



# **Operational Framework - Performance**

## **Briefing Document**

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# 1 Use of This Document

This document presents an overview assessing the performance of a Board / Team / Group / Organisation as part of the Operational Framework for Board – Executive Relationships. Details on performance and its assessment are presented. Aimed at those participating, conducting, reporting on or auditing performance, this document outlines what the process is, why it is required and what happens to the information collected. This document presents a questionnaire for guiding and recording the discussion for formulation of a report back to the participants.

Please collect business cards where possible. Conduct the interview in a relaxed and informal way, using open ended questions, in a conversation and let the participant talk. Empathise and share experiences as required.

**N.B.** All Results are Confidential.

# 2 About the Performance Process

Answers to common questions about the Operational Framework – Outcomes & Behaviours process are presented.

## **What is the Operational Framework?**

The Operational Framework is a set of tools and techniques, (an Operational Framework) for use between Boards and Executive Leadership, or other groups, particular within Not for Profit (NFP) organisations.

## **What is the purpose of the Performance process?**

The purpose of the Performance process is to transfer expertise on the setting and management of performance for a Board / Team / Group / Organisation.

## **How does the Performance process work?**

The process works by having participants, e.g. a Board, share their views and opinions on what they see performance is and how they measure it. Then taking business examples, a transfer of expertise occurs in the setting of performance assessment and metrics. The difference between individual and group performance is also considered. Results are presented back in a report and moderated discussion forum.

## **What is the outcome of the Performance process?**

The outcome is a transfer of expertise, an initial set of performance criteria for the Board / Team / Group / Organisation and a moderated discussion.

## **Who should partake in an Outcomes & Behaviours process?**

Participants are those that want to be engaged and are looking to address issues in the operation of a Board / Team / Group / Organisation. The focus is often on the Board and Executive Leadership.

## **What is the confidentiality within the Performance process?**

The process is in strictest confidence. Results are compiled without names being attached and a consolidated view is taken.

# 3 Recipe

A recipe for the process of performance metrics, including the interview, results compilation and stakeholder engagement, is as follows. Remember:

- It is the view of the participant that is important and NOT that of the facilitator.
- It is the outcomes that are important for the participant.
- The significance to the participant lies in transferring the tool and the expertise so that they can use it for themselves.



**Ingredients***Briefed participants**Capable facilitator**Copy of Operational Framework – Outcomes & Behaviours: Questionnaire**Copy of Operational Framework – Performance: Briefing Document**List of participants**Organisational objective and overarching strategy and/or business plan***Instructions**

1) Facilitator to be briefed on strategy, business plan and associated objectives and behaviours. In the absence of this information, Facilitator to create information in collaboration with stakeholders.

2) Facilitator put participant at ease and ensuring a non-threatening engagement.

3) With a focus on listening to the participant, facilitator asking open ended questions, have participants talk about goals, expectations and values.

4) Using the business plan and organisational objectives, select key outcomes and discuss the values needed to achieve an outcome, how it aligns to strategy and how would it be measured.

5) Use the Operational Framework – Outcomes & Behaviours: Questionnaire to guide conversation and complete the table in Operational Framework – Performance: Briefing Document

6) Facilitator return results as soon as possible to participant for peer review.

7) Facilitator to discuss issues and revisions with participants and advise of next step in the process.

## 4 Performance Culture

The right culture produces the right outcomes and the culture of an organisation, is set by the leadership and management of that organisation. A successful culture is seen through:

### 4.1 Professional

Professionalism is a much used word that is hard to describe and quantify but everyone knows it when they see it. Being a professional has little to do with the pay that is received; it is about a mindset and an attitude. Being a professional cannot be legislated and enforced; it is one of those things that comes from within people. Instilling and valuing professionalism is at the heart of successful operations. Professionalism consists of the following elements:

- Credibility – The people doing the work are seen as credible because people know they deliver good results.
- Competency – Having the right expertise and skills to know that outcomes will be achieved.
- Pride – A sense of satisfaction and fulfilment in a job well done.
- Trust – People trust you to do a good job because of a self-pride and the ability to deliver.

Management frameworks that encourage and facilitate professionalism deliver the best results in both the short and long-term.

