

BOARD PAPER - NHS COMMISSIONING BOARD

Title: Organisation Development Strategy Phase Two (2013/14)

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Purpose of Paper:

- This paper outlines the progress made in the first phase of the NHS Commissioning Board's (NHS CB) organisational development (OD) strategy, covering the period up to the end of March 2013.
- It describes what we have learned during this period about the opportunities and challenges we face for the next phase of our development, as increasing numbers of employees have joined the NHS CB.
- It sets out phase two of the OD strategy – the “establishment” phase - April 2013 to March 2014, detailing the proposed objectives and interventions for this period, and incorporating learning from the recently published Francis Report.
- It restates the purpose of the OD strategy - to support the achievement of the NHS CB's vision and objectives, through a set of aligned interventions in policy, systems and processes across the whole of the organisation.

Key Issues and Recommendations:

- In September 2012, we discussed phase one of the OD strategy, describing the establishment of the NHS CB as bringing:
 - Significant opportunities to improve health and healthcare for the people of England and to put the public and patients at the heart of decision making regarding the spend of the NHS budget.
 - Significant challenges as the NHS undergoes the most substantial set of reforms since it was created.
- We described the establishment and development of the NHS CB as a

considerable undertaking, made up of a number of sequential phases. We identified four major opportunities and challenges

- to build a shared sense of purpose;
- to create a single organisation with national reach and local presence;
- to develop the NHS CB as an exciting and innovative place to work;
- to develop the leadership needed to lead in the reformed landscape of the NHS.

- As increasing numbers of employees have been appointed to the NHS CB, the practical realities of the support needed to make the transition to a new NHS CB, and the areas for investment in the coming financial year have become much sharper.
- The impact upon employee morale and motivation of such a prolonged period of change needs to be recognised and explicitly addressed in this phase of development. Visible leadership, real meaningful and connected staff engagement, supported by improved internal communications, are crucial.
- This paper recommends a continued focus on the five OD objectives identified in phase one, and the addition of a further objective to explicitly address employee morale, engagement and well-being. It suggests that in this second phase, we make the shift from structural to behavioural change, and from planning to delivery.
- This paper also seeks to incorporate into our OD strategy the lessons from the second Francis report into the serious failings at the Mid Staffordshire NHS Foundation Trust. As the NHS begins to mobilise to ensure we can never again fall short of the standards we expect for ourselves, and our loved ones when they are in need, the NHS CB has a crucial leadership role in this.
- Therefore building the NHS CB as an exemplar organisation where patients are at the forefront of everything we do is central to the vision this strategy is designed to realise.

Actions Required by Board Members:

- To note the OD strategy is purposefully designed to ensure our purpose, vision and values are embedded in all we do (see Appendix 1).
- To note the progress made in phase one of the OD strategy against the five strategic OD objectives agreed in September 2012 (summarised in Appendix 2).
- To approve the continued focus on these five objectives for phase two,

agree a sixth objective to explicitly focus on building staff morale, engagement and wellbeing, and approve the range of OD activities for phase two (summarised in Appendix 2).

- To note progress and further plans to align key interdependent strategies with the OD strategy, notably recruitment, estates and information technology (IT), internal communications, partnerships and brand.
- To agree the proposals for evaluating the development of the organisation (as set out in Appendix 3), including 360 degree organisational feedback from partners and stakeholders.
- To note the resource implications of this work.
- To agree to review progress with the OD strategy at the October 2013 meeting of the Board.

Organisation Development strategy phase two (2013/14)

Introduction

1. In September 2012, the Board considered and agreed phase one of the NHS Commissioning Board's (NHS CB) OD strategy, and agreed to review progress and to consider proposals for phase two at the February 2013 Board meeting.
2. The Board paper in September 2012 set out the emerging vision and objectives of the NHS CB, the achievement of which the OD strategy is designed to support.
3. This initial strategy outlined the establishment and development of the NHS CB in a number of broad sequential phases:
 - **'Set up'**: up to March 2013
 - **'Establishment'**: from April 2013 to March 2014
 - **'Development'**: from April 2014 onwards
4. We described these three core phases of the NHS CB's development in the following way, acknowledging that each would require a set of unique and distinct interventions:
 - **Phase One - 'Set Up' up to March 2013:** this is the phase in which we build the NHS CB's organisational structure, recruit our people and begin to build a shared sense of vision and purpose with them. In this phase we will also put in place some basic systems and processes, in particular, in the areas of human resource management and development, information management and technology, and estates.
 - **Phase Two – 'Establishment' from April 2013 – March 2014:** during this phase, whilst we will have filled the majority of posts in our structure, we will also be reengineering certain functions, and building and developing our core capabilities. We will also be bedding in, testing and developing our systems and processes, and establishing ourselves in the reformed health system.
 - **Phase Three – 'Development' from April 2014 onwards:** during the maturity phase we will have our end state structures in place, and we will have completed a full business year cycle with our systems and processes in place.
5. Robert Francis QC has recently published his second report into the serious failings at the Mid Staffordshire NHS Foundation Trust and the appalling suffering of many patients and families, which resulted from those failings.
6. As we reflect upon these tragic events, and upon how the NHS could fall so woefully short of the standards we expect for ourselves and our loved ones

when they are in need, it is crucial that we learn the lessons from Mid Staffordshire, and take these into the development of our organisation.

