

Talent for tough times: how to identify, attract and retain the talent you need

The NHS is facing a real terms cut of around £20 billion in the three years from 2011 and it is unlikely to survive the impending spending squeeze unchanged. It is therefore more important than ever that the NHS is attracting, retaining and developing talented people who are adaptable and up to this challenge. This *Briefing* outlines what good talent management looks like, discusses why it will be so important as the NHS faces the lean years ahead and sets out how trusts can get started.

Key points

- The NHS needs to identify and develop talent at every level of the organisation to meet future challenges.
- A focus on developing talent at all levels will send the right message to staff, who are critical to delivering the vision of high quality care for all.
- We need to look at what the best organisations, globally, are doing to make the most of their talent and keep the door open to new talent through the recession.
- Talent management tactics that focus on in-house development are compatible with tighter budgets and the drive for quality and efficiency.
- Board-level directors should take personal responsibility for ensuring a strategic approach to talent management across their organisation.
- Line managers should be the owners of talent management initiatives and will need proper support to make them effective.
- Demographic and legislative pressures mean the NHS must consider diversity as part of any talent management strategy.

Background

A leaked McKinsey report in September 2009 forecast that the NHS will have to slash its workforce by 137,000 to achieve necessary savings. NHS Employers and the NHS Confederation are clear that slash and burn cuts are not the answer.

In contrast, organisations worldwide now view talent management as even more crucial to both boosting the leadership skills they need to see them through, and retaining much needed skills and talent in preparation for when the economy recovers.

Globally, rather than cutting back on talent development in a downturn, the best companies¹ are focusing on developing

leaders who will “not only survive and thrive in the current financial crisis, but will be well positioned for growth once the economy improves.”

This includes:

- valuing leaders who can achieve results through others
- holding senior managers accountable for commitments
- increasing emphasis on skills needed to succeed in a matrix environment
- having a formal process for identifying individuals for leadership roles
- aligning talent management to a clear business strategy.

Chief executives responding to PricewaterhouseCoopers' most recent annual global survey said it is important to achieve a viable balance between short-term survival and building for long-term success. And they saw access to, and retention of, key talent as the single most important issue in sustaining such success.

The right talent management strategy can identify not only the talent, but the additional support individuals need to develop the skills the organisation needs, for example team leadership and matrix working.

The benefits in terms of organisational performance are now beyond dispute.

What is talent management?

Talent management is essentially making sure you have the right person in the right place at the right time. It can be defined as attracting and integrating highly skilled workers and developing and retaining existing workers.

It is knowing:

- where talent is now and in the future
- what skills and experience that talent will need
- what talent you currently have, where it is and how good it is
- how you can best develop that talent to meet future needs.

According to the Chartered Institute of Personnel and Development, talent management requires HR professionals to understand how they define talent, who they regard as ‘the talented’ and what their typical background might be. But talent management should not be the domain of HR alone. It needs support across the organisation, from board level through to line managers and staff.

Attracting highly skilled workers

As the NHS begins its lean years from 2011, the rest of the economy is expected to be emerging from recession. Highly skilled workers will continue to be in demand and, with public sector pay restraint likely, the NHS will need to work harder to attract them. The opportunity for ongoing training and development is one of the main benefits of joining the NHS, and this works alongside pay, conditions and pensions, and the opportunity to make a difference, to help the NHS remain an attractive place to work.

Developing existing workers

Developing the talent we have already is important for staff retention at all levels, and for succession planning. It is senior managers who will be central to leading the NHS through to recovery and we need to ensure they have the skills and model the behaviours needed to ensure success. People who already understand at least part of the business, have good internal networks and have a vested interest in the success of their teams and their organisation, need to be identified and encouraged to apply their skills to new challenges.

- Good leadership and talent management systems can help organisations perform 10 to 20 per cent better than those without them.
- Companies with stronger leadership development have up to 7 per cent higher profits than competitors.
- 85 per cent of the 20 top performing companies hold their leaders accountable for developing talent.

Challenges, but also opportunities

Without doubt HR and workforce leaders face major challenges in the next five years – impending budget cuts and increasing public and political demands on the NHS, demographic change and complex, changing regulatory systems to name a few. Innovation and creativity within the workforce will therefore be critical to the ability of the NHS to deliver high quality care, safely, with a minimum of waste.

