formulation of usable aims. And even if managers were able to construct such aims, it was hard

to define usable norms and monitor instruments in relation to these aims. Since money and care are entwined such activities might be rather nasty in community pharmacy practice. In other profit-oriented sectors, activities would probably be easier to organize, since most of the activities would serve turnover, profit or cost-reduction. In addition, we suggested that the support structure was not much of a help for the pharmacy managers in tackling these problems. Most of these empirical conclusions appear to be in line with what we expected from the field of management science. We rise the question again: 'What was the news?'. The news comprised pharmaceutical and organizational issues. With respect to the pharmaceutical news we would like to show what we have learned from our work in the field. We will discuss the organizational change problems in the community pharmacy practice and the specific nature of these problems when compared to other sectors. With respect to the organizational news we would mainly like to show what we have learned about the use of SSM in this study.

Pharmaceutical News

This study showed that pharmacy managers would have a hard time in their 'travel' to the customer mix. From issues derived from the field of management science, they were expected to experience problems with the formulation of goals, norms and monitor instruments. We argued moreover that these issues would even be more complicated within community pharmacy practice, since activities related to money and care are entwined (Cancrinus-Matthijsse 1995, Van der Werf 1996). Evidence was found for these expectations in pharmacy practice. Let us try and make a sketch of the field. Many pharmacy managers in the field seemed to be aware of the fact that the customer is the key for survival of the community pharmacy. We could say that the importance of the 'travel' to the customer was not discussed by many pharmacy managers; it was a fact. Many activities and ideas had been initiated by organizations in the field. These initiatives were expected to improve the quality for the customer, reconfirm the position of the pharmacy within health care, and visualize these properties for other parties in the field. We assume that this support stimulated the pharmacy manager to think about the customer. The *thought* of pharmacy managers had already moved into the direction of the customer. The support of organizations such as the KNMP (and of course many others in the field) was a main source for this change to customer *thought*. The high degree of participation in national project weeks is just one example. In addition, the support of grouped pharmacies, such as the stichting VNA and SAL Apotheken, added some of their own flavour to these national developments. New initiatives, like the certification of stichting VNA and the 24-hour service of SAL Apotheken, were aimed at the added value of the community pharmacy. Within many of these groups the process of change in *thought* was therefore accelerated. Evidently, if activities were organized within such groups, a debate would precede the implementation

which would influence the *thought* of these managers. Within SSM, we would then say that each time they went around the learning cycle, the world would seem another place. After such a debate some issues (customer issues, for example) would seem more important than others. The preparation and organization of intended activities functioned as a source of awareness which changed the *thought* in the direction of the customer. If such support did affect the perceived importance of intended activities, it could also be expected that when the manager returned to the pharmacy after a meeting, the day-to-day *action* would be affected. Consequently, the debate within the support meetings would then also influence the *action*. We determined that many of the modelled customer activities originated from the support. If we would do so, then we could argue that the support was doing a good job with respect to organizational change; or at least partially. However, while on one hand the activities of the support were stimulating the pharmacy to change to the customer, on the other hand, the support was not solving many of the problems experienced by pharmacy managers; problems related to the formulation and use of aim, criteria and the link between them. Let us assume that a pharmacy manager introduced pharmaceutical care in the pharmacy, and, in doing so, intended to change, among other pharmacy mixes, to the customer mix. He/she might decide to adopt the Dutch definition of pharmaceutical care. This definition produced by the KNMP/WINAp Special Interest Group (SIG) for pharmaceutical care in April 1998, is "the care of the pharmacist and his staff for the individual patient in pharmaco-therapy to improve the quality of life for the patient" (Venema 1998e: 738). In using the aim 'improve the quality of life for the patient' (Z), the manager will have a hard time finding a linked or consistent set of activities and criteria. We argue that the support and the *customer* action of the pharmacy manager would definitely be improved if some help were provided with respect to these managerial issues. But how could that be done? We mentioned earlier that the group sessions were not a great success in solving such problems. It should be remembered that we are dealing with small organizations which have a rather entrepreneurial mode of strategy-making. The strategy is seldom made explicit. It is often not more than the personal belief or an extension of the personality of the manager. We also presupposed that individual pharmacy managers could have different interpretations of what 'good quality' would mean in their pharmacy practice. Furthermore, we exemplified that the professional independence is rather strong in the community pharmacy practice, which sometimes blocked cross-pollination within the groups. If we take these remarks seriously, we would like to improve the consistency for each individual manager. We would argue that individual support might help them out. With individual support like that in the SSM sessions, the manager would be invited to make his/her strategy explicit. In this way the internal consistency of the mind of the manager could be tested. *In*consistency could be solved if proper aims and evaluation mechanisms can be provided. We contend that some research has to be done in this

field; usable aims, customer activities, norms and monitor activities, should be worked out and tested.

