

IMPACT 2022

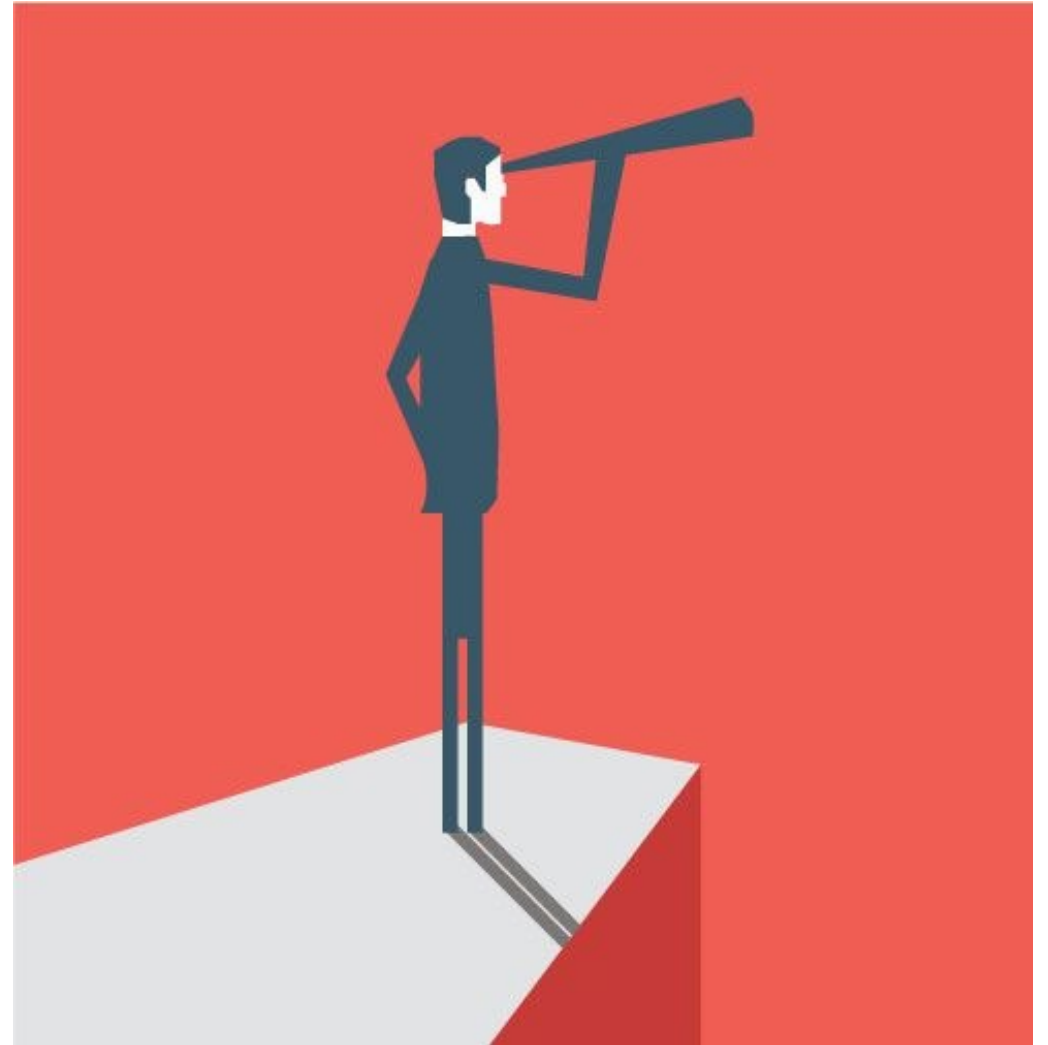
CORNERSTONE ANNUAL MEETING & COUNCIL FORUM

Board Performance – *Strategies for Measurement*

Presented by Mark Lynch
Co-Founder, CU Difference

Overview

- ✓ Why measure board and director performance?
- ✓ How might you measure performance?
- ✓ What do you do after you measure?
- ✓ Getting started
- ✓ Keeping it going



Would a good CEO or Manager?

- Employ staff that don't have the appropriate qualifications, skills and experience?
- Have no form of ongoing staff training?
- Set no goals for the staff to achieve and not measure their performance?
- Ignore poor staff performance?

Would a good Board?

- Employ a CEO/Manager who doesn't have the appropriate qualifications, skills and experience?
- Not care if the CEO/Manager stays abreast with current developments?
- Set no goals for the CEO/Manager and not measure performance?
- Ignore poor performance?