To meet these challenges the performance of everyone in the NHS must improve and talent management, if implemented in the best way, can help make this happen.

HR and workforce leaders, working closely with boards, will need to facilitate the conditions for individuals and teams to perform at their best, moving away from transactional delivery of HR services to a more strategic role that enables

transformation. Staff engagement and talent management will be important components of delivering the necessary new ways of working.

Talent management expert and former Global Head of Talent for UBS Chris Roebuck suggests three steps to great performance through talent.

1. **Build the foundation:** put in place a simple and effective system that identifies key roles and future leaders and start to develop them. Make sure existing leaders set the example and drive this. Ensure clarity on ‘people’ responsibilities between line manager, senior managers, HR, and the individual. Start to develop clinicians and managers together. Check the talent activities are aligned to key organisational objectives.
2. **Developing leaders for performance:** ensure that line managers are the key identifiers, developers, motivators and retainers of talent. They must be able to develop talent on the job. Develop leadership in all roles, including clinical roles. Leaders developing leaders is key. Strategy, systems and behaviour must align for performance.
3. **High performance for all:** involves everyone becoming world class. Line managers now to develop, motivate and

inspire everyone, not just the few, using the skills developed in step 2.

Talent management in the NHS

In the NHS, strong teams and effective line management are recognised as critical to improving staff performance and the quality of patient care.

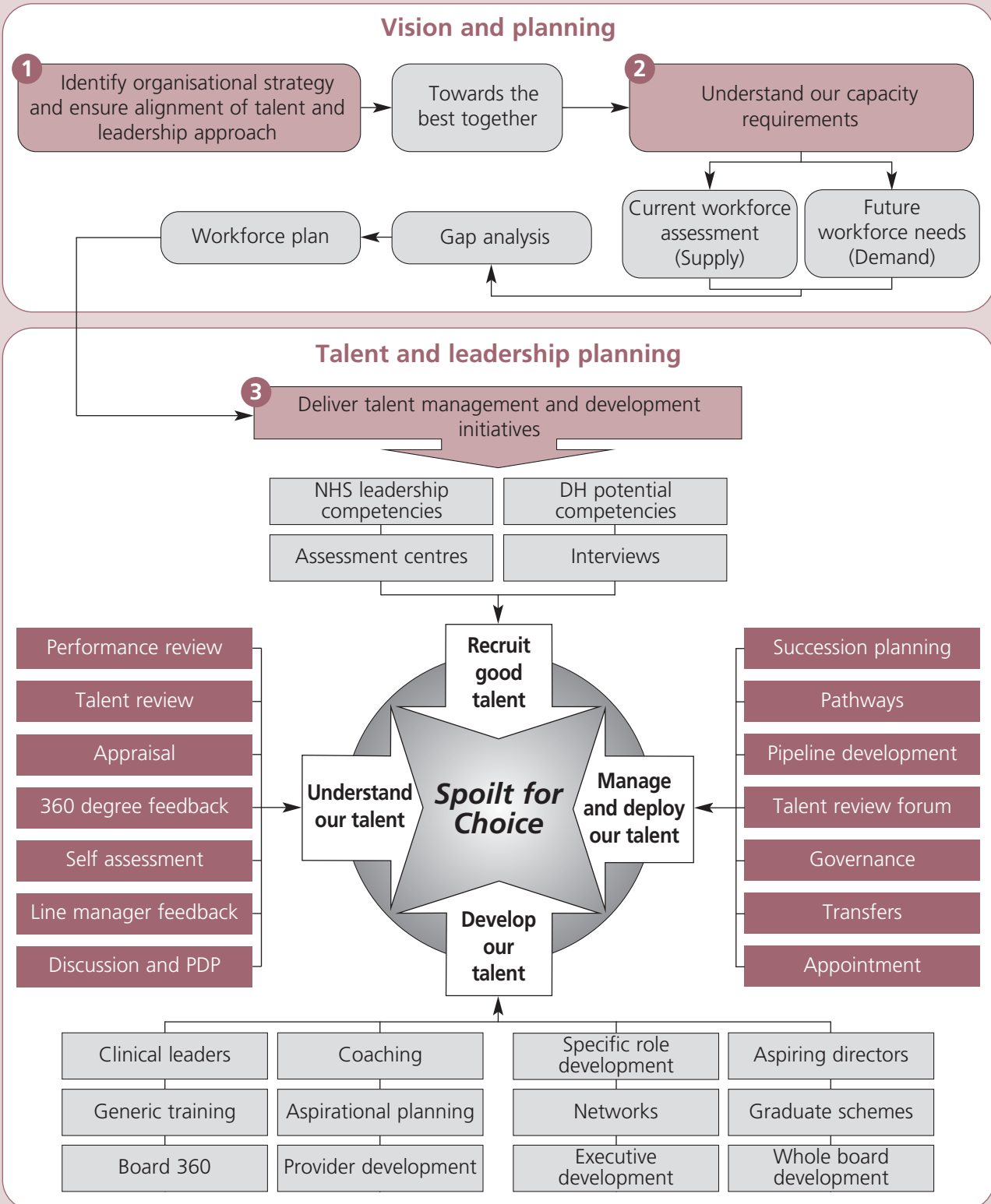
Lord Darzi’s NHS Next Stage Review placed an emphasis on improving NHS leadership as a way to deliver the commitments. The final report, *High-quality care for all*, highlighted this and includes a proposal for guidance on talent management.

