Leeds Community Healthcare NHS
NHS Trust

Leeds Community Healthcare
Organisational Development Strategy

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Author	Steve Keyes
Director Lead	Sue Ellis
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Leeds Community Healthcare NHS
NHS Trust

1.0 Introduction

1.1 Purpose

1.2 Vision and Values

The Leeds Community Healthcare Trust's vision and values which have been developed with extensive staff engagement are as follows:

Vision

- We provide the best possible care to every community in Leeds

Values

- We are open and honest and do what we say we will
- We treat everyone as an individual
- We are continuously listening, learning and improving

The Trust has four strategic objectives:-

- To provide high quality, safe services, continuously improving the patient experience and measuring our success in outcomes
- To work in partnership with service users, communities and stakeholders to deliver service solutions, particularly around integrated care and care closer to home principles
- To engage and empower our workforce, ensuring we recruit, retain and develop the best staff
- To become a viable and sustainable organisation with the ability to invest in the community and with a relentless focus on value for money

The Organisational Development Strategy supports the delivery of these key objectives by:

- enabling cultural change
- understanding and implementing values based leadership
- enhancing change capacity
- ensuring all staff are positively engaged, valued, developed and enabled to deliver services that are commercially focussed for the benefit of our patients

1.3 Definitions

- **Organisational Development (OD):** An effort (1) planned, (2) organisation-wide, and (3) led from the Board, to (4) increase organisation effectiveness and health through (5) planned interventions in the organisation's 'processes' and systems, using behavioural science evidence and practice.

- **Engagement:** 'the business values the employee and the employee values the business. It recognises that every member of staff chooses whether to do the minimum, or do more. MacLeod and Clarke (2009) Engagement has been used to refer to a psychological state (e.g., involvement, commitment, attachment, mood), a performance construct (e.g. either effort or observable behaviour, including pro-social and organisational citizenship behaviour), a disposition (e.g. positive affect), or some combination of these.

- **Talent management (or strategy):** A strategic approach to attracting, developing, engaging and retaining the right people to create a high-performing organisation that meets its business targets

- **Talent:** People throughout the organisation who are critical to delivering strategic priorities (not just 'high potentials' or 'future leaders')

- **Organisational Health:** 'the ability of an organisation to align ,execute, and renew itself faster than the competition so that it can sustain exceptional performance over time' Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage, Wiley (June 2011).#

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- **Psychological Wellbeing:** The subjective happy feelings brought on by something we enjoy AND the feeling that what we are doing with our lives has some meaning and purpose. Diener, E. (2000) Subjective well-being: The science of happiness and a proposal for a national index. American Psychologist, 55 34-43.

- **Employer Branding:** Describes how an organisation markets what it has to offer to potential and existing employees.

- **Cultural Architect:** Role modelling behaviours we want to see staff enacting who work across our organisation and the wider community

2.0 Strategic Vision of Leeds Community Health Organisational Development Strategy

2.1 Local context

The Trust commissioned a review of Organisational Development in January 2013 and a report was published in April 2013. The report was based on interviews and focus groups and as a direct result of this the Head of Organisational Development was recruited. Subsequently the Head of OD has elicited informal views from senior and clinical front line staff. The OD Strategy is the overarching strategy that also integrates several aspects of what was the Workforce Strategy. The transactional HR elements are now combined into a single HR Delivery Plan.

Much work has already been done with the Trust and recognition of this is important to stress. We have restructured our top teams to reflect the current NHS landscape and the future arrangements that best fit our organisational purpose. The triumvirate arrangements with General Manager, Clinical Lead and Associate Medical Director are key to our delivery plans. This strategy sets out how we can build on the work accomplished so far and enable our organisation to flourish.

As other strategies emerge as a consequence of transformation programmes these will be integrated and aligned with this strategy e.g. LCH Clinical Strategy, Risk Strategy, Research Strategy, IM&T Strategy, Stakeholder Strategy.

Therefore the purpose of this strategy is to build on previous findings and outline an approach that takes account of:

- Current drivers and economic conditions in the NHS and beyond
- Local market assessment
- Best practice interventions in the NHS and Private Sector
- Evidenced based diagnostics, interventions and evaluation of outcomes and other key measures

The LCH OD Strategy is initiated to address internal and external challenges. This will significantly enhance our ability to deliver high quality care that promotes recovery, wellbeing, quality patient outcomes, hope and realise our ambitious vision for the organisation.

This is bold strategy setting out our goals and actions that everyone within LCH has a part to play. Delivering best practice OD interventions should not

just be a word but something that can be brought to action through our staff; patients and partners to deliver the best possible care.

