

Stellar Podcast No.9 - Leading Governance - The Annual Review of Board Members

Welcome to the Stellar Leadership Podcast – today we are going to begin a series of episodes entitled, ‘The Comfortable Chair’ Series, in which we will explore the task of leading governance. Our first topic of discussion is, The Annual Review of Board Members.

Charity governance has changed significantly over the years. 10 years ago, many Board members saw themselves as well-meaning volunteers, happy to turn up to meetings when they could, and offer encouragement to the staff, who were running the organisation. Modern governance requires fully committed company directors, who take real responsibility for leading their organisation, and overseeing performance and compliance. Although you may be surprised to hear it, this this means that voluntary Board Members go through a review process – not dissimilar to the performance appraisal process that would be used for staff in most organisations.

There are however, important differences. Voluntary Board Members tend to take on the role because they really want to make a contribution to the work of the organisation. They bring both their head and their heart to the role. That makes it important for the Chair to check with them from time to time – how satisfied are they in the role? Are they making the contribution they wanted to make? Is there more that they could give? It's important that the review is a 2-way conversation.

While the annual review of Board Members is not required by law, it is strongly recommended as good practice. Some of the benefits of the review meetings are:

- They provide an opportunity for the Chairperson to give feedback to each Board Member – to thank them for their efforts, and to suggest any improvements that would enhance their contribution
- They also enable the Chairperson to raise any concerns – if a Board member hasn't been attending consistently, or if they are very quiet in meetings, or aggressive with colleagues
- They make succession planning easier – by enabling Board members to discuss with the Chairperson how they see their future. How many more years do they intend to stay involved? Would they be prepared to take on the role of Chairperson in the future, or to Chair a committee?

For any Board Chairpeople who haven't undertaken these reviews before, it is worth mentioning that there are three aspects to think about before starting the review process:

- preparation,
- the conversation,
- and follow-up.

At the preparation stage, I recommend 4 steps:

1. Decide on a structure for the review conversations – if this is the first time reviews are being done, you might want to start with a very simple structure – which can evolve

each year as people become more confident – there are several examples on our web-site that you can use.

2. Introduce the purpose of the reviews to members in advance, at a meeting of the Board, and deal with any questions people have about the process.
3. Seek input from Committee Chairs, and the Chief Executive, who will see people contributing in contexts that you may miss.
4. Ask the Secretary to the Board to collate information for you, about each person's attendance during the past year – at Board meetings, Committee meetings, other working groups and events – it's important to recognise people's commitment and engagement

So after the preparation has been done, the review conversations between the Chairperson and each Board Member should happen off-site, in a relaxed environment like a coffee shop or the foyer of a hotel. Unless the Chairperson expects a very difficult conversation, or there are confidential matters to be discussed, a less formal setting tends to make conversation easier. The structure of the conversation should include 6 elements:

1. How the Board Member feels the Board is performing generally – what is going well, and what needs to improve.
2. Discussion about the Board Member's level of attendance during the past year, with consideration of anything that has prevented attendance, and how well the person will be able to attend in the coming year
3. Feedback from the Chair about the Board Member's contribution during the past year, both positive and any suggestions for improvement. That should include Board meetings, Committee meetings, working groups, and any other work undertaken in the role of Board Member. From the sample Review Forms on our web-site, you will see that some include a list of competencies considered appropriate for Board Members. You may find that structure helps to focus your feedback.
4. Consideration of the future, and any other roles that the Board Member might take on during the coming year, or in the longer term
5. Discussion about any training or development activities that might be appropriate
6. And finally, the Chairperson should ask if there is anything further they can do to support the Board Member in their role

Having open conversations like this helps to build a 'learning Board' culture – with the journey of continual improvement becoming the norm. Very often, Board members tell me these review meetings leave them feeling re-energised in their role.

Finally, it's important that the Chairman brings together the feedback they have received from each of the Board Members, and uses it to shape the agenda for the annual Board Away Day. That ensures that Board Members feel listened to, and that their views matter. If there are common training and development needs, those can be brought together to form the Board Development Plan for the year, which will be a key part of the overall Governance Action Plan. The Governance Action Plan is usually agreed at the Board Away Day, and the Board should get a report on progress at each of its meetings.

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By building the Review of Board Members into the annual cycle of Board Improvement, the Chairman is setting an example of effective leadership. In that way, a culture of learning and continual development becomes accepted as a way of working, and enables everyone involved to take a real pride in their organisation.

If you would like more information on Governance, or any of the topics discussed in this podcast, visit www.stellarleadership.com, where there is a wide range of downloadable materials on the practical application of leadership techniques.