The National Leadership Council (NLC) for the NHS has also now been established to champion the transformation of leadership across the NHS and ensure that world-class leadership talent and development exists at every level of the system.

The Department of Health’s guidance, *Inspiring leaders: leadership for quality*, recognises that talent and leadership planning needs to be happening at all levels of the system: individual, employer, regional and national.

Strategic health authorities (SHAs) are specifically tasked with facilitating improvement at a regional level and acting to ensure the conditions are right, across their region, for the development of a regional plan.

A systematic approach to talent management



Source: NHS East of England

Many have begun implementing these. NHS North West, for example, has developed a pilot project to develop the North

West's emerging clinical leaders to work with clinical pathway groups on implementing the vision produced as part of the

Next Stage Review. These 'Darzi fellows' were identified through a highly competitive recruitment exercise and will work on

Case study: South Downs Health NHS Trust

Like many NHS organisations, South Downs Health NHS Trust sees its talent management plan as "very much a work in progress" involving a range of talent and leadership development initiatives – some of these were already available in the trust and others have been brought in to fill identified needs. The trust has brought these together into a framework which includes leadership programmes, action learning sets and accredited development. This will form the basis of the talent plan and, alongside intelligence gathered from evaluations and feedback, will help to develop the talent management strategy.

Leading champions programme

The trust began tendering for a leadership programme in January 2008 and the first cohort of 'leading champions' began a bespoke programme in November. The programme set out to deliver real and sustainable change for the organisation, creating a cohort of leaders with innovation, creativity and adaptability who could support the organisation's work across several key areas. It offered a mix of workshops, one-to-one coaching, facilitated learning sets and whole group sessions. Participants also worked on a real project that helped them put their learning into practice.

From the start, the programme involved the trust's board and the evaluation showed strong results against each of the objectives including:

- developing the capability to create a compelling view of future services
- building effective networks

- optimising the performance of teams
- developing an entrepreneurial culture in service delivery
- developing coaching skills.

As a direct result of their participation on the programme, the 'leading champions' are now recognised across the organisation and have taken on greater responsibilities within the trust.

Broadening the audience

The leading champions programme is just one of the trust's leadership development activities. A recent in-house leadership conference was an opportunity to tell people about the full range of leadership interventions available and encourage them to take responsibility for their own leadership development and that of their staff.

Lessons learnt

- A blended approach with different interventions and methods, offered as part of a framework, provides flexibility when choosing the right level and the right style of programme for an individual.
- Working out what's needed of your leaders and how to continue to support them beyond their participation in a programme is an important part of retaining and developing talent.
- The trust recognises a need to get better at explaining that what is on offer is part of a pathway, underpinned by its workforce development strategy.

secondment in multidisciplinary teams, supported with leadership training from the NHS North West Leadership Academy. The academy has also developed a toolkit to help NHS organisations produce their talent management plans.

