

Board Self-Evaluation

by Jannice Moore

I frequently receive questions about board self-evaluation. Many boards seem to get tied up in knots about the process of self-evaluation, spending a lot of time talking about “how to” do it, but not getting down to actually DOING it. If your board has been struggling in this area, this article will be of some help.

As with many endeavors, it's often tempting to simply ask the “how” question without placing it in the context of “why?” In this regard, I find the old Rudyard Kipling poem to be a good guide:

*I keep six honest serving men.
(They taught me all I knew);
Their names are What and Why and When
and Where and How and Who.*

WHAT is Board Self-Evaluation?

Board self-evaluation is simply an *organized process* by which the board regularly re-examines its collective and individual performance, and then reaffirms its commitment by identifying plans for improvement.

WHAT Should You Evaluate?

The content areas for board evaluation should include all aspects of governance. Your Governance Process policies should already have set out your expectations for yourselves. This proactive approach means that you are evaluating yourselves against criteria that you have predetermined. (If you are not using Policy Governance® and have not developed policies about how the board should govern, then that should be your first step.) At minimum your policies should address the following content areas, which then become subject to your self-evaluation:

Board linkage with moral ownership

- Has your board discussed and clearly identified those to whom it is morally accountable (the "ownership")?
- Have you developed *deliberate methods* of regularly hearing from this ownership (not just telling them what you're doing, but *listening*), and demonstrating your accountability to them?
- How effective are those methods?

Clarity of delegation

- Has the board set explicit expectations about the benefits the organization is to produce, who those benefits are for, and the acceptable cost of producing those benefits (Ends)?
- Are those Ends regularly reviewed in light of new information about needs?
- Has the board clearly defined what is NOT acceptable for the CEO to do or allow?
- In particular, has the board considered areas of material risk in developing these limitations?

Empowerment & Accountability

- Does the board have explicit policy regarding how it delegates to the CEO?
- Does the board speak to the CEO with "one voice"—written policy?
- Does the board give instructions only to the CEO, or does it meddle in areas that have been delegated?
- Does the board expect and receive regular reports from the CEO that provide *evidence of achievement of the expected results* (not just descriptions of activities)?
- Does the board thoughtfully review these reports?
- Does the board avoid creating committees or officers that "help" the CEO or staff in areas that have been delegated, thus making accountabilities unclear?

Effective Board Process

- If the board has control over factors such as board size, selection and composition, are they optimal to do the best job of governing?
- Does the board have a process in place for thorough orientation of new board members?
- Does the board regularly discuss its own educational needs and develop a plan to meet them?
- Do board committees stick to doing *only* board work (not "helping" staff)?
- Are board committees being used to enhance board effectiveness, or are they interfering with the unity of the board?
- Is the board getting good information on which to base governance decisions?
- Do members come to meetings regularly and are they well prepared?
- Does the board have a code of conduct?
- Does the board regularly evaluate its own function and behaviour?

- Does the board have well defined processes for connecting with other relevant boards?
- If the board has assigned any other specific job results to itself, such as external political linkages, has it developed and followed through on action plans to achieve those results?

WHY Bother Doing Board Self-Evaluation?

As a board, you are entrusted with the stewardship of resources on behalf of someone else—your "moral ownership." That places a moral obligation on you to use those resources most effectively – and I'm not talking about "approving" financial statements. I mean that you need to be able to show accountability for the organization as a whole. Is it achieving what it ought to achieve? The board sets the direction for the organization. If the board is not doing its job effectively, the whole organization suffers.

The board is responsible for its own development, job design, self-discipline and performance. These are not areas that can be delegated to the CEO. Self-evaluation is a way to assure yourselves and your ownership that you take accountability seriously.

Remember that the purpose of board self-evaluation is not to evaluate individual board members, but the performance of the board as a whole.

A good board self-evaluation should be:

- **Positive** – you should come away with a sense of what the board's strengths are.
- **Constructive** – you should identify specific changes that need to be made.
- **Educational** – you should identify what you still need to learn about and make plans to learn it.

WHEN to Do Self-Evaluation?

Some board self-evaluation should be done at *every meeting*. At the bare minimum, time should be set aside at the end of each meeting for a brief evaluation of how well you have lived up to your "governance style" commitments during that meeting.

Compliance with *all* board policies in the Governance Process and Board-CEO Relationship categories (these are the categories of policies where the board is "talking to itself") should be evaluated (self-monitored) regularly. There is no one "right" way to do this. I favour scheduling a few policies for self-monitoring at each meeting. Some boards prefer to monitor all of the policies at one meeting once a year. The important thing is that they do get monitored. If you choose the first approach, you may still wish to set aside a significant period of time every several years, (frequency may depend on your board turnover), perhaps as part of a retreat, to comprehensively review your own performance.

WHERE Should You Monitor?

The regular self-monitoring of a few policies per meeting obviously occurs at the board meeting itself. If your board is one whose meetings are "open" to the public, you will need to consider whether you are comfortable enough to include this self-evaluation as part of the "open" meeting, or whether you would prefer it to be "in camera." Your values about how transparent you wish your board processes to be will influence your decision here.

