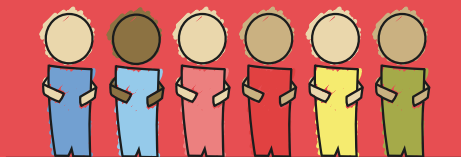


# DRIVING VALUE THROUGH DIFFERENCE:

Building a diverse and inclusive NHS Finance function

JUNE 2017

MAKING PEOPLE COUNT



**FUTURE  
FOCUSED  
FINANCE**

# Foreword

The growing body of research on diversity and inclusion (D&I) shows that well-managed, diverse teams provide better care for patients, better management of resources, are more innovative and make better decisions.

The evidence demonstrates positive efforts across a range of providers and commissioning organisations which have invested in activities to raise awareness of D&I, mitigate potential bias in their HR processes, and support the diverse needs of staff and patients. However, available data suggests a lack of significant progress in changing the diversity of the workforce both in NHS Finance and more broadly. With the introduction of the Workforce Race Equality Standard (WRES) and refreshed Equality Delivery System (EDS2) as mandatory components of the standard NHS contract, a clear expectation has been set for Trusts and CCGs to examine their practices and implement actions to make them more inclusive. Most notably, at a time when NHS organisations must find new ways of managing costs under increasing pressure, the importance of building diverse and inclusive teams comes into sharp focus.

Future-Focused Finance seeks to strengthen NHS Finance provision in support of high quality patient services and a key aspect of our work is supporting careers within the profession. We are committed to supporting those groups protected by the Equality Act 2010 to achieve their potential and to building a diverse pipeline of future finance leaders. We are starting our journey with a focus on female and Black, Asian and Minority Ethnic (BAME) employees.

Our previous report, 'Diversity in NHS Finance Leadership: Beliefs, behaviours, and barriers' highlighted some of the challenges faced by finance teams in making progress in D&I, including ineffective D&I-related policies, experiences of bias, and perceptions of high workload and lack of flexible working opportunities at more senior levels.

As a consequence, we have developed the accompanying narrative, which outlines why it is so important to increase the diversity of our workforce and continue to build an inclusive culture across all parts of the NHS. It highlights what we are doing to achieve this, and, as senior finance professionals, what you can do to help. NHS Finance can lead the way and be a catalyst for change, but this requires strong leadership. In order to make long term sustainable progress, D&I needs to move away from being an issue that is owned by HR and to sit firmly on the agenda of senior leaders in every team.

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Chief Finance Officer – NHS Isle of Wight CCG

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## The purpose of this narrative is to

- ▶ Outline the D&I journey for NHS Finance — where we are starting from, where we want to get to and why
- ▶ Highlight what we are doing to begin this journey, and the role that you can play, including how to take part in our sponsorship programme (*see page 7 for detail*)

# THE VISION AND CASE

As a finance profession, we want to become:

## Diverse

We want to build a diverse pipeline of talent, to help ensure that the future leadership of NHS Finance not only reflects the communities that we serve but also addresses disproportionality.

## Inclusive

We want to create an environment where hardworking staff from all backgrounds can thrive and provide support for those who need it most.

Achieving this will help us to:

### Build organisational resilience

Increasing the diversity and inclusiveness of NHS teams can support increased innovation and assist continuous improvement in the management of costs and the delivery of care – which in turn helps to create a more resilient and sustainable service. Research indicates a link between diversity in teams and increased innovation as well as better decision making and effectiveness of boards<sup>1</sup> and teams. Studies have observed this in teams where there is 'psychological safety', i.e. team members at all levels felt included and comfortable to contribute to team discussions<sup>ii</sup>.

### Attract, retain and engage the best talent

Building a compelling employee value proposition that caters for diverse needs is a powerful way to attract the best talent from a wider pool. By designing recruitment, appraisal and progression processes that are fair and integrate ways to mitigate the risk of bias, organisations can ensure that high potential employees from all backgrounds are recruited and retained. Research shows that there can be barriers for underrepresented groups in each part of the employee lifecycle<sup>iii</sup> and processes and behaviours must be examined in order to remove these.



