

A REGIONAL APPROACH TO TALENT MANAGEMENT

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CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
DEFINING TALENT MANAGEMENT	2
TALENT MANAGEMENT IS BUSINESS CRITICAL	2
PERFORMANCE MANAGEMENT IS THE FOUNDATION FOR TALENT MANAGEMENT	2
A REGIONAL APPROACH FILLS AN IMPORTANT GAP	3
SUMMARY OF RECOMMENDATIONS	4
INTRODUCTION: DEFINING TALENT MANAGEMENT	5
THE NHS LANDSCAPE AND THE IMPORTANCE OF TALENT MANAGEMENT	5
THE NHS VISION	5
THE BUSINESS CASE FOR INVESTING IN TALENT MANAGEMENT	8
WHY DOES TALENT MANAGEMENT MATTER?	8
WHAT VALUE DOES A REGIONAL APPROACH OFFER?	8
EXAMPLES OF DIFFERENT LOCAL DELIVERY ISSUES.....	9
ENGAGES WITH LOCAL SYSTEMS LEADERSHIP	9
POOLING RESOURCES	10
WORKING ACROSS DIFFERENT SYSTEMS.....	11
INNOVATION	11
RESPONDING TO LOCAL RECRUITMENT CHALLENGES	12
OVERALL BENEFITS OF A REGIONAL APPROACH	16
HOW TO MAKE A REGIONAL APPROACH WORK	16
CHALLENGES AND THE ROLE THAT LDPS CAN PLAY IN ADDRESSING THEM	17
CHANGING ROLES:	17
DIVERSITY:.....	17
MANAGEMENT:	18
THE STRATEGIC LOCAL DELIVERY PARTNER APPROACH	18
LEADERSHIP AND SPONSORSHIP	21
NEXT STEPS	23
CONCLUSION	23
BIBLIOGRAPHY	24
APPENDIX 1	25
APPENDIX 2	27
APPENDIX 3	28

INTRODUCTION

“A future that recognises that we cannot deliver the necessary change without investing in our current and future workforce”

NHS England Five Year Forward View, 2014

This report was commissioned by the London Leadership Academy to investigate how a regional approach can support a step change in talent management in line with the NHS England Five Year Forward View. Work at the regional level will need to build on and support both the initiatives in individual institutions in the NHS and the work at a national level including the programmes led by Monitor for the Top 200 and the leadership work run by the National Leadership Academy.

The report covers:

- A definition of talent management.
- The NHS landscape, to set the context for the importance of talent management.
- The business case for a regional approach.
- How to make it work at a regional level given the complexities and challenges of the task.
- Recommendations on making a regional approach work.

The report is based on:

- A document review which covered the high level challenges for the NHS.
- Questionnaires sent to talent management leads by the members of the London Leadership Academy’s nationally based steering group.
- 15 telephone interviews with people working in talent management across all three levels, plus the Chief Executive of a Clinical Commissioning Group (CCG).

The report is written by Teresa Norman and Jane Farrell of the EW Group.

EXECUTIVE SUMMARY

A strong offer from the Local Delivery Partners (LDPs) will create cost savings for the NHS. The support from the regions in identifying, recruiting, developing, deploying and retaining top talent will play a vital role in creating stable top teams, which will impact on staff productivity.

Working locally, LDPs can:

- **engage with local leadership ensuring that they see the benefits of investing in talent management;**
- **support organisations in pooling resources to create efficiencies; and**
- **make sure that interventions are not only across provider and commissioner in the NHS but across sectors.**

DEFINING TALENT MANAGEMENT

This report looks at what the LDPs can do at all stages of talent management: talent identification, recruitment, development, deployment and retention. It sets out case studies of how various organisations are approaching these different aspects. The report's main focus is how the NHS develops senior leaders and Deputy Directors so that they are ready to take up Board-level appointments. We acknowledge that talent management encompasses a much broader range than this, for example, ensuring graduates are supported and that all NHS professionals achieve their potential.

TALENT MANAGEMENT IS BUSINESS CRITICAL

Good talent management is both urgent and important to the success of the NHS. The average tenure of a Chief Executive is two and a half years and it takes nine months to recruit a Director of Nursing (Massie 2015). Talent management is vital to ensuring that NHS staff who can work at Board level are identified, given the right development and support, and are offered jobs where they can succeed in the long term.

The NHS is fully aware of the importance of getting talent management right for its future success and many reviews and reports have set out its importance. A regional approach fits well with the overall strategic direction of the NHS Five Year Forward View. Board level leaders are going to need wide perspectives and only by engaging cross-organisationally will this be possible.

PERFORMANCE MANAGEMENT IS THE FOUNDATION FOR TALENT MANAGEMENT

Although talent management is about the future and performance management is concerned with the past and the present, good performance management is the foundation which makes talent management possible. The research showed that in some Trusts appraisals are not carried out consistently. This makes the process of identifying talent difficult if managers are not used to having conversations with their staff on their strengths and weaknesses. Mercer (2013) from the Institute of Employment Studies (IES) writes that if performance management systems are not in place, there will be an adverse impact on diversity outcomes as it makes it likely that staff from under-represented groups such as

black, Asian, and minority ethnic (BAME) will not receive the right support. It is known that managers find it easier to give feedback to people who are more like them, so with no system in place, under-represented staff are less likely to receive constructive feedback. LDPs need to work with senior leaders on ensuring the basics are in place.

A REGIONAL APPROACH FILLS AN IMPORTANT GAP

There are good processes in place for talent identification at a local and national level but contributors to the research thought the processes needed to be more consistently applied, so that everyone across the country has the same opportunity. The National Leadership Academy provides a range of tools and well regarded leadership programmes and individual Trusts run their own talent processes. Talent development is very well established in the NHS and there are some excellent examples of creative and valued leadership programmes. Talent deployment and retention is far more challenging with some high potential staff being reluctant to take up Board level posts. LDPs can make a substantial contribution by focussing on local issues and incentivising local leaders to collaborate across organisations to the benefit of everyone.