So why wouldn't a good Board?

- Develop a plan for all board directors to have the appropriate qualifications, skills and experience?
- Encourage all directors to keep up with current developments?
- Set goals for directors and measure performance?
- Do everything possible to improve board performance?

So why the double standards?

- Board directors are elected!
- Board directors are volunteers!
- We can't get people to come on the board now. How will we get anyone if we measure their performance?

No director and no board is perfect. Every director and every board should always be looking for ways to improve!

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How do you know if you are
improving unless you properly
measure?

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**To be able to properly measure,
it is important to have goals and
a plan to achieve these goals?**

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Measuring Board Performance

- Develop a policy and an action plan
- Agree on the board's expectations of individual directors and the board as a team
- Comprehensive assessment annually
- Interim evaluation quarterly

Measuring Board Performance

- Agree on the measures to be used
- Link the evaluation criteria to the directors' position description, the strategic plan and the governance plan
- Agree on who will have input and how

Measuring Board Performance

- Document the evaluation
- Link the evaluation to the enhancement program
- Ensure board has the skills to undertake the process

Measuring Board Performance

- Assessment process should identify performance issues
- Assessment process should identify training and development needs of individual directors and of the board as a team
- Problems should be addressed positively not negatively

Benefits off Measuring Board Performance

- Identifies areas of director performance that could be enhanced
- Identifies those areas of board performance that need to be enhanced
- Ensures director and board training is logical and systematic
- Improves director performance
- Improves board performance

Always Approach in a Positive Way

- Make it positive – not negative
- See it as performance enhancement, not addressing poor performance
- Understand that some directors will be apprehensive

Getting Started

- Make a commitment to do it
- Establish a board committee to oversee the process
- Get advice
- Develop a policy and a plan
- Achieve consensus

Keeping the process going

- Implement the plan
- Review progress regularly
- Make improvements
- Start small and build



A Measurement Concept



Measuring Board Performance

The Board should do more of this	
The Board should do less of this	
The Board should do this differently	

Measuring Director Performance

Director being assessed:	
What this director does well:	
This director should do less of this:	
This director should do this differently:	



An Actual Measurement



An Actual Evaluation



Australian National Credit Union
Limited
545 Kent Street, Sydney NSW 2000
ABN 45 087 650 020

DIRECTOR EVALUATION

This information was obtained from the Chair of the Board & the 8 Directors of Australian National Credit Union. Each Director was asked to provide an evaluation on the performance of their fellow board members.

Mark Lynch

What this Director does well

- Lobby to gain support for an issue
- Represents the average member very well because he is thinking how our Board decisions impact the members. Is a good contributor at Board and Committee meetings.
- Regularly offers a well reasoned compromise view
- Seeks compromise positions
- Provides balanced input to debate and promotes balanced debate
- Thoughtful contributions using experience and knowledge
- Challenges group think
- Brings credit union movement perspective to debate
- Big picture thinking
- Objective point of view
- Mark always approaches issues calmly and rationally: he thinks before he talks. He is prepared to be swayed by good arguments from others, and has a lot of natural skills and “personal politics”: finding the common ground, synthesizing a decision out of different points of view. He also brings the union/employment angle to the debate, which I find valuable, but does so in a way which is not dogmatic. One of the most valuable directors.
- Contributes to board debate
- Is involved in the broader movement activities
- Has a good working relationship with other board members and management
- Has a good grasp of the role of the board and enjoys strategic planning and promoting good governance practices.
- Brings a wider industry perspective to debates
- Listens to the views of management and other board members before taking a position on issues.
- Looks for compromise positions when there are diverse views on an issue

An Actual Evaluation

What this Director could do better

- More regular attendance at Board/Committee meetings and greater support for the Chair
- Contribute more to board discussion
- Sometimes provide more input and earlier (but he's pretty good already)
- Nothing, except be around! I know Mark has had a lot of personal change in recent times, and we have all been prepared to give him some leeway for this.
- Obtain a better understanding of some of the operations of the credit union
- Spend more time on credit union work
- Provide better support to the Chair

What this Director should do less of

- Not applicable
- Be away!!
- Can't think of anything
- Can't think of anything



Bob Powell
Chair



Some Director Feedback



“When assessing director performance was first suggested, I was terrified. Now that we have done it, I just wish we had done this when I first came on the board.”

?

“This is the best initiative we have taken as a board. I know my performance has improved and I’m now confident that I’m properly performing my role and properly representing members.”

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**THANK
YOU!**

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