



How does your Board Stack Up?

Assessing and Evaluating
Boards and Committees



Good boards are no accident.

They require regular monitoring and assessment.

It's essential that all board members take the job seriously – you need to assess the functioning of your board as a whole, as well as each individual member's contribution.

Don't put it off for another day. In this session, you'll find out how to get started.

How does your Board Stack Up?

Our Community Board Builder Conference 2012



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1. Assessment and Evaluation
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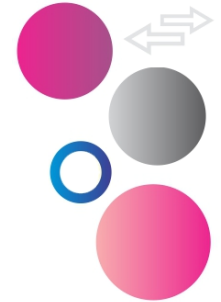
5 Steps to a Better Board

1. Establish the purpose
2. Determine the methodology
3. Undertake assessment
4. Evaluate the data
5. Feedback and take action



‘..there is a strong positive relationship between board effectiveness and the effectiveness of non-profit organizations.’

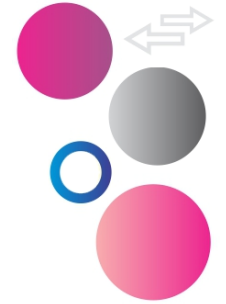
Renz, 2011



Assessment and Evaluation

Now, more than ever organisations need to focus on attracting and developing the capacity of these drivers to develop effective ways to lead and improve performance and outcomes to gain a strategic and competitive advantage.

Improvements in board and organisational performance and recommendations by regulatory organisations such as the Australian Security and Investment Commission has driven an increasing interest in board evaluation, with many now recognising evaluation as a valuable tool leading to a higher performing board and a more sustainable and viable organisation..



Governance Models

- Committee Model
- Strategic Policy Model
- Advisory Board Model
- Patron Model
- Community Foundation Model
- Network Hub Model
- Co-operative Model

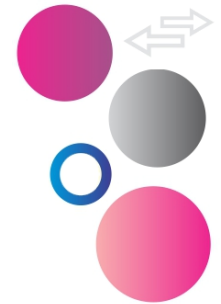


Improvement Frameworks

Studies also show that clear systematic links between governance models and performance indicators greatly increase the effectiveness of a board. Governance models set the board framework under which boards can then be assessed against.

- Balanced Scorecard

Financial Indicators <ul style="list-style-type: none"> • Return on Assets • Cash flow • Project Profitability • Sales Forecasts • Sales Backlogs • Gross Margin • Sales Growth 	Customer Indicators <ul style="list-style-type: none"> • Customer Survey • Customer Ranking • Market Share • On-time delivery • Repeat Business
Internal Business Indicators <ul style="list-style-type: none"> • Time spent with prospective customers • Tender success rate • Safety/Accident rate • Length of project lifecycle • Employee productivity • Actual introduction schedule vs. plan 	Innovation and Learning Indicators <ul style="list-style-type: none"> • % revenue from new products / services • Staff attitude survey • Number of employee suggestions • Cycle time • Yields by process • New product/service introduction vs. competition • % of products/services that equal 80% of sales



Improvement Frameworks

- **Corporate Governance Charter™**

The Charter is divided into four areas that focus on board roles and responsibilities as shown at Figure 3.



Source: Kiel and Nicholson: 2003



Improvement Frameworks

- **Tricker Model**

The Tricker model presents a framework for analysing key board activities where they have both conformance and performance roles focusing on past, present and future.