7. This paper reviews progress in phase one against the five objectives agreed in September 2012, which are set out below. These objectives were aligned to the vision of the NHS CB, and were supported by a number of inter-related activities and interventions.
 - **Objective 1** - to attract and retain the best people, from diverse backgrounds, with values which are congruent with our vision.
 - **Objective 2** - to develop the core policies, systems and processes which support the NHS CB vision and objectives.
 - **Objective 3** - to develop working patterns and behaviours which support the NHS CB's vision and objectives.
 - **Objective 4** - to develop the NHS CB's leaders to enable them to support all our employees.
 - **Objective 5** - to develop collectively and communicate a strong, shared sense of purpose, organisational culture, brand and reputation.
8. This paper also sets out phase two of the OD strategy under the following sections
 - **The Vision:** reiterating the vision of the NHS CB, and the work underway to engage staff in developing, understanding and owning the NHS CB vision. The purpose of the OD strategy is to support the achievement of the vision and objectives of the NHS CB.
 - **The changing context:** outlining the context of the design and development of the NHS CB in 2013/14. This section of the paper details the opportunities and challenges facing the NHS CB as it develops.
 - **The diagnostic for phase two:** outlining the outcomes of conversations with key individuals and groups in the national support centre, regional and area teams, the executive team, and our non-executive directors.
 - **Strategic objectives:** identifying the strategic objectives for phase two.
 - **Delivering the OD strategy - review of phase one and interventions for phase two:** detailing how phase one activity has supported the delivery of OD objectives and describing the activity we have planned for phase two.

- **Interdependencies:** summarising other key pieces of work, which are key to the successful development of the NHS CB.
- **Resource requirements:** summarising the resources required to successfully implement the second phase of the OD strategy.
- **Conclusion and recommendations:** summarising the paper and making recommendations for the consideration of the NHSCB Board.

The Vision

9. In the phase one OD Strategy, we set out the emerging vision for the NHS CB.
10. There is a strong resonance between that vision and what Robert Francis calls “a common culture of caring”, where there is a relentless focus on patients’ interests, where patients are the priority in all we do, and where all staff are empowered to challenge poor performance, speak up for patients and make improvements.
11. Our vision is for the NHS CB to be an exemplar of this. We solely exist to serve the patient and aspire to be an organisation where patients are at the forefront of everything we do and all the decisions we make.
12. It is worth reiterating our vision here, as it is both the start and centre point of the NHS CB’s OD strategy. It is ambitious and, we hope, compelling. It also signals a step change in ambition in some areas.
13. This vision sets out **why we exist**:
 - We exist to uphold the NHS Constitution. This says, the NHS belongs to all of us. It is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and, when we cannot fully recover, to stay as well as we can to the end of our lives. It works at the limits of science – bringing the highest levels of human knowledge and skill to save lives and improve health. It touches our lives at times of basic human need, when care and compassion are what matter most.
 - We exist to save and improve lives: to make people better when they are ill.
 - We exist to design and deliver care around the needs and choices of each individual patient.
 - We want to make the NHS the best customer service in the world.
 - We exist to ensure that every person who comes in to contact with the NHS is treated fairly and equally, whether a patient or an employee.

- We exist to allocate valuable public resources to secure the best possible outcomes for patients now and in future generations.

14. The vision articulates **how we work**:

- We prioritise patients in every decision we make – we always ask ‘what is the implication of this for patients?’ This means we will be accountable for listening to the people and communities we serve.
- We are what we want the NHS to be - open, evidence-based and inclusive. This means we are transparent about the decisions we make, the way we operate and the impact we have.
- We share ideas and knowledge, successes and failures. We take risks because we believe in innovation and we learn from our mistakes. We believe everybody has the right to a good idea and to be listened to carefully and thoughtfully.
- The NHS belongs to everybody – we build coalitions with partners everywhere, we can because we solve our problems better when we work together and with common purpose. We put the needs of patients and communities before any organisational boundaries.

15. The vision describes **what we do**:

- We are responsible for ensuring the improvement of outcomes for all patients by:
 - I. Preventing people from dying prematurely.
 - II. Enhancing the quality of life for people with long term conditions.
 - III. Helping people recover from episodes of ill health or injury.
 - IV. Ensuring people have a positive experience of care and treating.
 - V. Caring for people in a safe environment and protecting them from avoidable harm.
- We allocate £60bn to Clinical Commissioning Groups (CCGs) and support them in the effective use of that money, to improve those outcomes for all patients.
- We also directly commission health services worth £25bn including primary care, some public health services such as immunisation and screening, and specialised health services in England.
- We plan for civil emergencies and make sure the NHS is resilient.

16. The vision sets out **how we will be successful**:
- By transforming patient and public participation in the NHS so that we can develop the insight to help us improve outcomes – and guarantee no community is left behind or disadvantaged.
 - By treating patients respectfully as customers and putting their interests first – transforming the service offer of the NHS so that they can take control and make more informed choices, if they want to.
 - By empowering clinical leaders at every level of the NHS - through CCGs, networks and senates, in the NHS CB itself and in providers.
 - By developing incentives, tools and guidance to help clinical commissioners achieve their goals.
 - By leading the development of strategy and vision for the NHS, and promoting the research, innovation and change which will make the NHS world class in all it does.
 - By setting policies and standards for the NHS, in particular for data and technology, leadership, and competition – so that we encourage partners in every sector to collaborate on service innovation to improve outcomes.
 - By developing relationships and agreements with delivery partners at national level, and at local level on health and well-being boards, so that decisions are taken as close as possible to the communities they effect.
 - By making the NHS CB an excellent organisation: an exemplar in customer focus, professionalism, rigour and creativity. We will be lean and light, the enemy of red tape and of organisational boundaries. We will maximise the resources that can be spent on care by ensuring that we work collaboratively.
17. In this report, Robert Francis describes what can happen when NHS organisations lose sight of their core purpose, and put other interests ahead of those of patients, creating cultures where the most basic expectations of care, compassion, dignity and respect, which are at the heart of the NHS and enshrined in the NHS Constitution, are forgotten.
18. We highlighted in September 2012 that evidence demonstrates that successful organisations build a shared sense of purpose with their employees, providing them with a genuine stake in their organisation's success.
19. Research demonstrates that cultures which are positive, patient focussed, open and transparent deliver higher levels of employee motivation, satisfaction and productivity, and that these correlate directly to better outcomes for patients and higher levels of patient satisfaction.

