

'You matter, we care'

Trust Board (Part 1)	Date: 28 May 2014
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Title:	Organisational Health Metrics
Item:	BD/14/047

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History:	<i>ESEC – 8 May 2014</i>
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This report is for:	
Decision	
Discussion	X
To Note	

Executive Summary of key issues
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This report presents the proposed Organisational Development Dashboard discussed at Employee Strategy and Engagement Committee (ESEC) on 8 May 2014. The dashboard enables ESEC to monitor the impact of actions within the Organisational Development programme of work.

Proposed measures complement current methods of monitoring organisational performance and offer Board insight to organisational performance, organisational health and organisational culture. Taken together, proposed measures represent an Organisational Dashboard that allows Board to maintain oversight of key factors that affect quality of care.

Benchmarking allows us to monitor our performance against that of comparable organisations to ensure we learn from best practice and continually improve what we do. AWP already makes use of benchmarking data and routinely compares our performance on a range of indicators. This report proposes establishing benchmarking relationships with comparable organisations to agree data sharing of information not in the public domain and to proactively share best practice.

The proposed dashboard and benchmarking relationships further strengthen our Board Governance Assurance Framework in the domains of 'Board Insight and Foresight' and 'Board engagement and involvement'.

Recommendations:

Board is asked to review and discuss the proposed Organisational Dashboard.

This report addresses these Strategic Priorities:

We will deliver the best care	X
We will support and develop our staff	X
We will continually improve what we do	X
We will use our resources wisely	X
We will be future focussed	X

1. Introduction

AWP Board has invested in organisational development as a means of improving effectiveness of the organisation and to take deliberate action to improve organisational culture.

To implement organisational development the Director of Organisational Development was appointed in June 2013 and Board approved a programme of work (Enabling Excellence Programme) in September 2013. The programme makes use of evidence-based interventions and approaches that will improve performance and culture.

The purpose of Organisational Development is to ensure that AWP is fit to provide high quality mental health services today as well as tomorrow. Organisational development aims to improve organisational performance, health and culture. Organisational Development underpins delivery of strategic priorities and maintains a specific focus on strategic priority 2, to support and develop our staff.

To provide assurance to Board on the effectiveness of the programme an organisational development dashboard (OD Dashboard) has been developed to enable Board oversight and scrutiny via the Employee Strategy and Engagement Committee (ESEC). The OD Dashboard was reviewed by ESEC in May and is brought to Board for further discussion.

Proposed measures complement current methods of monitoring organisational performance and offer Board insight to organisational performance, organisational health and organisational culture. Taken together they represent an organisational dashboard that further strengthens our Board Governance Assurance Framework in the domains of 'Board Insight and Foresight' and 'Board engagement and involvement'.

2. Organisational Development Dashboard

The purpose of Organisational Development is to ensure that AWP is fit to provide high quality mental health services today as well as tomorrow. Evidence shows that high performing organisations maintain a dual focus on;

- Performance: What an organisation delivers to its stakeholders e.g. high quality service, profit, shareholder returns within an agreed financial envelope
- Health: The ability of an organisation to align, execute and renew itself faster than the competition so that it can sustain exceptional performance over time

The proposed dashboard aims to monitor the impact of Organisational Development in terms of organisational performance, health and culture.

2.1. Improve Organisational Performance and Health

Organisational performance is principally monitored via our IQ system, performance against contractual and monitor requirements and financial performance against plan.

Oversight for these measures of organisational performance is maintained by Board (Quality and Performance Report, Finance Report), Board Committees (delegated responsibility for relevant IQ measures), regular performance reviews conducted with each delivery unit, the Quality Huddle and Contract and Performance Management Meeting (PaCMAN).

2.2. Improve Organisational Health

Organisational Health is defined as 'the ability of an organisation to align, execute and renew itself faster than the competition so that it can sustain exceptional performance over time' (Scott and Keller, 2011). Consideration of organisational health provides Board with foresight concerning the needs and capabilities to move beyond managing performance today and ensure readiness to adapt in the face of future demands.

Organisational health is assessed using the **Organisational Health Index tool (OHI)**. The OHI is an evidence-based tool developed by McKinsey based on extensive work with high performing organisations. The OHI describes 9 factors that influence the health of the organisation (described in appendix 1).

The OHI tool will be completed by the Board and Senior Management Team biannually at the Strategy Summit to determine perceived performance on each of the nine factors. Scores are analysed to determine areas for improvement and identify gaps in key capabilities. Feedback will inform the on-going work of the whole executive team and the organisational development directorate. Repeating this assessment every six months will evidence effective development of the organisation to achieve our purpose and strategy.