Improvement Frameworks

- **Four Abilities™ framework**

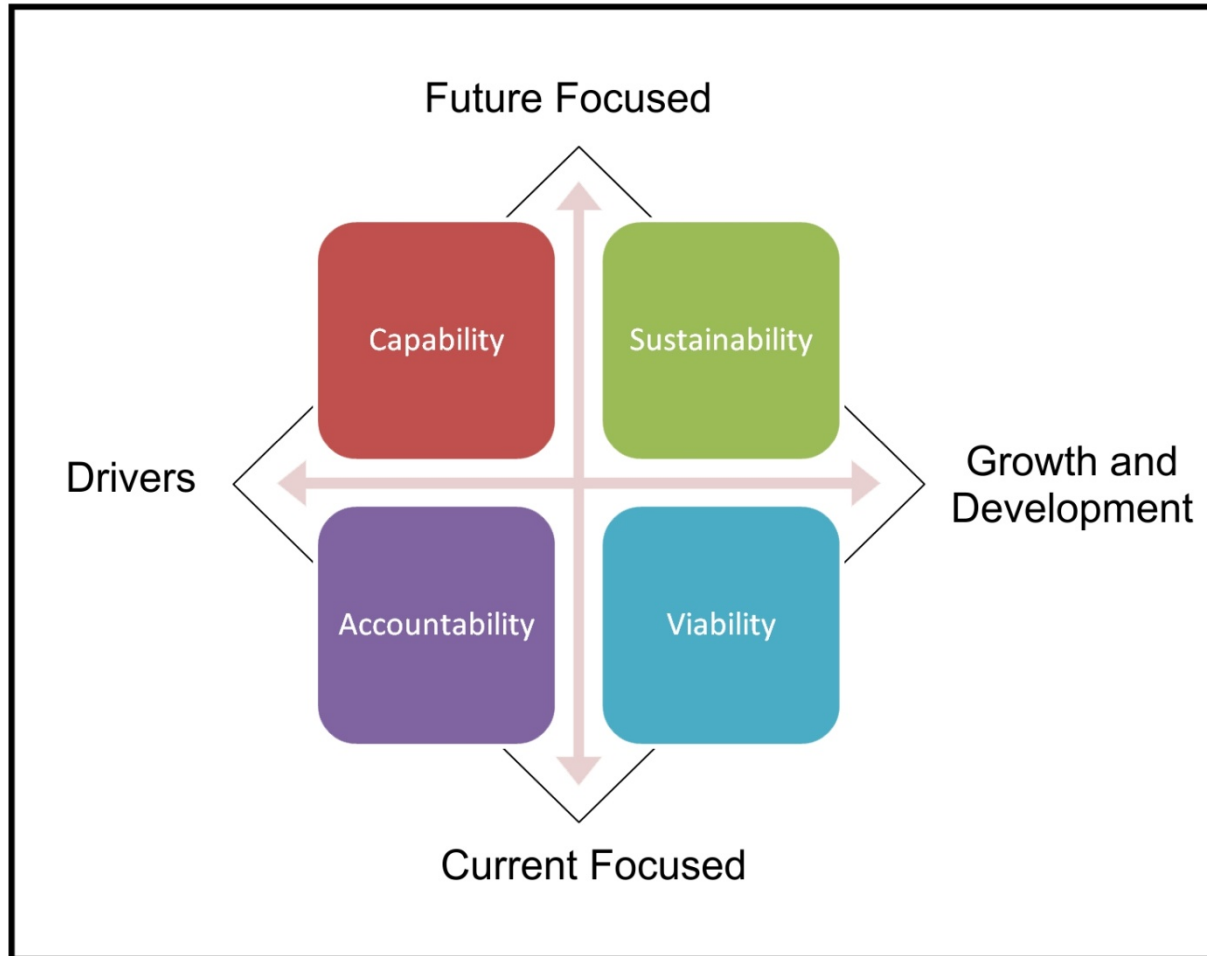
These Four Abilities™ focus on the four areas of

- **Accountability:** *Can be explained and justified with answerable and responsible processes and systems*
- **Viability:** *Able to survive and grow, has a relevant purpose and reasonable chance of succeeding.*
- **Capability:** *Knowledge; skills, behaviours and attitudinal capacity and the ability in talent; physical and mental performance.*
- **Sustainability:** *Upholds; defends and maintains the development and is able to be continued long-term.*

Improvement Frameworks



Four Abilities™ Framework



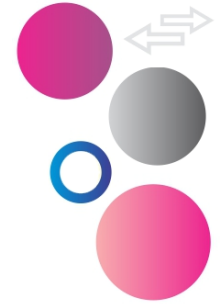
(C) Natalie Bramble 2010



Why Assess and Evaluate?

When it is made clear that you adopt quality systems such as board and board member assessment and evaluation as part of your continuous improvement processes, evaluations can:

- Demonstrate fiduciary responsibility
- Strengthen the organisations brand and reputation
- Improve board performance and decision making
- Mitigate risks and reduce liabilities
- Set best practice behaviours and cultures
- Clarify roles and responsibilities
- Make clear distinctions between governance and management roles
- Encourage participation and commitment
- Improve governance and quality standards, secure awards and certification
- Set monitoring expectations and measurements
- Identify motivations and fit with organisational values and purpose



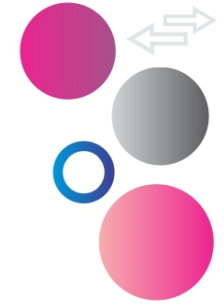
When should you undertake assessments?