SUMMARY OF RECOMMENDATIONS

<p>GENERIC SHORT TERM</p>	<p>Work with leaders in the system to create an engaging vision that spells out the benefits of a regional approach and supports the work going on at national and local level.</p>
<p>GENERIC LONG TERM</p>	<p>Work with local leaders to champion new thinking on job design to ensure jobs are do-able and options such as job shares have been considered.</p>
<p>GENERIC SHORT TERM</p>	<p>Ensure that the LDPs are adequately resourced to play a strong role in a regional approach to talent management. Ensure that the pilots are funded until completion as they are vital in addressing recruitment challenges and as a source of learning.</p>
<p>TALENT IDENTIFICATION SHORT TERM</p>	<p>Champion best practice in the appraisal/nine box grid process. Establish good links with NHS Executive Search on the outcomes of recruitment competitions (e.g. people who came second in competitions).</p>
<p>TALENT DEVELOPMENT SHORT TERM</p>	<p>Run programmes sponsored by local leaders similar to the pilots and the programme run by Bedfordshire and Hertfordshire LDP (case studies are set out in the report).</p>
<p>TALENT RECRUITMENT SHORT TERM</p>	<p>Run processes that facilitate rapid recruitment to fit local needs e.g. holding recruitment competitions boards whether there is a vacancy or not so candidates can be easily slotted in.</p>
<p>TALENT DEPLOYMENT LONG TERM</p>	<p>Become expert in the roles and talent available so that LDPs can point people in the right direction.</p>
<p>TALENT RETENTION LONG TERM</p>	<p>Run peer support programmes for alumni of programmes and for current Directors and Chief Executives in order to support them in their roles.</p>

INTRODUCTION: DEFINING TALENT MANAGEMENT

In order to ensure that leaders have the skills and knowledge needed to deliver on the Five Year Forward View, the report focuses on action that can be taken at a regional level at all stages of talent management including:

- Identification
- Recruitment
- Development
- Deployment
- Retention

The report focuses on supporting staff at Deputy Director level to become Directors and at Director level to become Chief Executive and on how they can succeed in these positions. However, talent management is much broader and it is also important that all professionals and graduates are given the opportunity and development to allow them to achieve their potential.

THE NHS LANDSCAPE AND THE IMPORTANCE OF TALENT MANAGEMENT

THE NHS VISION

The Five Year Forward View sets out the vision for the NHS. It speaks of the “desire to improve quality, respond to rising patient volumes and live within expected local funding” and that this will be achieved through “new partnerships with local communities, local authorities and employers”. It sets out several different ways that the NHS will work in the future, for example: new ways of working between the primary and acute systems (PACS).

It refers to new partnerships between the local and national level and working through different models of health care delivery. These new approaches to how health care and prevention is provided create new challenges for leadership, and the Five Year Forward View acknowledges this when it talks of the importance of strong leadership.

Since the publication of the document, NHS England has set up 50 Vanguard Sites to create significant change to the configuration of local health and care systems and to act as blueprints for the new care models programme and therefore for the whole of the NHS. The Vanguards cover a wide area of delivery and include:

- Integrated primary and acute care systems.
- Enhanced health care in homes.
- Multi-speciality community providers.
- Urgent and emergency.
- Acute care collaboration.

The Vanguards are in different areas of the county and involve local collaboration across organisations and sectors.

The importance of collaboration is reinforced by the planning guidance for this year which sets out that in addition to producing the individual operational plan, every health and care

system is required to work together to produce a Sustainability and Transformation Plan. It requires local leaders to set out clear plans to pursue the three aims of the Five Year Forward View:

- Improved health and well-being.
- Transformed quality of care delivery.
- Sustainable finances.

(NHS England website)

This necessitates defining place: agreeing the boundaries of the system and who the local leaders from different sectors that need to work together to agree strategic priorities are. As place and 'localism' becomes critical to delivery, so do the support networks at a local level.

The NHS recognises the need to invest in talent management. Both the Rose Report and the Smith Review (2015) focussed on talent management as a key challenge for the NHS. The Rose Report (2015) asked, "how do we find and nurture the people that are needed to lead the NHS over the next ten years?". Rose said that the changes to the NHS demanded a focussed effort on the development of the skills needed to deliver the new agenda. The Smith Review sets out a similar challenge, the report focuses on senior posts not being filled and says that this requires a "step change in focus at the leadership academies". Senior posts are not being filled currently and the demands are increasing. The Smith Review points to the importance of leadership development focussing on local issues:

"There is wide variation in the extent to which leadership development is connected to and aligned with local priorities and deliverables and the focus of local organisations and systems."

The Carter Review (2015) analysis shows that the quality of people management affects productivity. Adopting best practice will help the NHS realise **two billion pounds of savings**. The Report recommends improving people management through Board sponsored leadership strategies based on business needs and a clear set of expectations, encompassing all leaders from Board to frontline. Talent management is a key component of a leadership strategy.

The NHS is also aware that it is not tapping into all its talent. The King's Fund Report (2014) on discrimination in governance and leadership coined the phrase, "the snowy white peaks of the NHS". The report shows an absence of BAME staff from senior roles. In multicultural London, in 2014, all Chief Executives were white and 17 of the 40 Trusts have all white Boards. The report also exposes under-representation of women at senior levels and a gap between the diversity of the workforce and the local population.

"The challenge remains how to get people into the top teams when evidence shows that organisations still see their top performers as their young, full-time, white men. At IES we have looked in detail at the impact of performance management on career progression and promotion. Until organisations get these basics right that 'inverse U' (more diverse Boards) might be out of sight". Mary Mercer, IES 2013

THE LEADERSHIP CHALLENGE

The new emphasis on collaboration has been described by one participant in the research as leaders needing to move from a command style of leadership to one based on influencing. The Nuffield Institute describes the challenge of delivering as requiring new relationships between clinicians and social services based on trusting relationships rather than silo working, and that delivery will require high quality leadership at all levels of the NHS (Nuffield Institute, 2014).

