IMPROVING BOARD EFFECTIVENESS:
A Self-assessment Tool for Non-profit Agency Boards of Directors

Why are some boards more effective than others? What tasks do they focus on that are different? How do they do things differently? Can our board become a high performance team? These are questions that deserve the attention of board and staff leaders in our agency whether we are riding a wave of success or facing overwhelming challenges at this point in our history.

Studies of high-performance boards indicate that six distinctive skill sets characterize their performance. The following survey instrument has been designed to measure your board members' perception of their level of skill in each of these six areas. The board development committee or a task force can take the results of the survey and develop recommendations about how to focus the board's improvement efforts – e.g., they might develop an education plan to address what the board views as deficits in the two skills where board members scored themselves *lowest*.

Here, in step-by-step format, is how you can develop and improve your board in critical areas.

STEP ONE: Administer the following survey. Suggestion: if you decide to administer the survey during a board meeting, email it to absent members. It's important to get everyone's feedback.

Step Two follows the survey.

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Directions: For items 1 - 31 circle the number that comes the closest to rating how well each statement describes our board.

1 = not at all descriptive
2 = not very descriptive
3 = somewhat descriptive
4 = very descriptive
5 = totally descriptive

1. Our board is more involved in preparing for the future than in trying to put out today's fires.   1 2 3 4 5

2. New board member orientation was thorough, allowed me to understand fully my role and duties as a board member, and included a segment about the organization's history, traditions, and values.   1 2 3 4 5

3. Our board seeks information and advice from leaders of other similar organizations.   1 2 3 4 5

4. Our board has used ad hoc committees, task forces, or work groups co-chaired by or composed of a staff member(s) and a board member(s).   1 2 3 4 5

5. I have participated in board discussions about what we should do differently as a result of a mistake the board made or an opportunity it missed.   1 2 3 4 5

6. Our meetings often include disagreement and debate.   1 2 3 4 5

7. Our board does not delay action until an issue becomes urgent.   1 2 3 4 5

8. The board's own actions are consistent with the organization's deepest values.   1 2 3 4 5

9. The board takes regular steps to stay informed about significant trends in the larger environment that might affect the organization.   1 2 3 4 5

10. The board ensures that its decisions are communicated to everyone affected by them.   1 2 3 4 5

11. The board periodically sets aside time to learn more about important issues facing organizations similar to the one we govern.   1 2 3 4 5

12. At our board meetings there is at least as much dialogue among members as there is between members and staff. 1 2 3 4 5

13. Within the past year, this board has reviewed organization strategies for attaining its long-term goals. 1 2 3 4 5

14. The board reviews the organization's mission at least once every five years. 1 2 3 4 5

15. When faced with an important issue, the board often brainstorms to generate a list of creative approaches or solutions to a problem. 1 2 3 4 5

16. If our board thinks a key constituent group will disagree with a pending action, we investigate their feelings before making a final decision. 1 2 3 4 5

17. I can recall an occasion when the board acknowledged its responsibility for an ill-advised or ill-timed decision. 1 2 3 4 5

18. Our board leadership typically goes out of its way to make sure that all members have the same information on important issues. 1 2 3 4 5

19. The board discusses events and trends in the larger environment that may present specific opportunities for the organization. 1 2 3 4 5

20. Former board members have participated in special events designed to convey to new members the organization's history and values. 1 2 3 4 5

21. When dealing with a complex matter, the board often requests that a decision be postponed until further information can be obtained. 1 2 3 4 5

22. The chief executive regularly reports to the board concerns from the organization's service population.. 1 2 3 4 5

23. We make sure that someone serves as mentor to help new board members learn the ropes. 1 2 3 4 5

24. I have participated in board discussions about how effective our performance is. 1 2 3 4 5

25. The board has adopted explicit goals for itself, distinct from goals it set for the total organization. 1 2 3 4 5

26. I have received clear feedback on my performance as a board member. 1 2 3 4 5

27. The board cultivates future board leaders, rather than relying only on 1 2 3 4 5

natural emergence of leadership.

