



# HealthInvestor **UK** round table

## **The care sector's got talent:**

How to maximise leadership potential  
in UK health and social care arena



**COMPASS EXECUTIVES**

HEALTHCARE SEARCH AND SELECTION



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## The care sector's got talent:

### How to maximise leadership potential in UK health and social care arena

It is almost impossible to overstate the value of quality management to a health or social care business. Given the size and geographical spread of most major businesses in the sector, quality of care and operational efficiency is largely dependent on the ability and aptitude of management at a local and regional level – no matter how strong the central corporate team may be.

While this is well appreciated by most management teams, identifying and developing talent in health and social care remains a major challenge and a perception remains that it is difficult to attract quality individuals to the sector. But is this truly the case? And if so, what can be done to both attract more talent into the market, and make sure the best staff in the system rise to the top?

To answer this question, and others, *HealthInvestor* and Compass Executives held a roundtable discussion to consider UK health and social care's approach to developing leadership talent with some of the sector's major figures.

**Vernon Baxter:** Alison, how do you go about identifying and developing talent in your own organisation?

**Alison Rose-Quirie:** You've got to define what you mean by talent because the sector is changing so rapidly. What used to be a talented care home operator 10 years ago is very different to what we need today. You need to identify what competencies and skills you're looking for, then it's about obviously getting your recruitment right. Once you've got people in, you've got to be motivating people within your organisation in terms of career progression. What we try and do is identify people who have the potential to progress. Equally, try and address the training and the needs gaps

within the existing cohort because you can't change everybody.

But certainly we're finding there are quite significant gaps. The demands on a manager of a care home are significant in terms of the regulatory and commercial requirements – it's a question of trying to fill that gap with people that have got the potential to progress. You then try to look at the succession planning in terms of the senior teams, and your regional directors and your senior executives – but the gap is huge. I'll just say one more point. In terms of social care, we need to get some sort of parity with health and be seen as a profession that people want to come into as a career. At the moment social care is still seen as the poor relation.

**Vernon Baxter:** Douglas, it sounds like there are significant gaps in terms of resources. Do you agree that the talent available is maybe insufficient for the need?

**Douglas Quinn:** Yes, I do. And I think it is definitely harder now to progress through an organisation. It's a very demanding job and a lot of the people who are in those roles did come in because they want to be carers. So there's a real issue for organisations running homes and services about how they support and manage those people.

**Vernon Baxter:** Stephen, do you agree with Alison's point about how social care is perceived next to health?

**Stephen Collier:** It is true that it is considered the poor relation and a lot of the negative media coverage is putting people off entering the sector and that's something we've somehow got to combat. From my experience, healthcare is different from social care but there are similar



challenges. How do you get somebody who has a professional or caring background to have the energy and the commitment and the aspiration to step up? Sometimes those things are really simple. A little bit of Excel experience suddenly takes away all the fear of numbers. A little bit of support from the regulatory side takes away some of that fear. And you're right, you need competencies and skills, but you also need somebody who's got a bit of motivation and a bit of judgment. They've got to want to do it. If they want to move themselves along, they can do it.

**Alison Rose-Quirie:** I'm not saying there isn't talent within the sector – there is and that needs to be developed. But even with the best will in the world, there is a limitation on how much you can actually develop somebody.

**Stephen Collier:** You're right that not everybody wants to do it and particularly when you look at millennials, the youngsters coming through, their focus is not 100% career. The whole work-life balance thing is so much more difficult to gauge, it's almost intangible. And feeling part of a team, feeling they're making a contribution is critical to keep those people motivated and we forget that at our peril.

**Vernon Baxter:** David, on the issue of training and development, do you see businesses investing enough money on talent development and retention?

**David Jones:** If you don't invest in quality, you won't achieve the results. So there is now a lot more focus on people, but it's a challenge. Another issue is that you're trying to identify the next group of young persons who are going to lead these organisations. There seems to be a shortage of entrepreneurial talent in the sector and, you know, looking around the table and there are some very successful entrepreneurs – but where is the next generation?

**Vernon Baxter:** Sam, how easy is it to sell health and social care as an opportunity to someone outside the sector?

**Sam Leighton-Smith:** I wouldn't classify it as a sexy industry. Social care positions are often at distressed businesses at the time of hire, and the operational teams often are very tired. Now, if you're an investor, it's a gamble to take someone from outside the industry who doesn't have an understanding of CQC. If you have the option of taking a seven out of ten operator who understands CQC, or an excellent operator with no knowledge of CQC, who's going to train that person? Who's going to integrate them?