It will, of course, require influencing not just through interpersonal skills but through deep expertise in governance, structures, funding mechanisms, delivery systems and people management. Frame Our Future (Appendix 2) sets out that business and commercial skills will become increasingly important, as will the ability to work across commissioning and provider. The Five Year Forward View sets out that the NHS is looking at how best to reward high performance, support job and service redesign, and encourage recruitment and retention. Leaders will be required who can break down barriers between family doctors and hospitals, between local authorities and local communities, and who can focus on cost reduction and making the most of IT. The requirements are huge.

“This is the most complex and rewarding job I have ever had. It’s complex technically and environmentally. Every decision now has to be made in collaboration with local authorities and with the providers. Boundaries are increasingly blurred and unless you are very careful, decision making is slowed down when it needs to be sped up”. Chief Executive, CCG

WHY DOES TALENT MANAGEMENT MATTER?

“Executive turnover is also extremely high and vacancies can take a long time to fill. The average tenure of a chief executive is two and a half years with one in five in post for less than a year. It takes an average of nine months to fill nursing director positions and seven months to appoint chief operating officers. External search and selection agencies are normally engaged for these appointments at a typical fee of £50k per chief executive and £30-40k per executive. This means an estimated £2.5m per year is spent on headhunter fees for chief executive searches alone, with the majority of candidates coming from within the sector. Add to this the cost of filling vacant posts with interim executives or non-substantive temporary promotions and it is evident that there is a great deal of avoidable cost at stake.” Carter Review,

As the Carter report outlines, there are greater costs than Executive Search, the high cost of using interims and the instability introduced into organisations facing greater demands on services and cost cutting in not having a consistent senior leadership team. This is replicated further down the system and can go down to Ward Sister level. It is often said in staff engagement that people don't leave organisations, they leave their manager. Management and leadership therefore impact on the costs of the whole organisation. Recruitment is always expensive. Turnover of senior staff also impacts on the process of talent management itself.

“A steady turnover of the Executive has hampered our efforts to embed talent management.”
Talent Management lead in a Trust

Having the right talent management processes in place will save the NHS a significant amount of money and have a positive effect on staff engagement. Seeing your colleagues, in whom you have confidence, make it to Director creates faith in the organisation.

WHAT VALUE DOES A REGIONAL APPROACH OFFER?

The NHS approaches talent management at a national, regional and local level (more detail is given in Appendix 1). This report focuses on the role of LDPs who provide services aligned to the strategy of the National Leadership Academy and support local priorities. As place and localism becomes increasingly important to the NHS, an institute that works locally across NHS organisations and the wider sector concerning health has a vital role to play. The research has shown that LDPs are in a position to provide holistic support that:

- reflects local delivery issues;
- engages with local leadership;
- is cost effective as organisations can pool resources;
- works across different systems; and
- is innovative and responds to local recruitment challenges.

EXAMPLES OF DIFFERENT LOCAL DELIVERY ISSUES

LDPs are best placed to offer thought leadership on issues for their region. An example of this can be found at Appendix 2. The London Leadership Academy has set out a document called 'Frame Our Future', with projections for the future of the NHS in London and the resulting leadership challenges. The report looks particularly at what is unique to London and predicts that leaders will be working with an increasingly unequal and multicultural society. Rural areas will be facing different challenges, for example, Norfolk has the highest number of over 65s and over 85s in England today so its leaders will be addressing the challenge of the health and social care needs of the elderly. This is particularly relevant to leadership development, which is much more likely to succeed if it engages with real issues for the participants.

ENGAGES WITH LOCAL SYSTEMS LEADERSHIP

Interviewees in the research often cited sponsorship by Chief Executives as critical to the success of the programmes. The example below shows how the commitment from the local leadership created an innovative and successful programme, with real results.

Bedfordshire and Hertfordshire Workforce Partnership have worked on a pilot talent management scheme to support aspiring directors into Executive Director posts. The scheme is called the 'Aspiring Director Development Scheme' (ADDS). The scheme is described as a unique approach to talent management in that it combines "Chief Executives Officers (CEO) and Accountable Officers (AO) sponsorship, development and opportunity". The pilot scheme was developed in partnership with Health Education East of England and, over the past year, has achieved positive outcomes to date. Out of 13 participants, four have taken on director level responsibilities.

An essential factor in making the scheme a success is the continual commitment of the CEOs and AOs in ten Bedfordshire and Hertfordshire Workforce Partnership organisations. The CEOs and AOs led the overall ADDS approach and design principles as well as establishing the Bedfordshire and Hertfordshire Talent Forum. The Talent Forum takes forward a system wide partnership approach to talent management. Membership of the Talent Forum includes partner CEO/AOs and Human Resources Directors.

The CEO/AOs demonstrated their commitment to the scheme by making an initial contribution of £10,000 per organisation to get the scheme up and running. CEO/AOs have also given their personal time to sponsoring the participants throughout the scheme and have:

- **Nominated candidates from their individual organisations, using local talent management strategies.**
- **Carried out one on one assessing at the assessment and development centre alongside the HR Directors and wider members of the Executive Teams.**
- **Jointly identified and agreed candidate "readiness" for the scheme.**
- **Mentored participants on the scheme.**
- **Held CEO/AO panels to support participants to develop their system projects and leadership skills.**

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- Alerted participants to vacant executive director level roles, discussed specific opportunities with individual participants and automatically short listed candidates for appropriate roles.

ADDS covers all five stages of talent management.

