



**Evaluating Board Effectiveness for Organizational Success**

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**TOPIC:**  
**Evaluating Board Effectiveness for Organizational Success**

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**Session Outline**

- ❑ Framework for a Board evaluation
- ❑ The standard Board Governance Analysis questionnaire
- ❑ Why do the evaluations and how?
- ❑ What topics does the evaluation of the Board cover
- ❑ Benefits of Board Evaluations
- ❑ Conclusion

**King IV Principle 9**

- The Governing Body should ensure that evaluation of its performance and that of its committees, its Chair and its individual members support the implementation in its performance and effectiveness.

## Framework for a Board evaluation includes these questions

- ❑ What are the objectives?
- ❑ Who will be evaluated?
- ❑ What will be evaluated?
- ❑ Who will be asked?
- ❑ What techniques will be used?
- ❑ Who will do the evaluation?
- ❑ What will you do with the results?

*Geoff Kiel and James Beck*

## The standard Board Governance Analysis questionnaire covers

- ❑ Key Board issues and performance
- ❑ Corporate and organizational principles
- ❑ Internal control and risk management
- ❑ Performance management
- ❑ Shareholders and/ or other stakeholders
- ❑ Boardroom behaviours
- ❑ The role of the Chairman
- ❑ The role of executives
- ❑ The role of the non-executives

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## Why do the evaluations and how?

Board evaluations provides Board members with an opportunity to:

- ✓ introspect on their individual and corporate responsibilities as well as fiduciary duties.
- ✓ identify if there are different perceptions and opinions among the Board members to enable addressing them.
- ✓ provide clarity and direction where needed.
- ✓ get intelligence and information for the Board's improvement.

## Why do the evaluation and how?

- ✓ increase the level of Board teamwork and goal congruence.
- ✓ clarify mutual Board/Staff expectations and dealings.
- ✓ demonstrate that accountability is a serious organizational value.
- ✓ build good relationships and provide credibility with all stakeholders.
- ✓ Provide opportunity to assess how well the Board discharges its actual functions of governance, tone-at-the-top, setting direction and monitoring results.

What topics does the evaluation of the Board cover

- Is there a clear understanding of the relationship of the Board to other stakeholders? Are these relationships effective?
- Do Board members have public support understanding their role?
- Does the Board have procedures such as strategic planning, risk assessment, performance information for evaluation and decision making?
- How do individual Board members rate their own effectiveness?

What topics does the evaluation of the Board cover

- Does the Board effectively carry out its responsibilities for succession planning in the Service?
- Does the Board effectively evaluate the CEO?
- What areas need improvement and what can be done to make improvement?
- Is the Strategic Plan and governing policy documents up to date?
- Are there a sufficient number of board meetings to take care of the organization's business

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What topics does the evaluation of the Board cover

- Is current committee structures adequate to handle the work of the Board efficiently
- Are Board meetings conducted effectively? How can the value of the meetings be enhanced?"
- Do meeting agendas cover policy issues rather than just administration?
- Is there sufficient opportunity for the Board to hear about minority opinions before recommendations are presented to the Board for consideration?
- Is the majority to the Board involving in making the Board's decisions?

Benefits of Board Evaluations

- An accountability mechanism to ensure the Board of Directors are fulfilling their legal and governance responsibilities
- An audit trail for the Board's governance practices and effectiveness
- An assurance to be able to give to members and Stakeholders a tangible means to observe the strengths and weaknesses of the Board
- A way for all members of the Board to fully understand what is being asked of them

## Benefits of Board Evaluations

- ❑ Standards are raised through the clarification of a functional tool based on performance versus expectation
- ❑ Identification of skills gaps and therefore training and development
- ❑ Promotion of personal and corporate growth input to Board succession and renewal process
- ❑ Opens up lines of communication among Directors and with Management, building unity and trust opportunities.

## Benefits of Board Evaluations

- ❑ An understanding of what the Board has accomplished and what yet needs to be completed
- ❑ A commitment from all Directors towards the priorities and effectiveness of the Board
- ❑ An idea of the Board/ Directors own sense of their worth
- ❑ A proper evaluation promotes positive change and builds a road map to success for the whole organization
- ❑ All governance practices should contribute to the accomplishment of the mission/mandate.

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## CONCLUSION

- ❑ Board evaluation is best done when it involves all players accordingly.
- ❑ The evaluation should be aligned to the organizational Strategic Plan
- ❑ Transparency, structure and objectivity are critical



## QUESTIONS





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