20. The work that we are doing now, exploring with our employees as they join the NHS Commissioning Board, how we should articulate the patient-centred culture we want to develop, is therefore critical.
21. This engagement process, underway with staff in area, regional and national support centre teams, includes a number of road shows and meetings. These aim to build a shared understanding and set of clear operating principles and behaviours, grounding the above vision in how we do business on a day-to-day basis.
22. The outcomes from this process will be built into our OD activity in phase two.

The changing context: 2013/14 - a symbolic year of change

23. By 1 April 2013, we will have filled the majority of posts in our structure, and will be facing our first year of full operation. Moving beyond the recruitment and appointment process, and the need for safe transition, which has dominated the set up phase, we will be able to focus on the opportunity to really engage our employees in building the organisation.
24. 2013/14 will be crucial in determining the culture of our organisation, our rhetoric will need to translate tangibly into lived experience. Our employees, partners and stakeholders will be watching closely to see whether we are living up to our vision, and practising the values and the behaviours we espouse.
25. Our aspirations for the nature of our relationships with our partners and stakeholders will be tested. For example, the shift in how we work with clinical commissioning groups (CCGs) will be crucial – in terms of how we hold them to account and assure their performance, how we support their development, as well as how we work with them as equal partners to drive local improvements, and deliver national standards.
26. This will require a continued focus on supporting teams to live up to our values and behaviours, and the development of robust feedback processes with stakeholders, to enable us to support this.
27. We should anticipate some degree of “churn” during 2013/2014, as new organisations tend to experience higher levels of turnover in their early phases of development.
28. Recruiting diverse and talented employees will therefore continue to be a priority through 2013/14.
29. We know that during 2013/14 we will need to reconfigure Family Health Services (FHS), develop the NHS Improving Quality (NIQ) and review other structures in the NHS CB as the organisation begins to bed down.
30. 2013/14 will also be a year for building employee morale. Re- energising and sustaining momentum, following such a protracted period of change, is

critical. Many employees will have seen colleagues leave the NHS, so boosting morale, and looking after employee well-being will be important.

31. 2013/14 will be a time of endings and beginnings. We should not underestimate the impact of recognising, valuing and validating the end of the organisations and/or teams that employees are leaving, and the welcome and support needed to make the transition. A continued focus on induction and renewed efforts on employee engagement will be critical.
32. Significant numbers of employees will continue to operate in two modes, closing down the existing system, and dealing with legacy issues, whilst building new relationships and adapting to a new NHS landscape. Supporting leaders to develop the resilience, capacity and capability to work in this context will remain a priority.
33. The challenge of distributed, virtual working will really begin to impact in 2013/14, as individuals, teams, and directorates begin work in earnest. This will be the time when the logistics and mind-sets for working as a single organisation across multiple locations are tested. Team development will be central to this, and support to utilise technology and accommodation flexibly will require a long-term, sustained set of strategic and practical interventions.

The diagnostic for phase two

34. Conversations with employees across the NHS CB during December 2012 identified the following areas for focus in 2013/14:
 - **Visible leadership** - as employees begin to settle into the new organisation, the visible leadership and presence of the Board and executive team will be important to help reinforce the single organisation culture we are aiming to create and to model the behaviours we espouse. So that the principles of transparency, honesty and candour will set the tone for how we do business.
 - **Single organisation and matrix working** – further work is needed to organise around and mobilise all our capabilities around the clinical outcomes domains as vehicles to deliver transformational change, and around supporting the delivery of direct commissioning and CCG commissioning.
 - **Empowered decision-making** - we need to empower our people to make decisions, by really involving employees at all levels in the organisation. We need to harness mid-level leaders to make matrix working a reality, and in particular pay consistent attention to the relationships between the area and regional teams and the national support centre. It is critical that we do not confuse our single operating model with rigid conformity, which stifles the innovation needed to support transformations in quality with less resource. We need leaders to create the space to build a culture of innovation and develop our ability to lead transformational change with and for patients.

- **Employee engagement and development** – it is crucial that with the majority of employees now in place, we really listen to them, consistently engage and involve them at all levels, and understand and respond to their development needs. Only now are many of our employees beginning to turn their attention to the future, and significant work is required to enable them to make the transition to understanding and contributing to the NHS CB. We need to build from the outset a listening culture where employees are actively encouraged and praised for: speaking up about poor performance, offering ideas for improvement; and providing feedback to ensure we are living up to our values.
- **Attract and retain the right employees** - We need much more proactive strategies to attract diverse and talented people to our organisation to fill a number of critical roles and ensure the NHS CB is seen as an attractive proposition for diverse and talented employees in the future. Our existing recruiting for values and behaviours strategy needs to be strengthened.
- **Realising the mind-set and practical shift to agile working** - work must continue to get the basics in place, to make sure that our IT and estate strategies support agile working. We also need to recognise that moving to a new way of working will require significant adjustments to individual working practices, and that this requires a high level of employee engagement and involvement to make and sustain change.
- **Purpose and values** – we need to fully establish a strong shared sense of what we are about, what we stand for, our role, function, and the nature of our leadership in the system, so that we can speak with a single voice, and the wider NHS and the general public understand this. We need to ensure that we build a shared culture that puts patients first in everything we do.
- **External relationships**- we need to work more closely across the organisation to generate a shared approach to developing external relationships. The ability of our organisation to deliver on our purpose and vision will be largely determined by the nature and quality of our relationships with our partners and stakeholders. Ensuring we are regularly asking for, listening to and acting on feedback from all our partners, along with that from our employees, will be critical in measuring whether we are successfully developing and sustaining a patient - focussed culture.
- **Internal communications** – more work is required to ensure existing communications, such as the all staff briefing and email arrangements, reach out and connect with staff across the whole of the NHS CB.