- Talent identification: partner organisations were asked to nominate up to four high potential aspiring directors deemed to be ready for an Executive Director role in the next 18-24 months. All nominees were then invited to attend an ADDS Assessment and Development Centre where nominees were identified as ready, or not yet ready, to undertake an Executive Director role within 18-24 months. All nominees received in-depth feedback from their Executive Director Assessor and were supported to put in place an individual personal development plan.
- Talent recruitment, linking development to opportunity: All participants on the scheme are guaranteed a place on the shortlist of vacant Executive Director roles within the partner organisations.
- Talent development: the scheme consisted of a launch day, a two day residential, a two day system leadership residential, two master classes based on the development needs of the participants, impact groups, executive coaching, CEO/AO mentoring and an opportunity to lead a system wide project.
- Talent deployment: the results already show some initial successes in deployment from the scheme.
- Talent retention: it is too early to know the impact of ADDS on talent retention. The intention is for CEO/AO participant sponsorship to continue post completion of the formal development aspects of the scheme.

The pilot ADDS celebration event will take place in May when participants will have an opportunity to present their individual journeys, their leadership development and personal learning along the way. An overall evaluation of the pilot ADDS and lessons learned will also be presented.

The scheme demonstrates the value of using a system wide approach to talent management. The ADDS pilot was approximately **£1,500 less on average per participant compared to equivalent level national programmes**. ADDS participants have developed a more in-depth understanding of the system they work in and are currently leading system wide projects. Participants represent both the NHS and Local Authorities (Local Authority candidates were sponsored by CCGs) and there are relatively small cohort sizes, which has enabled effective relationships to be built across the system.

The pilot has proved successful and other local areas are now looking to join the next cohort.

POOLING RESOURCES

LDPs could create cost savings for local NHS organisations for different stages of talent management. One small Trust said that they spent £45,000 on their own leadership and management development programmes. There could be great advantage in pooling resources so that participants on programmes network with others in the local system. This would also create economies of scale. A participant in the research thought it vital that leaders contribute financially to talent development initiatives to ensure their commitment.

WORKING ACROSS DIFFERENT SYSTEMS

As set out in the Five Year Forward View, the Nuffield Institute Report (2014) and the Kings Fund (2015) work, collaboration across sectors is increasingly important to delivery. The Smith Review says that this should be reflected in leadership development, “the local health and care system can only secure the necessary leadership development in partnership and collaboration with other organisations and sectors, recognising the interdependent nature of the health and care sector”. LDPs can be at the forefront of representing the collective views of the local NHS and of collaboration in cross sector development initiatives

The East Midlands LDP has designed a development programme for Aspirant Directors of Nursing, Finance and Human Resources (HR) starting March 2016. The programme will offer 360 feedback, masterclasses based on themes in the feedback, psychometrics, four coaching sessions, and a two day development centre run by NHS Executive Search. Each participant will have their own development plan. The programme gained traction because of the energy of the Chief Executives, talent leads and HR Directors. The LDP has particularly focussed on working with transformation boards and gaining understanding of what it means to be a community leader.

West Midlands LDP is taking a whole systems view of talent management, engaging with Executive Networks and even looking at how to work on the pre-registration curriculum to ensure that in the future staff are ready for senior roles.

INNOVATION

LDPs have the ability to pilot local initiatives to test out approaches that fit with the local system. New ideas come from experience of difference, from making unexpected connections and doing things differently. LDPs are able to gain insight across their locality and therefore to come up with new approaches.

The East of England LDP runs a ‘step into our shoes’ programme where staff can find opportunities for mentoring and shadowing and find out what it is like to be a senior manager. It also manages alumni networks for staff who have attended different leadership programmes. Currently, the networks total 453 people (Health Education England, East of England LDP website).

The talent management lead at West Midlands LDP has come up with an innovative way to work with the lack of feedback in the system by developing career development centres and leadership development centres. The career development centres are open to everyone and they have developed a faculty of in-house assessors. Helping staff create career goals based on a realistic assessment of ability is likely to lead to increased retention in the system as staff will have a clear idea of what they are working towards. A benefit of this has been widening the experience and exposure of the NHS organisational development community who act as assessors at the centres. They roll out two career development workshops and two leadership centres a month.

RESPONDING TO LOCAL RECRUITMENT CHALLENGES

LDPs have the ability to tailor initiatives to local recruitment challenges and they are in the process of testing out approaches to developing talent management for the professions. These approaches are known as 'the pilots'. LDPs have identified the following as difficult to recruit posts: Director of Finance (DoF), Director of Nursing (DoN) and Director of Human Resources (HRD). Working with professions is an area where a regional approach adds unique value, as there are local structures in place that support each community. Regional development programmes expose high potentials to the perspectives of different organisations and to senior staff from a range of other institutions. They help point them to different opportunities, in areas where they could work without having to relocate.

A key factor in career development is the experience of different organisations, which creates flexibility and the ability to see different perspectives and bring in new thinking. The new ways of working set out in the Five Year Forward View will mean leaders may not only need a good understanding of different institutions within the NHS but of other sectors as well. The LDPs can support movement between organisations through creating forums for development and encouraging exposure to different employers.

As the pilots are a critical test bed for the regional approach, they are set out on the following pages.

FINANCE

Working with the London Finance skills network, the London LDP is collaborating with NHS Executive Search to research the barriers into moving posts in the finance profession. The programme is particularly innovative as it involves the LDP becoming very knowledgeable about the people in the profession, building a deep understanding of the community, and beginning to develop a culture of trust where information is shared with the LDP.

The aim of the pilot is to:

- Establish a credible and scalable mechanism for identifying and supporting talent.
- Offer real insight into the current talent pool, identifying gaps, the barriers and what development should be put in place.

There are two aspects to the pilot:

- Talent identification and development; and
- Understanding the career aspirations of the population.