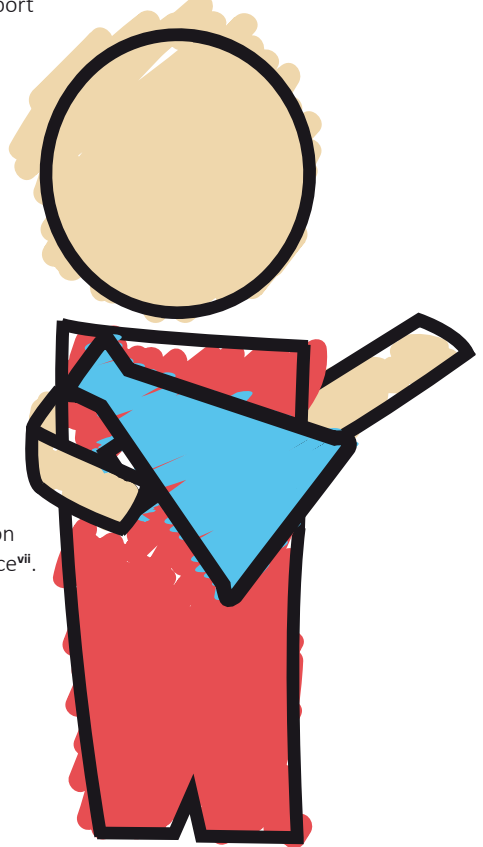
## THE VISION AND CASE CONTINUED...

### Enhance patient care

Research shows that building an inclusive culture has a positive impact on the care we provide to patients. Analysis of the NHS staff survey in 2012 showed a clear correlation between BAME employees' reports of their experiences at work, and the degree of satisfaction that patients reported with the service they received. In organisations where BAME employees felt engaged and included, patients were more likely to report being satisfied with their care, while higher reported levels of discrimination against BAME employees correlated with lower patient satisfaction<sup>iv</sup>.

It has been argued that the fundamental characteristics of a culture of inclusion are the same as those required for 'high-quality, continually improving and compassionate' patient care . Research has also established a link between higher levels of staff engagement and better patient safety<sup>vi</sup>.

Reflecting the community of patients that we serve provides important insights into their needs. There are numerous examples of how NHS organisations have leveraged the specific knowledge of diverse staff to enhance services and access harder to reach parts of the community. Conversely, there are examples showing how a lack of insight into the diverse needs of patients can have a negative impact on populations that are underrepresented in the workforce<sup>vii</sup>.



# THE JOURNEY

## We have a significant journey ahead

In 2015, the NHS Finance function census<sup>viii</sup> showed that while 62% of the NHS Finance workforce was female, only 26% of Director level positions were held by women. Similarly, while BAME employees made up 14% of the workforce, only 3% of Directors were BAME.

At board level, there is progress to be made. A recent report looking across NHS organisations in England<sup>ix</sup> indicates that while nationally women hold, on average, 41% of seats on all NHS boards, when looking at each individual board, the proportion ranged from 8.3% to 80%. This report sets a clear ambition for gender balanced boards (i.e. 50% female) and calls for this to be achieved by 2020. It indicates that to achieve this, an additional 500 seats on NHS boards in England need to be held by women.

### The 2016 WRES report<sup>x</sup> gives further insight into the career experiences of BAME employees in NHS provider trusts.

1

White employees are 1.57 times more likely to be appointed from shortlisting than BAME employees

2

BAME employees are 1.56 times more likely to be entered into a formal disciplinary process than white employees

3

BAME employees are less likely than white employees to believe that their trust provide equal opportunities for career progression (74% vs 89%), however this difference has improved since the previous data analysis from 2014 (70% vs 89%)



## THE JOURNEY CONTINUED...

We need to RENEW OUR EFFORTS and be TENACIOUS to achieve change

Data reveals a small shift in the composition of NHS Finance in recent years but also shows that progress has been slow<sup>xi</sup>. The first NHS Finance census in 2009 indicated that 21% of Finance Directors were female, a figure that has risen by only 5% in the latest 2015 census despite efforts across a wide range of NHS organisations to increase female representation<sup>xii</sup>. Continuing with the same approach is unlikely to achieve the pace of change we require, indeed, some sources predict that it could be 70 years before gender balance is reached in boardrooms, let alone proportionate representation of other protected characteristics<sup>xiii</sup>.

The experience of organisations across a wide range of sectors tells us that there is no single initiative that can act as a ‘silver bullet’ to improve diversity and inclusion . Rather, successful efforts have tended to concentrate on a number of different targeted and sustained actions to change attitudes, behaviours, underlying organisational processes and culture, and have made use of positive action to support underrepresented groups<sup>xiv</sup>.