28. Our board has conducted an explicit examination of its roles and responsibilities. 1 2 3 4 5

29. Disagreement and debate during our meetings is always respectful and constructive. 1 2 3 4 5

30. Every board member contributes a "stretch" gift to the agency. 1 2 3 4 5

31. Every board member gives some volunteer time to fundraising tasks. 1 2 3 4 5

32. The agency uses a detailed annual fundraising plan as its guide in all of its fundraising efforts. 1 2 3 4 5

33. Board members know the agency's "elevator speech" and they proudly tell the agency's story at every opportunity. 1 2 3 4 5

Please use the space below to explain or comment on any answer you gave above, suggest any improvement in the way the board does its work, suggest any educational or other program that will improve the board, and anything else you want your colleagues to hear.

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STEP TWO: Aggregate the test results and calculate the average score for each question.

STEP THREE: Seven skill sets, or dimensions of competency, have been categorized and defined below. The numbers following each competency refer to the numbers of the items in the survey. Using the average score for each question that you calculated in Step Two, calculate the average score for each of the seven skill sets.

STRATEGIC: The board focuses most of its attention on issues and priorities that are vital to enhancing the organization's future. (1,7,13,19)

CONTEXTUAL: The board's decision making is guided by a clear, shared understanding of the organization's mission, culture, and values. (2,8,14,20)

ANALYTICAL: The board examines all sides of issues and engages effectively in problem solving. (3,9,15,21)

POLITICAL: The board takes the necessary steps to build and maintain good relationships with all organization stakeholders. (4,10,16,22)

EDUCATIONAL: The board is well informed about the organization and about board member roles and responsibilities. (5,11,17,23,24,26,28)

INTERPERSONAL: The board functions well as a cohesive group and manages conflict appropriately. (6,12,18,25,27,29)

VOLUNTEER SUPPORT: The board is focused on and contributing effectively to the agency's fundraising efforts, and of promoting positive awareness of the agency throughout the community. (30, 31, 32, 33)

STEP FOUR: Using the average score for each skill set, determine which one, two, or three skill areas you want to use as the focus for your improvement efforts.

You will, of course, lean toward focusing on the lowest scoring skill or skill. That may be fine, but don't forget – sometimes the greatest return on our improvement efforts comes from strengthening skills we already have.

A more detailed description of each of these dimensions of competency is provided below. The characteristics of boards that possess each competency are outlined. In addition, suggestions for how a board can develop each competency are provided. Use all of this information to develop your improvement plan, and make this part of your board work plan.

THE STRATEGIC DIMENSION
OF BOARD COMPETENCY

Effective boards are strategically competent. They keep a sharp eye on the future, identify trends in the political and social environment, and formulate responses that position their organization for future success. Their active involvement in envisioning and shaping institutional direction ensures a strategic approach to the organizations future position. Such boards cultivate and concentrate on processes that sharpen priorities and direct attention to a few key matters of symbolic magnitude to the organization. In effect, strategically attuned boards anticipate problems, acting before issues become urgent rather than merely putting out today's fires.

A board can be considered strategically competent when it focuses most of its attention on issues and priorities that are vital to enhancing the organization's future. When assessing board performance on the strategic dimension, it needs to first focus on the broad question:

**"How well does this board help envision
and shape organizational direction and ensure
a strategic approach to its future?"**

A strategically competent board:

1. Focuses on identifying or overcoming specific weaknesses in the organization during its board meetings.
2. Is more involved in preparing for the future than in trying to put out today's fires.
3. Doesn't delay action until an issue becomes urgent or critical.
4. Periodically reviews organizational strategies for attaining its long term goals.
5. Discusses events and trends in the larger environment that may present specific opportunities for the organization.
6. Sets clear priorities for the organization to pursue in the coming year.
7. Makes explicit use of the long-range organization priorities in dealing with current issues.
8. Often discusses where the organization should be in five or more years hence.
9. Spends more than half of its time discussing issues of importance to the organization's long range future.
10. Asks the chief executive to articulate a vision for the organization's future and strategies for realizing that vision.