2.2 National Strategic Context

Challenges facing the NHS are well documented: an aging population placing greater demands on the service, increased customer expectations, technological advances, a new operating environment and increased emphasis on competition. All of the above are faced in an era of financial austerity.

The recent paper 'The NHS belongs to the people: a call to action' describes a potential gap in NHS funding of £30 billion by 2020-21 if changes are not made to the way services are delivered. Preceding this report, the King's Fund made the case for transformation that goes beyond structural change and incremental improvements to existing service models and instead points to the need for innovative models of care that meet the changing needs of individuals, communities and the population. The need for innovation is clear and a government priority, yet the necessary transformational change across health systems has yet to be achieved.

More recently, care failings in provider organisations have called for a deep-seated cultural change across the NHS. The findings of the Francis Report, Keogh Report, Clwyd-Hart Report and Berwick Report share common themes of the centrality of the individual patient or service user, the need for candour and transparency and the importance of engaging and supporting NHS staff.

3.0 Aims of Strategy

This OD strategy will focus on building a connected, humanistic based organisation in which coordination and control mechanisms are based on shared goals, understanding, values and sense of purpose rather than relying on rigid hierarchies, systems and standardised procedures. Whilst recognising the need for compliance, engaging staff on the basis of shared purpose will build commitment, improve morale and create an appetite for positive change.

The OD Strategy is based on 3 organisational aims:

1. To develop a positive culture focused on quality of care, continuous learning and innovation
2. To ensure clarity of organisational purpose, direction and values with an engaging and exciting vision
3. To develop the necessary capability to meet the organisations goals in a sustainable manner, supported by a clear performance framework that ensures accountability and recognition

4.0 Fit within our development as an Organisation

4.1 This strategy is the overarching strategy supporting the context of our organisational core objectives and purpose. Directly related to this is the HR Delivery Plan.

5.0 OD Strategic Objectives

5.1 The following are the goals of this OD Strategy detailed to reflect success, current position and how to progress.

Developing a shared vision and enabling organisational citizens (Engagement)

5.1.1 What will success look like?

Developing shared vision and alignment around the strategy

- Leaders role model positive behaviours that are underpinned by our values, shared vision and are aligned across the organisation, centred on quality of patient experience
- Staff are able to respond to and adapt to external conditions
- All our people including our partners and membership understand and support our vision and strategic objectives
- Our objectives are easy to understand and staff can see how their contribution affects our purpose
- Staff can see beyond their own work and across organisational boundaries shaping the vision

Shaping a positively engaged and healthy workforce

- Staff feel proud to work for LCH and would recommend its services to family and friends
- Staff general (physical) and mental health (stress and anxiety) awareness is increased
- Absence levels decline
- Having an integrated talent management system each part working together and fitting into a total employee environment
- Demonstrating inclusiveness in all that we do
- Developing managers are transformational leaders – showing genuine concern for others, being accessible and enabling – focused on improving quality of patient care

5.1.2 **Where are we now?**

LCH staff engagement challenges are made more acute by the spread of its services and sites. Key drivers of engagement are understanding of vision, strategy and objectives, confidence in senior leadership, strong internal communication channels, change processes handled well and staff feeling valued as well as “feeling good” with some sense of personal responsibility for their own wellbeing. (See Appendix I Evidence).

To an extent, all of the activities in this strategy are aimed at improving staff engagement. However, the specific interventions are aimed squarely at improving staff engagement. The Trust invests in regular surveys and engagement activities and includes these key areas:

- Annual NHS staff survey
- Community Talk weekly e-bulletin
- Community Health Matters staff newspaper
- Ask Bryan
- Monthly Team Brief
- Cascading briefing to operational teams
- Board walkabouts and service visits

There are also numerous informal opportunities that our General Managers, Senior Clinical Leads and Associate Medical Directors and other key leads take to inform, engage and interact with staff delivering patient led services. Much effort has gone into staff engagement in the past and now we need to build on this work.

So far as Talent Management is concerned there is little in the way of identifying and selecting talent. Leader development is done via a qualification and personal development route currently not aligned to a succession planning model.

5.1.3 **What do we need to do to succeed?**

- **Further data collection**

Further engagement activity will take place to gather data around these areas:

- Board Leadership & Governance 360

- Friends and Family Test for staff (FFT)
- Medical Engagement Scale (MES)

Board Leadership & Governance 360, which we will use to strengthen an effective response to the many challenges and opportunities that LCH Board are faced with. The tool has been designed based on extensive research in the NHS to establish the leadership behaviours, governance competencies, and team processes that are essential for high performing NHS organisations.

The introduction of the FFT was based on recommendations from the Nursing and Care Quality Forum after consulting frontline nurses, care staff and patients. The FFT has been further supported by the Government and a commitment to roll-out the test in all NHS funded services was shown in the NHS Mandate (2012).

