

Department of Health

health

## Building board capability

A strategic framework to enable  
the effectiveness of boards  
of Victorian health services



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Authorised and published by the Victorian Government, 50 Lonsdale St, Melbourne.

September 2012 (1208024)

Print managed by Finsbury Green. Printed on sustainable paper.

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# Acronyms and abbreviations

AICD	Australian Institute of Company Directors
CEO	Chief executive officer
MPS	Multipurpose services
RHBOM	Rural Health Boards of Management Training and Development program (2003–2006)
SoP	Statement of Priorities
SSA	State Services Authority
VHA	Victorian Healthcare Association
VHSGP	Victorian Health Service Governance Program (2006–2010)

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# Foreword

I am pleased to present the *Building board capability framework* (the framework) developed by the Victorian Department of Health (the department) to support board chairs and directors of public health services and rural public hospitals. The framework supports the implementation of the *Victorian Health Priorities Framework 2012–2022* and affirms the government's commitment to the effective governance of health services by giving boards and individual directors a clear understanding of their roles and responsibilities.

In order to meet its goal of delivering high-quality healthcare, the Victorian Government uses a devolved model of governance that includes boards of directors for each health service.

These boards are the cornerstones of our system, and the performance of health services depends on effective governance and board capability. The actions of boards and individual directors can positively influence the lives of all Victorians.

The Victorian health system is facing increasing demand due to population growth, changing healthcare status, demographics and greater community expectations. To succeed in this complex environment and meet the challenges ahead, boards and individual directors need to build the capability to govern effectively.

In the same way that clinical and non-clinical employees regularly engage in training and development, boards and board members also must ensure they are equipped for the challenges they face. As a board member who participated in one of the framework's consultations commented, 'We need to promote a learning environment for boards as well as staff.'

To govern effectively, health service boards, in partnership with the department, must actively focus on building their capability. This policy framework is intended to assist boards to understand the various elements that lead to good governance performance and provides an approach to building capability.

The framework has been developed following consultation with the sector as well as stakeholders within the department, desktop research of the broader governance environment and evaluation of previous board education programs.

In partnership, the department and boards can confidently continue to increase the effectiveness of health service and hospital boards. I look forward to progress reports on the framework's adoption by boards across Victoria and hearing about achievements in building board capability.



**Hon David Davis MP**

Minister for Health

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# Section 1: Introduction

## Background

Victoria's public health services are incorporated public statutory authorities established under the *Health Services Act 1988*. Positioned at arm's length from the government, they have a separate legal status and are not part of the Crown.

Amended in 2004 following a review by the Victorian Public Hospital Governance Reform Panel in 2003, the Health Services Act has provisions for three categories of health service or hospitals: public health services under part 3: division 9B, public hospitals under part 3: division 4 and multipurpose services (MPS) under part 4A.

The 13 metropolitan health services and six major regional health services are defined as public health services under the Health Services Act and are governed by boards of directors as set out under s. 65S. The nine sub-regional health services and 47 smaller rural health services are defined as public hospitals and are governed by members who make up boards of management as set out under ss. 115E and 33 (1,2,2A). The seven MPS are subject to a set of governance provisions similar to public hospitals and are governed by boards of management. Public health service boards consist of a maximum of nine directors and the others boards of management have between six and 12 members.<sup>1</sup>

There are approximately 700 directors serving on health service boards who are appointed by the Governor in Council on the Minister for Health's recommendation. Boards are accountable to the minister and the community for their organisation's service delivery activity and outcomes, as well as prudent expenditure of public funds.

The devolved governance model in Victoria allows decisions to be made that are most appropriate and effective for each local community. It recognises that an approach to service delivery in one health service – with a unique combination of clients and service demand, culture and workforce – may not be the most effective solution in a different health service.

Each health service differs in size and services it provides, with annual budgets that range from \$4 million for the smallest rural health service, to over \$1 billion for the largest metropolitan health service. The service mix is tailored to the needs of the local area and includes tertiary, specialist or general hospitals, community health services, aged care, home and community services, subacute and mental health services.

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<sup>1</sup> For simplicity, these entities are referred to as health services throughout the rest of this document and all governing bodies are referred to as boards of directors.

## Challenges for boards

Health service boards are required to govern health services, to respond and adapt to challenges such as population growth and changing demographics and to meet expectations regarding regulatory and government policy requirements and standards. The success of boards in meeting these challenges is directly affected by their collective capability: the combination of individual knowledge, skills, attitudes and competence as well as board culture (how the board works together as a whole).