THE CONTEXTUAL DIMENSION
OF BOARD COMPETENCY

Boards with strong contextual competency are conversant with issues facing the organization and the larger society. They understand and take into account the culture and norms of the organization they govern. They intentionally rely on the organization's mission, values, and traditions to guide their decisions. Through its actions, the board exemplifies and reinforces its core values.

Today's actions must be grounded in organization values, traditions, and mission and be aligned with external environmental changes. Boards who fail to grasp the implications either of the mission and purpose or of external changes can compromise not only board decisions, but organizational effectiveness. In looking at contextual competency, boards should begin by asking the broad question:

"To what extent are our decisions guided by a
clear, shared understanding of the
organization's mission, culture, and values?"

When a board is contextually competent:

1. New board member orientation programs include a segment about the organization's history and traditions.
2. When discussing key issues, it is not unusual for someone on the board to talk about "what this organization stands for" and how that is related to the matter at hand.
3. Values are often discussed explicitly at board meetings.
4. Key decisions are all consistent with organization mission.
5. It is apparent from board member's comments that they understand the organization's mission very well
6. The board's own actions are consistent with the organization's deepest values.
7. Upon joining the board, new members are provided a detailed explanation of the organization's mission.
8. The board reviews the organization's mission at least once every five years.
9. Decision making is guided by a clear understanding of the organization's mission, culture and values.
10. Former board members have participated in special events designed to convey to new members the organization's history and values.

The following describes some ways that high-performance boards have worked to strengthen their contextual competency. Not all of these practices may be appropriate for your board. They are offered as suggestions. Discussing them can lead to identifying other ways to strengthen board contextual competency.

1. Include in orientations an explicit introduction to organizational values, norms, and traditions.
2. Invite retired staff, board members, staff leaders, and "living legends" to relate the organization's history.
3. Invite current staff leaders to discuss concepts of shared governance, collegiality, and consensus.
4. Review the organization's hallmark characteristics and bedrock values that set it apart from competitors.
5. Re-socialize members to the board's role and the organization's values through a brief reading, pledge or anecdote.
6. Be aware of actions and decisions as statements of values.

THE ANALYTICAL DIMENSION
OF BOARD COMPETENCY

The analytical dimension of board performance focuses on group skill in examining the complex issues the board faces. Effective boards recognize complexities and subtleties in issues before the organization and draw on multiple perspectives when dissecting problems and identifying appropriate responses. Because they recognize that important issues in governance involve ambiguities that rarely yield perfect solutions they search widely for relevant information and draw on multiple viewpoints from various constituencies.

A key resource for analytical competency lies in the composition of the board itself. Diversity among members facilitates bringing multiple viewpoints to bear on issues before the board. Boards should seek balance of ethnicity, gender, age, sexual orientation, etc. to ensure diversity of views, concerns, and skills which in turn enriches the quality of analysis. Members should be encouraged to raise critical questions about proposed solutions, challenge assumptions, brainstorm about alternative approaches to resolving problems, seek creative direction and, in general, try innovative ways of addressing issues. When assessing board performance on the contextual dimension, boards should focus on the broad questions:

**"To what extent does this board recognize
complexities and subtleties in the issues it faces?"**
and
**"Does this board draw on multiple perspectives to dissect
complex problems and synthesize appropriate responses?"**

When a board is analytically competent:

1. The board takes regular steps to stay informed about significant trends in the larger environment that might affect the organization.
2. In board meetings it is evident that subtleties surrounding issues being dealt with are well understood by all members.
3. The board explicitly examines the downside or possible pitfalls of an important decision under review.
4. The board is clear about the key issues it faces.
5. When faced with an important issue, the board often brainstorms to generate a list of creative approaches or solutions to a problem.
6. When issues come before the board, they are framed in such a way that members see the connections between matters at hand and the organization's overall strategy.
7. When dealing with a complex matter, the board often requests that a decision be postponed until further information can be obtained.
8. The board does not avoid ambiguous and complicated issues.
9. The board takes on policy questions that do not have clear answers.
10. The board seeks information and advice from leaders of other similar organizations.