The Medical Engagement Scale (MES) was developed as part of the Enhancing Engagement in Medical Leadership project. This is aimed at assessing the level of engagement of the medical workforce with the goals of the organisation in which they work. The medical engagement data correlates strongly with a range of independently gathered performance measures. This will be implemented annually.

The above data collection will link to inform other objectives outlined in this strategy document.

- **Talent Management (TM)**

When we look at ‘talent’ we should think “key people.” In some organisations, “talent” is currently only defined as a set of key directors and executives. However, there is a set of critical skills and roles in most organisations that drive 50 % to 80 % of business value. These critical employees (e.g. Nurses, Health Care Support Staff etc.) are only sometimes covered by talent management processes. LCH talent management strategy will extend to everyone, redefining the term ‘talent’ to encompass most or all employees.

The Government has ruled out the regulation of Healthcare Assistants but has said that the Skills for Health and Skills for Care code of conduct and national minimum training standards should form the basis of the CQC's assessment of training standards for all staff. The enablement and equipping of non-registered staff with these core skills will form a key tenant of our skills based training offering.

Senior level ownership of business-critical talent processes significantly improves adoption, utilisation and impact within an organisation.

Evidence suggests that only 21% of organisations have talent processes that are owned and governed by their senior business leaders; Bersin by Deloitte (2014). Developing cross-organisational governance and metrics that align talent processes to our business will focus corporate services on areas that add value.

Senior sponsorship provides a clear advantage when looking at the impact across each talent process. The bottom line is that talent is a business process, not an HR process. HR is an enabler to the business in supporting LCH business-critical talent requirements.

Work has already started with particular focus on Employer Branding (attraction and selection) and this will be extended to focus on:

- Workforce planning – ability to identify talent supply against business demands
- Sourcing and Recruiting – internal sourcing capability (linked to leader development)
- Employer Branding Capability – induction and onboarding
- Succession Planning – readily available talent profile data through assessment centre approach
- Development – development planning implementation and management of plans
- Compensation – deployment of reward strategy
- Retention – maturity level of career management/career paths, ensuring retention of high performing/high potential staff

5.1.4 **How will we know we got there?**

- Our talent/appraisal system and plans plans are easy to understand and staff can relate to them and the impact they have on their services
- Our people understand our vision, purpose and core objectives and how this fits with their contribution linked to their appraisal
- We have all leaders across corporate and operational services role modelling positive behaviours
- Doctors are positively contributing; understand and play their part in developing and implementing business plans
- We downsize without reducing bench strength/workforce capability or compromising our ability to focus on new strategic priorities
- We can measure and improve the effectiveness of our informal and formal learning programmes
- We align workforce planning activities with the Trust and business unit strategy

- We align workforce planning with succession management and internal mobility
- We invest in technology to produce rich data for workforce planning

5.2 Bringing LCH values to life

5.2.1 What will success look like?

- Our leaders are *cultural architects.* They role model and help nurture the behaviours in others
- The values are embedded into the systems and processes of the organisation and all that we do
- Our values keep us accountable for what we believe in
- Our values become an established part of the culture and its process of improvement and innovation

5.2.2 Where are we now?

Work was initially undertaken in May/June 2011 to involve staff in defining a set of values. The Mckinsey 7s Framework model was used to underpin much of the activity. Given the extent to which the organisation and the NHS has changed so rapidly since that early work now is the time to refresh our values and align and embed into our work.

5.2.3 What do we need to do to succeed?

Refreshing LCH values will enable a greater visibility of values and how these can be incorporated into our daily business. Our values will support managers and clinicians in demonstrating behaviours aligned to them and are enabled to hold each other to account.

It is critical that change programmes are seen to embody the values and vision of the organisation, in how it is managed and implemented. As far as cultural change goes, the message is in the method. In the short-term, therefore, there is an opportunity to integrate and embed this objective within the initiative around service reviews and implementation plans. Additionally this will be incorporated in to the business cycle particularly with regard to business decisions.

An opportunity lies in implementing a participative approach to staff engagement that embodies and drives greater alignment to the organisational values. It is envisaged, therefore that any redesign activity will include activity to promote organisation-wide dialogue

around the values and associated behaviours. Identifying opportunities to operationalise the "new" services in a way that brings the values to life, and encourage teams and individuals to commit to the specific changes required for them to demonstrate the desired behaviours on a daily basis. It is expected that this change process will serve as a template for all subsequent change initiatives – thus ensuring that all future changes are conducted in a way that embodies the organisational values.