**So, knowing that we have a significant journey ahead, where is the best place to start?**

# THE FIRST STEPS

We are investing in POSITIVE ACTION

## Programmes to support future leaders:

Our data shows that we have a diverse workforce when we look at the overall picture but that this diminishes as seniority increases. Developing future leaders is at the core of the work we do at Future-Focused Finance and we already run the Aspiring Finance Leaders programme which helps to identify and support talented individuals at band 8 and above who aspire to become Finance Directors and Chief Finance Officers.

In order to see meaningful change in the coming years, we know that it is necessary to supplement this with specific positive action to help us build a diverse pipeline. Therefore, we are also investing in a targeted sponsorship programme that, in line with what the data is telling us, is aimed at female and BAME talent at band 8a and above. Sponsorship (which is different from mentoring) is a natural part of how organisations function and sponsorship relationships develop informally. Research suggests that individuals from underrepresented groups may be less likely to be able to access this informal support, which can impact their career progression. Therefore, the introduction of targeted sponsorship is not positive discrimination, it is about levelling the playing field and providing the support necessary for individuals from underrepresented groups to succeed. External guidance on increasing female and BAME representation in leadership cites sponsorship as a key factor in progressing to senior roles<sup>xvi, xvii</sup>.

Finally, we are also in the process of developing a tailored programme for Finance colleagues at other grades to provide early intervention and support at the bands before we typically see a drop off, to aid retention and progression to more senior levels.

Outside of Future-Focused Finance there is a range of additional resources, networks and training available to support the development and progression of diverse talent — see the further information on page 11 for details.



## THE FIRST STEPS CONTINUED....

Our work doesn't stop there

**Other key areas where we will focus our efforts in the short term are:**

1

Defining and publishing a specific set of targets for diversity in NHS Finance. These are not quotas, but will provide a clear focus for our efforts going forward.

2

Committing to providing a diverse panel of speakers at our events. We know that role modelling is important for building a diverse talent pipeline and we want to use our events as platforms to showcase the fantastic work and experiences of NHS leaders from a range of backgrounds.

3

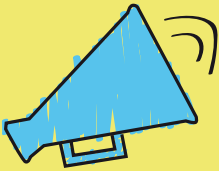
Continuing to raise awareness and generating open debate on the subject of flexible/agile working and how this can be supported in finance.

4

Monitoring our progress through the NHS Finance function bi-annual census to understand the impact of our activities on the diversity of the workforce.



# THE DIFFERENCE IS YOU



Calling all senior finance professionals!  
YOU can make a difference by...

- Seeking out and identifying diverse talent across your patch
- Signing up to be a sponsor as part of Future-Focused Finance's sponsorship programme and encouraging the relevant employees within your organisation to apply
- Visibly championing diversity and inclusion (D&I) within your organisation. For example, this could be by adding D&I as a strategic agenda item for discussion, or through sharing personal stories with employees within your organisation
- Leading your team by example and holding them accountable for behaving in an inclusive way
- Developing your fluency in D&I issues. For example, be able to articulate the business case as outlined in this document, and develop an understanding of core concepts such as positive action

## SIGN UP FOR SPONSORSHIP

### Why?

The sponsor role is 'low touch but high impact'. A sponsor intervenes to remove barriers and leverages their influence in the organisation to ensure their sponsee is guided and supported through to promotion. Research demonstrates that having a sponsor behind them develops employees' confidence to ask for career options and personal benefits - for example increasing the likelihood that they will ask for a stretching assignment<sup>xxx</sup>.

Sponsorship not only has a positive impact on an individual's career progression, but also on the wider organisation and on those who act as sponsors<sup>xx</sup>. Sponsorship relationships can increase retention, performance and give insight into existing organisational or team issues. They can also help sponsors to develop a loyal cadre of talented employees that have the skills to take on future leadership roles.

### How?

If you are interested in becoming a sponsor on our programme, please email us at [futurefocusedfinance@nhs.net](mailto:futurefocusedfinance@nhs.net) to let us know, and we will send you the information you need to get started.

