

# EXAMINER TRAINING

## Part 2: Independent Review

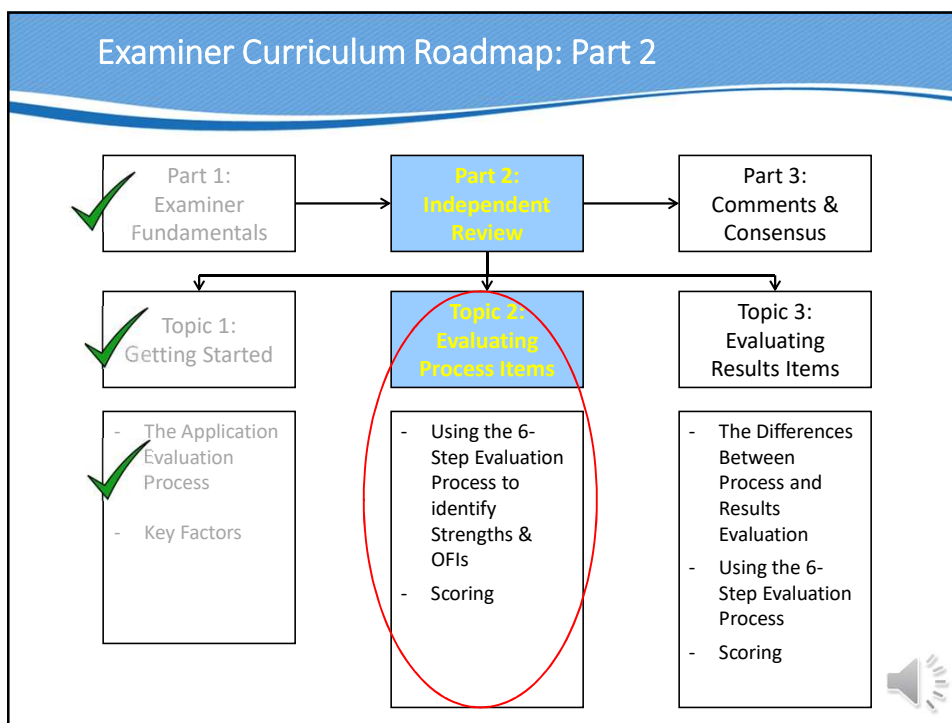
### 6-Step Process: Process Items

**Step 1:**  
**Read the Criteria**  
**Requirements for**  
**the Item**

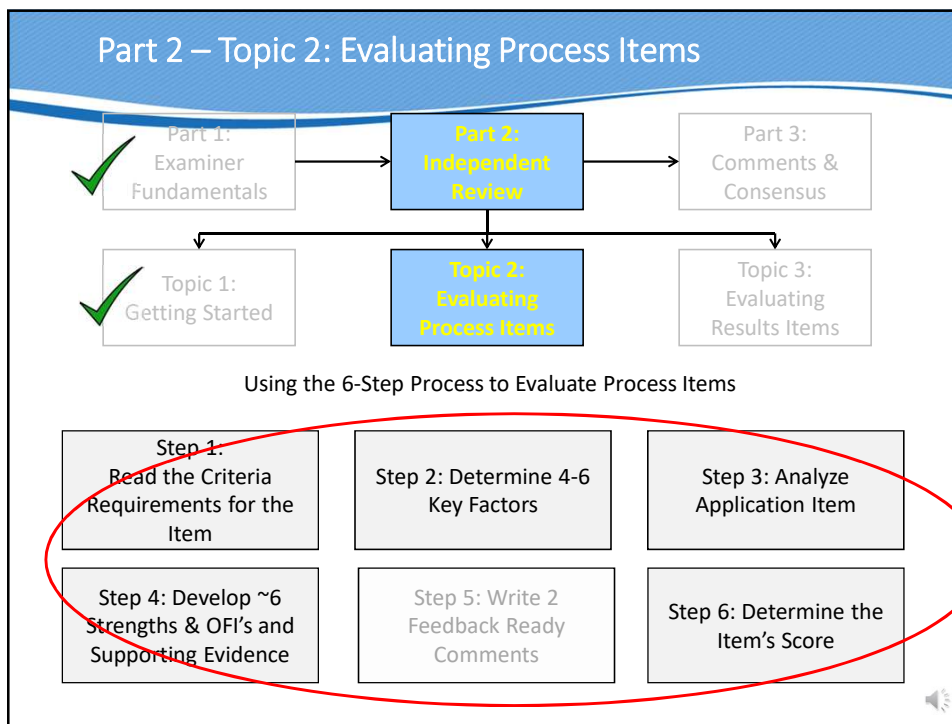


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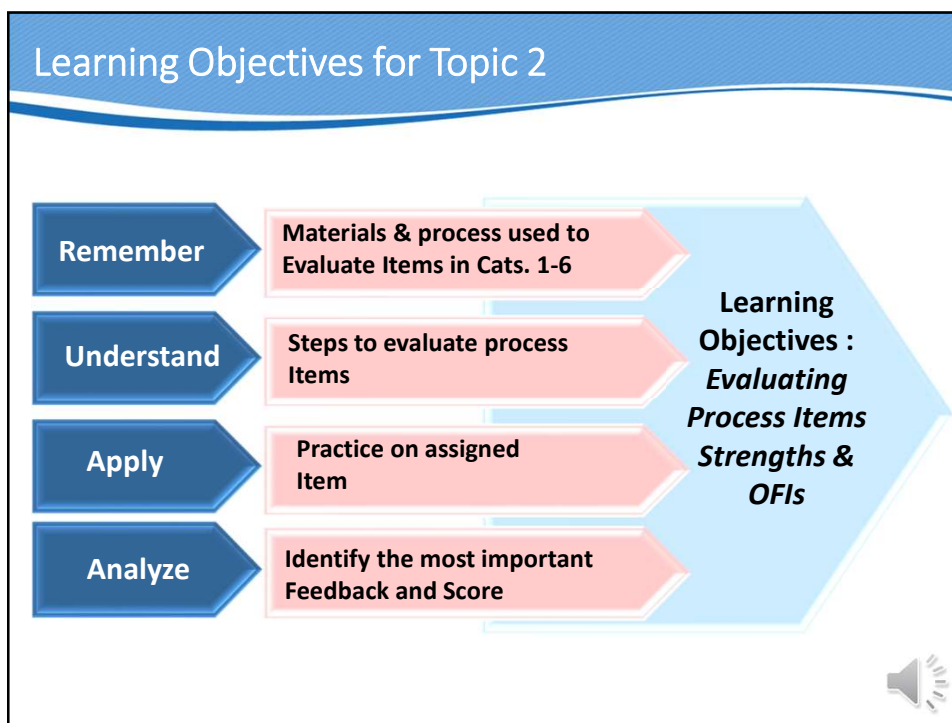
