Making Ourselves Accountable

Board self-evaluation fosters reflection, constant improvement

BY ROSE MARIE KLEE

Board of directors' self-evaluation is the act of reflecting upon the past in order to constantly improve. It is rooted in a sincere commitment to providing high-quality governance as trustees of an organization. When a board practices periodic evaluation, each director comes to better understand the expectations for individual directors, as well as the entire board, and to hold themselves and each other accountable for their performance.

Clearly articulated expectations are the foundation for coherent evaluation. In the absence of mutually agreed-upon goals for group processes and products, attempts at self-evaluation seem to reduce to a debate about what *we think we ought to be doing*. As the board undertakes self-evaluation, it may be important to examine how the discussion takes shape: Is the conversation focused on evaluating achievement, interpreting stated goals, or debating what the goals actually are? The direction that evaluation discussions take may indicate that expected outcomes need to be more clearly stated, better understood by directors, or updated to better reflect desired goals.

Self-evaluation can and should be conducted at appropriate time intervals and with proportionate levels of intensity and formality. For example, a brief and informal evaluation can be conducted within a few minutes at the end of each board meeting, allowing the group to reflect on its performance overall or on specific targets, such as director meeting preparedness or group discipline with timekeeping. In contrast, an annual self-evaluation might involve asking each director to complete a detailed survey with metrics that capture a general summary of stated goals, then compiling statistical results summaries for extended group discussion.

At Wheatsville Co-op (Austin, Texas), the board has adopted two primary mechanisms for conducting formal self-evaluation. As a board practicing Policy Governance, we maintain policies that apply to our governance process/products and to our board-general manager relationship. (We also maintain ends and executive limitations policies, but these are not considered here within the context of board self-evaluation.) Over the course of a year, we monitor the entire policy register—typically one or two policies per month—and in keeping with the spirit of constant improvement, our monitoring process has evolved over time. Policy monitoring is our primary formal method of self-evaluation.

In the past, we asked one or more directors to

write a monitoring report for each policy for action at each meeting, typically as a discussion item. (The report approach was similar to that of the general manager/monitoring executive-limitations policies: providing interpretation, supporting data, and statement of compliance.) There was great variation in the quality and caliber of monitoring reports, depending on the level of effort and the author's level of knowledge. Furthermore, there was great variation in the level of engagement, as well as the level of burden upon directors: some policies are longer or more detailed than others, and developing the policy interpretation and supporting data requires thoughtful reflection. There is a significantly different level of engagement required for writing a monitoring report than for reading one!

By the numbers, with input from all

Because our ultimate goal with policy monitoring is to assess our performance relative to stated expectations as efficiently and effectively as possible, we have moved to a system of having *all* directors evaluate each policy using a numerical scale. As directors read each subpolicy, submit their assessment, and have the opportunity for additional comments, they are engaged in understanding and internalizing our process and goals. Our administrative assistant uses Survey Monkey (www.surveymonkey.com) to solicit board input, and then compiles the results (typically a one-page table) for the board meeting packet. Directors can easily see how each of us has rated our performance on any given item and can quickly identify strengths and areas for improvement.

It is extremely beneficial (and perhaps more rigorous) to have direct input from *all* directors. As board president, I determine whether, based on results and written comments, the report should become a consent agenda item or a discussion item. I also look for any questions posed or information that would indicate the need for additional learning. At times, clarification can be provided in an email or during some other portion of the meeting (such as our "closing items" or "administrative update" or even during "open time" if there are no other speakers).

Don Kreis, current V.P. and past president of Hanover Consumer Cooperative Society, explains his board's transition to a similar policy-monitoring process by observing that when directors write full monitoring reports, the monitoring process tends to take up a disproportionate amount of meeting time: "The discussions were at the expense of time devoted to important, ends-related board business. They tended to focus on whether the author of the report had done a good job in drafting it, as opposed to the substantive questions of what we expect of each other and whether we are meeting those expectations."

Our second method of formal evaluation is undertaken using a form that summarizes our stated expectations, and which was developed based on board policy. The form includes four broad categories (with subcategories):

- Members (membership accountability, governance)
- Management (board/management relations)
- Internal board operations (individual directors; board leadership; board organization and meetings; board performance)
- Business overview (finances; planning)

Each subcategory has four to eight points of evaluation (such as, "I am thoroughly familiar with the background material sent to me prior to board meetings" and "The board ensures that capital and operating budgets are established annually and in a timely fashion"). Directors use a numerical scale to rate performance, and our administrative assistant makes a statistical compilation of results. We typically conduct this evaluation annually, toward the end of our board year, and this method allows us to get a high-level overview of our performance, be reminded of the big-picture context of our obligations, and set goals for improvement in the coming year. Some years, we have added a midyear evaluation to ensure that we can respond and course-correct in a more timely manner.

The annual self-evaluation tool helps isolate specific areas for improvement. For example, in response to weaker performance on items related to financial understanding, the board has provided additional learning opportunities on finances. As president, I have a secondary interpretation of the evaluation results (in addition to a literal message such as :need to increase learning opportunities on finances"). The evaluation results help me to understand how directors perceive and understand our work, and it shows me where I might challenge us to improve.

For example, last year we ranked our amount of learning and training relatively low. By my reckoning (and intention in setting the meeting agendas over the course of that year), we spent around 15 percent of our 33 hours of regular meeting time focused on learning and held an additional 16–20 hours of training (full-board orientation, annual retreat, finance workshop, etc). Furthermore, we had two directors attend Cooperative Board Leadership (CBL) 101 training (one day) and three directors attend the CCMA conference (three days). Hence, my interpretation of the evaluation results was that the board as a whole was not recognizing the learning component of much of our discussion. Further, it seemed that directors should be encouraged to take more individual initiative with independent learning. We have adapted current practice by emphasizing the learning component of our educational topics, asking CBL 101 attendees to speak about the highlights of their experience during the meeting following their travel, and having the secretary send information and reminders to the board about learning opportunities such as CDS webinars (http://cdsconsulting.centraldesktop.com/cbld/doc/3154572/w-Library).

Fostering reflection and constant improvement

Self-evaluation can prove to be treacherous territory when individual directors feel attacked, unfairly criticized, or evaluated based upon criteria that they did not agree to, or when expectations are unrealistic—especially given the voluntary nature of our work. Likewise, self-evaluation discussions can be weakened if directors are too timid or overly sensitive. It is also important to distinguish between the idea of learning from every experience and "protecting the level of the bar"—we do not do our best work if we brush off unacceptable performance and lack of earnest effort without recognizing this fundamental difference.

The act of self-reflection is rooted in caring about outcomes, which is distinct from caring about the work. Ultimately, fostering a culture of reflection and constant improvement is a powerful tool, which can elevate acts of self-evaluation from the routine to the sublime. A culture of self-evaluation promotes inspired thought on the part of each individual director, and it allows the board to easily share observations and ideas without confrontation or drama.

In keeping with the spirit of cooperatively organized entities, it is my firm belief that we are working toward creating more supportive environments for realizing our awesome potential. By explicitly setting our ends and means (board products and processes), checking our assumptions, and assessing our progress, we ensure continued progress on that path toward achieving the dreams and ideals that have inspired us to become part of the cooperative movement in the first place! Conscientious self-evaluation can ensure that we treat each other with the kindness and respect we all deserve, while pushing us to become the best that we can be and truly achieve our potential. ■