For the periodic "retreat" approach, it is valuable to get away from your usual setting, to a place where disruptions are minimized, so that you can put concerted focus on the task at hand.

WHO Should Be Involved?

It is important that all board members participate in board self-monitoring. This is not a task that can be delegated to a person or a committee, although some aspects may be delegated. The CEO should definitely be included. If other members of staff regularly attend the whole board meeting, it would be valuable to obtain input from them as well. They may give you a new perspective on your board function. Input from an external coach may also be valuable. This might be in the form of written comment based on your board package and minutes, and/or periodic observance of your meetings.

For an in-depth retreat approach, you may wish to consider retaining an external facilitator. Ask yourselves these questions:

- Will the group be 10 or larger?
- Is there likely to be some disagreement or conflict over important or sensitive issues?
- Would an "inside" facilitator be likely to inject personal views, by virtue of either position or personality, or would there be the perception that he or she had done so?
- Is the Board Chair comfortable with having an external facilitator
- Is the Board as a whole comfortable with having an external facilitator?
- Do you have and are you willing to invest resources in retaining an external facilitator
- Do you need assistance with planning the process?
- If you answered "yes" or "probably" to a majority of these questions, you should seriously consider using an external facilitator.

HOW Do We Do Self-Evaluation?

Self-evaluation does not need to be difficult. There are a few simple steps.

1. Plan

As a board, decide in a broad way how you will proceed regarding end-of-meeting evaluation, and regarding structured evaluation of all Governance Process and Board-CEO Relationship policies.

End of Meeting Evaluation. The whole board can do this, using a simple form to jot down examples of when the board has behaved consistently with the style to which it has committed itself, and examples of when it has not followed those commitments. Or you may assign one board member at the outset of the meeting to be the "monitor", who will keep track of these examples, and then report his or her findings at the end of the meeting. If you are interested in examples of this approach, please contact me for more information.

Structured Evaluation of All Policies. Decide whether to schedule some policies for consideration at each meeting. If you go this route, actually develop the schedule. The frequency of your board meetings will influence this decision. Also decide if you will periodically have a "retreat", and delegate responsibility for developing detailed plans to a board member or committee.

2. Set Performance Targets for the Board

Often when boards decide to do a self-evaluation, there is a grand search for a "form." Evaluation should not be done against a set of generic criteria identified after the fact. The best board self-evaluation is based upon criteria that have been set in advance. Those criteria, in fact, are your ***Governance Process and Board-CEO Relationship policies***, if you are using Policy Governance®. There is no need to run out and invent a new set of criteria. Simply go to your policies, and ask yourselves questions to determine whether or not you have followed them! (This approach to evaluation assumes that you have done a good job of policy development to begin with.)

If you are not using Policy Governance® yet, and have not developed a comprehensive set of policies, then the place to start would be with some basic questions about governance in general. Discussion around these questions should help you determine some goals for further action. Contact me if you would like a very basic set of questions.

It is important at this point to emphasize that **board self-evaluation is *not* about evaluating whether the organization has achieved its Ends, or whether internal management is consistent with board limitations.** That is evaluation of the CEO. Evaluation of the Board focuses on the Board's own performance.

3. Gather Information

Decide on a method of gathering information from each board member regarding the policy or policies being monitored. This may be as simple as doing a "round table" discussion, focusing on each item in a policy and then asking yourselves to cite representative examples of your board behaviour that illustrates compliance or non-compliance with the criteria that you stated in the policy. It is useful to have the board recording secretary make notes of the discussion, so that you have a record of your evaluation, and in future can look back to see if you have improved.

Be careful here not to confuse "reviewing" the content of a policy with "monitoring" your compliance with it. Too frequently, I see board minutes under the agenda item "self-monitoring" that read like this. "The board determined that the policy did not need to be changed." That is not

monitoring – that is reviewing the policy content (something which also needs to be done regularly, but should not be confused with self-monitoring).

Another method of gathering information is to structure a set of questions, *based on the specific contents of your policies*. These questions can be circulated to board members in advance, and responses tabulated prior to the discussion.

4. Discuss and Interpret the Findings

This is a crucial step in self-evaluation. A common mistake that I see is for boards to gather the information, and then simply "receive" it, without discussing it or taking action on what has been learned. If the evaluation is to serve a purpose, it is important to discuss your self-observations. This can be done on a policy-by-policy basis. It can also be done in a more comprehensive way at an annual retreat.

5. Formulate a Board Work Plan (Governance Action Plan)

You have planned the evaluation. Your policies have set the target against which you measured your performance. You have gathered information from board members about how well you have met those targets. You have discussed the findings. In that process, you will likely have identified gaps between where you want to be and where you are in your board performance. Use that gap information to formulate a GAP (Governance Action Plan). This plan should set specific targets for improvement in your board performance, including what actions need to be taken, who will be responsible for coordinating them, and a target date for completion.