

# **Governance Brief**

## **A DARC quarterly piece on nonprofit boards**

### **ASSESSING PERFORMANCE TO IDENTIFY TARGETS FOR CHANGE**

#### *How to Build a More Effective Board*

Another way that effective boards apply their skills and add value to the organization is by actively monitoring their own progress and assessing their performance. Most boards are given reams of data on inputs, numbers of clients served, and costs of various programs. Less attention is given to the impacts or results of those activities. Most boards seem unsure about how to measure performance or results of the organization's activities.

Some strong boards have developed sets of specific performance indicators that enable them to monitor performance. These "dashboards" of key aspects of performance include periodic information on such areas as number of clients served by each program, the costs per contact, numbers of clients completing recommended services, staff assessments of outcomes, and client satisfaction.

Such indicators are especially important as a component of the organization's strategic plan. Each goal in that plan should have accompanying indicators that will allow the board to monitor progress toward its accomplishment. If the plan calls for improvements in the quality of services or staff morale, the board and staff should work together to identify appropriate ways to measure the results of efforts intended to achieve those goals. The results of such efforts provide the board with means to assess progress, to see whether mid-course corrections are needed along the way, and to draw conclusions about the impacts of changes.

Soliciting input from all participants regarding their views of the board's work, areas warranting attention, and suggestions for change is a step toward improved board performance. As one experienced member emphasized, "Any board interested in improving should get going with an evaluation of its strengths and weaknesses. It should ask a whole series of tough questions about what's working well and what isn't. You can't just depend on a few insiders to run things. You're ALL the owners of the institution and are all responsible for finding ways that enable you to help it work better."

In addition to gathering information for everyone to examine, a crucial function of board assessment is that it spreads responsibility for findings and conclusions across the whole group, thus building consensus for change. In the words of one board chairperson, "The most important result of starting to evaluate our work as a board was that the group began to think about itself purposively and to ask questions about how we could do our work better in the future. It got us to take responsibility for improving the quality of our own work."

Approaches to board assessment may be divided into two areas: ones that focus on *group* performance and others that address *individual* performance. A few approaches link these domains. Boards can choose among numerous resources—many national associations have developed board assessment tools. Self-assessment approaches include self-evaluations, constituency surveys, third party reviews, internal reviews by an *ad hoc* or standing committee on trusteeship, reflective discussion of critical incidents, and feedback at the conclusion of meetings.

An excerpt from RESEARCH IN ACTION, A BoardSource Publication

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