



# **Operational Framework for Board - Executive Relationships**

## **Briefing Document**

## Executive Summary

An Operational Framework to help organisations align actions within an organisation, particularly that of Boards and Executive Leadership, for the betterment of an organisation is presented in this document. The Operational Framework provides a set of tools, techniques and transfer of expertise, for an organisation to use and customise to meet their own needs. Elements within the Operational Framework include:

- Board Capacity & Capability – Looks at the capabilities and capacities of a Board, including what areas of representation are required and what gaps, if any, exist in expertise or knowledge within an organisation.
- Goals, Values & Expectations – A process for alignment of goals, values and expectations of Board and Executive Leadership.
- Outcomes & Behaviours – A process for defining objectives, outcomes and expected behaviours of Board and Executive Leadership.
- Strategy & Planning – A re-focusing of the strategy and planning process within an organisation and alignment to performance, budgeting and financial management.
- Performance Metrics – Building on the Outcomes and Behaviours and the strategy and planning, a look at performance measurement is undertaken.
- Issues Management – Adoption of an issues based management and reporting approach across the organisation to ensure outcomes and empower service delivery.
- Exceptions Reporting – Integration of Issues Management into exceptions reporting for the Board.
- Time Management – Building on the existing timesheeting capabilities, tools for the better use of time are presented for use within an organisation.
- Governance – Aligned too many of these activities are aspects of governance. Instead of applying the techniques in the framework to individuals, the tools can be applied to committees, groups and teams at all levels of an organisation.

A quick assessment tool for an organisation's overall governance and management capability is also provided. Whilst the framework is aimed at Executive Leadership and Boards, the tools and techniques can be applied across an organisation to any Group / Team / Board / Committee / Organisation or entity. The Framework is just that, a framework and any implementation is only as good as the organisation's implementation. Any implementing organisation has to have a "need" for the framework. Further details are presented in this document.



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# 1 Introduction

This document presents a set of tools and techniques, (an Operational Framework) for use between Boards and Executive Leadership, particular within Not for Profit (NFP) organisations. Aimed at all of those involved in the use and application of the Operational Framework, this document serves as a guide and is only as effective as the implementation. Section 1 provides the introduction, whilst Section 2 looks at the background. Section 3 summarises the Operational Framework and Section 4 provides some considerations. Further details are presented in the appendices.

## 2 Background

Many organisations, particularly those in the Not for Profit (NFP) sector may experience issues in the relationships between the Board, the Executive Leadership and other parts of the organisation. These issues may tend to be ongoing, may be causing performance issues and may be impacting upon the values and culture of the organisation. Furthermore, these issues may not be coming to the attention of the right people for action.

The lower levels of the organisation look to the Board and Executive Leadership for vision, leadership and the important values and culture of the organisation. The operation and functioning of an organisation is often a mirror to the Board and Executive Leadership.

As the Board sets the culture and values of its Executive Leadership and of the organisation, it is a leadership function of any Board to set the standard. When both the Board and the Executive Leadership are motivated, have vision and purpose, and function as a well-organised team, which then cascades down to the organisation and sets its culture and values.

The Operational Framework enclosed in this document is of value to organisations that:

- Recognise that Board – Executive Leadership relationship is less than required and seek to improve performance.
- Have operational issues, which seem to be ongoing, that significantly impact performance and seek to address.
- Seek clarity on any of the following: setting of objectives and strategy, planning and budgeting process, values and goal setting, and consolidated but ease of Board reporting.

The Operational Framework provides a set of tools, techniques and transfer of expertise for an organisation to use and customise to meet their own needs. The use and the resultant impacts from the Operational Framework depends upon the implementation and the consistency and persistency of use.

Any organisation using the Framework requires a “NEED” for this capability.

## 3 Operational Framework

The Operational Framework discussed in this document is just that, a framework. A series of tools and techniques, together with a transfer of expertise is provided that allows an organisation to pick them up and use them as appropriate for their needs. Further details are seen in the appendices.

### 3.1 Purpose

The purpose of the Operational Framework is to:

- Help organisations, particularly NFPs, align the actions of Boards and Executive Leadership for the betterment of the organisation.