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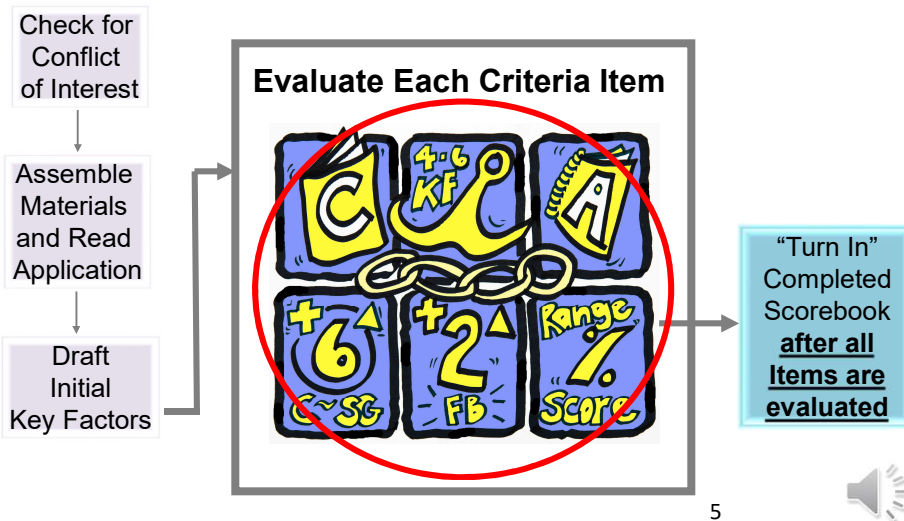


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## The Independent Item Review Process



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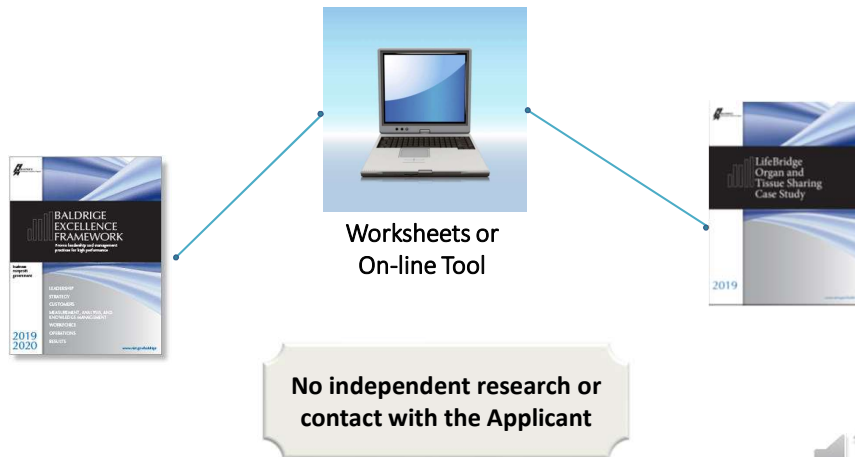
## 6-Step Process to Evaluate Criteria Items