Suppose that the pharmaceutical sector is capable of solving some of these problems. We would then argue here that, although some of these problems would be solved, some special problems would remain within the community pharmacy practice. We are aiming at the tension between money and care. Within other lines of business such as supermarkets, a usual aim would be something like: 'maximize profit', 'minimize cost', or 'increase shareholders' value'. The aim 'maximize profit', for example, would in fact 'manage' the consistency between the other activities. An example of such activities would be: the purchase of products at minimal cost, the performance of the work by young, and therefore cheap, teenagers, the hiring of a location with a lot of parking space, the supply of free coffee and cake, and the play of cartoon videos for the children to improve customer satisfaction; and the introduction of special offers for regular customers in order to improve customer relations. If such activities did not have the expected effect on the aim they would be skipped. One could of course refute this argumentation by arguing that 'maximize profit' could be rather tricky to determine. But here we contend that this would be even harder within health care. Let us try and give some arguments on that statement.

It is quite clear that profit or turnover does also matter within the context of community pharmacy practice. We are however arguing that activities should not only be aimed at profit, but also at care. This combination will complicate formulation of aims and criteria. In other lines of business, which are solely profit-oriented, the activities would be aimed at cost reduction and profit; consequently, we would expect the organization to be less complex. Let us take a closer look at such an organization: McDonald's. Ritzer (1996), describing the keys to success of McDonald's, argued that formal rationality was an important feature: "it allows individuals little choice of means to ends. Since the choice of means is guided or even determined, virtually everyone can (or must) make the same, optimal choice" (1996: 19). Within this context, the optimal choice, however, must be calculable. He described four basic dimensions of McDonaldization: efficiency, calculability (or quantification), predictability, and increased control through substitution of human for non-human technology. He also noted that "reducing performance to a series of quantifiable tasks helps people gauge success. Handling less than the required number of cases is unsatisfactory performance, handling more is excellence" (1996: 19). As we can in fact see here, the organization is turned into a kind of hamburger factory where all tasks performed aim at profit. Ritzer added that "profit-making enterprises pursue McDonaldization because it leads to lower costs and higher profits" (1996: 144). In the context of this thesis we would, however, argue that the

calculability of ‘quality of life’ or ‘quality of care’ in community pharmacy practice is a more complicated matter. The debate about definite outcomes in terms of improved quality of life for the patient as defined by Hepler are not yet settled. Moreover, this matter will be complicated even further, when dealing with a combination of ‘profit’ and ‘care’. The community pharmacy sector, and many others with them, have been wrestling with this problem for some time. Do the activities of the pharmacy manager aim mainly at maximum profit or at the Hippocratic oath? The comments of the eminent American pharmacist William Proctor, writing in 1858 when the production of medicine by the pharmacy was very important, are still relevant in this context: “ ... if the preparation of medicines is taken from the apothecary and he becomes merely the dispenser of them, his business is shorn of half its dignity and importance, and he relapses into a simple shopkeeper” (quoted in Hepler, 1993: 5). Moreover, for the Dutch situation, Kruithof (1995) noted that “After 1865, the examinations for pharmacists became more difficult, and, after 1878, all the pharmaceutical students had to attend lectures at one of the four Dutch Universities. Therefore, pharmacists perceived themselves more as scientists than as shopkeepers. Many pharmacists did not take interest in trade” (1995: 596). That this opinion is still vividly present within the field is shown by a resolution of the ‘Groupement’: “The pharmacists of the European Union are convinced that for scientific and ethical reasons members of the public must be encouraged by authorities to treat medicines as special products and not as ordinary goods. Medicines must therefore not be offered for sale by marketing methods which persuade people to buy medicines they do not need or in excess of their needs” (1997: 664). It cannot however be denied that profit is necessary for the community pharmacy in order to enable survival. Ideally, from an organizational point of view, the activities within the community pharmacy would have to serve both profit and care in order to enable survival; or, in other words, making the Hippocratic oath profitable. But this is precisely where the main part of the pain in the discussion lies: maximizing profit by selling medicine to ill people is perceived not to be very ethical. We would argue that this problem will not be resolved within the current context of Dutch community pharmacy practice. It is assumed here that this particular complication of money and care will remain for the community pharmacy manager, as well as for other managers in the health-care chain where money and care are similarly entwined. These managers will have to learn how to deal with this specific problem in order to improve their grip on the organization.