# Further information

## For more information and resources, please visit:

- ▶ **Future-Focused Finance** ([www.futurefocusedfinance.nhs.uk/great-place-work](http://www.futurefocusedfinance.nhs.uk/great-place-work))
- ▶ **National Equality Standard** ([www.nationalequalitystandard.com](http://www.nationalequalitystandard.com))
- ▶ **Workforce Race Equality Standard** ([www.england.nhs.uk/about/equality/equality-hub/equality-standard](http://www.england.nhs.uk/about/equality/equality-hub/equality-standard))

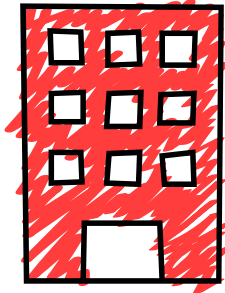
## Upcoming resources to look out for:

- ▶ A code of best practice in board recruitment, due to be published in summer 2017 by NHS Employers and NHS Improvement, based on discussions with all major search firms operating in the NHS

## Additional NHS courses and networks:

- ▶ **NHS Leadership Academy programmes:** <http://www.leadershipacademy.nhs.uk/>
- ▶ **Ready Now for BAME leaders:** <http://www.leadershipacademy.nhs.uk/programmes/the-ready-now-programme/>
- ▶ **Return to Work Mentoring Programme (women and individuals returning to work after a career break):** <http://www.leadershipacademy.nhs.uk/programmes/return-to-work-mentoring/>
- ▶ **Coaching programme (NHS Leadership Academy Coaching programme):** <http://www.leadershipacademy.nhs.uk/resources/coaching-register/>
- ▶ **Talent Management resources for Directors of Finance/Deputies to utilise within the appraisal process:** <http://www.leadershipacademy.nhs.uk/resources/talent-management-hub/>
- ▶ **Health Services Journal Women Leaders Network:** <https://www.hsj.co.uk/topics/workforce/women-leaders-network>
- ▶ **Future-Focused Finance 4 Strengths of NHS Finance Professionals:** <http://www.futurefocusedfinance.nhs.uk/blog/four-strengths-launched>
- ▶ **NHS England Staff can access the following networks through the staff intranet:**
  - NHS Women's Development Network (part of the work of the Change and Programme Delivery Team)
  - Black and Minority Ethnic Network





GREAT  
PLACE TO  
WORK

## Sources

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<sup>iii</sup>McGregor-Smith (2016). The time for talking is over, now is the time to act: Race in the workplace, the McGregor Smith review.

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<sup>vii</sup>Kline (2014). The "snowy white peaks" of the NHS: A survey of discrimination in governance and leadership and the potential impact on patient care in London and England

<sup>viii</sup>Edwards & Knowles (2015). The NHS Finance Function in 2015, England: Results of the NHS finance staff census and staff attitudes survey

<sup>ix</sup>Sealy (2016). NHS Women on Boards: 50:50 by 2020

<sup>x</sup>Kline, Naqvi, Razaq and Wilhelm (2016). NHS workforce race equality standard: 2016 data analysis report for NHS trusts

<sup>xi</sup>Future-Focused Finance (2016). Diversity in NHS Finance: Beliefs, behaviours and barriers

<sup>xii</sup>Ibid.

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<sup>xv</sup>National Equality Standard framework (2017)

<sup>xvi</sup>Parker (2016). Beyond One by '21: A report into the ethnic diversity of UK boards

<sup>xvii</sup>Gadhia (2016). Empowering productivity: Harnessing the talents of women in financial services

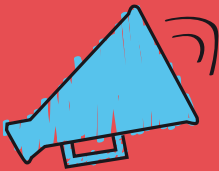
<sup>xviii</sup>Hampton & Alexander (2016). Hampton-Alexander review, FTSE women leaders: Improving gender balance in FTSE leadership

<sup>xix</sup>Hewlett, Peraino, Sherbi & Sumberg (2010). The Sponsor Effect: Breaking Through the Last Glass Ceiling

<sup>xx</sup>Foust-Cummings, Dinolfo & Kohler (2011). Sponsoring women to success

## About Future-Focused Finance

In February 2014, the six heads of the finance profession in the NHS came together to form the Finance Leadership Council and to initiate Future-Focused Finance. Future-Focused Finance is about 'Making People Count' by ensuring that everyone connected with NHS finance has access to the relevant skills, methods and opportunities to influence decision making in support of the provision of high-quality patient services. It offers a vision for NHS finance to aspire to over the next five years. That includes everyone who works in finance, in every role at every level, those we work with to deliver services and the patients and communities that use and support those services.



To find out how to get involved  
and for further information,  
please visit:

[WWW.FUTUREFOCUSEDFINANCE.NHS.UK](http://WWW.FUTUREFOCUSEDFINANCE.NHS.UK)



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