Board members bring a wealth of knowledge, skills and abilities with them when they are appointed. But just as patients expect that the skills and abilities of clinical staff are kept up to date to meet standards and developments in their working environment, the skills and abilities of the health service boards should be proactively managed to meet expectations. Best practice shows that board member education needs the same amount of rigour and attention as any other board task.

## Victoria's board education programs

The department has implemented a range of programs to support board effectiveness. In 2003, the Rural Health Boards of Management Training and Development (RHBOM) program was established and was delivered until 2006. It was developed to help members of boards of rural health services become more accomplished in meeting their governance responsibilities.

In August 2003, the Victorian Public Hospital Governance Reform Panel was established to provide advice on the way to enhance the governance and accountability arrangements of Victorian health services. The subsequent *Victorian Public Hospital Governance Reform Panel report*<sup>2</sup> made a number of recommendations relating to board effectiveness, for example, that education should be developed and specifically tailored to health service boards.

This resulted in the department developing the Victorian Health Board Governance Program (VHBGP), delivered from 2006. It has been offered to all directors on the boards of public health services, public hospitals and MPS and, like the RHBOM program, was workshop-based with a format that followed recommendations from the evaluation of the RHBOM. The program included foundation and advanced-level workshops that were delivered in both Melbourne and rural regions.

With arrangements in place to deliver the VHBGP until the end of 2011–12, the department initiated a review of its approach against governance developments since its initial delivery.

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2 <http://www.health.vic.gov.au/governance/downloads/governance-review03.pdf>

## The review

The review of the VHBGP aimed to investigate the continued relevance of the department's approach and to ensure that boards were appropriately supported to meet the challenges faced by the health system. The department carried out the following range of activities to evaluate the program:

- evaluation of previous programs
- desktop research of other jurisdictions and best practice governance approaches
- assessment of the current governance environment
- consultation with the sector.

### 1. Evaluation of previous programs

The previous programs were structured in response to particular needs at a point in time. They were organised mainly to focus on new directors with the training needs presupposed by the program. Programs provided a one-off, single input to provide the basics of public sector governance and how it relates to the health sector. As much as it was planned for, geography and the volunteer nature of rural boards meant that accessibility of programs was a noteworthy issue.

Analysis of a survey of participants in the VHBGP highlighted the following:

- The needs of directors across the range and size of hospitals and health services are diverse, with directors having a range of skills from basic to very advanced, which cannot be easily catered for in a 'one-size-fits-all' environment.
- Many directors, particularly on public health service boards, have completed Australian Institute of Company Directors (AICD) programs or other governance leadership or training programs or have significant other board experience.
- Rural health service board members are less likely to have had significant other governance experience and may have particular needs.
- Barriers to participation for members, particularly of rural boards, were cited as geography, business or work demands as well as face-to-face delivery mode and length of the program. Although board-training programs were offered in rural locations, the take up was comparatively low.

## 2. Desktop research of other jurisdictions and best practice governance approaches

There is a growing interest in board effectiveness internationally as a major contributing factor to improving the quality of patient care. Recent US research has documented the growth of programs in many US states that focus variously on board education, standards, competencies and qualifications.

Nash et al. summarise the experience as follows:

If high-performing boards are really 'effective teams' then governing boards need to do what other good teams do: train, work together, give and receive constructive feedback, and improve and enhance individual performance and skills for the benefit and good of the entire team. Good governance teams will do more than just look at themselves. They will have board leadership and development plans that focus on and address all the items and elements of a high-performing governance team: board recruitment, education and development, process and performance improvement (including individual director assessments), board and corporate ethics, and succession planning.<sup>3</sup>

In the UK's National Health Service, board development is recognised as a key part of delivering a quality health system, with a commitment to building leadership capability and capacity. A range of guidance documents is provided to support enhanced board functioning.<sup>4</sup> These resources emphasise support for effective board culture and for appropriate skill development and exchange between boards and among individual board members.