The aim will be to establish staff/managerial events and supporting communication activities that facilitate on-going dialogue around bringing the values to life. This will also include working in partnership with staff side to enable consistency of message and

- **Defining a behavioural framework and aligning key processes**

Work will also be undertaken to define and implement a behavioural competency framework that is applicable to all staff and underpinned by a model of distributed leadership e.g. leadership from all staff. This framework will form the key architecture that will underpin key HR activity with the ability to measure outcomes from individual, team and business units. The set of core competencies/behaviours will also form the foundation for our Talent Management Framework.

In order to realise contextual changes and challenges the involvement and engagement of patients, staff side, members and staff across the organisational, at all levels and business units will be key.

- **Embedding the values within operational structures, systems and processes**

In addition, a programme of activity will be undertaken to align key organisational systems and processes to the values, such as induction and performance frameworks – thus ensuring a sustained focus on the organisational values is embedded at the heart of LCH.

5.2.4 **How will we know we got there?**

- We will have developed and implemented a core brand approach to organisational values recognised by staff and partners as a sign of safe, efficient, compassionate patient care
- A set of explicit core competencies and behaviours are implemented and woven into a personal performance management framework
- Core values and purpose are aligned to any and all transformation work

- All staff and management events will be underpinned by our values and aligned to our core objectives
- We challenge each other when our organisational values are not been upheld

5.3 Building capability for innovation and learning

5.3.1 What will success look like?

- Leaders display capabilities required to engage people effectively in participative change processes across the organisation
- Staff feel empowered to implement day to day improvement to augment quality and efficiency of care
- We embrace an ethos of continuous learning. Effective processes and structures are in place to drive learning, continuous improvement, innovation and research practice

5.3.2 Where are we now?

LCH is committed to defining the leadership and management structures and processes that it needs to support the cultural changes necessary to thrive in the current political and commercial environment. The senior management structural changes have now been implemented and senior staff are now in post. As the service reviews take place further structural changes will take place and a realignment of services as clarity around our external partnerships begin to change e.g. partnership working with G.P's.

Much work has already been established by the Service Improvement Team particularly around key areas such as:

- Rapid Improvement methodology
- Lean methodology's
- MAD ideas
- Lunch and learn
- Innovation and research forum
- Links to the research team and library resources

We need to build on this work and ensure it aligns with our key strategic objectives. A key driver of engagement for staff in the NHS is the ability to contribute towards improvements at work and be involved in the decisions that affect them. Implementation of some programmes has not always delivered the outcomes or savings envisaged or an understanding of the need for change, ownership of

new behaviours, initiatives and tactics required to achieve those objectives.

5.3.3 What do we need to do to succeed?

Continuously learning and improving our services through inspiring clinical leadership is a key principle for LCH. Our organisational objectives require us to continually improve and where necessary change the way we deliver services. Improving our knowledge and capacity for change management has the potential to significantly improve staff engagement and 'bottom-up' capacity for service improvement.

The development of knowledge about and experience in participative change processes provide LCH with an opportunity to re-engage staff and access the capacity and capability of the whole workforce to maximise the impact of change. Similarly, it is equally important that LCH develop not just the capability to manage participative change processes, but also to develop a learning organisation – based on a culture and processes that support continuous improvement and innovation.

- **Integration of the whole system**

Within this engagement process, development activity will be undertaken to build organisation-wide understanding of the principles and skills needed to manage adaptive change effectively. This will also be supported by a dedicated development programme for senior leaders to improve their ability to lead adaptive change. As structures have been completed, a review will be undertaken of lessons learned from running a participative change process, with the aim of embedding these insights into the organisation's ways of working on a sustainable basis.

- **Developing leadership**

A key component of this work will be to ensure leaders not only understand their role but are also enabled and developed to give of their best. Future leader development will underpin any change initiatives and be clearly aligned to LCH Organisational Strategy.

Developing leadership capacity whilst defining the strategic agenda – learning through doing – Much more leadership, not just more management

To achieve any significant though routine task – as well as the uncountable number of repetitive tasks in an organisation competent management from significant numbers of people is essential. We need to be agile enough to capitalise on windows of opportunity and to spot and avoid unpredictable threats. This is about vision, opportunity, inspired action, passion, innovation and celebration, not just project management, budget reviews, reporting relationships, compensation, and accountability to a plan. Both sets of actions are crucial, but the latter alone will not guarantee success in a complex, ever changing NHS world.

Context is a critical component of successful leadership. A brilliant leader in one situation does not necessarily perform well in another. Evidence suggests that too many training initiatives rest on the assumption that one size fits all and that the same group of skills or style of leadership is appropriate regardless of strategy, organisational culture, or CEO mandate.

In the earliest stages of planning a leadership initiative, LCH should ask a simple question: what, precisely, is this program for?