The McDonald’s organization is again a good example; this time with respect to the uniformity of the system. The activities will be the same within each country. Minor differences are allowed between countries, such as the Indian ‘lamb-burger’, since beef from the holy cow is prohibited, and Dutch mayonnaise served with the French fries. Ritzer showed that in the case of product innovations, many ideas have

originated from the franchisees. For example, "successful creations, such as the fish sandwich, the Egg McMuffin, and, more generally, McDonald's breakfast meals, came from franchisees" (1996: 32). The basic idea is evidently to introduce such innovations in all restaurants. *Thought* and *action* are thus not completely ready-for-use, which is what we would expect from the uniformity of the system. A delicate balance between centralized control and independence of the local managers is to be found. Centralized control is necessary in order to meet the basic dimensions of McDonaldization, however this should not destroy the innovativeness of the local partners. *Thought* and *action*, although debated in this part of the 'food field', will in the end only be determined at headquarters in order to achieve a uniform system. In this case, profit is the most important *thought*; all *action* has to be consistent with this aim, otherwise it will be skipped. In contrast, uniformity with respect to customer is not yet strongly organized in the pharmaceutical field. A major part of the activities of the community pharmacy manager are in fact formulated at each individual outlet.

At the community pharmacy profit is another matter; as we mentioned earlier in **chapter 3**, the pharmacy operates within a politicized line of business. We noted earlier that a pharmacy, as any organization, has to make profit in order to survive. We added that this profit is problematic and under major pressure. The authorities contends that pharmacy managers are concentrating on (negative) process activities and are making too much money. On the macro level, it has to be acknowledged that for the authorities, increased public spending on health care is problematic. However, the Dutch Department of Public Health has also recognized the fact that the use of medicine per citizen is low compared to other European countries, and it seems evident that there is a connection between an increase in the use of medicine and a decrease in the time spent in hospitals and other health-care institutes. It is interesting that the CBS (Centraal Bureau voor de Statistiek) has shown that the share of health care in the national income decreased by one percent point to 8,6 percent in 1997 (Van Veen 1998b). In Great Britain it has been argued that reduction in prescribing costs is possible because the practising pharmacist ensures that GPs pay attention to factors that lead towards rational prescribing (Wells 1998). In order to solve the health-care expenditure problem of the authorities money has been 'pressed out' of the sector. Consequently, the income of the pharmacy organization, as with many other organizations in the field, is under major pressure. What we have been able to see over the last few years is that the financial escape-route of the pharmacies, for example, using discounts and bonuses, have also been 'squeezed'. In one sense, it could be argued that the authorities have been quite successful in cost containment of the pharmaceutical sector. In another sense, it could just as well be argued that this has resulted in a rather unstable regulation. We could expect the managers to react to these cut-backs by improving their financial grip on the pharmacy, reduce

their costs, or even look for alternatives, which in fact might have stimulated the observed process-mix actions. We then would argue that, the reaction of the pharmacy managers is systemic and cannot be solved by further cut-backs, since they will again stimulate the money orientation of the community pharmacy. However, we doubt if that effect is intended by the authorities.