More broadly, a focus on the role of boards is increasing as a key mechanism to improved performance both in the private and not-for-profit sectors. This includes the concept of 'soft' and 'hard' governance factors and the need for a balance of both for good governance performance. Here, soft factors are qualitative in nature. They relate to areas such as director skills and how board members work with each other or the behavioural dynamics of what takes place when boards meet (board culture). Hard governance factors are quantitative in nature. They relate to those structural and process-type factors such as the make up of board subcommittees, the independence of directors and effective board performance evaluations. The hard factors can be considered 'conventional' and are usually addressed in relevant legislation, regulations and corporate governance codes such as the Cadbury code<sup>5</sup> in the UK, the ASX guidelines,<sup>6</sup> and the *OECD principles of corporate governance*.<sup>7</sup>

3 <http://ajm.sagepub.com/content/26/4/278.full.pdf+html>

4 [http://www.institute.nhs.uk/building\\_capability/general/introduction\\_to\\_board\\_level\\_development.html](http://www.institute.nhs.uk/building_capability/general/introduction_to_board_level_development.html)

5 <http://www.ecgi.org/codes/documents/cadbury.pdf>

6 <http://www.asx.com.au/governance/corporate-governance.htm>

7 <http://www.oecd.org/dataoecd/32/18/31557724.pdf>

Again from the UK, an Audit Commission study report highlights that 'soft' as well as 'hard' governance elements leads to good corporate governance:

Good corporate governance combines the 'hard' factors – robust systems and processes – with the 'softer' characteristics of effective leadership and high standards of behaviour.<sup>8</sup>

Much of the research highlighted that in addition to the skills and knowledge required, many available resources emphasise the interpersonal skills required of board directors, such as understanding board culture and their ability to work collectively as intrinsic to board effectiveness. As Edwards and Clough state, 'the central issue that emerges [in the relationship between governance practices and performance of organisations] is that the relationship between players in the decision-making process is critical for organisational performance.'<sup>9</sup>

### **3. Assessment of the governance environment**

Assessment of the board governance environment and discussion with board members also highlighted the following:

- Board members have access to a growing set of governance resources, many of which are available on the internet. For example, the State Services Authority (SSA) has developed a range of resources to explain and support the key roles and responsibilities of public entity board members.<sup>10</sup> These resources are available online, in CD format and in hardcopy booklets. The department provides SSA booklets to members on appointment.
- The format of the SSA resources reflects developments in work-related education and training such as the use of innovative, integrated, flexible and sustainable modes of delivery. Diverse modes of delivery will overcome challenges such as geography and time constraints.
- In addition to the SSA resources, there is a range of high quality resources available (for example, on the web) to support general governance education and development.
- There is an improved understanding of the benefits of a more integrated approach to board development, the link between the board's goals, strategy (strategic plan) and board capabilities, and the way in which boards work together.
- The emphasis on board culture means that the learning and development needed to support this emerging aspect should be completed by the board as a whole to develop a common understanding of the skills, attributes and behaviours required.
- Boards are at different stages of their lifecycle. For example, the board may have a new chair and a well-established group of directors, a long serving chair with a number of new board members, or a different mix of members with clinical and non-clinical backgrounds, and each scenario requires a different and more tailored approach.

8 <http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/CorporateGovernance.pdf>

9 [http://www.canberra.edu.au/corpgov-aps/pub/IssuesPaperNo.1\\_GovernancePerformanceIssues.pdf](http://www.canberra.edu.au/corpgov-aps/pub/IssuesPaperNo.1_GovernancePerformanceIssues.pdf)

10 <http://www.ssa.vic.gov.au/governance/board-composition-a-roles.html>

#### **4. Consultation with health service boards**

To gain a better understanding of the issues, the department sought the help of board members who attended consultation workshops and forum events.

Board members from a range of different health services were given the opportunity to share their thoughts, views and experiences at dedicated workshops in Melbourne in February and December 2011 and at the Rural Health Forum held at Creswick in April 2011.

#### **Summary**

Previous board education programs served an important purpose and the department has benefited from understanding the experience, evaluation and learning they provided.

Research carried out has identified an array of governance-related research, studies and reports over a number of years covering both public and private sector governance that drives good governance performance. A key concept from a number of these studies are the 'soft' factors and their critical importance to board effectiveness (in addition to the hard factors).

Assessment of the current governance environment shows that there has been an increase in governance materials structured and organised to provide basic understanding of governance and board roles and that a mix of formats of resources will improve accessibility.

Opportunities arising out of the review provided the impetus to move from the relatively static provision of governance training to more flexible support for building board capability. The review also identified the following factors that are central to the idea of building board capability:

- Learning needs should be determined and managed by boards.
- A whole-of-the-board focus is essential for 'soft' attributes.
- Learning should be flexibly structured to meet different needs.
- An ongoing, rather than static, process is needed to support continuous learning and improvement.