Baseline scores have been established and the impact of planned actions in will be measured through repeat use of the tool.

The use of an **Organisational 360 degree questionnaire** is proposed to gain feedback from external partners and stakeholders. The Trust purpose and strategic priorities will provide the framework for the Organisational 360 degree questionnaire, gathering quantitative and qualitative feedback on how our organisation is perceived by the wider health community. This is consistent with our commitment to be an excellent partner and system leader.

Using this approach, we will communicate our strategic direction to a wider audience, reinforce our commitment to openness and transparency, and gain important feedback on progress (as perceived by our Partners) and areas for further improvement.

We would conduct this assessment on an annual basis and engage an independent partner to ensure credibility. Baseline scores will be established and targeted areas for improvement identified. Progress will be measured through repeat use of the tool.

The ability of the organisation to align itself to deliver the Trust purpose and priorities will be assessed through an annual **Governance Review** of policies and processes. The review will identify opportunities for improvement and gaps in our capability to achieve our priorities and objectives. Further, it will illuminate the impact of policies and processes on staff and therefore culture of the organisation.

2.3. Organisational Culture

Culture change will be monitored through the use of staff engagement measures described below.

- **IQ Measures**

Sickness absence, supervision and appraisal rates provide an indirect measure of engagement and wellbeing. A direct measure of wellbeing is our preferred approach and an alternative is being sought. ESEC will continue to monitor these measures and receive feedback on the quality of supervision through reports and presentations from delivery units.

Revised targets for these measures are under consideration.

- **Staff Friends and Family Test**

In line with national requirements we have implemented the Friends and Family Test for staff. All staff will be invited to respond to three questions which indicate levels of staff engagement. The first question is a locally identified question that directly relates to our Trust purpose. The latter two questions are mandated and provide us with important insight into staff confidence and satisfaction.

'Care of Patients/ Service Units is my organisation's top priority' – 5 options (strongly agree – strongly disagree)

Would you recommend your service as a place to receive treatment? – 5 options (extremely likely – extremely unlikely)

Would you recommend this organisation as a place to work? – 5 options (extremely likely – extremely unlikely)

Comments are invited following each question providing important quantitative and qualitative feedback; they provide a temperature check of staff engagement and culture. The first question reinforces quality of care as our first commitment and tests the extent to which staff feel this is lived out. These questions will be repeated quarterly.

Baseline scores will be established following the first use of this survey approach (May 2014) and targets considered subsequently.

- **Organisational Health Index**

Three dimensions of the Organisational Health Index provide valuable information about the culture of the organisation: Culture and Climate, Motivation and Leadership. These factors will be monitored as evidence of positive change in culture. The OHI will be completed biannually.

Baseline scores have been established and the impact of planned actions will be measured through repetition of the tool.

- **Annual Staff Survey**

The annual staff survey will be carried out during Q3 and evidence whether the actions taken to improve staff experience and respond to improvement themes have been

effective. Quantitative and qualitative results will be analysed to examine change in scores from previous year.

A target in relation to Staff Survey results has been included in our annual objectives (2013/14). We aim to see 10% of staff survey results improve on 2013.

- **Cultural Audit**

A cultural audit will be carried out to understand staff, service user and carer experience and whether our desired culture change has been achieved. The Trust purpose and strategic priorities will provide the framework for the cultural audit and both quantitative and qualitative feedback on how our organisation is perceived.

A cultural audit will involve face-to-face meetings and, using key lines of enquiry, provide evidence of genuine culture change and areas for further improvement. The cultural audit will be completed annually.

Baseline scores will be established following the first use of this survey approach (May 2014) and targets considered subsequently.

1.1 Organisational Dashboard

Table 1 combines the measures described above and presents a dashboard of measures that could assist the Board to maintain oversight of organisational performance, health and culture.

Organisational Measure	Quantitative	Frequency of reporting	Assurance
Performance	IQ Measures	Monthly	Board Committees/ Board Huddle/ Performance Reviews
	Financial Performance	Monthly	Board Committees/ Board Huddle/ Performance Reviews
	Contractual Performance	Monthly	Board Committees/ Board Huddle/ Performance Reviews
Health	360 Organisational Review	Annual	ESEC/ Board
	Governance Review	Annual	ESEC/ Board
	Organisational Health Index (OHI)	Biannual	ESEC/ Board
Culture	3 IQ Measures	Monthly	ESEC/ Board Huddle/ Performance Reviews
	Staff Friends and Family Test	Quarterly	ESEC/ Board Huddle/ Performance Reviews
	3 OHI measures	Biannual	ESEC/ Board
	Annual Staff Survey	Annual	ESEC/ Board
	Cultural Audit	Annual	ESEC/ Board

2. Benchmarking

In addition to maintaining oversight of our performance and how it changes overtime it is important to compare performance with that of other organisations through benchmarking.