35. Our assessment of what 2013/14 will feel like and the diagnostic work outlined, confirmed that the following four challenges set out in phase one of the OD strategy remain relevant for phase two:

- Developing a single organisational culture, and shared sense of purpose, focused on improving outcomes with and for patients;

- Creating a single organisation with presence, and leverage, across England;
 - Creating an organisation that is an exciting, innovative and compelling place to work, so that we can recruit and retain talented people;
 - Building leadership and capability to enable the NHS CB to succeed.
36. We anticipate that the phase two strategy will continue to operate in the context of complex transition, but with the shift from structural transition to behavioural transition.
37. We are therefore recommending to the Board that the objectives for phase two of the strategy should build on the objectives we identified for phase one. However, we should draw out more explicitly what we know are key areas for 2013/14 – diversity and inclusion, morale, health and wellbeing, employee and stakeholder engagement.
38. We also believe it is important to maintain a focus on senior leaders and line managers, as the culture setters and determinants of behaviour, and be more explicit about the offer to other staff to make the behavioural transition to this single organisation. This means looking for every opportunity to involve patients and their representatives in the design and delivery of staff development activity.
39. We recognise that 1 April 2013 is a symbolic date, and it is important we mark this new beginning with all our employees. Discussions are underway across a number of directorates about how we can do this in an authentic way, engaging employees, signaling how the NHS CB will be different, and reinforcing our purpose, vision and values.

Strategic Objectives: for phase two of the OD strategy

40. The phase one objectives, which we wish to recommend carrying forward to phase two are:
- **Objective 1** - to attract and retain the best people, from diverse backgrounds, with values which are congruent with our vision.
 - **Objective 2** - to develop the core policies, systems and processes which support the NHS CB vision and objectives.
 - **Objective 3** - to develop working patterns and behaviours which support the NHS CB's vision and objectives.
 - **Objective 4** - to develop the NHS CB's leaders to enable them to support all our employees.

- **Objective 5** - to develop collectively and communicate a strong, shared sense of purpose, organisational culture, brand and reputation.

41. For phase two, we propose adding a sixth objective which is specifically and explicitly focused on people engagement, really listening to our employees, proactively looking after their health and well-being, and building an internal evidence base against which to measure improvement.

- **Objective 6** – to build employee morale and commitment through real and meaningful engagement.

Delivering the OD strategy: review of phase one and interventions for phase two

42. This section of the paper provides a short summary of progress made against the five phase one objectives. It also outlines the proposed key activities for 2013/14 set against the objectives we recommend for phase two,

43. These OD activities are interrelated, and as such, a number will contribute to achieving more than one of the six objectives. This is diagrammatically represented at Appendix 1.

44. The phase two OD activities described in this section are also designed to help us to develop the type of organisation where:

- The patient is the priority in everything we do.
- Openness, transparency and candour are the norm.
- Information is shared and used to make changes for the benefit of patients and their families.
- We listen to patients, families and employees, involve them, and value their contribution.
- Clinicians and patients lead work to eliminate poor quality and experience, and to secure improvements in outcomes.
- Employees are supported to stay close to the day-to-day realities of patients and clinicians.
- Employees are provided with training and development to meet the high standards of professionalism we expect, and to realise their potential.
- Leaders provide the environment in which all employees can have their voices heard, make a difference, and feel valued.
- Leaders work in the best interests of patients and their families, and model the values and behaviours set out in the NHS constitution.

45. A summary of this whole section is provided at Appendix 2

46. Our initial plans for evaluating the impact of the investment we are making in OD activity is detailed in Appendix 3.

47. **Objective 1 - attraction, retention, diversity**

Objective 1 - to attract and retain the best people, from diverse backgrounds, with values which are congruent with our vision.

Phase one

The **recruitment process** designed with the NHS CB's vision and values at its heart, has been rolled out with guidance and support for appointing managers. This has aimed to test candidate's values and behaviours, and has supported decision making.

We have filled over three quarters of posts across the organisation. Not surprisingly perhaps, given the scale and pace of the recruitment drive, our processes have not always enabled us to demonstrate and live up to our values.

The experience of some applicants has not been what we might have wished, directly affecting our aim to be an exciting, innovative and compelling place to work. We need to recognise this as we enter phase two of our development.

Our diversity profile is improving but we need to do more to present the NHS CB as an attractive employment proposition and to improve the diversity of our workforce.

Phase two

We will focus on developing our **values and behaviours based recruitment** strategy so that

- For our senior roles we involve patients and their representatives in selection processes.
- We consistently assess for fit against our values and behaviours.
- Our values are consistently experienced by potential candidates as part of the process.

We will also develop **a longer-term diversity strategy, and a more robust attraction strategy**, so we are seen as an attractive proposition as an employer, and so that we make significant improvements in the diversity of our workforce.

48. **Objective 2 – performance review, development, agile working**

Objective 2 - to develop the core policies, systems and processes which support the NHS CB vision and objectives.

Phase one

Work has progressed to align key strategies with the OD strategy, such as recruitment, estates and information technology. The specification to support the NHS CB's **information technology** requirements continues to progress, underpinned by the vision of the NHS CB as an innovative place to work, and the policies to equip staff to work flexibly. The **estates strategy** previously discussed by the Board is also progressing. With the appointment of the majority of staff, we now have more clarity about work locations, and future space utilisation, and the Policy, Patients and Information and HR/OD directorates are beginning to engage staff in developing the practicalities of **agile working**.

Work has commenced with an external partner on the development and design of an individual **Performance Development and Review** (PDR) process for the NHS CB. Engagement with employees is focusing on how we can support the development of high performing functional and matrix teams, and undertake 360° feedback processes, share objectives and plan to meet development needs.

Phase two

An integrated **agile working strategy**, designed to support matrix working, will be developed and implemented through a national network of user groups in major locations to engage staff in developing and rolling out both IT and accommodation policies, and to provide practical support to help staff to make the transition to agile working.

