

What Is Driving The Trend Towards Individual Director Assessment?

Boards don't behave, individuals behave. This statement helps explain the growing emphasis among organizations to look at individual director contribution rather than just focusing on the board's contribution as a whole. Many directors now see that taking the time to regularly assess what they do inside the boardroom, and more importantly 'how' they do it, is helping them become more effective.

Still some resistance

There is still some anxiety about individual director assessment for two reasons. The first is that giving critical feedback to individual directors is seen by some directors as potentially harmful to or undermining the concept of team. The second is that some directors may not be receptive to feedback and suggestions for change - believing that the experience and expertise for which they were selected to the board are adequate for them to contribute effectively.

We should measure what we value

For the board to be effective, each individual needs to be effective in bringing his or her contribution to the table. This has a great deal to do with style. Regular evaluation helps directors assess how effectively they are contributing to the board. Is the director being proactive enough in speaking up? Is the director effective in challenging management and peers? How effectively does the director contribute to committee discussions?

Giving feedback to peers is a significant responsibility and receiving feedback from peers can be challenging. However, feedback is also one of the most powerful tools for shaping our behaviour and improving our effectiveness. If we value what directors do, we should invest in evaluating their individual contribution and effectiveness.

A range of formats

The formats for individual director assessment range from self-assessment to face-to-face feedback at a board retreat. For example, in less sophisticated boards, there is typically an annual discussion between the chair and each director. For more sophisticated boards, there is usually rigorous peer feedback often using a third party to gather feedback from each director about each other director using a survey, interviews or both. An emerging trend is the linking of director assessment directly to the re-nomination process in which the chair reviews the results with individual directors, leading to a shared decision about standing for re-nomination.

Useful for all directors

Individual director assessment is a valuable tool for helping directors increase their contribution. Moreover, through self-evaluation and feedback, director-peer assessment can lessen the time required to gain critical skills and knowledge, identify and work on areas for improvement, and ultimately become more effective directors.

Tailor to the needs of the organization

Individual director assessment is a sensitive issue that needs to be carefully introduced and managed. One size does not fit all. Even if a board is handling the rest of its board/committee-assessment process internally, the board can benefit from external support. Having worked extensively with boards and directors, Meridien has considerable expertise in developing robust and constructive evaluation practices that help guide individuals and boards to their fullest leadership and performance potential.

To arrange a confidential meeting to discuss your organization's needs, call Meridien's President, Dr. Peter Stephenson at 416-972-0782.

Meridien Consulting Services Inc.
Suite 404, 120 Carlton Street
Toronto, ON M5A 4K2