Good Governance: A focus on board evaluation

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Overview

• Board evaluation basics: What, why and some tips
• CAPR’s experience with board evaluation
• Cross-pollination: let’s learn from each other
What is board evaluation?

Board evaluation is a key component of good governance. It is different from the evaluation of the programs and services of the organization. It is the evaluation, at the collective or individual level, of the capacity and demonstrated ability of a board to carry out its strategic guidance and oversight responsibilities.¹

¹ There are surprisingly few definitions of ‘board evaluation’, so I made this one up.
What is board evaluation?

Board evaluation is a broad term and may refer to a number of approaches:

• Governance review
• Board-meeting evaluation
• Comprehensive tools to evaluate board performance broadly
• Director evaluation, Chair evaluation
Why engage in board evaluation?

• To be accountable to stakeholders
• To identify strengths and areas to improve
• To foster growth and improve performance
• To prioritize improvement plans
• To cultivate a positive culture of continuous learning in the boardroom
• To become a high-performing organization
For Regulators, this is especially important

- Board members are often volunteers
  - Varied backgrounds and competencies
  - Gaps may exist
  - Training may be necessary to support volunteers and build capacity
  - How will you decide where to focus?
- To take stock: Are we truly acting in the public interest?
What we learned at Masterclass 2017

Many thanks to:

• Canadian Network of Agencies for Regulation
• Katya Masnyk, CEO, Canadian Alliance of Physiotherapy Regulators
• Dianne Millette, Registrar, College of Physical Therapists of BC
• Bradley Chisholm, Acting Director of Strategy, College of RNs of BC
There is no one silver bullet.

- Boards evolve.
- Priorities change.
- What is the right tool to get the most useful information that your Board needs right now?
Are you ready?

• Is there enough trust in the boardroom to get constructive feedback?

• Does the board require some education or trust building before meaningful results can be obtained?
This is not a drill.

- Don’t approach evaluation like a compliance exercise.
- Constructive feedback that garners change can be uncomfortable to give and to receive.
- If it feels too easy, it may not be helpful.
The soft stuff is really hard.

• Managing difficult personalities, engaging in difficult conversations and conveying trust and respect are vital to optimal Board functioning.

• The assistance of a facilitator may bring better results in difficult situations.
What does your Board need now?

• The board evaluation approach you choose should be contextual and relevant.

• What will help your board better face its current and future challenges?
Don’t forget to change!

• Debrief: Engage in meaningful discussions to learn from the results and identify areas to improve.
• Create action plans, establish priorities and report back on progress.
Common pitfalls, or what NOT to do...

Canadian regulators share their wisdom:

• DO NOT leave board evaluation efforts to the very last minutes of a meeting;
• DO NOT allow hurtful or damaging criticism;
• DO NOT set up your Chair for failure;
• DO NOT avoid the tough issues;
• DO NOT let results collect dust on a shelf.
A bit about our experience

We started with a Governance Review:

• What is the role of the Board of Directors?
• What should the Board look like?
Let’s start at the very beginning

First, we got some help:
• Legal counsel to review our compliance with corporate law
• A consultant to complete an environmental scan
• A facilitator to lead governance retreat using information from the scan
Resulting changes to governance

• Board size reduced from 22 to 11 Directors
• Discontinued Executive Committee; updated standing committees
• Initial steps to recruit Directors considering competencies
• Commitment to succession planning
• Balance fiduciary and generative discussion; minimize operational focus
• Bylaw, letters of incorporation and governance policies updated to reflect the changes
Lessons learned

• First, build an atmosphere of trust, a safe space
• Reducing the Board size was challenging but not impossible
• Our Board was ready to get out of the operational weeds
• Balance fiduciary responsibilities with generative discussion
• Our Board has embraced continuous learning and growth
Small group discussion

Has your Board or Council engaged in any form of board evaluation?

If yes, please share your experience:

• What type(s) of evaluation did they use and how often?
• Considering the good, the bad and the ugly – what advice would you give to the colleagues at your table?

If not:

• What do you think are the barriers to engaging in Board evaluation at your organization?

Let’s reconvene in 10 minutes.
What happened next?

• Where we started: What is *the* best tool for board evaluation?

• Where we landed: Considering our context, what is the best choice in board evaluation for CAPR at this time?

  Considering:
  • Our Board is new to board evaluation;
  • Peer-evaluation can be anxiety provoking; not an easy place to start;
  • Individual self-evaluation does not always yield the most meaningful results
Board-meeting evaluation:

Goals:
• Set up our Board for success
• Gain experience with board-evaluation
• Build comfort, trust and a sense of value for board-evaluation activities
• Develop governance improvement plans
• Drafted a tool
• Consulted with the Board
• Developed a supporting procedure that allows for flexible approaches to evaluation
• Implemented at each face-to-face meeting
• Developed action plans

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<th>START</th>
<th>What should we start doing?</th>
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<td>• What is the Board not doing but think we should be doing?</td>
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<td>• Are there any new ideas to address challenges we foresee?</td>
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<td>• Are we providing enough time for generative discussion or new ideas at board meetings?</td>
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<td>• Do we need Board education on any of our core responsibilities?</td>
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<th>STOP</th>
<th>What should we stop doing?</th>
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<td>• Are there Board behaviours we want to change?</td>
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<td>• Are there expectations of Board members that are difficult to meet and we need to reconsider?</td>
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<td>• Are there aspects of Board work that the Directors just do not like?</td>
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<th>What should we keep or continue to do?</th>
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<td>• What current Board practices are helpful and assist Directors fulfill their oversight/fiduciary responsibilities?</td>
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<td>• What aspects of Director recruitment, orientation or other Board processes are working well and worth keeping?</td>
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And the survey says...

• Support for our current direction: increased education, onboarding, use of competencies, board evaluation and generative discussion

• Advice for fellow Directors: come prepared, be engaged, don’t leave early

• MORE: more fun, more movement, more meetings!

• Contradictions: stop/keep having guests; meeting packages are thorough/too large

• Round 2: advice on food, gum, Kleenex on the tables
Resulting change

1. Even more focus on education and generative discussion, even less on operations
2. Buddy system to enhance onboarding of Directors
3. Reduced visitors to Board meetings
4. Start collecting current-Director competencies (to start planning for retirements)
5. Consideration of broader board-evaluation approach (if Kleenex is the biggest concern about our meetings...)
Lessons learned

About evaluation:
- It’s good to know what’s working.
- Board-meeting evaluation doesn’t take a lot of time or effort.
- You can’t please everyone.
- The ‘right’ approach for your Board changes with time.
Lessons learned

About our Board

• There is an appetite for more, not less.
• If you think your fellow Directors don’t notice when you are not prepared, engaged, or when you leave early...
Where to next?

• We propose to use a board self-assessment tool, for not-for-profit agencies, offered by the Governance Centre of Excellence.

• A broad assessment across 50 board roles and functions.

• Allows comparison to the performance of boards from similar organizations.
CAPR’s board-evaluation journey

- Governance review
- Board-meeting evaluation
- Comprehensive tools to evaluate board performance broadly
- Director evaluation, Chair evaluation
Thank you!