

GREAT BOARDS

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Is Your Board Bored with Self Assessment?

Has your board's periodic self-evaluation process become a mundane exercise that generates little interest or results? If so, the board could be in a self-evaluation rut.

Board self-evaluation is an important process. Surveys by The Governance Institute have shown that making self-assessment a board priority is associated with high performing boards. Yet, amidst seemingly more important board business, it's easy for self-assessment to become a rote exercise.

Regular board self-assessment is like a periodic checkup with a physician. The patient may feel fine, but missing a thorough check-up could result in delayed detection of serious illness. A good physician doesn't just check vital signs and lab values—she asks the all important questions: "Is anything bothering you? Has anything changed since the last time I saw you? Would you like to talk about ways to be even healthier?"

A good board self-assessment process works the same way. A board needs an opportunity, every year or two, to step back and reflect on its work, makeup, structures, and practices. I have rarely seen a board that didn't come away from a well-designed self-evaluation process with a number of ideas to improve itself.

Warning Signs Your Board is in a Self-Assessment Rut

- 1. Directors complete the same survey every year or two, but it yields high scores and few problems.*
- 2. The board spends hardly any time discussing assessment survey results.*
- 3. Fewer than 80 percent of directors bother to complete the survey.*
- 4. Some of the survey questions don't apply or seem marginally important.*
- 5. The board stopped doing regular self-assessments because they weren't productive.*

Juicing Up the Self-Assessment Process

Here are seven ideas to “self-evaluation as usual.” Some work better with an outside governance facilitator, and all can enable a board to break free of the self-evaluation rut.

- 1. Set aside time.** Self-assessment is not just about completing a questionnaire; it’s about discussing the results and identifying opportunities for improvement. A retreat of at least a few hours set aside at a board meeting or special meeting is fundamental for making better use of the self-assessment process.
- 2. Change the questions.** National best practice questionnaires (I use The Governance Institute’s very good survey most often) are invaluable, especially if scores are so-so, but what is the board learning if all the scores are high every year?

Instead, in some years, why not develop a customized set of several open-ended questions about various elements of governance, such as “Is the board’s role clear?”, “Are we spending enough meeting time on forwarding-looking, critical issues?”, and “What critical competencies will our board need in the future?”

Compile the results into a discussion document for a self-evaluation retreat or discussion. Challenge the board’s thinking in advance with articles on leading-edge governance practices.

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3. Use the self-assessment questions and retreat process to establish the board's work priorities and education agenda for the coming year. Most CEOs do a good job keeping their boards educated and informed. They'll hit the mark even better if the board has the opportunity annually to prospectively identify goals or major issues on which it wants to focus discussion and education time.

4. Pick a focus. Who says self-assessment must cover the waterfront every time? Why not pick just one or two big topics or questions to discuss, such as:

- How will healthcare reform affect our governance roles, structures, composition, and work?
- How can we develop of culture of commitment and active engagement?
- How should the board carry out its responsibilities for quality oversight?
- As our organization and the environment change, what are the competencies we should seek in our "board of the future"?
- Should we evaluate individual trustees, and if so, how we can do it in a helpful, non-threatening manner?
- What will the Form 990 mean for the way the board approaches its definition of independence, conflict of interest policy, and oversight of executive compensation, community benefit, corporate compliance, and financial integrity?

How will healthcare reform affect our governance roles, structures, composition, and work?

5. **Rigorously evaluate your committees.** If your board relies on working committees, have each committee conduct a self-assessment and summarize their recommendations for discussion at a self-evaluation retreat. Don't reinvent the wheel—*The Great Boards* newsletter published sample committee self-assessment questions in the summer 2008 issue.
6. **Ask a governance expert to “kick the tires.”** Hospital management often calls on consultants for expert assessments or facilitation. A governance consultant can do the same for the board, taking an objective look at board policies and practices, comparing them to effective practices elsewhere, providing education, and facilitating discussion of opportunities for improvement.
7. **Engage in a comprehensive governance assessment and redesign process.** A comprehensive assessment usually involves not just kicking the tires but examining all aspects of a governance structure that has multiple, overlapping, or large boards; redundant committees and meetings; and little turnover. Boards often want a top-to-bottom assessment a year or so after a merger or acquisition or when a new CEO is hired.

Board self-assessment can be a re-energizing and productive process. If it isn't, don't abandon the practice—improve it!

A version of this article originally appeared on the *Great Boards* blog in September 2009. Barry S. Bader is the Publisher of the *Great Boards* newsletter and the President of Bader & Associates, governance consultants.

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