The pilot has set out to explore where DoFs and their Deputies are in their career journeys, investigating for those who want to make it to the next level what might lie ahead and the barriers, skills and competencies needed to make the transition. The pilot has used two approaches, working in tandem:

1. Identifying specialist competencies and rolling out the nine box grid and promoting it as a development tool that offers training solutions. The grid will provide DoFs information on who is ready for the next step.
2. Conducting 'career positioning' conversations in order to develop a rich source of information and to see if it may be possible to cut costs on executive search. They have made contact with 72 individuals and have conducted 30 minute conversations with Directors and Deputy Directors of Finance. This approach has provided information on their career aspirations but not an objective view on their readiness. The work is intense and still ongoing so at the moment of writing the report, there is no analysis of patterns.

Both approaches should make the profession aware of the leadership development offer. It should result in the LDP becoming a development resource to senior finance professionals.

Critical to this work is a Board of Finance Directors who meet every three months. The Board has been in place since 2007, so the LDP was able to work with an existing structure. As the work proceeds, they should over time develop a culture where the DoFs are prepared to share best practice and facilitate career development across different organisations for their staff.

DIRECTORS OF NURSING

East of England, Midlands and East LPDs are working on a pilot to address the shortage of candidates for Director of Nursing posts. The DoN represents the patient voice at Board level so vacant posts could lead to a risk that Trusts become less patient centred and may not focus on care issues for under-represented groups. Critical to this pilot has been that it has been led by the profession and enabled by the work of the LPDs.

The aim is to develop and implement effective strategic resourcing solutions the meet this challenge.

There are two work streams:

1. Designing, testing and implementing a shared approach to talent management that will identify, develop and deploy a pipeline of high potential staff to fill business critical senior leadership nursing posts in provider, commissioning, mental health and community health settings across the East of England, Midlands and East. This will include defining and embedding appropriate support processes and systems for newly appointed DoNs for the first 12-18 months.
2. Developing effective career and succession planning processes, for existing DoNs to meet personal development and organisational/system requirements.

The Regional Chief Nurse has given great commitment to this work through writing out and sponsoring three engagement events for Directors of Nursing and Aspirant Directors of Nursing. The events were led by the Regional Chief Nurse and featured nurse leaders holding a panel discussion as well as representatives from a range of national bodies. The engagement events and other research has led to the development of a project plan which includes succession planning and a development programme designed around the core set of DoN capabilities, which will be a balance of formal skills training and experiential learning and deployment.

The next stage will be working with the other three NHS Regional Chief Nursing Officers across England, where different approaches will be tested with DoNs and Deputy DoNs. Regional talent forums made up of CEOs and DoNs will support the pilot.

HUMAN RESOURCES

The London LDP has worked for a year with the HR community on piloting talent management for HR. They started with HR as they will be the leads on implementing talent management in their institutions so it makes sense to help them become experts through experiencing the process. Critical to this work is addressing the lack of a broader strategic and organisational development perspective for operational HR staff. This gap is preventing staff being promoted to Director posts.

The aim of developing a talent management approach is to identify and develop talent across the London HR professional group giving senior leaders a benchmark understanding of what skillsets are required in their talent pool. The talent management approach will help to:

- understand where the current HR and organisational development talent gaps are in the system;
- understand the talent needs to fill those gaps;
- support calibration of talent;
- identify the development needs of individuals to fill the talent gaps;
- support career progression;
- retain talented staff within the profession;
- encourage 'talent swaps' between organisations; and
- manage vacancies and keep down agency costs.

They have found HR Directors may move into different Trusts but that others in HR were not breaking through into Director posts. One reason for this is staff now specialise early in the different strands, such as employee relations or case work, so they are not getting the broader experience that enables them to take on the increasingly strategic role of Director of Workforce now required.

The LDP has worked with the forum of HR Directors to lead on the work and partnered with the London Branch of the Healthcare People Management Association (HPMA) in order to drive the initiative through. This has proved challenging as approximately 40 HRDs go to the regular meetings so it cannot be a decision making forum and there has been a gap in appointing a President to the HPMA, which means that the pilot has lacked a line management champion.

Some progress has been made, an independent provider has been commissioned to shape competencies and the LDPs are offering suitable HR staff a development opportunity of acting as consultants in the NHS. This should have two benefits:

1. staff gain the wider experience they need; and
2. the NHS saves on consultancy costs.

NHS Employers are about to start a programme for aspirant Directors of HR, so there is now an incentive for identifying high potentials who should go on the programme.

The pilots show that if LDPs have the right resource and sufficient time to implement programmes that they can facilitate innovation, engage with local leaders and create a platform for talent management to be taken forward. They show that the engagement of a champion in the line is critical to success.

OVERALL BENEFITS OF A REGIONAL APPROACH

A questionnaire was sent to people working in talent management across the regions. Participants cited the following benefits of a regional approach:

- Supports system leadership.
- Creates more opportunities and stronger connections for individuals to build/develop skills across different contexts in different ways.
- Several people cited the opportunity for people on the programmes to see the bigger picture.
- Can use the skills and capabilities of our colleagues to build robust talent programmes and pathways.
- Allows skills gaps to be targeted more effectively and should help to retain talent in the system.
- Time and cost saving as each individual organisation does not need to design its own process.
- Ability to 'deploy' talent across the region in a purposeful, planned, strategic way.
- Not 'reinventing the wheel', sharing effective practices, resources and intelligence.
- The potential for succession planning to develop in hard to fill roles.
- It can be inspiring and energising to be working with organisations further ahead in development – this implies that talent management leads see the LDPs as facilitating networking.

HOW TO MAKE A REGIONAL APPROACH WORK

LDPs have a critical role to play in ensuring that leadership across the regions is sustainable and that there are good succession plans in place so that organisations are not left vulnerable by leadership gaps. The King's Fund (2015) argues that developing system leadership 'in place' between the guiding coalitions who deliver the new models of care should be priority, including all the relevant stakeholders. LDPs are best placed to do this – to lead on leadership development collaboratively and across systems.

However, there are a number of challenges within the NHS to talent management, some of which the LDPs can address and some, such as the pay gap for top leadership being insufficient to act as an incentive for talented staff to take on more responsibility, will be outside their responsibility. The next section sets out the challenges that the LDPs can address in partnership with others.

