

FREQUENTLY ASKED QUESTIONS

Governance Assessment

by James E. Small & Barry S. Bader

What is Governance Assessment?

Governance assessment is an educational process through which board members discuss and clarify how to best carry on the work of governance going forward.

The most common approach is a self-assessment. Board members complete a questionnaire assessing their satisfaction with the board's effectiveness, structures, composition and relationship with the CEO, as well as its meetings and other working processes. Results are summarized in a written report.

At a board retreat or special session, members discuss the report and identify issues that may impact the board's performance. They often rank the issues by importance and develop an action plan to address the most important ones. The action plan includes measurable goals, assignments of responsibility and a schedule for completion.

How often should a board conduct a self-assessment?

A board self-assessment generally should be done every two to three years. Self-assessment is a powerful tool for board learning and results in improved board effectiveness that in turn enhances organizational performance.

How can a board maximize the effectiveness of the self-assessment process?

Effective self-assessment involves more than completing a questionnaire. These factors will make the process beneficial:

1. Demonstrate top-level support from board leadership, especially the chairperson and CEO.
2. Motivate trustees with the understanding that self-assessment results in improved board performance.
3. Adopt a governance model or framework as a standard for assessment. It is impossible to effectively assess any activity without a standard.
4. Design the questionnaire around the board's governance model and governance practices recommended by respected experts. The instrument should be straightforward and easy to answer.
5. Avoid "feel-good" retreats. Good self-assessment retreats are learning laboratories in which discussion breeds deepened knowledge and renewed commitment. Distributing articles by governance experts and engaging a skilled facilitator can help inform and energize a retreat.
6. Make the process action-oriented. Develop a written, post-retreat action plan and assign a governance committee to oversee implementation.

Where can we get sample board assessment questionnaires?

Any questionnaire should be customized to reflect your organization and board. To get started, there's a sample on our website, www.GreatBoards.org. The Governance Institute has instruments for its hospital and health system members, respectively. The National Center for Non-Profit Boards has publications on assessment and evaluation available through its website, www.ncnb.org.

Should the Board Chairperson be evaluated?

Absolutely. The Chairperson is the board's leader and primary point of contact with the CEO. Effective leaders want and need feedback, but often don't get it. A sample form for evaluating the Board Chairperson appears at www.GreatBoards.org. Look under Governance Resources.

Should individual trustees be evaluated?

Board members are understandably hesitant to rate their peers who are often friends and neighbors. Still, a growing number of boards are assessing individual performance and sharing the results to help trustees to improve.

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