When it comes to planning the programmes curriculum, LCH faces a delicate balancing act. On the one hand, there is value in off-site programs that offer participants time to step back and escape the pressing demands of a day job. On the other hand, even after very basic training sessions, adults typically retain just 10% of what they hear in classroom lectures, versus nearly two thirds when they learn by doing. Furthermore, flourishing leaders, no matter how talented, often struggle to transfer even their most powerful off-site experiences into changed behaviour on the front line.

The answer is straightforward: tie leadership development to real on the-job projects that have a business impact and improve learning.

LCH Leadership Capacity model will do that and be central to alignment that will informally integrate three current functions/activities within the organisation thereby improving the outcomes of each of them.

These functions are:

- Service improvement function ensuring delivery of best practice interventions, innovation and facilitated team development
- Leader development through Franklin Covey and the Institute of Leadership programmes

- The Project Management Office (PMO) providing robust project management support to ensure efficient and effective use of resources and benefit realisation

This proposes a model where:

- Specific projects that will deliver improved quality of care, improved patient and carer experience will be identified from within clinical services and underpinned by development opportunities for identified members of staff. This could be but not exclusive to projects identified as a consequence of service reviews.
- The support to deliver the projects systematically and effectively is sourced from the PMO whilst ensuring they are complimentary to the Trusts strategic objectives, values and other schemes of work already underway

Outcome measures:

- Incisive development aimed at all staff regardless of banding
- Linked to masters module at University where appropriate for some staff
- Project/service review outcomes that have the patient at the heart of the programme
- Stretch assignments for participants that help them to make connections across LCH
- Data collection on participant's potential to inform succession planning
- Engagement across all services, professions and roles
- Skills development centred on self-mastery and accountability
- Culture change through compassion between staff and patients
- Real team working linking to organisational performance
- Positively engaging with minority communities

Skills training will continue to develop and it is important to stress that the above model does not replace all development.

Development of senior managers and executives will continue as part of local developments and Foundation Trust Programmes.

- **Driving engagement via communications channels**

As previously stated we have a range of communication channels for staff engagement. However it is important to set out an internal communications strategy, as part of our employer branding.

5.3.4 **How will we know we got there?**

- A supportive learning environment that clearly links to concrete learning processes and practices
- Leadership that reinforces learning
- Change initiatives are clearly linked to learning outcomes
- Senior leaders are able to role model positive behaviours, are well supported and motivated for their role
- LCH development curriculum is aligned with organisational objectives
- Clinical service areas are able to offer ideas and improvements that are fully supported by corporate teams
- LCH has a clear internal communication strategy which clearly defines communication channels to utilise when communicating system changes and developments in the Trust
- There are direct links to service improvement projects and patient outcomes
- Service Improvement, Project Management Office and Workforce Development are aligned to Organisational Strategy and tactical plans

5.4 **Aligning structures, systems and processes to the vision**

5.4.1 **What will success look like?**

- Groups, teams and individuals are clear on their accountabilities, and there is effective collaboration across organisational boundaries
- Decision making and other organisational processes are streamlined, clearly understood and used across the organisation
- Quality of care, patient safety and commercial effectiveness are at the heart of all decision-making
- We proactively manage and influence our external stakeholder environment to improve quality of patient care

5.4.2 **Where are we now?**

The Trust has a Committee structure as part of the preparation for Foundation Trust application. The Board comprises the Chairman and Chief Executive, seven Executive Directors and five Non-Executive Directors. The Executive structure combines elements of corporate and operational structures.

A redesign of operational clinical and management structures was implemented in 2014 to align services across three business units.

Further work is on-going around geographical and functionality of services ensuring these services are managed and led as close to the patient as possible.

However, decision making and accountability has not been fully divested which may have led to lack of clarity about the level of management and autonomy in services. Additionally, as some corporate functions sit centrally, there may be some tension between different parts of the organisation rather than a real connection with a shared purpose and strategy.

Monitor, the Care Quality Commission and the NHS Trust Development Authority have committed to developing an aligned framework for making judgements about how well led NHS providers are. By 'well led' they mean that the leadership, management and governance of the organisation assure the delivery of high quality care for patients, support learning and innovation and promote an open and fair culture.

While there are existing tools to enable the development and assessment of leadership and governance, as the Francis report makes clear, there has previously been an insufficient focus on culture across the NHS. Culture is not something that is easy to measure, but it can and should be assessed. One of the driving aims of the work that Monitor, NHS TDA and CQC have been undertaking, is to ensure both providers and regulatory bodies have a means of understanding it more systematically.

5.4.3 **What do we need to do to succeed?**

LCH is committed to developing an operational structure with clear decision making accountabilities and processes that support effective achievement of the strategy and Foundation Trust status.