Specifically to:-

- Tools – Provide a set of tools that an organisation can pick up use and adapt for their own needs.
- Expertise – Transfer of expertise to help an organisation develop the capabilities and apply across the organisation in all areas.
- Recipes – Share the recipes of the Operational Framework for application to the organisation.
- Journey – Take an organisation on a journey so that they become empowered to realise their aspirations and needs.

## 3.2 Benefits

The benefits of the Operational Framework are seen at various levels and provide both tangible and intangible benefits. Some of the main ones recognised from previous activities are as follows:

### 3.2.1 Board

- Time Management – Better use of Board time with non-paid staff spending less time in meetings and with more time to contribute in other and more productive ways.
- Issues Understanding – Better understanding of the issues and on what a decision is required.
- Accountability – Greater accountability has eased frustration around comparative contributions.

### 3.2.2 Executive

- Board Priorities – Better understanding of Board priorities and needs, with cascading impacts to all.
- Clarity of Vision – From clarity of vision and strategy comes focus, energy and direction. Greater benefits and productivity seen across the organisation.
- Empowered Organisational Culture – Develop a culture of problem solving and accountability at source with benefits for motivation and service delivery.

### 3.2.3 Organisation

- Focus & Direction – Staff know what is required of them, making it easier and quicker to do things.
- Administration – Minimise redundant reporting.
- Empowered Organisational Culture – Respond to culture of problem solving and accountability at source with benefits for motivation and service delivery.

## 3.3 Elements

The Operational Framework consists of the following:



- Board Capacity & Capability – Looks at the capacity and capabilities of board, including composition of a Board, what areas of representation are required and what gaps, if any, exist in expertise or knowledge within an organisation.
- Goals, Values & Expectations – A process for alignment of goals, values and expectations of Board and Executive Leadership.
- Outcomes & Behaviours – A process for defining objectives, outcomes and expected behaviours of Board and Executive Leadership.
- Strategy & Planning – A re-focusing of the strategy and planning process within an organisation and alignment to performance, budgeting and financial management.
- Performance – Building on the Outcomes and Behaviours and the strategy and planning, a look at performance measurement is undertaken.
- Issues Management – Adoption of an issues based management and reporting approach across the organisation to ensure outcomes and empower service delivery.
- Exceptions Reporting – Integration of Issues Management into exceptions reporting for the Board.
- Time Management – Building on the existing timesheeting capabilities, tools for the better use of time are presented for use within an organisation.
- Governance – Aligned too many of these activities are aspects of governance. Instead of applying the techniques in the framework to individuals, the tools can be applied to committees, groups and teams at all levels of an organisation.

Whilst the focus of this document is on the Board – Executive level of operation, the principles and approach can be readily extended down to all levels within the organisation.

## 3.4 Engagement Model

A phased and staged pragmatic approach to the Operational Framework is taken. Each module is designed to be implemented and completed as a stand-alone activity with outcomes and benefits. The modules can be drawn together to form an overall approach to realise greater benefits. The following engagements are seen.

### 3.4.1 Board Capacity & Capabilities

Purpose – To understand the capacity and capabilities of a Board (team, group or committee) and identify gaps, if any, in expertise or knowledge.

Activity - Up to a 10<sup>1</sup> minute meeting with each Board (team, group or committee) member, informal face to face meeting. Maybe completed as a part of other activities.

Briefing – Up to a 30 minute feedback briefing to all participants together (or selected audiences) with moderated discussion. Maybe completed as a part of other activities.

Outcome – Have gaps in Board (team, group or committee) capacities and capabilities identified and a plan for addressing.

Comment – Short piece of work for Board (team, group or committee) with small time commitment. Takes much longer when conducted across organisational levels.

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<sup>1</sup> All timings are approximate.



### 3.4.2 Goals, Values & Expectations

Purpose – To understand the goals, expectations and expectations of the participants and to have the main points shared with other participants as appropriate.

Activity - Up to a 30 minute meeting with each Board and Executive member, informal face to face meeting.

Briefing – Up to a 30 minute feedback briefing to all participants together (or selected audiences) with moderated discussion.

Outcome – Have information collated for sharing and for creation of profiles for Web sites and other publications.

