



Board Performance Evaluation

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Overview

- What is Board evaluation?
- Why do it?
- When should it be done?
- Methods of Board evaluation and by whom
- Next steps after evaluation



Definitions

- Feedback on performance of individual Board members, Board Committees and the Board as a whole
- Formal, accountable and transparent assessment process that sets out responsibilities, criteria, opportunities for participation, feedback reporting and follow-up actions
- Evaluation = Assessment



Purpose

- Improve Board effectiveness and organizational effectiveness
- For-profit sector – corporate governance rules, codes and guidelines address Board assessments – a requirement
- Board evaluation should not be done to respond to a “problem”



Reasons

- Media, litigation, expert assessment may have resulted in some governance inadequacies
- A new appointee (CEO, Chair, new Board member) may request or suggest an evaluation
- Directors may request feedback for improvement, or a funder or donor may request release of governance assessment information
- In your mandate; requirement of a national body



When to do Evaluation?

- Annually at least
- At the point in the year when the information from the evaluation can be acted upon
- A culture of assessment implies continuous improvement



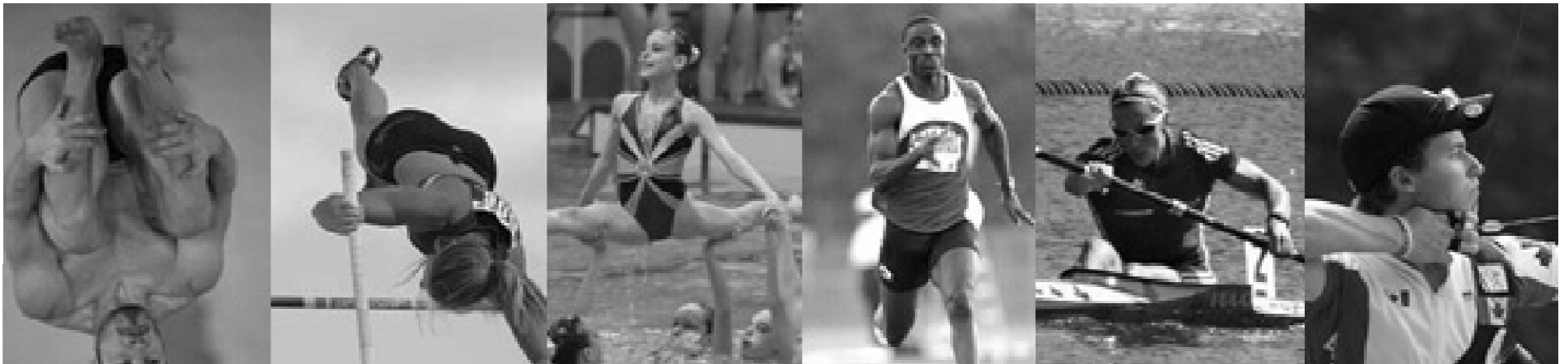
How – first steps

- Take your time—rushing into this can harm positive Board dynamics
- Prepare for Board evaluation:
 - Data management
 - Confidentiality,
 - Reporting
 - Impact
 - Next steps
 - External reporting
- Whole Board evaluation first, before Committee and individuals



How

- Terms of reference
- Governance Committee responsibility
- Work with the Board to get buy-in in advance
- Due diligence





Who is Involved?

- Board collectively – to supervise process, receive reports, approve plans, monitor and report
- Governance Committee or third party – to lead, design, implement, analyze data, report, recommend actions
- Individual directors – to participate and to implement feedback/action steps



Types of Assessments

1. Board assessment

- generic - focus on Board role of objective setting, strategy and planning, risk management, financial, human resources, Board process

2. Committee assessment

3. Board Chair assessment

4. Committee Chair assessment

5. Director assessment



Board Assessments

- Quantitative and qualitative
- Topics:
 - **Shape mission and strategic direction** (mission, vision, strategic directions, policies, quality of discussion)
 - **Human and financial resources** (select, evaluate, develop the CEO, succession planning; financial stewardship, expertise)
 - **Monitor and improve performance** (risk management, monitor organizational performance, assess and improve Board performance)

Board Self-Evaluation Questionnaire



Questions should be answered by all board members. When completed individually the results of Sections A, B and C should be compiled, shared and discussed by the whole board to determine an average group answer to each question and an overall section rating. Section D should be answered by board members alone but not shared with the group. Sections A, B and C should also be completed by the Executive Director or CEO. This version also includes Section E, which provides feedback to the Chair of the Board.