The **values based PDR scheme** will be implemented and used to review the robustness of objectives, their interconnectedness, and individual delivery in line with our values.

The scheme will generate 360° feedback to provide a more holistic assessment of performance and behaviour, on critical areas such as putting patients first, transparency, honest, candour, etc.

This scheme will provide employees with time to volunteer and work at the front line to ensure we stay connected to patients and their needs.

It will provide the basis for a **patient - led employee development** offer and **talent management** process.

49. **Objective 3 – matrix working, team development, change skills**

Objective 3 - to develop working patterns and behaviours which support the NHS CB's vision and objectives.

Phase one

Functional and matrix teams are beginning to form. Team working across the NHS CB is crucial to realising our aim of developing a single organisational culture and shared sense of purpose, focussed on improving outcomes for patients. Senior **team development** guidance and support from the NHS Leadership Academy's faculty is in place to help reinforce consistency. It also aims to ensure that there is a common focus on organisational purpose, vision and values, patient and public participation, and matrix working. A number of senior area and regional teams are now accessing this support.

As business planning is finalised for 2013/14, **objective setting** in directorates is underway. Towards the end of phase one, work will be undertaken to support more explicit shared objectives across area, regional and national support centre teams, to reinforce single organisation working, and mobilise around our shared purpose.

Phase two

Whole directorate and cross directorate, area and regional team development

support will be required, and our in-house national support centre and regional OD expertise will be mobilised to support this, building on and working with the NHS Leadership Academy's faculty.

The new Improvement Body, working in partnership with area, regional and national support centre teams, will deliver a comprehensive set of development interventions as part of our corporate curriculum to develop capability at a number of levels and across a number of geographies to deliver **innovation and transformational change**.

To reinforce the sense of single organisation and **matrix working**, we also propose that senior leaders in the national support centre should be encouraged to "buddy up" with and shadow senior leaders in regional and area teams, and that senior leaders in regional and area teams should be explicitly invited to lead on corporate pieces of work.

50. **Objective 4 - visible leadership, development and talent management**

Objective 4 - to develop the NHS CB's leaders to enable them to support all our employees.

Phase one

Work has progressed with the most senior leaders as they have been appointed to the NHS CB, through investment in developing leadership through interventions such as, **executive team development, and Board development.**

The NHS CB **Leadership Forum** has been established and is meeting on a monthly basis, to model and provide connected leadership across the whole organisation. It is already providing the vehicle where we focus on what it means to work as a single organisation, be clear about purpose, values and behaviours, and address critical business issues such as the 2013/14 planning round.

The Board, Executive Team and Senior Leaders across the organisation are critical to setting the tone, determining the culture and focus of attention for employees at all levels. Support, development and review for these groups and individuals to enact our patient centred culture will be a consistent priority.

Phase two

The continued development of the executive team and Board, and the NHS CB Leadership Forum remains important, as vehicles for ensuring connected and distributed leadership across the country.

We suggest that the **all staff briefings** take place in a variety of locations across the country, with area, regional and national directors hosting these, with the Chief Executive and other key directors involved. This would **increase the visibility of leadership**, and reinforce the sense of a single organisation with local presence. Making these briefings accessible to all employees through technology will also help connect individuals to the wider organisation.

The **Systems Leaders programme**, designed and planned in phase one will be implemented. This will support the development of a significant number of our senior leaders to build their leadership capability in the new NHS landscape, with leaders from other new organisations such as Health Education England, the NHS Trust Development Authority, Public Health England, etc. **Patients and leaders working together** will be a core element of the programme this, and the new PDR scheme, will provide the basis for the development of a wider leadership and **talent management** strategy.

51. **Objective 5 – connections**

Objective 5 - to develop collectively and communicate a strong, shared sense of purpose, organisational culture, brand and reputation.

Phase one

We have asked our senior leaders to take responsibility for induction.

Induction guidance for new starters and induction guidelines for line managers are in place. These engage employees in early one-to-one discussions about the NHS CB's vision and values, the development of a range of mutual expectations, and in setting some early objectives.

A new starter page on our intranet provides a range of corporate materials to support this, and a number of online data capture process are in place to gather feedback about our purpose, vision and values, the quality of early induction and emerging development needs.

This feedback will inform the further development of our development offer to employees in 2013/14.

Phase two

Building a patient centred culture with incoming employees will be critical. To date, the NHS CB has been designed and developed by a relatively small number of key employees. The work required of our senior leaders to **connect with all of our employees** to share thinking and engage them in building a new and different organisation should not be underestimated.

This phase will see the implementation of a major culture development programme for employees called **Launch Pad**. This activity will build on our one-to-one line manager-led induction programme targeting employees between April and June 2013. It will provide a shared experience that signals a new beginning, helps develop the skills, capabilities, mind-sets and behaviours we all need to work differently and successfully in the changed NHS.

With the **voice of the patient / service user** at the heart of its design, Launch Pad will build **personal connections to our purpose**, and across directorates and geography. This will reinforce the sense of a **single organisation across England**, generate a sense of pride and belonging, and model the way we want to work with each other and with our customers and stakeholders.

52. **Objective 6 – engagement, morale, health and wellbeing**

Objective 6 – to build employee morale and commitment through real and meaningful engagement

Phase two

This will be a key objective for phase two of the OD strategy. By the end of March 2013, we will have filled the majority of our core posts, and it is important that we take stock of employee morale and expectations at this time.

We propose undertaking a climate and / or baseline employee survey early in phase two of the NHS CB's development, a **team barometer**. This is one way of **really listening to our staff**, and of **measuring whether we are creating an exciting, innovative and compelling place to work which puts patients first**.