Feedback and support from the sector about the new approach has informed the development of the framework. This included the identification of the skills and attributes and roles and responsibilities listed in section 2, and in relation to the priorities for the development of resources to support board effectiveness.

# Section 2: Building board capability framework

## 1. Overview

The framework is the result of research, evaluation and consultation. It sets out to achieve two objectives, includes a supporting definition of capability and has the following core elements:

- skills, knowledge and attributes
- roles and responsibilities
- a process to build capability
- principles
- success factors.

The framework is not considered a methodology per se, nor is it intended that the elements be applied as a rigid set of procedures or prescribed practices to address a particular issue. Rather, the framework can be viewed as a roadmap that boards can use to design their own approach to building board capability and which the department will use in designing approaches to support boards.

The framework's content has been developed with the intention that its collective application and objective assessment can give boards a mechanism to reflect on their effectiveness.

## 2. Framework objectives

The framework has two key objectives:

- to provide a common source of reference material and an approach for boards to define board capability needs, and to develop, implement and review board education strategies
- to provide a mechanism to optimise the effectiveness of Victorian health service boards.

## 3. The department's approach to supporting building capability

### What is board capability?

The department has adapted the definition provided by Franks (1999)<sup>11</sup> and defines capability as 'knowledge, skills and attitudes of individual directors, separately or as a board and their competence to undertake the legal, fiduciary and ethical responsibilities assigned to them.'

Building capability can best be described as 'the process of developing, growing and strengthening individual directors, and the board's knowledge, skills and attributes'.

Knowledge and skills mean the 'experience' or the sum of theoretical and practical understanding of a subject. Attributes are the personal qualities or those social or personal skills more aligned to personal principles or values.

Additionally, key skills and attributes for health service board members were discussed at workshops and sector forums with board members. These are outlined in Table 1 on page 8.

11 <http://www.irsp.com/Local/pdfs/Systematic%20Literature%20Review13sep.pdf>

The 'legal, fiduciary and ethical responsibilities' of directors and members are set out under ss. 33 (1,2,2A), 65(S) and 115(E) of the Health Services Act, which list the functions of a board of directors and boards of management respectively, as well as their responsibilities under other legislation. These functions include what are often identified as the three core functions of a board:

- to develop and monitor strategy
- to appoint and manage the chief executive officer (CEO)
- to monitor organisational performance.

### What skills and attributes do boards need?

The SSA's publication *Welcome to the board*<sup>12</sup> makes reference to the 'key skills, qualities and experience for board members' of Victorian public sector entities, which can help boards to understand what skills and attributes are required to undertake their roles. It highlights the link between the success of the entity and individual board members.

At the consultation workshops with the sector, the skills and attributes for health service boards and their roles and responsibilities were topics of discussion.

Feedback from the workshops was diverse and wide-ranging, as illustrated by the following quotes:

'The board chair is a conductor, not a controller.'

'The board chair needs to ensure everyone has a say, or something to contribute to the discussion.'

'Financial management is a base skill for everyone, as is understanding risk.'

'Eyes in, hands out, should be a guiding principle for every board.'

Feedback from these forums is summarised in Tables 1 and 2.

**Table 1: Suggested skills, knowledge and attributes to enable the effectiveness of a board**

Skills and knowledge	Attributes
<ul style="list-style-type: none"> <li>• Leadership/executive skills</li> <li>• Strategic thinking</li> <li>• Financial management</li> <li>• Risk management</li> <li>• Clinical governance</li> <li>• Marketing and public relations</li> </ul>	<ul style="list-style-type: none"> <li>• Honesty</li> <li>• Personal and professional integrity</li> <li>• Commitment</li> <li>• Reliability</li> <li>• Adaptability</li> <li>• Genuine interest in their community</li> </ul>

Participants at the consultation workshops highlighted the importance of teamwork and the board's shared responsibility for enabling the board to work together to drive individuals to perform better and as team members. This thinking aligns with the research findings on the importance of 'soft' governance factors and highlights the contemporary awareness and understanding of those serving on Victorian health service boards.

12 State Services Authority 2006, *Welcome to the board*, State Government of Victoria, Melbourne, <[http://www.ssa.vic.gov.au/images/stories/product\\_files/735\\_WelcometotheBoard.pdf](http://www.ssa.vic.gov.au/images/stories/product_files/735_WelcometotheBoard.pdf)>.