CHALLENGES AND THE ROLE THAT LDPS CAN PLAY IN ADDRESSING THEM

Respondents to the questionnaire identified the following challenges to a regional approach:

- Organisations are at different stages of developing/introducing a process for managing/identifying talent.
- It requires the alignment of a huge number of stakeholders.
- All Trusts will have different capabilities, skills, aims and vision for talent at their Trust.
- There is an element of trust that we need to tackle. Another finding from the research was that the LDPS are reluctant to ask local organisations for the results of the nine box grid process in case they are seen to be 'poaching'.
- Shared activities such as reward and recognition need resource to arrange, co-ordinate and manage (this requires overall leadership).
- The size of the regional area and required travel may prove a barrier to shared events.

These challenges can be managed by making sure that the LDP focuses on the areas that really add value and that the scope of any talent management project is manageable. Advice from the Talent Management Director of the Health and Social Care Leaders scheme was not to work with more than 15 organisations at a time and to start with a smaller cohort than 15 in order to test the concept. It makes sense to start with the organisations that are more advanced in order to demonstrate results and use success to encourage others to participate.

Other challenges that have emerged during the research are set out below together with potential solutions.

CHANGING ROLES:

- Staff do not tend to move between different parts of the system e.g. between acute and commissioner.
- Recruiting panels are risk averse.

These issues are addressed through well designed development programmes that work not just with the participants but with the Deputy Directors, Directors or Chief Executive. LDPS can use their work in talent management to influence leadership thinking in the local system, for example by not only designing good development but also by engaging the wider leadership in the design and delivery. As leaders engage with high potential staff during the programmes, this should encourage wider thinking on recruitment.

DIVERSITY:

- There are insufficient role models from under-represented groups to inspire others.
- The 'Snowy White Peaks' (Kline 2014) found that BAME staff are treated less favourably in recruitment, promotion, discipline and career progression so are inevitably less likely to be identified as high potential.

LDPS have a role to play in advocating inclusion and diversity, ensuring that they highlight good practice and challenging organisations if they are not putting forward members of under-represented groups for high potential programmes. LDPS can build the capacity of recruiters to understand how unconscious bias operates and what they can do to address it.

MANAGEMENT:

Talent management is about the future, performance management is about the present and the past but you cannot predict the future without looking at the past. One senior participant in the research said there is 60% coverage of appraisals with 30% of these being quality conversations. Identification of potential comes out of close working relationships so it's vital that the basics are in place.

“Creating a working environment that is fair and transparent requires clear policies and procedures that are simple and swift. Managed well, they (staff) can contribute to a helpful, supportive and continuously improving culture. Managed poorly they can be destructive to engagement and morale, and be a major absorber of cost.” Carter Review

LDPs should work with the leadership of their local systems to ensure that the NHS adopts best practice, using real life case studies from Trusts who have introduced successful appraisal systems and can show the difference it made.

THE STRATEGIC LOCAL DELIVERY PARTNER APPROACH

NHS Shared Planning guidance (letter to CCG Accountable Officer, CEs of NHS Trusts and LAs and LETB Geographical Directors, 2016) asks every health and care system to work together to create a Sustainability and Transformation Plan. These will be place-based, multi-year plans built around the needs of the local population. The emphasis on place and cross sector working provides an opportunity and a structure that LDPs can work with to drive forward the talent agenda.

LDPs working locally are in a good position to develop close relationships with leaders, understanding their issues and how to address them. Developing close relationships with the leadership is vital to driving talent management forward, as it involves skilful influencing to create change. It would be impossible to do this at a national level, there are just too many organisations and too many different contexts.

As they work across different organisations, LDPs are in a great position to advocate for a cross sector, cross organisational approach to talent management, and to highlight that a key factor in career development is the experience of different organisations, which creates flexibility and the ability to see different perspectives and bring in new thinking. The new ways of working will mean that leaders need a broad understanding of different institutions within the NHS and of other sectors as well.

To do this, each LDP needs a clearly articulated vision of how they can contribute to solving local challenges and a programme of work to support the vision, showing how they are at the heart of local leadership.

The vision and the programme should encapsulate all five areas of talent management and include:

- support in the identification process by championing best practice;
- creative approaches to speeding up recruitment such as through running recruitment competitions whether there is a vacancy or not so candidates are ready to be slotted in;
- running regional development programmes for high potentials;
- supporting talent management through becoming expert in the roles and talent available so that LDPs can point out suitable vacancies; and
- supporting talent retention through running peer support programmes for alumni of programmes and for current Chief Executives, leaders or Directors in order to support them in their roles.

The case study set out below, although focused on a national project, provides an example of how organisations can work together with facilitation to develop a robust talent management process with tangible results.

The Health and Social Care Leaders scheme is a national system-wide scheme, co-funded, designed and delivered by the Department of Health (DoH) and all the Arms Length Bodies (ALBs). There are two cohorts of deputy directors who aspire to Director level and a programme about to start for aspirant Director Generals and Chief Executives. The first costs five thousand pounds per participant and the second ten thousand pounds.

Its objectives are to:

- **Create a common language for talent management across the organisations.**
- **Create a talent pipeline for critical leadership posts.**

It is intended to:

- **Lead to sharing of talent across the system.**
- **Create closer relationships between the ALBs and DoH.**

"This programme has been refreshingly different and has focussed on leadership skills across systems, where politics and local cultures thrive. I have found it a challenging but hugely beneficial experience where there has been an opportunity to observe leadership skills in different organisations and to work alongside colleagues on the NHS pioneer programme as a secondee. This is one of the most exciting areas of transformation for health and social care which will affect us all, where inspirational leadership and personal resilience is absolutely critical. This aspect of the programme represents a fantastic opportunity for honing personal leadership skills, building new relationships and understanding your own ability to influence change." Teresa Allen, Assistant Director of Customer Service, NHS Blood and Transplant

The first cohort completed its twelve month development programme in September 2015 and early results are good, two of the 15 participants have already been promoted to Director posts, with a further possible appointment pending. There are now 28 participants working through the second twelve month development programme, due to finish in September this year.