Comment – Short piece of work for Board and Executive with small time commitment. Takes much longer when taken at organisational levels.

### 3.4.3 Outcomes & Behaviours

Purpose – To identify the expected outcomes for the Board and of Executive Management and the behaviours required to realise those outcomes. Any gaps to realisation are also identified.

Activity - Up to a 30 minute meeting with each Board and Executive member, informal face to face meeting. This may be combined with the Goals & Expectations.

Briefing – Up to a 30 minute feedback briefing to all participants together (or selected audiences) with moderated discussion. This may be combined with the Goals & Expectations.

Outcome – A concise summary detailing expected outcomes, identified behaviours to instil and what is stopping this from happening.

Comment – Short piece of work for Board and Executive with small time commitment. Takes much longer when taken to organisational levels.

### 3.4.4 Strategy & Planning

Purpose – To take the Board and Executive Leadership through a rigorous and robust planning session. *It's not the plan that matters; it's the planning process that matters.*

Activity – Participants will receive a 30-minute briefing on strategy and planning. Participants will then develop plans (either moderated or in own time). The plans will be pulled together in a consolidated document (organisation complies) and a 60 minute briefing session held. Participants are to develop real plans for activities and performance metrics determined.

Outcome – Organisational objectives, strategies and business plan for a financial year, with performance metrics developed.

Comment – Longer piece of work for Board and Executive with medium time commitment. Takes longer when taken to organisational levels.

### 3.4.5 Performance

Purpose – To take the Board and Executive Leadership through a process to determine pragmatic, realistic and outcomes focused performance assessment criteria.

Activity – Participants will receive a 20-minute briefing on the setting and application of performance metrics. Based on agreed objectives, strategies and priorities, participants will then develop performance metrics (either moderated or in own time) for their roles and responsibilities. To be followed by either a moderated discussion of metrics and their adoption, or individual feedback sessions with participants. Participants are to develop real performance metrics for activities and outline performance metrics for staff.



Outcome – Capability to develop appropriate performance management is transferred to the organisation for wider adoption.

Comment – Strategy and objectives need to have been determined. Short piece of work for Board and Executive with medium time commitment. Takes longer when taken to organisational levels.

### **3.4.6 Issues Management**

To properly support exceptions based reporting, an Issues Management approach is required across the organisation.

Purpose – To skill the Executive Leadership so that they can implement Issues Management across the organisation to support exceptions based reporting for the Board.

Activity – Skill Executive Management on Issues Management and what is required to implement it (60 minutes). Briefing to mid-level management (60 minutes) on issues management and what is required to implement it (60 minutes). Executive Leadership and mid-level management to implement. Two follow up meetings with Executive Leadership (60 minutes) to monitor implementation.

Outcome – Issues Management implemented into organisation.

Comment – Board track progress only. Longer piece for Executive Leadership and mid-level management.

### **3.4.7 Exceptions Reporting**

This is a two-stage approach. The first is to have the Board use exceptions based reporting using a manual preparation of reports. The second step is to have exceptions based reporting flow naturally from the organisational based Issues Management.

Purpose – To implement exceptions based reporting for the Board.

Activity – Executive Management briefed on exceptions based reporting (30 minutes) and have them able to prepare the required reports for the Board (TBA).

Outcome – Exceptions based reporting implemented for Board and verification of other activities (agendas, minutes and supporting reports) to ensure best use of Board time.

Comment – Short piece of work for Board but longer for Executive with medium time commitment. Takes longer when taken to organisational levels.

### **3.4.8 Time Management**

Leveraging on any existing time management tools and recording systems, various tools and approaches for managing and valuing time are presented for use within an organisation.

Purpose – To transfer expertise for better management of time within an organisation.

Activity – According to the issues identified in discussion and the requirements identified by the client, various tools and approaches will be discussed for application within an organisation.

Outcome – Various tools implemented into organisation to make better use of time.

Comment – This is about having managers transfer expertise to their teams.

### **3.4.9 Governance**

Purpose – To assess existing governance structures and ability to make decisions through to resolution.



Activity – The approach is to apply the same tools and techniques as applied to individuals but to committees and boards. Depending upon the extent of the assessment and the requirements identified by the client, various engagements with stakeholders is required and a presentation of the outcomes to interested parties. The activity is to be determined.

