

7 Elements of Board Effectiveness

How is your organization performing?

A high functioning governing body will carry out its core fiduciary obligations, but it will also serve as a key strategic asset in moving an organization forward. In assessing the overall effectiveness of your board, consider these seven key elements to identify the strengths and opportunities unique to your organization and governing body.

1

Board structure and composition. A streamlined board and committee structure, with clear delegations of authority, provides the foundation for effective and efficient governance. With a high functioning structure in place, the makeup of trustees can be optimized with the ideal mix of competencies, diversity, and community representation.

Questions to consider:

- Is your governance structure – including board and committees as streamlined and nimble as possible? Where is there unnecessary duplication?
- Do you have a multi-year trustee cultivation plan aligned with organizational strategy?

2

Leadership. The selection of a board chair is one of the most critical decisions a board and CEO makes. A deep knowledge of the organization, a willingness to commit significant time and attention, and the ability to lead in times of crisis and calm are more important than ever.

Questions to consider:

- What is the culture and process related to board leader succession in your organization?
- Have you identified the required competencies for your next board leader?
- Do you have a board leadership succession plan in place at the board and committee level?

3

Roles and responsibilities. Distinguishing between the roles of management and the governing body is incredibly important for high-functioning boards and leadership teams. Well defined role clarity balances fiduciary and strategic oversight and operational management.

Questions to consider:

- Do you have a clearly outlined roles and responsibilities document or job description for trustees?
- Do you have clear charters for each committee outlining its responsibilities?

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Relationships. A trusting and transparent relationship between the board and senior management team fosters high-performing governance and requires time and intentionality.

Questions to consider:

- What is the culture of your board? How does the current makeup of the board influence trust and transparency?
- What specific actions are you taking to foster trust, collaboration and camaraderie across all members of your organization's board and management team?

5

Board development. Most trustees do not begin their board service with a deep knowledge of the industry or the organization. Management teams must ensure members have the information and resources needed to effectively carry out their fiduciary duties. In turn, trustees have an obligation to engage in development offerings and ask for information or clarifications as needed.

Questions to consider:

- Do you have a formal development plan, including onboarding and continuing education?
- Do you perform periodic assessments of individual and collective effectiveness to drive your development plans?

6

Meeting Optimization. The time of volunteer board members is a precious commodity that must be used wisely to maximize board and committee meetings. This requires commitment and effort of the management team and trustees alike.

Questions to consider:

- Do your agendas allow time for core business *and* strategic discussion?
- Could meetings be better facilitated to ensure time is allocated to the most important topics?

7

Robust Support. Investing in "behind the scenes" support is essential in driving the other six elements of board effectiveness. High functioning boards are backed by strong administrative support and well-defined processes.

Questions to consider:

- What support, systems and processes do you have in place for meeting planning, materials development, portal management, logistics and communications?
- Do your systems and processes enable trustees to easily access information, ask questions, or provide feedback?