Dominic will know better than me, but factoring in that you have to make a return on investment at some point, then there's a six months to a year lag while they catch up, it's not great for an investor. In terms of attracting people externally, there is a small pool of people who are interested, but once they start to uncover the pressures of an everyday operator in the social care industry, that can put them off. If you shadow an operator for a week, it is 24/7 pressure.

**Vernon Baxter:** Do you see that with your portfolio companies, Dominic?

**Dominic Dalli:** I do and it's a conversation that Sam and I have had before. Clearly the people decisions we tend to get involved with are at the senior level, and whilst we don't apply a hard and fast rule, increasingly, I tend to be of the view that you need a balance in your team. The balance that seems to be working for us very well at the moment is having a seasoned sector chairman, because it is an eccentric sector, in my view, and ideally a chief executive with experience of a different sector. This person really needs to understand that, at the end of the day, you're looking after the most vulnerable people. However, if they have got experience of another sector, typically a lower margin sector then that person really can bring something to the sector. The one hard and fast rule within the configuration of the team we do make is that our quality person and our ops person absolutely have to come from the sector.

**Vernon Baxter:** Efi, do you find it hard to find people with the balance between



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chairman,  
The Danshell Group



**Alison Rose-Quirie**  
managing director,  
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**Douglas Quinn**  
chairman,  
various



**Dominic Dalli**  
partner,  
Sovereign Capital



- ▶ ambition and drive and perhaps the softer skills of empathy and judgment?

**Efi Hershkovitz:** It depends which level. With a specialist unit you have to have that empathy, as you're maybe dealing with a unit of six beds. One of the key issues that we found with the industry is that we are relatively poor, we cannot pay as much as other industries, so we're definitely looking for people with empathy. Empathy is number one and even for care assistant and nurses, we actually have a scoring mechanism to find the empathy within their applications through psychology profile.

I am also involved with every appointment of a manager. I won't be interested in even some senior positions, but for me the home managers are the most important people in the organisation and I tell them in conferences that their job's much more important than mine. If people want to work for money, they shouldn't work here. They need to come for the challenge, they need to come for the empathy and yes, money might come if we can achieve certain things.

But hopefully Sam can vouch that we've got rigid systems and we sometimes lose people that are called 'talents' because of that.

**Vernon Baxter:** Pete, obviously Barchester is significant in scale. How do you approach monitoring or talent development? At what level do you get involved?

**Pete Calveley:** At every level, really. The key to me is making sure good people feel valued. I personally have met every single one of our general managers in the last two months, they've come and had one-to-ones with me at a table so they feel listened to, they feel valued, and so they actually respond to what they say in these meetings. General managers or hospital managers are the key to all of our businesses, and they have a very difficult job. It is more and more difficult as a registered manager of a home to actually look after the service and quality but also be commercial. They have

to run a business that has a revenue of £3-5 million, and that's actually quite a strategic business and we don't always pay a lot of money for people doing that, but we need the skills; they do the quality of the service, they do the recruitment, they do the HR, they do the payroll, they do the enquiring, marketing and sales – it is a tough job.

The issue is how do you get a mix of that care and commerciality? We've got apprentice managers who come from completely outside the sector and several of them are now general managers. When that happens, they must have a very good clinical deputy, but actually, most people from outside care who are the right people learn care and quality and know what it looks like very quickly. But I have to say we've had a lot of failures of people coming from outside sectors – some have been really successful and some haven't, but you keep trying. We very quickly find who is



good or not and you move people on or not and keep the people who are good. We've also brought out all sorts of bonus schemes – John Lewis-type profit share schemes – so members of our staff, including the carers and cleaners, can share the profits of the business.

**Dominic Dalli:** I mentioned earlier it is something of an eccentric sector – and one example is that the vast majority of people don't work in the sector for the money, and that is unusual. Most people in jobs go and work for the money, and yes, they can feel passionate about what they do, but fundamentally they're there for the money and that is probably quite different with the sector.

**Vernon Baxter:** David, we've talked a lot about quality – but what does it actually look like? How can you identify who is doing a good job at a management level?