Outcome – A transfer of expertise and ownership on governance capabilities and areas for enhancement.

Comment – This activity is about taking ownership.

### 3.4.10 Specialist Requirements

Depending upon the results coming out of previous certain issues may arise for which specialist outcomes can be realised.

## 3.5 Management and Governance Capability

Well run organisations have common elements in place to ensure effective governance and management, many of which are addressed in this Operational Framework. By completing a quick assessment, mini audit, of these capabilities, an organisation can identify areas for priority. This can also be used as a tool for proving to external stakeholders that an organisation has the required governance and management capability.

Purpose – To conduct a quick assessment, mini audit, of an organisations governance and management capability.

Activity – A 60 minute meeting with a key stakeholder(s) to quickly assess organisations capabilities. Stakeholder(s) to have a good organisational view and to be able to quickly produce examples to illustrate capability. A 30 minute briefing to nominated parties at the request of the stakeholder(s).

Outcome – A transfer of expertise and the outcomes from the assessment with recommendations.

Comment – This activity is about providing supportive feedback and helping an organisation address its issues.

## 4 Methodology

Acting on a minimal intervening basis, the following approach is to be employed:

- Establish an owner and contact person within the organisation for these activities.
- Review existing material and hold initial discussions with stakeholders.
- Engage stakeholders in short and highly focused meetings.
- Preparation of required material.
- Peer review by subject matter experts.
- Make adjustments and other changes required.
- Walk through and hand over to stakeholders.

The key to progress on the project is the availability of the subject matter experts to assist with the process, including quality peer review. The method proposed is considered the most effective for realising the required results.



## 5 Considerations

With regards the Operational Framework the following considerations apply:

- The Operational Framework is just that, a framework.
- The results are dependent upon the implementation and the consistency and persistency of use.
- The implementation is only as good as the facilitator of the process and the commitment of the organisation to the process.
- Without the correct governance structures and an ability to act on issues as they arise, then any framework becomes an administrative overhead.
- The detail of the framework will need to be customised and optimised according to business needs.
- As the capability of the organisation matures, so will the Operational Framework. The elements will see little change, rather the change will come in the extent of use and the level of detail used.
- The Operational Framework is about intent and outcomes. The framework should be used in that spirit.
- Any framework is not an end in and of itself. A framework is a tool to help realise the required results.
- Part of the process is about commitment and accountability, i.e. deadlines are to be agreed and met by all participants.



## 6 Appendix A – Operational Framework Details

Element	Documents Provided	Produced for Client	Client Engagement
Pre-Engagement	<ul style="list-style-type: none"> <li>Operational Framework for Board – Executive Relationships: Briefing Document (board_exec_framework.doc).</li> <li>Operational Framework for Board – Executive Relationships: Facilitating Relationships (board_exec_framework.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Proposal for Service (board_exec_proposal.doc).</li> </ul>	<ul style="list-style-type: none"> <li>Varies meetings as required.</li> </ul>
Board Capacity & Capabilities	<ul style="list-style-type: none"> <li>Operational Framework – Composition &amp; Skills: Questionnaire (board_exec_capbil.doc).</li> <li>Operational Framework – Composition &amp; Skills (board_exec_capbil.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report detailing the outcomes from the meetings using the questionnaire as a tool, including areas for complimentary expertise.</li> </ul>	<ul style="list-style-type: none"> <li>One to one meetings with key stakeholders.</li> <li>Facilitated discussion session.</li> </ul>
Goals, Values & Expectations	<ul style="list-style-type: none"> <li>Operational Framework – Goals, Values &amp; Expectations: Questionnaire (board_exec_goals_expectations.doc).</li> <li>Operational Framework – Goals, Values &amp; Expectations (board_exec_goals_expectations.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report detailing the outcomes from the meetings using the questionnaire as a tool.</li> </ul>	<ul style="list-style-type: none"> <li>One to one meetings with key stakeholders.</li> <li>Facilitated discussion session.</li> </ul>
Outcomes & Behaviours	<ul style="list-style-type: none"> <li>Operational Framework – Outcomes &amp; Behaviours: Questionnaire (board_exec_outcomes_behaviours.doc)</li> <li>Operational Framework – Outcomes &amp; Behaviours (board_exec_outcomes_behaviours.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report detailing the outcomes from the meetings using the questionnaire as a tool, including behaviours to instil and actions required to ensure these behaviours.</li> </ul>	<ul style="list-style-type: none"> <li>One to one meetings with key stakeholders.</li> <li>Facilitated discussion session.</li> </ul>