We will therefore look at reaching a consensus as an organisation around the criteria we expect from services in order for them to achieve greater autonomy. We will develop these proposals with colleagues and ensure the approach supports a growing autonomy while focused on the Trust's vision. At the same time, we expect to see many Corporate functions growing their customer focus in their relationship with each business unit recognising some of them also need to work in partnership to deliver performance targets (e.g. finance and workforce).

Finally effective business processes support the Trust's strategy by promoting a common culture and identity based on principles of strong governance, a set of definitions, values, policies and processes that

guide the Trust's work and behaviour and a clear system of delegated authority.

There is the opportunity to review, streamline and clearly describe the business processes we use, and to make clear where and how decisions are taken.

- **Organisational structure, system and process redesign: supporting effective delivery of the restructure**

  Clearly, clarifying organisational structure, service line accountability and business processes cannot happen in isolation from the service review redesign. It is therefore envisaged that during 2014 this activity be integrated and embedded within the initiative to transition the organisation as well as development work with leadership. Work will focus on identifying the optimum structures, systems and processes required to support achievement of LCH's vision – with a focus on streamlining processes, rules and policies to only those that are absolutely essential to achievement of the organisation's goals. There will also be a review of corporate structures that fully align with business units in order to optimise fully and align with business transition, transformation and LCH Organisational Strategy.

  Included within this intervention will be activity to clarify the appropriate organisational structure to support a shift to align around geography and/or commissioning intentions, as well as specification of the terms of reference of key groups, specific accountabilities and decision-making responsibility by group and level, as well as interdependencies between groups.

- **Driving continuous improvement in structures, systems & processes**

  It is envisaged that periodic reviews be implemented post-redesign (and after any other future transformation initiatives no matter on what scale) to capture learning, develop and implement recommendations to further improve alignment of structures, systems and processes. This will be a critical component in developing a culture of organisational learning and driving continuous improvement across the organisation

5.4.4 How will we know we got there?

- Corporate functions closely aligned to business unit strategies
- Staff are clear about who is responsible for what and that corporate services articulate their value proposition to business units

- Structures are in place that support organisational strategy and tactical business plans
- Service delivery targets and KPI's meet all expectations

5.5 Developing a high performance culture

5.5.1 What will success look like?

- Leaders manage performance of their direct reports effectively
- There are visible consequences for both high performance and under-performance, supported by an effective performance management framework centred on a positive patient and staff experience
- Our people at all levels have the right capability and behaviours necessary to deliver on our purpose
- Staff take responsibility for their own contribution and proactively influence the performance of their colleagues
- There is a participative approach to business planning that is effective and there is clear positive engagement across the organisation
- Reporting, supervisory and regulatory systems are streamlined – managing the tension between simplicity and effectiveness
- Risk is managed effectively across the organisation and in line with LCH values

5.5.2 Where are we now?

Developing a High Performance Culture

Performance Management: High performing individuals and departments delivering and exceeding expectations.

Performance management is the process through which LCH will deliver both services and lasting improvement. We will do this by ensuring individuals, teams, and ultimately the organisation, know what they should be doing, how they should be doing it and take ownership for what they achieve through a common purpose.

- **Performance management framework**

In order to move to a consistent operating culture, LCH recognises the need to have systems and processes to underpin this. Clarity about objectives and responsibility for delivery together with robust performance management and risk management is at the heart of improvement and delivery of high quality services. These arrangements need to be enhanced within the organisation. A new performance

management framework (PMF) will replace “fire fighting” caused by rapidly changing priorities with proactive management.

In addition to implementing an effective performance management framework, it is also essential that the business planning process is optimised to support enhanced planning across the organisation. Work is already on going to revise the current planning process, with the aim of developing a more effective bottom-up process that is clearly understood and bought in across the organisation.

5.5.3 **What do we need to do to succeed?**

Key projects that support the development of the Trust’s performance management framework are or will be:

- Continual development of a PMO as a key function
- Single management hierarchy project to support more effective management of Trust resources whilst utilising and developing our leadership capability model
- Information and data quality strategy to develop the ‘information architecture’ that can be used to provide the Trust with timely, accurate and relevant information
- Business intelligence to provide management information to the management community and improve compliance, accountability and performance management
- Development of managers skills around commercialisation and business planning
- Development of a talent management dashboard

The Performance Management Framework will bring together the strategies, plans, policies and performance measures (both national and local). This will enable patients, staff, managers and other stakeholders to see how the Trust ‘measures up’ in comparison to its own previous performance and in comparison to other Trusts.