The third programme will start in April and this scheme focusses on those who have the potential and ambition to become Chief Executives and Director Generals (DGs). There will

be 19 on this cohort. The scheme for Aspirant Directors involves three core modules covering personal impact, systems leadership/personal narrative and practical challenges. Participants also have the opportunity to experience other organisations through secondments and frontline visits. The scheme for CEs and DGs is more bespoke with core modules focussing on being a systems leader and creating networks.

This work is supported by a talent forum made up of all the Arms Length Bodies CEOs, the DoH Permanent Secretary and Chief Operating Officer. The Permanent Secretary wanted to deliver on talent management but also saw collaboration on it as a means of bringing the different organisations together. The forum meets quarterly to oversee talent across the national and health and care system. All members of the forum have signed up to a Memorandum of Understanding which commits all the participating organisations to using the same talent toolkit which includes a nine box grid and indicators of potential. So everyone uses a common language for identifying, assessing and reporting on the progress of the collective talent. Using a common language has been identified as a critical factor in facilitating movement between organisations and sectors. The programme made a conscious effort to ensure that the cohorts were diverse.

The programmes are supported by a Programme Director two days a week and a full time Programme Manager. They are also currently sourcing website support so that they can keep track of all participants. One key lesson from the project has been the role the Programme Director has played in engaging Directors with the progress that their Deputy Directors were making, which has proved critical to their career development.

LEADERSHIP AND SPONSORSHIP

The interviews, case studies and pilots have shown that leadership sponsorship is critical. By creating an approach to talent management that is 'local leadership led: LDP enabled', LDPs will support the whole system.

Talent management needs the engagement and drive of leaders in the local system. To gain this support, LDPs need to generate a vision of the difference talent management can make to addressing local challenges and which will clearly set out the return on investment to each organisation as well as to the wider ecology.

“Regional support at Director level would be really useful. Getting sustained and significant leadership buy-in can be difficult because of the operational and financial pressure that becomes all encompassing at a senior level. The response of the senior level can be, yes, this is great but you do it and if you don't have sustained leadership support, this is reflected in the quality of talent conversations” Talent management lead

LDPs need to take a pragmatic approach and work with existing forums and structures to create leverage. Time is very precious to senior staff so it makes sense to work through forums where local issues are already being discussed and to influence the agenda to include talent management. One of the key factors in making the pilots possible was the existence of groups who the LDPs could work with.

Given how critical the work is, it should not be done on a shoe string, it needs proper resourcing. LDPs already have a remit from the NHS Leadership Academy to develop talent management locally through supporting stakeholder groups and this should be strengthened. It is a demanding and skilful role to work with local leaders to understand their challenges and create change.

SUMMARY OF RECOMMENDATIONS

An enhanced offer from the LDPs could create cost savings for individual organisations; a wider view of the world and enhanced networks for participants in programmes; and more efficient talent deployment, tailored to local circumstances. The recommendations below show how LDPs can add value to the national and local organisational work on talent management.

<p>GENERIC <i>SHORT TERM</i></p>	<p>Work with leaders in the system to create an engaging vision that spells out the benefits of a regional approach and supports the work going on at national and local level.</p>
<p>GENERIC <i>LONG TERM</i></p>	<p>Work with local leaders to champion new thinking on job design to ensure jobs are do-able and options such as job shares have been considered.</p>
<p>GENERIC <i>SHORT TERM</i></p>	<p>Ensure that the LDPs are adequately resourced to play a strong role in a regional approach to talent management. Ensure that the pilots are funded until completion as they are vital in addressing recruitment challenges and as a source of learning.</p>
<p>TALENT IDENTIFICATION <i>SHORT TERM</i></p>	<p>Champion best practice in the appraisal/nine box grid process. Establish good links with NHS Executive Search on the outcomes of recruitment competitions (e.g. people who came second in competitions).</p>
<p>TALENT DEVELOPMENT <i>SHORT TERM</i></p>	<p>Run programmes sponsored by local leaders similar to the pilots and the programme run by Bedfordshire and Hertfordshire LDP (case studies are set out in the report).</p>
<p>TALENT RECRUITMENT <i>SHORT TERM</i></p>	<p>Run processes that facilitate rapid recruitment to fit local needs e.g. holding recruitment competitions boards whether there is a vacancy or not so candidates can be easily slotted in.</p>
<p>TALENT DEPLOYMENT <i>LONG TERM</i></p>	<p>Become expert in the roles and talent available so that LDPs can point people in the right direction.</p>
<p>TALENT RETENTION <i>LONG TERM</i></p>	<p>Run peer support programmes for alumni of programmes and for current Directors and Chief Executives in order to support them in their roles.</p>

NEXT STEPS

The first step in implementing these plans is to conduct research with local leaders and Human Resources Directors on developing the local talent management proposition. The proposition needs to show how the regional approach adds value to the national offer and activity at individual organisations and to demonstrate costs and benefits.

CONCLUSION

Talent management is vital to the future success of the NHS. Local Delivery Partners have a critical role to play in supporting NHS staff into Board level roles through working across the regions with the professions, local leaders, Chief Executives and human resources. Good stable leadership impacts positively on patient outcomes.

“Health care depends on people – nurses, porters, consultants and receptionists and many others. We can design innovative new care models, but they simply won’t become a reality unless we have a workforce with the right numbers, skills, values and behaviours to deliver it. That’s why ensuring the NHS becomes a better employer is so important.”

NHS England Five Year Forward View

The NHS will only become a better employer with the right leadership.

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APPENDIX 1

Talent management is addressed at three levels: nationally, regionally and at an organisation level. This appendix sets out current activity at all three levels.