1. Read Criteria Questions
2. Determine 4-6 Key Factors
3. Analyze Application Item
4. Develop ~6 Strengths & OFI's and Supporting Evidence
5. Write 2 Feedback Ready Comments
6. Determine Score



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## What we use to Evaluate Process Items



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## Definition: PROCESS

1. **Linked activities** with the purpose of **producing a product** or service for a customer (user) within or outside the organization
2. Involves combinations of people, machines, tools, techniques, and materials, in a defined series of steps



See the Baldrige Excellence Framework Glossary for additional information on "**Process**"

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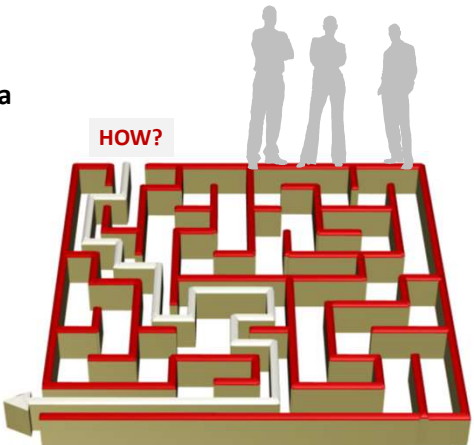
## Process Items

- One of two dimensions evaluated in a Baldrige-based assessment

**Process Items in the Baldrige Criteria**

- Categories 1 – 6
- Represent 55% of the total score

Process = ADLI



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## Analyzing a Process Item

Purpose

The purpose of Process Items is to permit diagnosis of an organization's *most important* processes.

➔

Key

Contribute most to organizational performance improvement and contribute to key outcomes or performance results.

Key Process

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## Process Items: Evaluated by Four Factors

### ADLI

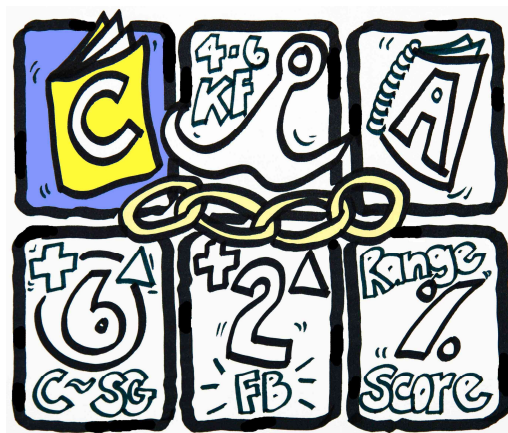
- ▶ **Approach**: methods used to accomplish the processes
- ▶ **Deployment**: the *extent* to which the approach is applied
- ▶ **Learning**: *refinement* of approach through cycles of evaluation and improvement
- ▶ **Integration**: *extent of alignment* with organizational needs

For additional context and information see "Scoring Dimensions" and Glossary definitions provided in the Baldrige Framework book

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## Step 1: Read Criteria Requirements



Make sure that the Criteria is fresh in your mind



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## Approach Maturity: Basic, Overall, Multiple

**Basic**

**Overall**

**1.2 Governance and Societal Contributions: How do you govern your organization and make societal contributions? (50 pts.)**

**a. Organizational Governance**

(1) **GOVERNANCE System** How does your organization ensure responsible GOVERNANCE? How does your GOVERNANCE system review and achieve the following?

- Accountability for SENIOR LEADERS' actions
- Accountability for strategy
- Fiscal accountability
- Transparency in operations
- Selection of GOVERNANCE board members and disclosure policies for them, as appropriate
- Independence and EFFECTIVENESS of internal and external audits
- Protection of STAKEHOLDER and stockholder interests, as appropriate
- Succession planning for SENIOR LEADERS

(2) **PERFORMANCE Evaluation** How do you evaluate the PERFORMANCE of your SENIOR LEADERS and your GOVERNANCE board? How do you use PERFORMANCE evaluations in determining executive compensation? How do your SENIOR LEADERS and GOVERNANCE board use these PERFORMANCE evaluations to advance their development and improve the effectiveness of leaders, the board, and the LEADERSHIP SYSTEM, as appropriate?

**b. Legal and ETHICAL BEHAVIOR**

(1) **Legal and Regulatory Compliance** How do you address current and anticipate future legal, regulatory, and community concerns with your products and operations? How do you

- address any adverse societal impacts of your products and operations,
- anticipate public concerns with your future products and operations, and
- prepare for these impacts and concerns proactively?