The overall aim is to ensure KPIs and key measures support clinical delivery and the delivery of high quality patient care. They will help provide clarity of purpose and benchmarking of current performance – with summaries of business goals at local level demonstrating clear links to the overarching Trust Strategy. Business intelligence, management processes and staff will work together to improve performance across the Trust through:

- The setting of SMART objectives that the Trust and Managers at all levels understand

- The ability to plan resources to meet required performance
- “Real time” review reports to measure improvement at all levels
- Staff to be managed at all levels through positive and active management
- Training to support staff using data at local level to proactively see challenges occurring at an early stage and understand the root causes and take necessary action

The PMF will be designed to provide a consistent approach to the way service performance and quality is managed, monitored, reviewed and reported at all levels in the organisation i.e. corporate, unit and service level.

Additionally we need to build on this work and it is intended that the above areas for feedback will inform an Organisational Health Check diagnostic and become integrated into a more holistic transformational change programme.

This will be the first time that the Trust has undertaken a systemised holistic process to understand and be able to articulate and adopt strategic change. It is therefore important that the approach taken is tailored to the stage in the Trust’s organisational life cycle, its culture and appetite for change so that benefit realisation is optimised. We should aim to build on and learn from our service review experience in order to engender a climate of positive change for the benefit of staff, patients and to develop a coalition of broad expertise for the future success of the Trust.

The five frames health check is an evidenced based approach developed by McKinsey that has analysed more than 2,000 executives from organisations that had recently undertaken change programs and found that those transformations that focused on health as well as performance were three times more likely to be regarded as successful than those that focused on performance alone.

Using “The Five Frames”, and particularly the starting point of a focus on organisational health, force our attention to issues of culture, mind-sets and behaviour.

The five frames will focus on two areas performance and health of LCH.

The McKinsey Five Frames transformational change philosophy believes that an organisation needs to focus on both performance and health in order to be able to attain sustained excellence moving forward.

The organisational health check is defined by way of the nine dimensions; this will form a diagnostic, intervention and evaluation framework See Appendix II for more details.

- **Reward and recognition**

In order to achieve a performance management culture it is desirable to have a reward system that provides the reinforcement of positive behaviours. The development of performance tools gives the ability to identify where recognition should be targeted. Greater use of recognition for performance as a Foundation Trust, LCH will have the opportunity to review how it rewards staff financially and greater freedoms to link remuneration with performance. This work will also feature as part of our Talent Management framework.

- **Developing a culture of feedback and effective conflict management**

An effective culture of on-going feedback, continuous learning and effective conflict management is critical to developing a high performance culture. Development activity to nurture these capabilities will be embedded within interventions to engage people around the new structure and emerging structures, as well as leadership, manager and people development.

- **Management and people development**

As previously stated development of a competence framework, supporting behaviours, and embedding in practices such as recruitment, appraisal, personal development planning and learning needs analysis is necessary. In addition, work will be undertaken to review and optimise the current portfolio of current management and people development offerings. Messaging and content will be introduced to offerings, as required to support the strategy and cultural change agenda. Development activity will be conducted amongst other groups and populations as required across the organisation to develop capability to support the operationalisation of earned autonomy.

5.5.4 How will we know we got there?

To a large extent the measurement of a robust PMF is encompassed by meeting all the other objectives set out in this strategy. However additional measures will be:

- Reward systems that are more closely linked to organisational values and personal performance goals

- Managers involved in tendering and commercialisation of products and services are skilled to deliver on bids
- Curriculum development will underpin organisational strategy and business unit plans and developments
- LCH is a sustainable, thriving community organisation within Leeds that works in partnership with health, social care and third sector partners

6.0 Delivery and outcome measures

Within each of the strategic objectives we have specified some measures of success. These will be incorporated into the Trust's Integrated Business Plan and subsequently into service and unit plans and then individual performance objectives as annual action plans.

Delivery of the strategy will be monitored and reviewed through the Trust's performance management framework.

The Chief Executive is accountable to the Board for the development and delivery of the OD Strategy. This is supported by the Workforce and Operations directorates and shared across the whole Trust.

7.0 Risks

Current risks in respect of the delivery of the OD Strategy includes:

- Lack of buy in and ownership from staff thereby not realising our core organisational objectives
- Change fatigue of staff
- Maintaining staff side working relationships with regard to implementation of this strategy
- Staff turnover and wastage is a risk if it becomes high due to the need for an experienced stable workforce and leads to increased recruitment costs and potential impact on morale
- CQC assessment that we are not adequately demonstrating progress against "well led" indicators
- Not meeting our TDA targets and objectives and longer term business aspirations
- Failure to become a Foundation Trust organisation

8.0 Resources

The Trust makes significant investment in organisational development and leadership activity. The post of Head of OD and the 2.8 WTE development staff and 3.5 WTE recruitment team within the Workforce directorate have been brought together as a 'Talent team ' to focus on

linking recruitment, values, staff engagement and developing capability. The Trust also has a Service Improvement team in house within the Operations directorate.