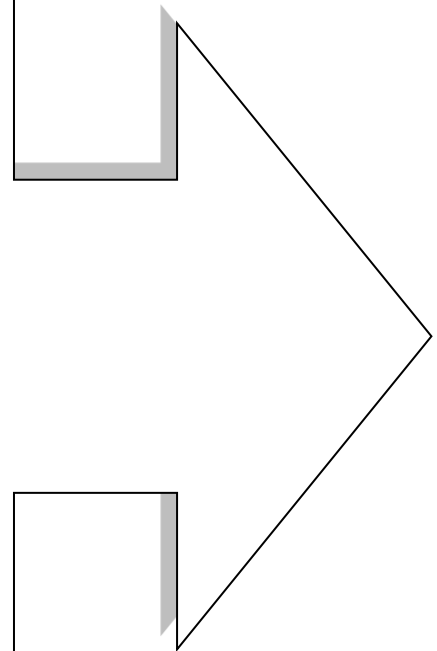
Appendix 3 details some initial work on this.

Our aim is to ensure that we build on the research and evidence base around morale, engagement and wellbeing (which makes the direct link to performance, motivation and improved outcomes for patients) to design this.

We will draw upon the work and expertise of Professor Michael West and others to inform our approach to employee engagement and wellbeing, to generate a baseline for measuring improvements going forward, and put in place a longitudinal research study to track our success in building the organisation we are beginning to articulate in our vision.

We will use this to build a coherent **employee health and well-being strategy**, and help improve objective setting and team development.

In addition, we will work closely with the Policy directorate and other directorates to develop 360-degree stakeholder feedback to assess, along with other key indicators, whether we **are experienced by others as a patient focussed organisation**. This, aligned with employee feedback, will provide vital transparent information about our organisational health, and on which to act to improve our performance.



Interdependencies

53. The organisational development strategy seeks to align, and is therefore interdependent with a number of other strategies -- people management and development, estates, information management and technology, external relationships and partnerships, internal and external communications, and branding.
54. Since September 2012, progress has been made with four other NHS CB strategies, which are significantly related to this work.
55. Firstly, the recruitment strategy. Ensuring we employ the right people, in the right roles, is vital to the NHS CB's successful development. Further work to ensure that the NHS CB vision is central to the recruitment process was undertaken during phase one of the OD strategy. We have completed our recruitment to schedule, and have met the commitment we made to staff in the NHS by December 2012.
56. Phase one has identified the need to develop a more robust attraction and retention strategy, and the need to develop a comprehensive diversity strategy, both of which will be pursued in phase two.
57. Secondly, progress with the estates strategy (to detail employee locations and office bases), is enabling work to shape the physical space and facilities employees will work in, and supports the look and feel of the NHS CB as single, aligned corporate body.
58. Thirdly, corporate IT services are progressing the technological platforms for how employees will work and communicate with each other and with customers and partners. Individual needs based assessment is currently underway to ensure the equipment needed is supplied to staff to support their specific working arrangements.
59. A more structured programme approach is now being put in place which will be explored with teams across the NHS CB, the potential for applying agile working principles in multiple locations across the organisation. These principles provide teams, where needed, with tool kits, templates, advice and support to develop effective working patterns.
60. Fourthly, the partnership strategy. Our success in building an organisation that people want to do business with, where employees enact the values and behaviours we espouse will be most publically and visibly reflected in how our partners experience and perceive us. The process of developing key system relationships and feedback from our partners will directly shape internal OD interventions. In phase two, we will align work with the Policy directorate and others on external feedback with our internal employee surveys to begin to generate 360° degree feedback about how the NHS CB is experienced.
61. Work has already begun on aspects of this through the NHS Commissioning Assembly, providing the platform for area teams and all parts of the board to

build good working relationships with CCGs, and create shared leadership of the commissioning system. NHS Clinical Commissioners have approached us to work with them to develop their "locally-led appraisal of the NHS Commissioning Board", which will provide insight into how well the NHS Commissioning Board is discharging its responsibility "to promote autonomy" and build effective relationships with CCGs. This will be a vital piece of feedback to assess our on-going organisational health.

- 62. We also suggest that we regularly use the NHS CB Leadership Forum as a large action learning set to share experiences and learn together about how we as an organisation are building key external relationships.
- 63. Finally, during phase two we need to significantly improve our internal communications to ensure that we are reaching into every part of the new organisation. A comprehensive internal communications strategy is in development and we recommend that the Board review this at its meeting in May 2013.

Resource requirements

- 64. The Director of OD, who reports to the National Director: Human Resources, continues to work closely with the National Director for Patients and Information, and the National Director: Policy to ensure alignment with other strategies.
- 65. Appointments have been made to three of the four Directors of HR/OD in the regions. We have also appointed an interim Programme Director – Organisation Culture Development, to support the implementation of the larger culture development intervention such as Launch Pad, Systems Leaders and agile working.
- 66. External procurement processes have secured additional OD support in specific areas – principally team development and coaching, and the design of the performance review and development process. Additional support is proposed to deliver a longer-term evidence based approach to build employee engagement, morale and well-being. Budgetary provision is being made for this.
- 67. We continue to work closely with the NHS Leadership Academy to access leadership and talent management development support, and with the emerging new Improvement Body to secure transformational change skills development.
- 68. Some interventions, such as aspects of learning and development, will be outsourced through shared service arrangements, and work is underway to ensure provision is in place by 1 April 2013. Work in phase two will focus on developing the shared learning and development service, and on building a coherent learning and development strategy and policy supported by the PDR scheme.