What are your KEY compliance PROCESSES, MEASURES, and GOALS for meeting and surpassing regulatory and legal requirements, as appropriate? What are your KEY PROCESSES, MEASURES, and GOALS for addressing risks associated with your products and operations?

(2) **ETHICAL BEHAVIOR** How do you promote and ensure ETHICAL BEHAVIOR in all interactions? What are your KEY PROCESSES and MEASURES or INDICATORS for promoting and ensuring ETHICAL BEHAVIOR in your GOVERNANCE structure, throughout your organization; and in interactions with your WORKFORCE, CUSTOMERS, PARTNERS, suppliers, and other STAKEHOLDERS? How do you monitor and respond to breaches of ETHICAL BEHAVIOR?

**Multiple: Unbolded text in each area to address.  
First multiple question in a set is most important**

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## Item 1.2 Requirements

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**c. Societal Contributions**

(1) **Societal Well-Being** How do you consider societal well-being and benefit as part of your strategy and daily operations? How do you contribute to the well-being of your environmental, social, and economic systems?


(2) **Community Support** How do you actively support and strengthen your key communities? What are your KEY communities? How do you identify them and determine areas for organizational involvement? How do your SENIOR LEADERS, in concert with your WORKFORCE, contribute to improving these communities?

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**KE(5)**

## Key Points

- Read the Criteria Item to better understand what to expect from the Applicant's response
- Start to carefully envision expected
  - Approaches
  - Results
- Read the Notes for additional insight
- Gain clarity on TERMINOLOGY



**Notes**

1.2. Societal contributions in areas critical to your ongoing marketplace success should also be addressed in Strategic Development Item 2.1 and Operations Language 6. Key societal results should be reported as Leadership and Governance Results Item 7d.

1.3. The health and safety of your workforce are not addressed in this item; you should address these workplace factors in Items 3.1 and 4.2, respectively.

1.3a(1). The governance board's review of organizational performance and progress, if appropriate, is addressed in 4.2(b).

1.3a(2). Transparency in the operations of your governance system should include your internal controls on governance processes. For some privately held businesses and nonprofits (including government) organizations, an internal advisory board may provide some or all governance board functions. For nonprofits (including government) organizations that serve or interact with public funds, some of measures are accountability of these funds and transparency in operations.

1.3a(3). The evaluation of broader performance might be supported by your success, human performance management, and internal or external insights from and across the workplace and other stakeholders. For some privately held businesses and nonprofits that government organizations, external advisors might evaluate the performance of some targets and the governance board.

1.3a(4). Proactively preparing to give adverse societal impacts and concerns may include consideration of natural resources and effective supply network management processes, as appropriate. Nonprofit organizations should report, as appropriate, how they meet and exceed regulatory and legal requirements and standards that govern fundraising and lobbying.

1.3b(2). Measures on indicators of ethical behavior might include the percentage of independent board members, measures of relationships with stockholders and non-stockholder constituencies, measures of ethical conduct at compliance breaches and responses to them, survey results showing workforce perceptions of organizational ethics, ethics hotline use, and results of ethics reviews and audits. Measures or indicators of ethical behavior might also include evidence that policies, workplace training, and monitoring systems are in place for conflicts of interest, protection and use of sensitive data, information, and knowledge generated through whistleblowing and controlling these data, and proper use of funds.

1.3b. Some charitable organizations may contribute to society and support their key communities directly through the mission-related activities described in response to other Criteria questions. In such cases, it is appropriate to respond here with any "extra efforts" through which you support these communities.

1.3b(1). Areas of societal well-being and benefits to report are those that are in addition to the compliance processes you describe in 1.3b(2). They might include organizational or collaborative efforts to improve the community, strengthen local community services, education, health, and emergency preparedness, address societal inequalities, and improve the practices of trade, business, or professional associations.

1.3b(2). Areas for organizational involvement in supporting your key communities might include areas that leverage your core competencies.

For additional guidance on this item, see the Criteria Commentary (<https://www.irs.gov/pub/irs-soi/18ccmcrmtg>).

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## Next Steps

**Assignment:**

**Step 1: Read the Criteria Requirements for the assigned Item(s)**

- Identify the BASIC, OVERALL, and MULTIPLE Questions (formerly "Requirements")
- Consider the types Approaches that you would expect to see in the application
- Consider any types of results that you might expect from these Approaches
- Review TERMINOLOGY in the Criteria Language and look at glossary definitions
- Confirm your completion of this assignment along with any questions that you have with your facilitator

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## Slide 15

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**KE(5**

Animations on this slide will be created on Articulate

Karakas, Elif (Fed), 12/29/2016

Before moving on

*For more details or a review of the Criteria, review earlier modules about the Baldrige Framework.*

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Fundamentals:  
The Baldrige Framework

Next Module:

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Step 2: Determine 4-6 Key Factors