We have continued to invest in providing leadership in house programmes, on occasion using non recurrent money, and support staff to access external opportunities through bodies such as the Leadership Academy. Within the workforce budget there is recurrent sum for learning and development and this has been preserved this year to support the initiatives as they are developed.

9.0 Next Steps

9.1 This Strategy needs to be subject to consultation with both staff side representatives, and management and staff.

9.2 The Workforce directorate business plan will detail in year objectives and support delivery against our core objectives.

9.3 An implementation plan will be developed that identifies the individual roles and actions required which will be overseen by The Director of Workforce.

10.0 Evaluation and review

The evaluation of this plan against the success criteria and delivery will take place via the Board. It is proposed that a lead Non executive as champion will be invited to support the evaluation and connection to the Board.

11.0 Equality Impact

To be developed in keeping with implementation plan

Appendix I - Evidence on Engagement

The literature on engagement is littered with examples of staff that work harder, think more creatively and care more because they feel fully involved in the enterprise. The study by Salanova M, Agut S, Peiró JM (2005) suggests engagement improves performance in part because engaged staff are more likely to put energy into interactions with clients, while their positive approach may in turn motivate other staff, thereby creating a more engaged workplace. This may be one reason why engagement raises performance in health care, Corrigan P.W., Diwan S., Campion J. and Rashid F. (2002). Alimo-Metcalfe B, Alban-Metcalfe J, Bradley M, Mariathasan J, Samele C (2008) also showed engagement specifically improves quality of care in the NHS.

Another possible mechanism is through engagement leading to improved operational control. Engaged staff are likely to exert more influence over the use of standard processes, teamwork and the degree to which there is a culture of improvement, all of which are factors influencing patient outcomes.

There is a direct correlation between Staff Survey and Patient Survey results. Key correlations between engagement and aspects of working life include; involvement in decision making; the extent to which employees feel able to voice their ideas and managers listening to these views, and value employees' contributions; the opportunities employees have to develop their jobs and the extent to which the organisation is concerned for employees' health and wellbeing, The King's Fund Leadership Review (2012).

Increasingly, businesses are looking to take the next step on from employee engagement, from tracking days lost to sick leave and asking about job satisfaction. Many are asking instead, how we can help our employees to thrive, lead fulfilling and balanced lives, be more creative, cope with change and be the best advocates for our business. This step-change is reflected in the modern HR industry's focus and engaging with key areas like compassion, work-life issues, fairness, diversity and the evolving nature of the psychological contract. We refer to this general concept as psychological wellbeing.

It is now widely acknowledged that as more doctors become more directly involved in leading new service initiatives then performance will dramatically improve. Promoting medical engagement is a priority throughout the NHS and will also be a key work stream for LCH as

doctors are being encouraged to adopt a more central role in designing and delivering service change. Hamilton, P et al 'Engaging Doctors: Can doctors influence organisational performance?' (2008).

Appendix II -

1. **Direction**
A clear sense of where an organisation is heading and how it will get there is meaningful to all employees.

2. **Leadership**
The extent to which leadership inspires actions by others.

3. **Culture and Climate**
The shared beliefs and quality of interactions within and across organisational units.

4. **Accountability**
The extent to which individuals understand what is expected of them, have sufficient authority and take responsibility for delivering results.

5. **Coordination and Control**
The ability to evaluate organisational performance and risk, and to address issues and opportunities as they arise.

6. **Capability**
The presence of the institutional skills and talent required to execute strategy and create competitive advantage.

7. **Motivation**
The presence of enthusiasm that drives employees to put in extraordinary effort to deliver results.

8. **External orientation**
The quality of engagement with customers, suppliers, partners and other external stakeholders to drive value.

9. **Innovation and learning**
The quality and flow of new ideas and ability to adapt and shape the organisation as needed.

The Five Frames which provide the structured process to facilitate the transformation of performance and health in relation to the nine dimensions are:

	Performance Imperative	Health Imperative
Aspire: Where do we want to go?	Develop a change vision and targets that are deeply meaningful to staff	Determine what "healthy" looks for the organisation in view of LCH change vision
Assess: How ready are we to go there?	Identify & diagnose LCH's ability to achieve our vision & targets	Uncover the root cause of mind-sets that support or undermine organisational health
Architect: What must we do to get there?	Develop a concrete, balanced set of performance improvement initiatives	Re-shape the work environment to create healthy mind-sets
Act: How do we manage the journey?	Determine & execute the right scaling up approach for each initiative in the portfolio	Ensure that energy for change is continually infused & unleashed
Advance: How do we keep moving forward?	Put in place a continuous improvement infrastructure to take LCH forward beyond one time change	Equip leaders to lead from a core of self-mastery

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