### 4.2 Accountable

A strong sense of accountability exists and people are prepared to step up and take ownership of issues and to address them. This comes from giving people the responsibility and the ability to take ownership and address issues. Many people feel better and are more productive when



they have the ability to take ownership. Organisations that are characterised by a lack of ownership, accountability and problem passing often see poor results, a de-motivation of people and a frustration that is insidious.

## 4.3 Innovation & Risk

Fundamental to the ongoing success of an operation is the ability to innovate. Whether it is the decline time a product can remain in the market through to the operation of a business, a pipeline of innovation is key. This pipeline needs to be sustained and those contributing to it rewarded. Even if ideas are not used, recognition of contribution is important.

Aligned to innovation, is a recognition of risk taking and acceptance that things will go wrong. A culture of only rewarding success has its problems including:

- Bad news reporting – A reluctance to report bad news means that issues build up and problems are not actioned because of the resultant fear of penalisation if they report bad news. Managers can action bad news.
- Aversion to difference – An aversion to trying new things and to improve things by doing things differently results with the resulting stifling of business and decline in performance.
- Reluctance to the new – People are afraid to take risks because they may fail. People only learn through making mistakes.

## 4.4 Commercial

The culture often needs to be commercial in nature because it drives ownership and accountability. Commercialism is not the only driver, however. The driver is a professional approach of which, commercialism is one component of a desire to deliver value.

## 4.5 Performance Management

Aligned to professionalism is an assessment of performance to agreed outcomes. Managing performance to both outcomes and the required behaviours is required. Key Performance Indicators or KPIs are not the same as outcomes management. Outcomes management looks at what the overall result is and how it was achieved. Outcomes management is less concerned with the low level detail of operation. Conversely, KPIs are more suited to lower level detail and have a role to play in planning but they need to reflect the purpose of the exercise and not become an end in their own right. Consider the following when using KPIs:

- KPIs do not measure strategy. KPIs measure outcomes from activities. The success of a strategy is seen from having the objectives realised.
- KPIs are not a minimum standard to which people operate too.
- KPIs are not a limit on performance.
- KPIs can be degrading to people because they can be used to say “you would not do a good job without the KPIs to motivate you”.
- KPIs should not encourage contrary (nefarious) activity.
- KPIs should be values focused.
- KPIs should reflect mission outcomes.
- KPIs empower delivery.
- KPIs need to be clearly defined. Ambiguity and vagueness leads to problems and disputes.
- KPIs need to be easily measured and quantitative.
- KPIs should define the criteria for success or failure of an expected outcome.
- KPIs need to be realistic. Those that are not obtainable are just demoralising and become a joke, negating the whole point of the exercise.



## 4.6 Leadership

All levels of management, especially executive management set the culture of an organisation. People respond to what they see, hear, feel and experience around them. If the mood around them is negative, people get drawn into it. Conversely, if leadership is strong, pro-active and leading by example, people respond accordingly. The significance of one person to influence should not be under estimated.

## 4.7 Establishing Performance Parameters

Establishing performance parameters and metrics is an iterative process as shown in Figure 1. At all times, an alignment to organisational objectives and strategy is key. If the activity is not supporting the strategy and outcomes, then what is its value? The Board and Executive leadership should set their measurements first in collaboration and then cascade through the organisation.



Figure 1. Setting performance parameters.

Some considerations include:

- Board and Executive Leadership – Metrics should be of a strategic focus and geared to organisational outcomes.
- Senior Management – Organisational metrics are prominent but with a strong team focus.
- Coalface – Strong individual focus aligned to strategy with an important emphasis on team values and outcomes.



## Performance & Outcomes

Completed By:

Date:

### Personal Details

Details of the person being interviewed include:

<b>Name:</b>	
<b>Position Title:</b>	
<b>Business Area:</b>	
<b>Organisation:</b>	

### Performance & Outcomes

The Outcomes &amp; Performance to be seen include:

Role / Entity	Objective	Strategy Alignment	Expected Outcomes	Assessment Criteria
	•	•	•	•
	•	•	•	•
	•	•	•	•
	•	•	•	•



Role / Entity	Objective	Strategy Alignment	Expected Outcomes	Assessment Criteria
	•	•	•	•
	•	•	•	•
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<b>Comment:</b>	
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