Whilst most codes of governance recommend annual assessments, it is important to remember that in many cases some board members only serve a 12 month term so it is recommended that you undertake more regular evaluations.

Just as periodic reviews are good for paid staff to improve performance, so are they with boards to improve board and organisational outcomes.

Assessment: *The act of assessing*

Evaluation: *To ascertain or fix the value or worth of; to examine and judge carefully*



The Assessment and Evaluation Plan

1. What is the purpose?
2. What types of assessments will you undertake?
3. What are the sources of information is needed and from whom?
4. What assessment methods will you use?
5. What questions will be asked?
6. What evaluation process will be used?
7. What the evaluation criteria be?
8. Who will be undertaking the evaluation?
9. How will the information be presented?
10. What action will be taken following the assessment and evaluation?
11. Timeline
12. Budget



5 steps to a better board



Step 1: Determine the purpose

1.1 Why are you undertaking the evaluation?

Is the assessment based around an issue; to meet policy, quality or funding standards; or part of your continuous improvement processes?

1.2 Who are you undertaking the assessment for?

Who will be using the information and how will they be using the information?

Step 2: Document the Methodology



2.1 What types of assessments will you undertake?

- Board Assessments
- Executive committee
- Individual Directors
- Board and/or committee meetings
- Board Committee Assessments
- Board Chair and/or Committee Chair assessments



Step 2: Document the Methodology

2.2 What are the sources of information needed and from whom?

2.3 What assessment methods will be used?

1. *Self-assessment*
2. *Peer review*
3. *Independent review*

The typical methods of evaluation used by boards are:

- Informal group discussions
- One-on-one informal discussions
- Formal individual interviews
- Written surveys
- On-line surveys
- Observations

Step 2: Document the Methodology



2.4 What questions will be asked

The questions will be formed to meet needs and purpose for the assessment. Whilst you can begin drafting or selecting questions to use based on resources and templates provided, you should conduct a final review once you determine the evaluation criteria as this step may identify further criteria contained in standards or policies that you need to draft questions around.

See the Manual for a resources list to assist you here



Step 3: Undertake assessment

Depending on the length of the assessment, monitoring and evaluations processes should be used to ensure that responses are being received and that there are no anomalies in the responses.

For example, ‘don’t know’ or ‘not applicable’ responses may indicate that the question will need to be revised, or a new question will need to be asked of those participants who provided that response.



Step 4: Evaluate the data

4.1 What evaluation process will be used?

The evaluation process outlines how you will review all data gathered to critically evaluate it.

It will include how you analyse it to identify any:

- Issues, challenges and opportunities
- Trends, patterns and themes
- Contrast information to identify contradictory answers
- Training gaps and/or needs
- Compliance with standards and principles
- Performance and commitment to roles and responsibilities
- Potential issues where there is a variance in responses



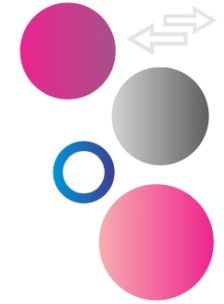
Step 4: Evaluate the data

4.2 What will the evaluation criteria be?

Evaluation criteria can include performance criteria, best practices, standards, metrics and benchmarks.

Examples can be provided to guide the person/s undertaking evaluation and they may include model responses, outlining the response or listing key points they would include.

The process should also outline actions that need to be taken when they don't.



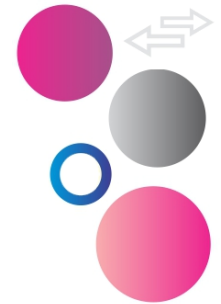
Step 5: Feedback and Actions

5.1 How will the information be presented?

- For example, would this be a brief or comprehensive written report or a face-to-face presentation?
- What format do you want the information presented in?
- Do you want access to the raw data for future use?
- What areas do you expect the report to cover?
- Do you want graphs and charts used?

5.2 What action will be taken following the assessment and evaluation?

- Will an action plan be developed from the recommendations?
- Who will be responsible to oversee the implementation of the plan?
How will you monitor and report against these actions?
- Is there any opportunity that has been identified that needs exploring?



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