For these plans to be meaningful, local organisations will need to be working separately to identify their own visions, diagnose current demand and supply, and come up with plans to close gaps. However, the level of progress on talent management implementation varies significantly between different NHS organisations.

Within the next year, primary care trusts will be expected to assure themselves that all their providers have talent management plans in place, which means that NHS trusts and other providers should be developing their plans now. This work should feed into regional plans so it can be linked with investment and wider initiatives (see diagram on page 4).

Getting started

The NHS is starting from a strong position of good staff satisfaction rates, individuals who want to make a difference and strong buy-in from national NHS leaders. The Knowledge and Skills Framework, as part of Agenda for Change, is a key tool for identifying development needs and supporting career

progression and many of the initiatives trusts already have will make up components of a talent management system.

While some investment will almost certainly be needed, some of the most effective ways of developing talent can be done in-house, which also helps to keep costs down and can make the development more focused. These are typically:

- on-the-job development from line managers and experienced staff
- in-house programmes, including local or regional programmes and using external experts on in-house programmes
- coaching from a trained internal coach
- mentoring from another senior manager/executive
- finding challenging assignments or tasks
- job shadowing or rotations
- effective and regular development discussions between line manager and individual.

Identifying talent

While most organisations agree that 'talent' has something to do with performance and potential, it can also be viewed as a critical skills set that is scarce in the organisation itself, or in the current labour market.

Talent should be selected on the basis of both performance and potential. Potential is often taken to mean above normal peer-level demonstration of behaviours such as:

- managing change
- learning quickly
- building effective working partnerships
- seeing the bigger picture
- developing performance.

The development of talent should be underpinned by the idea of performance improvement and development for all, with staff committed to developing their own talent and supporting the development of others.

Who should be developed?

Organisations need to decide where to concentrate their talent management efforts in the first instance. This may be on the most senior leaders, on leaders in areas that can make the most impact, or on developing leaders at every level of the organisation. In the NHS, much of this will need to be decided at the local employer level, based on needs and resources.

To gain the full organisational benefits of higher performance, talent management should apply to all staff. Initially, organisations are likely to set up and pilot their systems in areas where maximum impact is delivered – usually among staff

at board, executive, director and assistant director levels together with key clinicians. Once these are effective then it is relatively simple to cascade and tailor the established systems to other groups.

Components of a talent management system

A top quality talent management system is aligned to the corporate strategy and typically consists of the following core components:

- chief executive engagement
- diversity objectives
- performance measurement
- succession planning
- development programmes
- mentoring
- coaching.

These will be underpinned by the idea of performance improvement and development for all, with staff committed to developing their own talent and supporting the development of others.

Getting buy-in

Agreement and buy-in from across the organisation is a critical success factor in any talent management plan. This begins with the board but should also include senior managers, clinical leaders, staff side representatives, equality and diversity leads and staff themselves. It is also essential to

involve key stakeholders in the design and delivery of a talent management plan, and to test it with them ahead of the launch. A communications plan will be needed to communicate a few key messages clearly and consistently with the specific audiences and to gather and respond to feedback.

Roles and responsibilities

Key roles for talent and leadership development within the NHS as a whole have already been set out, in

Department of Health guidance, for each level of the healthcare system: national, regional, employer and individual.

Similarly, identifying clear roles within your organisation will be critical for success, and for avoiding confusion and duplication. While this will depend largely on the make-up of an individual organisation, typically the key roles will be as follows.

Chief executives and directors should lead the implementation and set an example within

Success factors for implementing effective talent management

- Board leadership – HR should use compelling data to make a strong business case and link it clearly to organisational objectives.
- Involve line managers and senior managers in all aspects of talent identification, development, motivation and retention for their people.
- Ensure there's a robust, transparent selection process, which fits with your organisational culture and clearly describes the behaviour you're looking for.
- Regular and consistent communication to all about your talent strategy.
- Build in measures so you can see if you are getting value for money.
- Ensure that your talent system focuses effort onto key organisational deliverables.
- Once the system is effective for your leaders and potential leaders, cascade it to all to improve engagement and performance.

their organisations. They should take personal responsibility for spotting and developing talent and participate in the programmes, for example, as mentors.