Conclusion

69. During Phase one of the NHS CB's development we have focused substantially upon delivering on our commitment to NHS staff to ensure that the majority of them were clear about their future direction of travel by the end of December 2012. Recruitment and supporting staff subject to change in the wider system has dominated the agenda, and managing a smooth and safe transition from the old to the new system has rightly continued to occupy a significant amount of our time.
70. This reality has tested our aspiration of building the NHS CB with our employees as they join the organisation, as the transition for many of our employees from predecessor organisations to the NHS CB will continue until and potentially beyond 1 April 2013.
71. Phase one of the OD strategy has delivered a number of critical activities as the platform for the implementation of a range of more substantial developments that will be rolled out as the majority of our staff join us towards the end of this financial year.
72. Phase two of the OD strategy will focus upon the implementation of the range of planned activities designed in phase one.
73. Phase two will also respond directly to the needs identified in the conversations with our staff undertaken in December 2012 and early January 2013.
74. An additional, more explicit focus in phase two on morale, staff engagement and well-being will seek to directly address the impact of the prolonged and challenging change many of our staff have endured.
75. During this phase of the NHS CB's development we will also develop more transparent, participative engagement processes drawing on the research and evidence base developed by Professor Michael West, and others, which demonstrates the link between staff health and well-being, morale, engagement, high performance, motivation and improved outcomes for patients.

Recommendations

76. The Board are asked:
- to note the OD strategy is purposefully designed to ensure our purpose, vision and values are embedded in all we do (See Appendix 1);
 - to note the progress made in phase one of the OD strategy against the five strategic OD objectives agreed in September 2012 summarised in Appendix 2);

- to approve the continued focus on these five objectives for phase two, agree a sixth objective to explicitly focus on building staff morale, engagement and wellbeing, and approve the range of OD activities for phase two summarised in Appendix 2;
- to note the progress and further plans to align key interdependent strategies with the OD strategy, notably recruitment, estates and information technology (IT), internal communications, partnerships and brand;
- agree the proposals for evaluating the development of the organisation as set out in Appendix 3 including 360 degree organisational feedback from partners and stakeholders;
- to note the resource implications of this work; and
- agree to review progress with the OD strategy at the October 2013 meeting of the Board.



NHS CB OD Strategy: Summary

Progress in phase one (“set-up”) - The offer for phase two (“establishment”)

Objective	Phase one progress	Phase two offer – built in partnership with employees from across the range of NHS CB teams
Objective 1 To attract and retain the best people, from diverse backgrounds, with values which are congruent with our vision.	<ul style="list-style-type: none"> Over three quarters of posts have now been filled across the organisation. “Recruiting for values and behaviours” process has been used in appointments. Experience of this has been variable, due to the pace of the recruitment exercise. Probably more successful in senior appointments than elsewhere. Our recruitment statistics on diversity, which have been published, are improving, but not yet meeting our expectations. <p>An Equality and Diversity Strategy Group has been established to steer work on diversity and inclusion.</p>	<ul style="list-style-type: none"> We will develop an employment package, which will help attract and retain good staff. We will develop a strategy and set of actions that will help us to become a more inclusive organisation, and help produce a richer more diverse workforce.
Objective 2 To develop the core policies, systems and processes which support the NHSCB vision and objectives.	<ul style="list-style-type: none"> Work has identified and secured regional and area team locations and premises. National support centre accommodation has been reworked to enable agile working and reflect the NHS CB’s style and brand. IT needs for the estate have been assessed and work 	<ul style="list-style-type: none"> We will work with teams to look at how to get the best use of their workspaces and generate working patterns that enable employees to give their best. We will offer practical support, facilitation, tool kits, surveys to help

	<p>to ensure connectivity is underway.</p> <ul style="list-style-type: none"> • An individual needs-led assessment of technology is in place to support employees to access the right equipment to support them. • Both the Estates and IT strategies recognise, and are seeking to address the challenges of creating the physical infrastructure of a new single organisation from a myriad of predecessor organisations • Design of a Performance Review and Development (PDR) scheme with area, regional and national support centre teams with external support from Deloittes. • Guidance to support shared objective setting as part of the induction materials. • Development of a set of HR policies and processes is in progress. 	<p>teams create healthy ways of working, and create a single organisation through our branding and common use of systems.</p> <ul style="list-style-type: none"> • We will support the creation of a nationwide network of user groups to ensure estates, IT issues, and developments can be rapidly addressed. • We will offer training to support line managers and employees to have really valuable and effective individual performance review conversations that support development. • We will implement the organisation wide PDR policy and procedure supported by an online system, including briefing and support to employees to ensure we get the most from it. • We will develop a learning and development policy, and set of corporate training and development offers to employees.
<p>Objective 3</p> <p>To develop working patterns and behaviours which support</p>	<ul style="list-style-type: none"> • Senior team development support offer for area, regional and national support centre teams in place supported by the NHS Leadership Academy. 	<ul style="list-style-type: none"> • We will offer support for whole directorate, whole area and regional team development support

the NHS CB's vision and objectives	<ul style="list-style-type: none"> • Planning with the new Improvement Body (nIB) a set of development programmes to support employees and teams to extend their transformational change skills. • Designing and planning for the delivery of a hearts and minds corporate induction programme (Launch Pad), working with the NHS Leadership Academy and a reference group of employees from across the NHS CB. 	<ul style="list-style-type: none"> • We will implement a development offer to employees and teams to access support through the nIB to build their transformational change capability. • We will roll out Launch Pad, evaluation, follow up and development of an end state on going induction programme. • We will encourage and support national support centre directors in shadowing/buddying up with colleagues in regional and area teams, and encouraging area and regional senior leaders to lead and be involved in key corporate pieces of work.
Objective 4 To develop the NHS CB's leaders to enable them to support all our employees.	<ul style="list-style-type: none"> • Executive team development programme is in place. • Board development meetings are in place. • Range of webinars for non-executive directors have been delivered. • The NHS CB's Leadership Forum is up and running. • Planning with NHS Leadership Academy for delivery of the Systems Leaders' programme is in train. 	<ul style="list-style-type: none"> • The executive team development programme will continue. • Board and NED development support will continue. • We will continue to develop the NHS CB Leadership Forum to support the senior leaders of the NHS CB. • We will work to develop the Leadership Forum as a large action learning set, in particular to share experiences and learn together about

