

While most organizations conduct annual board self-assessments, it seems that few boards actually use the results of those assessments to develop specific plans for improvement. According to PriceWaterhouseCooper's 2017 Annual Corporate Directors Survey, board members' dissatisfaction with their fellow trustees has reached an all-time high. A full 46 percent of surveyed directors said they thought at least one member of the board should be replaced, and 21 percent thought two or more directors should leave the board.

Those findings fly in the face of recent public company governance research and surveys that indicate that the majority of self-assessments rate board performance highly overall, and incumbent directors typically win re-election. Why the contradiction? The blame may lie with a stale, out-of-touch board self-evaluation process.

Too many boards simply update last year's evaluation questions and email or distribute copies for trustees to complete. Trustees often see the process as a pro forma exercise, which may discourage candid observations and fail to stimulate productive suggestions for improvement from fellow trustees. Trustees also may accentuate the positive to avoid concerns about being overly critical. Consequently, the data gathered may be fundamentally flawed.

By merely reprising last year's approach and using the same boilerplate questions, the self-assessment is unlikely to align with the board's annual goals and priorities and, therefore, it will not reflect the year's achievements and challenges. Nor will it raise appropriate questions about the year ahead.

Good Evaluations Start with Clear Goals

The best way to shift from passively revisiting the past to actively creating the future is to bring annual goals front and center. If the board clearly writes down its annual goals at the beginning of the year, that same document can act as its self-evaluation template at the end of the year. Quite simply, the self-evaluation—administered by the board's Governance Committee or an outside organization—can ask trustees to judge whether each of the board's goals for the year have been met and if they have satisfactorily contributed to achieving those goals.

This approach to annual self-assessment requires boards to take time upfront to agree on the criteria they will use to hold themselves accountable. Start the year by having a conversation around the board table about what the board’s “purpose” and annual priorities should be. Annual goals can be determined by asking such basic questions as, “What do we as a board want to accomplish this year?” and “How will we measure our success?” Having a solid board self-assessment template is helpful, but that template must link to each year’s specific goals—typically no more than three to five key annual priorities.

It’s also important to recognize that annual goals are not the same as the organization’s strategic plan, but rather where the strategic plan turns into action. Resulting self-evaluation questions might be: “Have we analyzed our succession plan to see if it’s still valid?” or “Did the board receive education in areas that pose risk to the organization such as cybersecurity or disaster preparedness?”

An additional three to five questions (see box: “Sample Trustee Self-Evaluation,” Page 4) can anonymously ask all trustees to evaluate themselves and their peers on their performance for the year. To ensure candid feedback, survey results should be electronically delivered and collected.

Ideally, the process should be spearheaded by the Governance Committee, from determining self-evaluation questions to choosing technology that reinforces the confidentiality of individual trustee feedback. The Governance Committee should also be first to review self-evaluation results and ensure that any comments that could be correlated to specific individuals are “summarized” to protect respondent anonymity. The committee should then prepare a board report that highlights key takeaways from the self-assessment and any specific action steps the committee recommends. This summary report—along with any motion the committee wishes to make regarding next steps—should be presented by the Governance Committee chair at the next board meeting for discussion and board approval. Results of the evaluation might also be the focus of a full board discussion and action planning at a special board meeting or retreat.

Addressing Trustee Performance

The Governance Committee also can take the lead on implementing the individual board member evaluation process, which often includes a self-assessment for each trustee as well as evaluation from each of his or her board peers. The Governance Committee chair typically discusses aggregate evaluation results with each board member and uses that opportunity to discuss each trustee’s development goals for the coming year. The Governance Committee chair also keeps board officers apprised of the overall trustee evaluation process and resources that may be needed to support trustees’ development goals.

If a number of peer evaluations indicate concerns about a trustee's performance, board leadership can then have a one-on-one conversation about that trustee's peer performance feedback, followed by suggestions for steps the board member may want to take to address performance concerns and his or her continued board service. These conversations can result in a variety of future options, from making a renewed commitment to board service to taking a hiatus from the board or gracefully resigning.

So that all trustees have their best opportunity to make valuable contributions and succeed in their board role, it is important that their obligations and performance expectations are crystal clear from the moment they join the board—and for every year that follows. Self-improvement goals should be in place at the beginning of the year, and new members should establish their initial goals immediately following orientation.

Supporting Trustee Self-Improvement

Boards also can benefit from asking trustees what kinds of development opportunities they would find most valuable. Too often, the focus is on what trustees can give to the organization rather than on what the organization can give back to the trustee. How can the board ensure it is providing personal and professional growth opportunities for trustees? How can board leaders make sure the board experience is one that trustees will want to “brag about” to friends and colleagues because the quality of governance discussions and the importance of the work are so compelling?

One board on which I serve used questions like these to develop “individual development plans” for each trustee. We asked trustees to rate their current level of competence in a variety of areas that were aligned with the organization's mission, programs and strategic priorities. We then asked them to identify three areas of focus for personal development over the next one to three years, as well as competency areas where they already excel but that were not being “tapped” in their board service.

We have used what we learned to provide educational sessions for our board members throughout the year, to determine committee assignments and to identify possible future board officers. We also discovered where we had competency gaps—areas where none of our board members felt they were strong but that were important to the organization—and used those gaps to inform board recruitment.

Setting and achieving meaningful annual goals—and clearly connecting them to the annual self-evaluation and ongoing development process—will not only develop trustees who feel effective and satisfied with their work and the work of their peers, but also will build a stronger board that can successfully spearhead incremental and lasting change.

SAMPLE TRUSTEE SELF-EVALUATION

It is best if trustees have specific criteria for their performance that can be observed and evaluated by their peers. The sample assessment form below should list all board members' names and ask respondents to rate each trustee's performance (including their own) on a scale of 1-5 in each category (1 = "Not at All," 5 = "Completely/Consistently").

| Trustees (Listed Alphabetically by Surname) | Arrives fully prepared to participate in meetings. | Actively engages in board discussions. | Offers valuable insights and demonstrates a high degree of competence. | Fosters a culture of mutual respect. | I would recommend this trustee continue in her/his role. |
|--|---|---|--|---|--|
| 1. NAME | | | | | |
| 2. NAME | | | | | |
| 3. NAME | | | | | |
| 4. NAME | | | | | |

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