NATIONAL

Nationally, a number of different organisations have an important role in talent management. For example, from April 2016, NHS Improvement will be responsible for a national succession programme for the top 200 provider and commissioner leadership posts in the NHS and for establishing a talent pool. The National Leadership Academy works across the NHS on different aspects of talent management, these are as follows:

- NHS Executive Search (NHSE) provides a highly successful Board level appointment service on a project basis. The Carter Review says that NHSE should now be the first port of call for Executive appointments.
- The NHS Graduate Management Scheme.

A variety of leadership programmes including:

- Edward Jenner – for newly qualified staff who want to become leaders.
- Elizabeth Garrett Anderson – for those who have their first senior management position or are aspiring to it.
- Ready Now - for people from a BAME background who are Band A or higher with leadership experience.
- Nye Bevan – for those looking to move into a Board role.

Costs range from three to ten thousand pounds.

The quote below is taken from the National Leadership Academy's website:

"A number of our clinical and managerial leaders across the Trust have benefited from the Nye Bevan leadership development programme. As an organisation we have realised the immediate impact and value delivered through their enhanced leadership skills, thought leadership and contribution to our culture, service transformation and staff engagement agenda. I see this as investment for our ongoing commitment to supporting service improvement and the future leaders of the NHS." John Lawlor, CEO, Northumberland Tyne and Wear Foundation Trust

As well as development for senior leaders, the National Leadership Academy "offers a range of tools, models, programmes and expertise to support individuals, organisations and local academies to develop leaders". This provides a consistent national approach which can be utilised by local organisations, creating efficiency.

REGIONAL

LDPs act as a critical bridge between the national drive and individual organisations. The National Leadership Academy (NLA) could not possibly connect directly with all institutions and so needs a regional arm to communicate national initiatives, to pilot innovative

schemes and to feedback on the state of play and the challenges and successes experienced in the regions.

The National Leadership Academy agrees a Service Level Agreement with each of the ten LDPs, agreeing two objectives on talent management. LDPs are asked to:

- Co-produce talent management approaches and supporting tools between LDPs and the NHS Leadership Academy.
- To support the roll out of talent management approaches and adoption of recommended methodologies to organisations across each LDP region.
- To capture and report on top-leader talent management data across the LDP area.

The LDPs support networks of talent management professionals from the different NHS institutions in their area; this often involves running masterclasses which include:

- Implementation of national initiatives.
- New thinking on talent management.
- Local case studies.

There are many examples of good practice such as some LDPS giving out small grants to help initiate and spread best practice in individual institutions. These have been well used and can support innovation or just kick-start an approach to talent management in an organisation. Grants are used for a variety of different needs, for example, developing an electronic reporting tool or helping a Trust understand what it means to institute talent management and how to develop a basic framework. Grants are frequently used to train managers in how to use the national conversational tool. As talent management can be potentially divisive as it involves assessing people, training for managers is essential in making the process work and ensuring it has credibility and links to performance management and development.

LDPs offer some leadership development to the senior staff in their patch. These may be co-designed with people working in the Trusts. The advantage of regionally designed programmes is that they will suit local needs, be cost effective and still offer staff the opportunity to network and learn from other organisations. They may also encourage staff to consider applying to another institution. By facilitating networking between organisations, they will be developing social capital – creating trust between a wider group which will certainly be an asset for those looking to move jobs and gain promotion.

LOCAL

Each organisation needs to have its own talent management strategy, using an approach that best suits its own culture and challenges. There are many examples of Trusts using the nine box grid to identify the most suitable candidates. The grid is a means of assessing staff in the feeder grades to senior management and judging who has the potential to become a senior manager and should therefore have significant investment. The talent management lead or the learning and development lead should then be able to advise on what programmes are most suitable, either nationally, regionally or one that they are running themselves.

The regional offer has the potential to help Trusts achieve cost savings: one Trust said it was spending £45,000 on its own leadership and management programmes. The case studies

below show that one Trust is at an early stage in its thinking on talent management and a second one has come up with an approach that suits its own local challenges. The case studies demonstrate that one size does not fit all.

A Trust has just written a three year strategy and talent management has been identified as an enabler. They are at the beginning of the journey as it is only in the last 18 months they have begun to think strategically about human resources, rather than it being an operational function. Their next step is to go to the Board with options on how to implement talent management. Their challenge is that they want to be employer of choice but see themselves in competition with other NHS employers. A collaborative approach across the region will support them in recruiting to senior roles.

A Trust used a grant from the LDP to work with a consultancy on gaining an in-depth understanding of talent management. This took the organisational development teams understanding much further forward. They then adopted an approach that completely fitted with their own local challenges.

Through consultation with Trust executives and senior managers three priority areas for a talent management approach were identified: medical leadership, service improvement and ward manager. They decided to focus on ward manager level as this was proving a hard to recruit role. This is at Band Seven level and is a challenging role as Band Six have a very variable exposure to the leadership and management aspects of the role. They undertook a selection process using performance (based on individuals' appraisals) and potential criteria identified by a steering group made up of nurses and a midwife. They identified 13 people to put through a development programme and worked closely with the nursing and midwifery committee to gain buy-in to the programme.

As well as a learning programme for the high potentials, they are also providing support to the managers so that they understand the KPIs of the programme and how to support their staff with their development. This is an approach to talent management which starts not with senior leadership but with middle management and once the Trust sees results from this approach, it may then be ready to develop a talent management approach for senior management and to take advantage of the resources offered by the LDP.

APPENDIX 2

Frame our Future – the Future of Healthcare Leadership in London Key Findings:

<http://www.londonleadingforhealth.nhs.uk/sites/default/files/uploaded/FrameOurFutureKeyFindings%20-%20HSJ%20submission%20FINAL.pdf>

APPENDIX 3

The EW Group would like thank Anne-Marie Archard and the NHS London Leadership Academy team for their support throughout the entire process and to thank the following for contributing to the research:

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