HR and workforce leads should be the enablers of the strategy, making the business case for talent management in their organisation, supporting

senior management and line managers and providing the tools to facilitate delivery.

Line managers are at the front line, responsible for spotting, developing and promoting talent within teams and the organisation. They develop staff on the job, identify training and development needs, motivate and inspire.

Individuals need to play an active role in their own talent management, considering how their development can be of mutual benefit to themselves and the organisation. They should consider how they would like to progress, suggest ways in which they can contribute to their development and make the most of opportunities.

Case study: National Audit Office

The National Audit Office (NAO) relies on the skills of highly qualified specialist staff and many of its staff have several years of professional training to become qualified. It recognised that it needed to enhance and develop its leadership capabilities in order to keep staff engaged and committed to the organisation. It is taking a three-pronged approach.

Junior managers

Focusing on junior managers, the Future Leaders Development Programme aimed to create a culture of learning with a view to developing leadership skills in the NAO's high potential employees. It has been running since 2005 with results measured against specific criteria in terms of staff retention, speed of progression, and performance.

Its most recent results, in 2008, show that:

- staff retention three years post-qualification is at 79 per cent among people on the programme compared with 49 per cent across the organisation
- speed of progression is 31 months to a management position compared with 48 months for those not on the programme

- performance, measured through appraisal, sees 84 per cent of those people on the programme achieving an A grade compared with 39 per cent across the office.

Senior managers

Much of the NAO's senior management talent is necessarily home grown. A competitive commercial market means that it can't compete for talent on salaries alone. A programme is currently being developed to improve the calibre of potential directors in the talent 'pipeline'. Highly competitive, it aims to develop managers who meet the NAO's director profile in terms of skills, experience and an understanding of the context in which they are operating.

Talent in all areas

In tandem with these programmes, the NAO invests a significant amount in training and continuing professional development across the board. While some talent is earmarked for specific leadership development, everyone is given the opportunity to raise their skills and competencies. The NAO monitors its activities across the equality strands and offers internships for disabled and ethnic minority candidates and mentoring programmes.

Talent development through the line

If we are to develop talent at all levels within the NHS, there's a desperate need to equip senior managers and line managers with the confidence and skills to spot and nurture talent. Middle managers come in for much criticism in the NHS

but they need to be supported and valued so they can elicit quality and commitment from their staff.

The 2008 NHS staff survey shows that appraisal rates (or Knowledge and Skills Framework reviews) are improving, but only 27 per cent of staff felt that their review was 'well structured' in

that it improved how they worked, set clear objectives and left them feeling that their work was valued.

There is widespread recognition that the relationship between an employee and their line manager is one of the biggest determinants of job performance and satisfaction

Case study: Buckinghamshire County Council

Over the next four years Buckinghamshire County Council anticipates it will need to deal with a budget shortfall of between £27 and £40 million. To cope with this, the organisation has established a transformation programme to redesign its activities and ways of working. This scale of change has only been possible with the buy-in of existing staff. The council is clear that talent management is key to ensuring it has the right people in-house to meet this considerable challenge and is running the programme almost entirely from within its own workforce.

From top performance to outstanding performance

The Achieving Outstanding Performance programme follows a successful change programme and people strategy. The council wanted to keep the momentum of its success as a four-star rated local authority, prepare for the financial challenges ahead and push itself more towards continuous improvement. The starting point was to develop an updated set of organisational outcomes and values. A picture was then created of how the organisation needed to look in five years' time and the five outcomes it wanted to achieve. Seven transformation work programmes were then developed to deliver the change needed.

Talent from within

The council had ambitious plans. It wanted to achieve the change at the lowest possible cost and to achieve the highest level of engagement from its workforce. It set a target of using its own internal talent to drive forward the change rather than relying on expensive consultancy support. Heads of service were seconded from their day job to lead on each of the seven work strands and a group of transformation change agents were recruited through a detailed assessment process.

Change agents

The change agents receive specialist training and support and they are seconded for 12-week periods to act as business analysts in the transformation team. They return to their day jobs equipped with change management skills and are enthusiastic about the transformation process.