Boards should consider the contents of Tables 1 and 2, together with the SSA's information, to build their understanding of what is required of them. When regarded in context with the board's aims and objectives, an understanding of capabilities can assist boards to identify where the gaps in their skills, knowledge and attributes might be. These identified gaps should then form the basis of a board's learning and development plans.

**Table 2: Suggested governance roles and responsibilities for board chair/president, boards and directors**

Board chair/president	Board	Director
<ul style="list-style-type: none"> <li>• Strong leadership</li> <li>• Facilitator/negotiator</li> <li>• Responsibility for board functionality and monitoring board culture</li> <li>• Effective working relationship with the CEO and senior managers</li> <li>• Advise on skill mix and succession planning</li> <li>• Lead board assessment activities</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and monitor strategy</li> <li>• Enable effective decision making by working together in the best interests of the organisation</li> <li>• Ensure board focus is on appropriate process and operation as a team</li> <li>• Ensure the proper reporting mechanisms are in place to enable effective feedback to the board on performance</li> <li>• Monitor performance</li> </ul>	<ul style="list-style-type: none"> <li>• Familiarise themselves with their responsibilities</li> <li>• Contribute to discussion in a way which builds and positively affects board culture</li> <li>• Contribute to decision making by understanding all the relevant available material</li> <li>• Abide by <i>Directors' code of conduct and guidance notes</i><sup>13</sup></li> </ul>

## What capability roles and responsibilities should boards build?

### The department

The role of the department in relation to building board capability is to support health services to:

- understand government policy on health and the government context for the services they deliver and the department's role, programs and strategic directions and priorities
- build board effectiveness strategies
- become effective through providing resources and training opportunities aligned with key priority or commonly identified areas for development
- ensure emerging board capability needs are identified and plans to address issues are developed.

### Board chair

The chair has an important role in building an effective board with the necessary capabilities including to:

- facilitate the annual assessment program
- promote learning development for all board members
- encourage new board members to undertake local induction and orientation programs
- assist the chairs of committees to identify development needs

<sup>13</sup> Public Sector Standards Commissioner 2006, *Directors' code of conduct and guidance notes*, State Services Authority, State Government of Victoria, Melbourne.

- assist board members to understand their role, responsibilities and accountability including the need to comply with relevant standards, like the *Directors' code of conduct*
- ensure that adequate support and training for directors is provided.

### Boards

The board should:

- provide induction and orientation to the health service for directors
- provide a position description for the chair and directors
- undertake regular board assessment to identify learning and development needs
- develop a learning and development plan aimed at improving board capability, informed by board assessment
- measure the achievement of the plan.

### Directors

Directors should:

- access and read available documents to support them in their role
- undertake the induction and orientation program for their health service
- alert the board chair of their own development needs in order to fully discharge their responsibilities
- undertake identified and agreed training and development
- prepare for and actively participate in the board assessment process
- understand and abide by the *Directors' code of conduct and guidance notes*.<sup>14</sup>

### What processes build capability?

As Ogilvie et al. (2003)<sup>15</sup> argue, capability building is a process, not a one-off or singular intervention. The process is considered an iterative one of design, application, learning and adjustment. It is illustrated in the process cycle (see Figure 1). Boards may wish to adopt this approach or similar to facilitate building capability.

The five steps to a building capability process are:

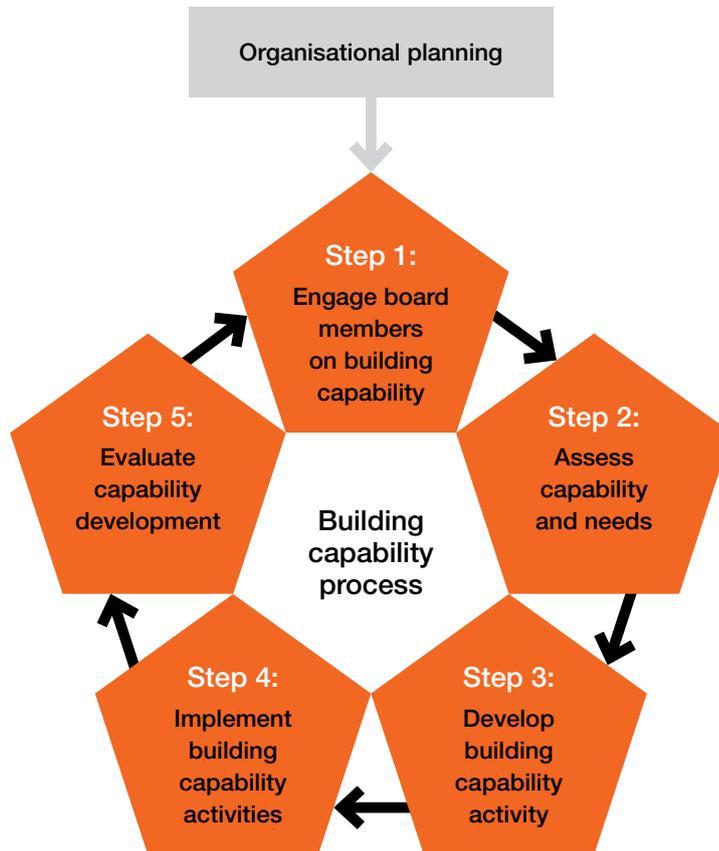
- engage board members to build capability
- assess capability needs
- develop building capability activity
- implement building capability activities
- evaluate capability development.

A key part of this process is the assessment of capability and needs in relation to organisational aims and objectives. All boards should devote time to assessing the personal skills and knowledge of members against organisational plans. This will provide an understanding of what is required to develop both individuals and the board as a whole, and in preparing learning and development plans, to build capability and to realise the outcomes and benefits of organisational plans.

<sup>14</sup> Public Sector Standards Commissioner 2006, *ibid*.

<sup>15</sup> Ogilvie L, Allen M, Laryea J and Opore M 2003, 'Building capacity through a collaborative international nursing project', *Journal of Nursing Scholarship*, vol. 35, no. 2, p. 113.

Figure 1: Capability building process



## 4. Framework principles

The following principles describe the underlying values of the framework and are relevant to all boards irrespective of the type and size of health service they govern. They should be viewed as interdependent, with each principle integrated to provide the most effective approach.

### Principle one: responsibility

In line with the devolved governance model for health services, this principle affirms that boards are responsible for their own learning and development. They are best placed to decide their unique learning needs and how best to address them to achieve better board capability and to assess their effectiveness as a whole.

The department has a role in supporting health services to build board capability as well as a board's capability to assess its own effectiveness.

### Principle two: aligned objectives

The purpose of building capability is to achieve the best organisational outcomes. To support this, learning and development aims and objectives should be aligned with corporate and strategic aims and objectives.

Building board capability activities should therefore be aligned with individual or whole-of-board needs. When building board capability activities are aligned, they can be evaluated as to whether or not they met specific business objectives.

Alignment also helps to manage expectations and demonstrate the value of board education through the provision of positive results with clearly understood measurement. This places boards in a better position to invest in board education and in activities to promote better working relationships at board level and with senior management.

### Principle three: systematic identification of needs

The importance of a regular assessment mechanism is emphasised in much of the literature relating to board effectiveness.<sup>16</sup>

Boards should conduct an annual assessment process that identifies board capability activities and informs an agreed board learning and development program for the board as a whole, as well as for individual directors.

Just as the ongoing accreditation of clinical knowledge and skills is a legal requirement for health services and workforce development is part of sound organisational management, so too the ongoing development of board member skills and knowledge is vital.

<sup>16</sup> Centre for Corporate Governance 2010, *Board effectiveness and performance* Australian Council of Superannuation Investors, Melbourne.

The provision of ongoing learning and development opportunities can assist in attracting applicants to the board.

The opportunity to develop, grow and strengthen capabilities primarily for use as a board member can also benefit individuals who can apply the same knowledge and skills to other directorships and in their own businesses.

Any assessment processes should be integrated with the organisational planning cycle, with the organisational goals and objectives acting as the inputs to the process. While the achievement of objectives and goals should be the key focus, methods such as a 'strengths, weaknesses, opportunities and threats' analysis could provide the basis for identifying board development and capability building needs. Board development activities can be used to strengthen existing skills as well as to provide new skills and knowledge.

Following an agreed process, boards should decide the best format of training and development to suit their particular needs.

Capability building activities should consider the needs of the board and its committees as a whole and how they work together, as well as the needs of individual directors.

#### **Principle four: prioritisation**

Boards should prioritise learning and development needs in the context of associated organisational aims and objectives.

Principle four is closely related to principle two. Having determined the relevance of building board capability activities under principle two, principle four is about importance.