Element	Documents Provided	Produced for Client	Client Engagement
Strategy & Planning	<ul style="list-style-type: none"> <li>Operational Framework – Strategy &amp; Planning: Briefing Document (board_exec_business_plan.doc).</li> <li>Operational Framework for Board – Executive Relationships: Strategy &amp; Planning (board_exec_strategy_planning.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report detailing the outcomes from the meetings using the questionnaire as a tool.</li> <li>Strategy for organisation.</li> <li>Business plan for current financial year.</li> </ul>	<ul style="list-style-type: none"> <li>Strategy &amp; planning briefing.</li> <li>Facilitated planning process.</li> <li>Facilitated discussion session and plan acceptance.</li> </ul>
Performance	<ul style="list-style-type: none"> <li>Operational Framework – Performance: Briefing Document (board_exec_performance.doc).</li> <li>Operational Framework for Board – Executive Relationships: Performance to Realise Outcomes (board_exec_performance.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report detailing the outcomes from the meetings using the questionnaire as a tool, including performance measures for key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Briefing on the setting and application of performance metrics.</li> <li>Facilitated sessions to establish performance metrics.</li> <li>Either a moderated discussion or individual feedback sessions with participants.</li> </ul>
Issues Management	<ul style="list-style-type: none"> <li>Operational Framework – Issues Management: Briefing Document (board_exec_issues_management.doc).</li> <li>Operational Framework for Board – Executive Relationships: Issues Management for Empowered Decision Making (board_exec_issues_management.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>Report on the implementation process and issues for resolution.</li> </ul>	<ul style="list-style-type: none"> <li>Executive Management briefed on Issues Management.</li> <li>Mid-level management briefed on issues management.</li> <li>Two follow up meetings with Executive Leadership to monitor implementation.</li> </ul>
Exceptions Reporting	<ul style="list-style-type: none"> <li>Operational Framework – Exceptions Reporting: Briefing Document (board_exec_exceptions.doc).</li> <li>Operational Framework for Board – Executive Relationships: Exceptions Reporting (board_exec_exceptions.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>To be determined with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Executive Management briefed on exceptions based reporting and have them able to prepare the required reports for the Board.</li> </ul>
Time Management	<ul style="list-style-type: none"> <li>Operational Framework – Time Management: Briefing Document</li> </ul>	<ul style="list-style-type: none"> <li>To be determined with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>To be determined with stakeholders.</li> </ul>



Element	Documents Provided	Produced for Client	Client Engagement
	(board_exec_timemanage.doc). <ul style="list-style-type: none"> <li>• Operational Framework – Time Management: Best Utilisation of that Precious Commodity (board_exec_timemanagement.ppt)</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to use Time Outline to identify distractions and related issues.</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>• Operational Framework – Governance: Questionnaire (board_exec_governance.doc).</li> <li>• Operational Framework – Governance (board_exec_governance_presentation.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>• Report detailing the outcomes from the meetings using the questionnaire as a tool, including governance issues for resolution.</li> </ul>	<ul style="list-style-type: none"> <li>• One to one meetings with key stakeholders.</li> <li>• Facilitated discussion session.</li> </ul>
Management and Governance Capabilities Quick Assessment	<ul style="list-style-type: none"> <li>• Operational Framework - Management &amp; Governance Capability: Audit Assessment (board_exec_audit.doc).</li> <li>• Operational Framework - Management &amp; Governance: Quickly Assessing Capability (board_exec_audit.ppt).</li> </ul>	<ul style="list-style-type: none"> <li>• Results detailing organisational capabilities in governance and management.</li> </ul>	<ul style="list-style-type: none"> <li>• One to one meeting with key stakeholder(s).</li> <li>• Facilitated discussion session.</li> </ul>

Table I. Details of Operational Framework.