Some of the tactics that high-performance boards use to develop analytical skills are listed below. Not all of these practices may be appropriate for your board. They are offered as suggestions. Discussing them can lead to identifying other ways to strengthen board analytical competency.

1. Seek concrete, even contradictory, information on ambiguous matters.
2. Ask a few members to serve as critical evaluators or devil's advocates by pointing out disadvantages of recommendations and worst case scenarios.
3. Ask members to assume the perspective of key constituencies by role playing.
4. Brainstorm, silently or openly.
5. Establish goals for revenues, expenses, investments, capital expenditures, and other financial items.
6. Consult outsiders and persons serving on other boards.
7. Use group techniques such as nominal group or Delphi exercises (in which each member offers a suggestions or possible solution before evaluating any of them) to elicit all member's views and decision by consensus on a given issue.
8. Reinforce and reward constructive criticism.
9. Make sure each member reads the auditor's management letter from the most recent financial statement.
10. Urge committees to give rationale for their recommendations and for options not selected.

THE POLITICAL DIMENSION
OF BOARD COMPETENCY

A primary board responsibility is to develop and sustain healthy relationships and maintain open, two-way communication with all constituencies in the community who have a stake in the organization's success. They need to cultivate alliances with other community organizations where that will be in the best interest of their organization. Doing this requires political skills which are essential to effective governance. They enable a board to understand and balance multiple interests of diverse constituencies while arriving at solutions that sustain organizational goodwill toward all stakeholders. Differing or conflicting interests are inevitable, but to remain unaware of, or insensitive to, varied interests can lead a board to decisions that exacerbate friction and dilute loyalty to the organization.

Boards must insure open access with the external community whose leaders may have their own perceptions of the organization, its actions and its problems. Understanding public perceptions, then, is vital to reaching decisions that enable the organization to serve its community and sustain its trust. In examining the board's political performance, begin with two broad questions:

**"To what extent does this board accept as one of
its primary responsibilities the need to develop and
maintain healthy relationships among key constituencies?"**
and
"How well does it carry out these responsibilities?"

When a board is competent in the political dimension:

1. The board utilizes ad hoc committees or task forces co-chaired by or composed of a staff member(s) and a board member(s).

2. An annual report on board activities is prepared and distributed publicly.
3. The board communicates its decisions to everyone affected by them.
4. If the board thinks a key constituent group will disagree with a pending action, they investigate their feelings before making a final decision.
5. Specific board members are responsible for maintaining communication channels with specific key community leaders.
6. The board gives as much attention to how it reaches conclusions as it does to what is being decided.
7. At meetings, explicit attention is given to concerns of the community or a population served by the organization.
8. Before reaching a decision on important issues, the board usually requests input from persons and groups likely to be affected by that decision.
9. The board is keenly aware of what impact its decisions will have within the community being served.
10. The chief executive and/or staff regularly reports to the board concerns from the organization's service population.

The following describes some ways that high-performance boards have worked to strengthen their political competency. Not all of these practices may be appropriate for your board. They are offered as suggestions. Discussing them can lead to identifying other ways to strengthen board political competency.

1. Distribute annually a profile of board members.
2. Distribute publicly an annual board report and board agenda.
3. Appoint staff and consumers to serve on committees and task forces.
4. Invite staff to address the board periodically.
5. Keep options open and avoid win-lose situations.
6. Remain sensitive to the legitimate roles and responsibilities of stakeholders and to the integrity of the governance process.
7. Visit staff on their own turf — a "grand rounds" or board members.
8. Establish multi-constituency task forces.