Principle four helps focus on the things that matter most. This requires a logically sound prioritisation process for deciding the order and sequence in which capability or development needs should be addressed.

An example two-step prioritisation process boards could adopt to support this principle could be as follows:

- define and weight organisational objectives
- define and weight capability needs based on their relative importance to achieving the organisational objectives.

#### **Principle five: resources and support**

Boards need to identify relevant mechanisms to support the achievement of the learning and development plan.

There should be a documented process to track the achievement of the plan and regular discussion of the plan as part of the board's regular deliberations.

The department can advise boards on the development of these plans, and on the range of resources available to support development needs. The department will develop a range of programs to support common and prioritised needs and will support board effectiveness through its interactions with boards.

## 5. Success factors for capability building

A number of factors have been seen to be critical to the success of a capability assessments or capability building initiatives. The list below provides some of these factors and is adapted from international experience in development programs:

- visible leadership – meaningful, committed ownership of the board chair sustained throughout the process
- whole of board participation – highly consultative, with meaningful involvement of all directors
- open and transparent – the process is open, with no hidden agendas, and decision making is transparent. The use of an external consultant can assist with ensuring the objectivity of the process
- awareness and understanding – all directors are aware of and understand the building capability initiative
- buy-in and acceptance – understanding generates buy-in and acceptance; critical mass of commitment and help manages resistance
- appropriate methodologies – for locally adapted tools and techniques to manage capability building programs
- clear objectives and priorities – built into capability building plans
- clear accountabilities – transparent processes and decision making, open dialogues, explicit responsibilities and accountabilities
- sufficient time and resources – committed availability of financial information and board time to plan, develop and implement the capability building initiative.

While these are important for all health service boards, the particular needs of smaller boards is recognised, as they may require more support to operationalise the principles and address these success factors.

## 6. Looking ahead

The framework is intended to be a living document. Its implementation will be phased and the suite of programs, events and resources as outlined in Appendix 1 will provide structure and focus for ongoing development.

Priority areas from the list of suggested skills and knowledge in Table 1 on page 8 were identified by directors as part of consultation. The priority areas are:

- leadership
- strategic thinking
- financial management.

These three areas will be the focus of the initial implementation phase of the framework.

The department will continue to work with health service boards to provide input to future updates to the framework. The most up to date version of the framework will be kept electronically on the department's website at [www.health.vic.gov.au/governance](http://www.health.vic.gov.au/governance).

# Appendix 1

## Programs, events and resources to support building board capability

### Expertise programs

Delivery of programs to enhance specific skills and knowledge.

- Topic-focused seminars (for example: leadership, strategy, finance)
- Podcasts or online resources for other relevant topics

### Individual development

Individually agreed activities

- Mentoring and coaching from experienced board members across the sector
- Scholarships for governance training programs

### Networks

Opportunities to meet and network with colleagues to discuss current issues and hear speakers on contemporary topics

- Rural governance forums
- Statewide governance forums
- Council of board chairs
- Regional chairs forums
- Regional board forums

### Board development

Activities to enhance teamwork and leaderships skills to improve whole board effectiveness.

- 'Whole board' training, topic-focused
- Strategic planning workshops
- Annual board assessment
- Annual learning and development plan
- Case study presentations
- Social events

### Framework support resources

Practical resources, companion documents and tools to assist boards and directors build capability

- *Victorian health services governance handbook*
- *Board assessment guide*
- *Clinical governance framework*
- *Aged care organisational readiness tool*

## Appendix 2

### Acknowledgement of those who contributed to the development of this document

Name	Organisation
Barbara Yech	Southern Health
Cheryl Axell	Maldon Hospital
Douglas Crow	Kyabram and District Health Service
Gordon Carter	Maldon Hospital
Henry Ekert	Peninsula Health
Jan Boxall	The Royal Victorian Eye and ear Hospital
John Renyard	Timboon District Health Service
Lynne McLennan	Ballarat Health/ Ambulance Victoria
Margaret Rae	Alexandra District Hospital
Noel Harvey	Kyneton District Health
Pamela Dalgliesh	Goulburn Valley Health
Paul Slape	The Royal Women's Hospital
Peter Ryan	Goulburn Valley Health
Rob Gerrand	Alfred Health
Sarah Leach	Barwon Health Services
Stuart Alford	Eastern Health
Suzanne Evans	Austin Health