We consider there to be two options relevant in dealing with this problem. First, we could expect the tension between money and care always to be present; it is a systemic feature of the line of business (Van der Werf 1996). Although the pharmacy manager is on the road to the customer with ideas and activities, the implementation is laborious and sometimes inadequate from an organizational perspective. The managers are definitely in need of a box of organizational tricks for the change to the customer mix. We should also remember, as Vickers (1965) has argued, that the establishment and modification of relationships through time is more important than the endless strive for goals. The main question for the future then would be: 'How would you organize your relationships?'. Based on the results so far, we suggest that it is not possible for the pharmacy manager to solve this problem alone; there should be a support structure showing how to deal with the tension between care and money. We argued above that the support should be on an individualized basis; micro-instrumentalization. Second, we could try and eliminate financial incentives for pharmacy managers. In this situation, if the authorities would take the care task of the community pharmacy seriously, we would expect them to pull the financial incentives out of the market. Such a measure would for example be the cooperative purchase of medicine organized by the Department of Public Health. If this happened, the pharmacy manager could improve the attention given to pharmaceutical and customer activities at the pharmacy. It should be noted that the authorities would, in fact, have the power to do so, since we are in a politicized line of business. Within this context it should be noted that the authorities intend to organize purchasing of medicine via the insurers (Schneider 1998, Coalition agreement 1998), and the KNMP aims at an improved transparency of the financial system within the Dutch pharmacy. We also note that in other countries, pharmacies are sometimes completely owned by the State. For example, in Sweden, the State owns 100% of the shares of the national operating organization Apoteket AB. In 1971, the authorities acquired all Swedish independently operating pharmacies. "Surveys show that drugs in Sweden have among the highest producer prices in Europe, while the price paid by the customer is among the lowest in western Europe. One of the reasons for this is that Apoteket AB is not allowed to maximize its profits" (Björnberg 1998: 4). At the moment, the position of Apoteket AB is strongly debated. Some people are in favour of market action, others prefer state ownership.

Organizational news

In this study we tried to 'catch' some of the real-world action with a mix of quantitative and qualitative research. As has been done in other studies (Woodward 1965, Cook and Reichardt 1979, Bryman 1988), we decided to develop a two-level project concentrating first on making a broad survey of the whole area and then making some more detailed studies of individual pharmacy organizations. The quantitative study was used for the purpose of sketching the field; generalization to the Dutch community pharmacy practice was made. The qualitative study was used for the purpose of sketching the problems of individual managers; the problems were exemplified with empirical material. Both studies have provided a relevant and new view over this pharmaceutical matter. The quantitative study helped us in the definition of a starting point. As could be expected, no pure types of the product mix, process mix, or the customer mix were observed. It also became clear that by using theories (even classical ones) we were able to constate new facts relevant to particular lines of business. We found that the seemingly evident link between the customer mix and the process mix, was missing, and that the product mix was still the pivot within pharmacy practice. The qualitative study was made with SSM. In the analysis of data it gave a powerful tool to check for consistency within modelled world, real world, and the interaction between both worlds. We used the general shape of SSM in order to model. We showed that the definition of 'emergent properties' gave a powerful frame of reference to judge the consistency within the model and the real world, and between both worlds. With this frame of reference we could say something about the sensibility of the modelled activities and the real-world action. For example, in using arguments of the manager in order to qualify an activity as a success or as a failure in relation with the model showed that we sometimes could seriously doubt their consistency. We repeat that we just used the statements of the managers. It is amazing to see that we just need a model, some flavour of real-world action added with an explanation of the manager in order to say something about the sensibility of the real-world action of pharmacy managers. All three separately and together have to form a purposeful whole. The degrees of freedom in producing, interpreting and explaining models and real world are high. SSM has only a few limited rules for use. As a consequence, we might have expected that the respondents would 'pull the researcher's leg' more frequently than happens with more classical data collection methods. They might well have created purposeful and consistent wholes just for the purpose of the study. It should be stressed that we did not make things easy for the respondents by having several connections between the quantitative and the qualitative methods, and by there being a time period of one-and-a-half year in the design of the study. But the respondents were able to say whatever they liked in the context of this study; just as long as there was a reasonable explanation within the model we would qualify the activities, action and explanation as being consistent. We did stress however that all three separately

and together had to form a purposeful whole. Although the managers seemed to have high degrees of freedom, in practice it was hard for them to create consistency between their model, their action, and their ex-post explanation all together.

In this study, the main aim was to find managerial problems in organizational change. We in fact found and described many problems of pharmacy managers with the use of SSM. Consequently, with this thesis we expect to have improved knowledge of organizational change to the customer mix within community pharmacy practice. However, the key to the solution of these problems is still out in the field. For the moment, pharmacy managers themselves will have to improve the micro-instrumentalization of aims, norms and monitor instruments for customer activities, and, in addition, they will have to learn how to deal with the tension between money and care. Hopefully, in future new research will improve our knowledge about these evolved new subjects.