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); Maybe or Not Sure (3); Agree (4); Strongly Agree (5).

A. How Well Has the Board Done Its Job?

- | | | | | | |
|--|---|---|---|---|---|
| 1. Our organization has a three to five-year strategic plan or a set of clear long range goals and priorities. | 1 | 2 | 3 | 4 | 5 |
| 2. The board's meeting agenda clearly reflects our strategic plan or priorities. | 1 | 2 | 3 | 4 | 5 |
| 3. The board has insured that the organization also has a one-year operational or business plan. | 1 | 2 | 3 | 4 | 5 |
| 4. The board gives direction to staff on how to achieve the goals primarily by setting or referring to policies. | 1 | 2 | 3 | 4 | 5 |
| 5. The board ensures that the organization's accomplishments and challenges are communicated to members and stakeholders. | 1 | 2 | 3 | 4 | 5 |
| 6. The board has ensured that members and stakeholders have received reports on how our organization has used its financial and human resources. | 1 | 2 | 3 | 4 | 5 |
| 7. _____ | 1 | 2 | 3 | 4 | 5 |

My overall rating (add together the total of the numbers circled):

- Excellent (28+) Very Good (20-27) Good (15-19)
 Satisfactory (12-18) Poor (7-11)



Committee Assessments

- Use Committee Terms of Reference as a guide
- Whole Board assesses Committee outputs and outcomes based on reports
- Committee members assess process and Committee outputs and outcomes





Chair Assessments

- Chair of the Board – whole Board review and comment
- Committee Chairs – Committee members comment and review
- Assessment developed based on job description for position
 - Agree/Somewhat Agree/Neutral/Somewhat Disagree/Disagree
- Committee / Board meeting management abilities



Director Assessments

- Against job description, contribution to Board's mandate
 - Self-assessment
 - Chair assessment of individual directors' performance
 - 360 degree assessments.





Action Plan – Board and Committee

- Share results of Board evaluation with whole Board and discuss findings and recommendations
- Governance Committee develops action plan and follows up
- Share Board results with staff and stakeholders as appropriate
- Similar approach with Committee evaluations



Areas for Improvement

- Issues around: roles, conflict of interest, performance issues; Board - staff relations, leadership, board engagement; financial; lack of policies and procedures
- Set priorities, develop plan to take remedial actions, responsibility, timelines; pick top 1 – 2 to work on
- Re-assess after 6 months, add more items to address



Remedial Actions

- Education for directors or Committee members
- Change to Committee terms of reference or Directors' job descriptions or areas of responsibility
- Reporting, responsibilities or accountabilities of staff or some Board members
- Other changes affecting management, finances or strategic directions
- Director rotation, retirement or recruitment



Action Plan – Individual Directors

- Deal with performance issues as they arise
- Opportunities for improvement may be well received
- Nominating Committee route out and off
- Don't let the situation fester – demoralizing
- Policies or Special General Meetings; ex-officio





Action Plan - Chairs

- Similar approach as with under-performing directors
- Messenger is important – “peer” if possible
- Ensure Governance Committee’s terms of reference include review of Board Chair’s performance and taking action on findings
- Tie action to health and future effectiveness of organization



Conclusion

- Engage the whole Board in developing the terms of reference for Evaluation process and governance Committee
- Develop an environment of continuous improvement through ongoing assessment of your meetings
- Get buy-in, ensure process is transparent and accountable



References

- Governance Committee Terms of Reference:
 - Nathan Garber & Associates
 - DiverseCity, the Greater Toronto Leadership Project
- Individual directors evaluation format:
 - Dalhousie University Board Self-Evaluation questionnaire
- Imagine Canada resources

www.sirc.ca/governance/evaluation.cfm

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**Thank you
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