Results

- 18 change agents trained so far
- potential savings of over £500,000 per annum in deferred consultancy fees
- transformation programme on target to achieve its savings target of £27 million over three years.

and The Work Foundation² advocates giving business leaders and line managers ownership of talent management as part of their normal activity.

According to the Corporate Leadership Council, a good line manager who inspires and develops people can increase an individual's potential by 43 per cent, ability by 36 per cent, engagement by 42 per cent and performance by at least 30 per cent.

Helping every line manager to be an effective manager, with the confidence to inspire, support and develop their staff and teams is an urgent priority for the NHS and could form part of your organisation's talent management plan.

An NHS of many talents – the value of diversity

With demographic pressures such as an ageing workforce and increasing recognition that a diverse workforce needs to be part of the core business of the NHS, talent management can also be seen as a chance to recruit, identify and develop talent from as wide a pool as possible.

Diversity can be considered not only in terms of age, gender, ethnicity, sexuality, religion and belief and human rights, but also in terms of experience and

different ideas and approaches. This diversity is essential for creating a culture of innovation as well as an environment where all staff feel they are able to perform at their best.

With the Equality Bill currently going through Parliament, there will be more emphasis on recruiting and developing an NHS workforce that reflects the patients it serves. No talent management strategy should neglect this.

Generation Y

Generation Y, those born after 1980, are considered a particular target for talent management activities. Organisations need to bear their specific characteristics and expectations in mind as part of managing their current and future workforce.

In general, these staff are focused on their own careers and willing to move jobs regularly to secure the skills and experience they desire for future growth. They are having children later, leaving home later, and place a high value on the ability to work flexibly and retain a good work/life balance. They are attracted by jobs that offer career development, a good working environment, working for something they believe in and that satisfy their need for challenges and change.³

Talent management checklist

1. Assess your talent needs, especially for key roles (demand).
2. Identify current staff performance and potential (supply).
3. Assess your current delivery systems (supply/demand gap).
4. Assess your current development systems (meeting demand).
5. Plan general development for all (functional and leadership, as required).
6. Plan recruitment for specific roles when required (matching supply to specific demand).
7. Develop for specific roles pre-appointment and provide support and ongoing development in the role.
8. Cascade down – talent management should present opportunities for all, not just an elite.
9. Regular reviews – constantly measure and improve systems.
10. Ensure diversity is leveraged at every level.

An ageing workforce

As the workforce ages – workers aged 40 and over are expected to outnumber younger workers 17 million to 16 million by 2020 – attention also needs to be paid to the needs and expectations of these staff and the different management approaches they need. The Employers Forum on Age and The Age and Employment Network have recently reasserted the business case for maintaining age diversity, particularly during the recession, to avoid the mistakes of the 1980s and retain valuable knowledge and experience for the future.⁴

International recruitment

While the NHS is increasingly focusing on local recruitment opportunities, there will always be some need for international recruitment to fill skills gaps. As the economy recovers, international competition for talent is expected to intensify once more. The NHS needs to be prepared for this, keeping the dialogue open with international talent to ensure our health system and staff benefit from the new ideas, approaches and innovations they can provide.

Next steps

NHS organisations need to act now to ensure they have the talent they need to not only sustain the NHS through the lean years but to ensure that the workforce is fit to provide high quality healthcare into the future.

Talent management is an important enabler for this. Now is the time for HR and workforce leaders, together with boards, to be putting a top quality talent management system in place that

will allow individuals, teams and whole organisations to perform at their best.

NHS Employers will continue to support NHS organisations as they develop and implement their talent management plans. We are particularly keen to hear from organisations that are willing to share case studies and learning to help others as they tackle similar issues. Please send any comments, ideas or case studies to sharedlearning@nhsemployers.org

This *briefing* was produced with input from Chris Roebuck of Transformation at www.chrisroebuck.net. Thanks also goes to Buckinghamshire County Council, the National Audit Office and South Downs Health NHS Trust for providing case studies.

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NHS Employers represents trusts in England on workforce issues and helps employers to ensure the NHS is a place where people want to work. The NHS workforce is at the heart of quality patient care and we believe that employers must drive the workforce agenda. We work with employers to reflect their views and act on their behalf in four priority areas:

- pay and negotiations
- recruitment and planning the workforce
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- employment policy and practice.

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