THE EDUCATIONAL DIMENSION
OF BOARD COMPETENCY

Effective boards ensure that all members are well informed about their organization; the board's roles, responsibilities, and performance expectations; and trends and changes in the field. Toward this end they carve out opportunities for members' education and development; seek feedback on their performance; reflect periodically on their work; assess their strengths and limitations; and examine mistakes or missed opportunities. In short, effective boards are intentional learners.

Both internal and external environmental changes affect the learning process. Internally, board membership changes over time, and newcomers should learn as much as possible about the organization, how trends in the environment affect it, and how the board operates. Externally, shifts

in information technology, labor and population trends, etc. affect how provider organizations deliver their services. Understanding the implications in both environments is essential to effective governance.

High performance boards actively seek performance feedback from one another, from senior staff, and from outside observers. They take advantage of this information to identify aspects of their work that need strengthening; reflect on past decisions that proved to be inappropriate (ill-informed or ill-timed); and use feedback on their efforts to fine-tune decisions and adjust their course of action. Examining the board's educational skills can begin with the broad question:

**"To what extent does our board take steps to ensure that members are
well informed about the organization, the professions within it,
and the board's roles, responsibilities, and performance?"**

A board that is educationally competent:

1. Has discussions about what should be done differently as a result of a mistake it made or an opportunity it missed.
2. Holds a retreat or special session to examine its own performance at least once every two years.
3. Periodically sets aside time to learn more about important issues facing organizations similar to the one it governs.
4. Acknowledges its responsibility for an ill-advised or ill-timed decision.
5. Has board members who don't depend only on observations and informal discussions to learn about their role and duties.
6. Makes sure that someone serves as mentor to help newcomers learn the ropes.
7. Has board discussions about how effective its performance is.
8. Gives clear feedback to board members on their individual performance as board members.
9. Allocates organization funds for member education and development.
10. Has conducted an explicit examination of its roles and responsibilities.

The following describes some ways that high-performance boards have worked to strengthen their educational competency. Not all of these practices may be appropriate for your board.. They are offered as suggestions. Discussing them can lead to identifying other ways to strengthen board educational competency.

1. Set aside time at each board meeting for a mini-seminar to learn about an important matter or process, or to discuss a selected reading.
2. Conduct retreats every year or two for the same purpose and analyze feedback on board performance.
3. Ask board members and senior staff to briefly report on the best idea they heard at a recent conference or meeting.
4. Meet periodically with "role counterparts" from boards of comparable organizations.
5. Rotate committee assignments.
6. Have an annual "pop quiz" about the board and its organization.
7. Establish internal feedback mechanisms by requesting comments at the end of each meeting,

either by going once around the room or submitting suggestions on an index card.
8. Invite comments on board performance from senior staff through a third party.
9. Review client feedback and results periodically.
10. Discuss selected critical incidents at a retreat.
11. Conduct an annual survey of board members on their individual performance and the board's collective performance.

THE INTERPERSONAL DIMENSION
OF BOARD COMPETENCY

Boards should nurture development of members as a group, beyond the occasional assembly of talented individuals. Attention should focus specifically on the board's collective well-being and foster a sense of collegiality and cohesiveness among all participants. Interpersonal skills development enables the board to draw effectively on the talents of every member and to create a team where the whole is more than simply the sum of its parts.

The board-chief executive relationship, critical to organizational success, is a linkage that is vital to effective teamwork and therefore must be cultivated conscientiously. Strong chief executives create and/or support initiatives to strengthen their boards rather than fearing that a strong board diminishes their own power. They realize that such a win-lose approach leads to tension and under-performance of the chief executive and board alike. It is clear that board involvement in operational matters is inappropriate, but at the same time, its involvement in synthesizing divergent views into coherent policies and identifying creative alternatives for future growth are critical factors for organizational success.