**David Spruzen:** Well, I think we'd like our managers to measure everything, but lots of people say they measure absolutely everything. The issue is that the good ones do it and the not so good ones don't, however much you try. Obviously you have to have the empathy, but we've found the key attribute is resilience. If you haven't got resilience, there's no point, they're just burned out working in the sector. Second thing is attention to detail. And the third thing is to have a willingness to show. In other words, we have an expression which is 'show me'. So if somebody comes and checks, you're actually proud to show somebody has done something as opposed to getting really defensive. And if any of those three break down, then you're basically in trouble with the leadership of that area.

We also don't rely on CQC. CQC are an absolute shambles, so we rely on our own process for support. But it's just fact that it's absolutely relentless and maybe four out of five of our regional managers and our home managers who've left CMG have

gone out of the sector. They haven't gone to a competitor, they've just said, 'I'm burnt out'. You know, 'thank you for all the support you've given and all the things you've put around us, but I'm worn out, I can't do any more'.

The challenge the sector faces is that we are just going to have a lot more churn. The lady or gentleman who was the home manager of a service for over 25, 30 years is a thing of the past.

The bit where we struggle, actually, is the managing director and board level positions because we struggle to get people from our organisations who want to do those jobs. A lot of them now are saying, 'do you know what, it's not that much more money, I'd rather kind of keep my life', and one of the things that we have to do is try and convince them that it's worth making that next step. The reality of this is now a constant; the change and the churn and the talent shortfall and we just need to get on with it and really adapt and be willing to make some compromises.

**Vernon Baxter:** Can anything be done to avoid this burnout? ▶



► **Sam Leighton-Smith:** When managers leave, we will get in touch to get feedback and see if they want to explore another opportunity and a lot of managers will just say, 'I'm absolutely shattered, I'm going to take a pay cut and do something else'. It is quite prevalent.

In terms of the people that we interview at a higher level, the people who want to be at chief executive level, we find they leave because they aren't getting exposure to the wider business. If you've got a brilliant operator, you want them to stay in their position, but sometimes to progress their careers they need to maybe be involved in the M&A side of the business, or even the HR side. Something that is lateral but still at the same senior level. But it's so hard to do if you're a leading operator with CQC constraints and they're brilliant at their job. How do you give them that exposure?



**Douglas Quinn:** I agree, but it's often the case that a great home manager has a completely different skill set to a good regional manager. It's a different job. It's about oversight and delegation and leadership and it is all about detail and managing a team. One's dipping in and the other's doing it.

**Pete Calveley:** But it's also being able to dip away and understand you can't just spend all your time in your worst service when the rest of them need support.

**Douglas Quinn:** I remember really good home service managers that made that leap and it destroyed them.



**David Spruzen:** Even if they've got potential, if you don't give them support, then you're just expecting someone to shadow somebody for two weeks and then they're expected to just swim through and do the job.

**Vernon Baxter:** Given all these issues, Sam, is getting it right on the HR side proving almost impossible?

**Sam Leighton-Smith:** If there are mechanisms in place whereby there's a road map for progression within organisations, which is really tough to do, then I think that makes the sector automatically more attractive. But establishing that process first is the hardest part because of all the constraints that we've talked about.

**Alison Rose-Quirie:** As a sector, we've got a responsibility to try and change the public perception of what working in social care actually means because until we get a greater pool of talent to choose from, we're never going to succeed, in terms of the future. We've got to actually look at selling the positives because doing a job in social care can be so rewarding and so satisfying. Whenever I start questioning why I get up in the morning, I've just got to go into one of the care homes and you know exactly why you get up in the morning. And people who work in the industry feel that and it's how we can get that across to the public and to the potential applicants that might want to join the sector. ■

*The above is an edited transcript and is not reported verbatim. The panel met in central London on 19 April 2016.*

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It was great to catch up with old friends and discuss what is now a prominent issue in the sector - leadership.

The overriding trend from my perspective, that also resonates in our day-to-day findings, is that the talent is there, but the time to invest in developing this talent is short. There is clearly a gulf between health and social care in terms of infrastructure and resources to nurture tomorrow's leaders and this is becoming contagious in the latter.

There is a willingness in principle that companies should have a succession plan, yet the execution is poor. Time constraints, a motivated governing body and central legislation all tailor today's leaders into fire-fighting and dealing with the now. However, this issue will not go away and needs universal focus to reverse, and soon.

Today's industry leaders are acutely aware that we work in a niche market space, where people enter the industry to primarily do one thing, care for people. This fundamental common denominator however will be compromised unless action is taken and investment centrally props up an industry desperately in need of funding to allow tomorrow leaders to emerge and develop their skills. Let's hope this is sooner rather than later. ■

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