		<p>how we are building external relationships.</p> <ul style="list-style-type: none"> • We will work across directorates to develop inclusive team briefing and a range of ways of sharing information and communicating with the whole organisation, to connect individuals to the NHS CB as a single national organisation. • We will make available a systems leaders development programme for VSMs in stretching roles across the organisation. • We will also work with area, regional and national support centre directors to develop a leadership, management development and talent management strategy.
<p>Objective 5</p> <p>To develop collectively and communicate a strong, shared sense of purpose, organisational culture, brand and reputation</p>	<ul style="list-style-type: none"> • Purpose, values and behaviours engagement programme in place to bring together conversations in different parts of the NHS CB on purpose and values to secure a shared language and understanding and clear set of values. • Staff induction guidelines have been distributed to all new starters. • Line manager induction guidelines have been issued to all line managers. 	<ul style="list-style-type: none"> • We will work on embedding agreed values and behaviours into all our key OD interventions and HR policies, specifically Launch Pad, and our PDR scheme. • We will review and develop the induction material, using the induction survey feedback. • We will use the feedback from the emerging development needs survey

	<ul style="list-style-type: none"> • New starter intranet page and corporate support materials in place. • Online surveys of induction uptake, quality and emerging development needs in place. • Design and planning of the Launch Pad programme. 	<p>to inform the learning and development policy and corporate development offer to employees referred to above.</p> <ul style="list-style-type: none"> • We will implement the Launch Pad programme, and use this as a flag ship programme to build shared purpose with all our employees. • We will work together across the organisation to develop a mechanism to gather feedback from partners and stakeholders to inform our organisation performance and development.
<p>Objective 6</p> <p>To build employee morale and commitment through real meaningful engagement</p>	<ul style="list-style-type: none"> • Prototype design of an organisation climate survey, and staff expectations survey. • Early discussions with Professor Michael West, to draw in his evidence base / research and expertise to support work to build a positive organisation climate 	<ul style="list-style-type: none"> • We will work with leaders across the organisation to implement climate and employee expectation surveys, and to develop baseline information and to engage employees in building on positive developments. • We will engage with staff across the organisation to scope out and develop a health and wellbeing strategy, for full implementation in phase 3. • We will ensure there is an occupational health service in place on which to build.

Evaluating the impact of our organisation development strategy

1. Introduction

We need to measure the impact of the interventions designed to deliver our OD objectives.

One of the ways, we proposed to do this is through the development and implementation of organisation climate surveys, and employee experience surveys as tools for assessing how the culture of the organisation is developing.

However, it is critical that we align the internal employee-led measures of organisational health with feedback from our external stakeholders. We therefore propose, specifically to:

- i. Create and implement a regular organisation climate survey (NHS CB team barometer) commencing in April 2013;
- ii. Develop and implement an employee expectations survey, tailored to the NHS CB's specific circumstances in September 2013; alongside
- iii. The more generic, tried and tested, NHS Staff Survey in September 2013.
- iv. Develop a 360-degree external stakeholder feedback process.

This combined feedback will provide vital transparent information about the health of our organisation.

2. An organisation climate survey (NHS Team barometer)

An organisation climate survey is an employee satisfaction / happiness index, which is usually run on a fairly regular basis (eg quarterly) to check the temperature of the organisation, and assess the happiness of individuals at work.

It provides both a quick snapshot of organisation climate, and trend information over time.

If we adopt this approach, the timing of the first survey would be important. We suggest 1 April 2013 signaling our commitment to engaging and involving our employees in building an organisation which is a great place to work.

The climate survey would consist of four yes or no questions, similar to the ones below. Each would be derived from factors that have been proven to affect employee satisfaction/happiness at work

- | | | |
|------------------------------------|---------------------------|--------------------------|
| 1. I have a good work life balance | <input type="radio"/> Yes | <input type="radio"/> No |
| 2. My work feels meaningful | <input type="radio"/> Yes | <input type="radio"/> No |
| 3. My colleagues are supportive | <input type="radio"/> Yes | <input type="radio"/> No |
| 4. I feel valued at work | <input type="radio"/> Yes | <input type="radio"/> No |

Space would be provided for free text comments and each participant will be asked to identify their work group and directorate, whilst the survey will be anonymous, this will enable us to target support to the areas that need it.

These results would feature as part of our intelligence dashboard.

3. Employee expectations survey

We also propose designing and implementing an expectations survey mid-way through our first year (September 2013), focussing on generating feedback on specific questions relevant to the NHS CB's stage of development, our purpose, vision, values and behaviours.

The proposed survey could consist of 10 relatively simple questions similar to these.

1. So far, the organisation has lived up to the expectations that I discussed with my manager when I joined the NHS CB;
2. I feel that I am encouraged to learn and be creative;
3. I have been provided with support to do my job well;
4. I have had the opportunity to participate in building the purpose and values of the organisation;
5. I feel that I am encouraged to be innovative and take risks;
6. I am listened to when I have something to contribute;
7. I am encouraged to work with others across directorates;
8. I can see how my role will improve outcomes for patients and communities;
9. I feel the NHS CB is an inclusive organisation where everyone is treated with respect, and unfairness or inequality is challenged as soon as it arises;
10. The senior leaders in the NHS CB are accessible and show a genuine interest in employees and the work they do.

Our intention would be to work with Professor Michael West to ensure these surveys are underpinned by a strong evidence base and complement the NHS staff survey questions.

4. The NHS staff survey

We will also use the annual NHS staff survey. This is a more generic, but detailed and comprehensive employee survey, used by the majority of NHS organisations and provides year-on-year feedback on a range of issues which have been demonstrated to impact on staff engagement, motivation, productivity and ultimately on patient experience and outcomes.

It also provides the opportunity to benchmark employee experience with other organisations in the same sector.

5. External Stakeholder Perceptions

During 2013/14, we will work closely with the Policy directorate and others, to develop a 360-degree stakeholder feedback process, to assess along with other key indicators whether we are ***experienced by others as a patient focussed organisation.***