Successful boards take the reins in ensuring that they identify the most important issues facing the organization and obtain the most relevant information to monitor movement on those issues. They cultivate a strong sense of partnership with the staff and with one another, instead of acting only as watchdogs. Rather than assuming that the chief executive carries all burdens of responsibility for the organization's success, they see themselves as partners in guiding the ship and fine-tuning the course as events unfold. All members share responsibility for concentrating on the most crucial issues facing the organization in the coming years. Boards should begin their assessment of their interpersonal competency by answering the following broad question:

"How well does this board nurture development of its
members as a group, attend to the board's collective
welfare, and foster a sense of cohesiveness?"

When a board is interpersonally competent:

1. Differences of opinion in board decisions are settled more often through further discussion than by vote.
2. At board meetings, there is at least as much dialogue among members as there is between

members and staff leaders.

3. Board leadership typically goes out of its way to make sure that all members have the same information on important issues.
4. The board has adopted explicit goals for itself, distinct from goals it set for the total organization.
5. The board cultivates future board leaders, rather than relying only on natural emergence of leadership.
6. Important information on key issues is possessed by all board members, not just a select few.
7. People are able to speak their mind on key issues without fear of being ostracized by other members.
8. The board recognizes special events in the lives of its members.
9. The board provides biographical information that helps members get to know one another better.
10. Members attend most of the social events sponsored by the organization.

The following describes some ways that high-performance boards have worked to strengthen their interpersonal competency. Not all of these practices may be appropriate for your board. They are offered as suggestions. Discussing them can lead to identifying other ways to strengthen board interpersonal competency.

1. Organize events that enable board members to become better acquainted with one another socially and personally.
2. Produce annually a notebook with up-to-date biographical sketches of each member.
3. Build some "slack time" into the schedule for informal interaction.
4. Share information widely and communicate regularly with every member.
5. Be sure that everyone understands the unwritten, tacit "rules of the game."
6. Pair each newcomer with a mentor or coach.
7. Establish and publicize annual goals for the board.
8. Systematically groom the board's future leaders.
9. Develop a "farm system" for identifying, recruiting, and cultivating new members.
10. Use member development plans to improve individual performance.
11. Be sure each member understands the board's bylaws, rules and regulations.
12. Develop an open, comprehensive chief executive performance appraisal system.
13. Link performance appraisal to goal setting.

THE FUNDRAISING AND AMBASSADORIAL DIMENSIONS OF BOARD COMPETENCE

When a board is competent and energized in fundraising:

1. All hands are on deck – every board member and a high proportion of all staff members do their part.

2. Every board member makes a "stretch" gift and the expectation that each will do so is disclosed to

all prospective members.

3. There is an Annual Plan that guides fundraising efforts throughout the year.

4. Board members who are leaders in the fundraising effort are mindful of the fact that, if there are development staff, they in essence are working for the staff. If there are no paid development staff this means that development staff are volunteers – and the expectations and limitations on their activities are clearly spelled out in job descriptions.

5. Fundraising is not consigned to a Development Committee and forgotten – fundraising is a frequent topic at Board meetings and is something all board members participate in and many lead.

6. Board members ensure that they receive high level training on a regular basis so that they understand the processes of asking, giving, and stewardship.

For more in-depth information see *Improving Board Effectiveness: Practical Lessons for Nonprofit Health Care Organizations* . These materials including questions 1 through 29 were adapted from that book which was written by Thomas P. Holland, Roger A. Ritvo, and Anthony R. Kovner. It is available through American Hospital Publishing of Chicago. Questions 30 through 33, as well as the Fundraising and Ambassador categories were added in 2012 by Scott Heyman, Human Services Coalition of Tompkins County, NY, Workshop Series Coordinator.