Comparison can be made with similarly positioned mental health Trusts in terms of service portfolio, size, geography and turnover, or by comparing ourselves with recognised leaders in a given field. AWP makes use of both approaches.

As a member of the NHS Benchmarking Network we contribute key data sets (clinical and corporate data sets) and receive benchmarked data. In addition, the Health and Social Care Information Centre is an increasingly valuable source of mental health key performance indicators and activity metrics. Triangulation of benchmarking data with other data sets e.g. Joint Strategic Needs Assessment and forecasted population demographics offer the potential to determine likely service demand and opportunities for growth.

We routinely benchmark to identify recognised leaders in a given field in order to identify and learn from best practice. Recent examples include benchmarking with Trusts recognised for their work on Safer Staffing and Staff Engagement.

Creating more formal benchmarking relationships (collaboratives) with NHS partners would enable us to exchange more confidential data sets, reciprocate support and create learning opportunities.

3. Summary

This paper sets out the high level indicators by which the Board can monitor and receive assurance of the effectiveness of the organisational development programme and its impact on organisational health and culture. Combining proposed OD metrics with those currently used to monitor organisational performance provides insight into organisational performance, health and culture.

Opportunities to triangulate metrics described in the dashboard above with other internal and external data sets will be explored to gain richer insight into organisational health and performance. Further benefits may be gained by developing benchmarking relationships with similarly positioned mental health providers as well as Trusts recognised as high performers in a particular area.

The Board is asked to discuss the value of the proposed approach and the impact on key domains of the Board Governance Assurance Framework, 'Board insight and foresight' and 'Board Engagement with internal and external stakeholders'.

Appendix 1: Organisational Health Index

Nine factors that influence organisational health

Direction: Clear sense of where organisation is heading and a credible plan to get there that is meaningful to all employees

Leadership: Extent to which leaders inspire actions by others

Culture and Climate: Shared beliefs and quality of interactions within and across organisational units

Accountability: Individuals understand what is expected, have sufficient authority to act, responsible for delivering results

Coordination and Control: Ability to evaluate organisational performance and risk, to address issues and opportunities as they arise

Capabilities: Presence of institutional skills and talents to execute strategy and create competitive advantage

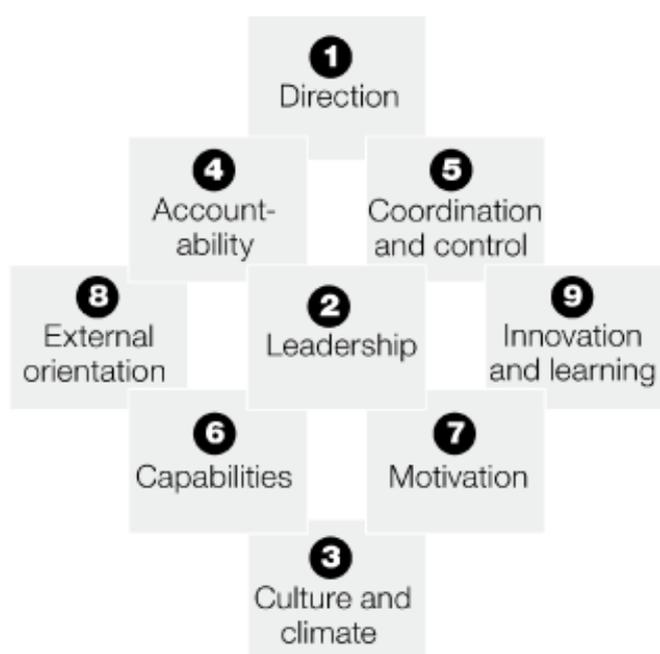
Motivation: Enthusiasm that drives employees to put in extraordinary effort

Innovation and learning: The quality and flow of new ideas, the organisations ability to adapt and shape itself as needed

External Orientation: Quality of engagement with customers, partners, external stakeholders to drive value

Exhibit 2.2

Nine Elements of Organizational Health



...in three clusters

Internal alignment

The organization has a compelling vision and a well-articulated strategy that is supported by its culture and climate

Quality of execution

The organization demonstrates excellence in executing its strategy and delivering its services

Capacity for renewal

The organization is effective at understanding, interacting with, adapting to, and shaping its situation and external environment