



SOUTH DEVON RURAL  
HOUSING ASSOCIATION LIMITED

# Board Appraisal Training

29<sup>th</sup> March 2017

Michael Guest

# Objective

To ensure that board members and senior executives have an applied understanding of board member appraisal and its role in board development

	Programme
10.00	Introduction
10.10	<b>Our experience of appraisal</b> Paired discussion, feedback and whole group discussion
10.30	Appraisal – its <b>purpose and application</b> Presentation and whole group discussion
10.50	<b>Competencies</b> – the blend of skills, knowledge and behaviours for <b>effective housing association governance</b> Presentation and whole group discussion
11.15	Break
11.30	Method – the process of <b>undertaking a board member appraisal exercise</b> Presentation and whole group discussion
11.45	Method – the process of <b>undertaking a chair appraisal</b> Presentation and whole group discussion
12.00	<b>Outcome</b> – the <b>application</b> of board member and chair exercises Presentation and whole group discussion
12.15	<b>Chief Executive appraisal</b> – role of the board Presentation and whole group discussion
12.30	Close

# Our experience of appraisal



# Appraisal – its **purpose and application**

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## **Board Member Appraisal**

- To **identify continuing training and development** requirements of **individual board members**
- Helps with **succession planning** whenever a member leaves the board
- Gives an overall analysis of the **board's development requirements**

# Appraisal – its **purpose and application**

## **Whole Board Review**

- To identify **board effectiveness**
- By **comparing** itself with benchmarks of *effective governance*
- And any **work programmes it had set** for itself
- To **decide what needs to be done** where it considers it has not reached the benchmark standard

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# Appraisal – its **purpose and application**

## **Both**

- To **demonstrate to stakeholders** that the business's governance development is being planned for
- To ensure that the **regulator** is satisfied that the *Governance and Viability* Standard is **being at least met**



*Competencies* – the blend of skills, knowledge  
and behaviours for **effective housing  
association governance**

# Board Member Competencies

- Applying specialist knowledge
- Self-management
- Personal development
- Leading and motivating
- Directing strategy
- Representing
- Analysing and scrutinising
- Team working
- Group decision making

# Chair Competencies

- Leadership
- Chairing skills
- Team working
- Ambassadorial
- Creating sustainability

Method – the process of **undertaking a board member appraisal exercise**

# Method – the process of **undertaking a board member appraisal exercise**

Based up self-assessment – knowledge *and* behaviours

Ratings

1. Clear development need
2. Some benefit from training or support
- ~~3. Adequate~~
4. Reasonably confident
5. Very confident

# Method – the process of **undertaking a board member appraisal exercise**

- End of the questionnaire, matters to consider in preparation for a **meeting with the Chair.**
- Honesty is the only policy! This is all about getting **a true picture** of the board's needs.

# Method – the process of **undertaking a board member appraisal exercise**

## **Appraisal Meeting with the Chair**

- **Prepared for**
- **80% appraise** led and 20% Appraiser
- **Discuss key features** of the self-appraisal and Chair's views
- Agree **moderation** if appropriate
- Agree **ratings** outcome
- Agree **objectives** for **last period outcome**
- Agree **objectives** for **next period**
- **Consequences** – such as training & development, coaching, mentoring, briefing, succession planning



# Method – the process of **undertaking a board member appraisal exercise**

## **Undertaking Board Member Appraisal on a 360 degree basis**

- Still based upon **self-appraisal**
- And **Chair appraising** all members

### **In addition**

- **Peer appraisal** by colleague board members (three per board member)
- An **appraisal by the Chief Executive and Directors** (one collective)
- **Separate analysis** shown for each to enable comparing and contrasting
- **Overall analysis** produced
- Produces even **richer data** and **ability to analyse**



# Method – the process of **undertaking a board member appraisal exercise**

## **Further enhanced by**

- **Board Observation**, seeking demonstration by the whole board of the same competencies as in the appraisal
- **Whole Board Review** using a recognised method such as *Langlands Principles of Good Governance* self-assessment questions for governing bodies

Method – the process of **undertaking a chair appraisal**

# Method – the process of **undertaking a chair appraisal**

Undertaken on a **360 degree** basis

- Chair **Self Appraisal**
- Each **individual board member** also completes a form
- **Chief Executive and Directors** complete one collective form
- Returned to the administrator for **analysis**
- **Meeting with the Chair** (with Administrator, other external person, mentor, etc.)

**Outcome** – the **application** of board member  
and chair exercises

# Outcome – the **application** of board member and chair exercises

## Requirements for effective appraisals

### Preparation for the Appraisal Interview

- Collect the **information**
- Prepare the **environment**
- Prepare the **appraisee**

# Outcome – the **application** of board member and chair exercises

## The Appraisal Interview

- Introduction to the Interview
- Main part of the interview
- Setting effective objectives

# Outcome – the **application** of board member and chair exercises

## Skills required for effective appraisal interviewing

- Questioning
- Listening
- Empathy
- Giving and receiving feedback
- Problem solving
- Note taking
- Being fair

# Outcome – the **application** of board member and chair exercises

## The Role of the Appraisee (80%)

- **Understanding** the feelings and **emotions** around appraisal
- How to help the **appraisee prepare** for their appraisal
- **Confidentiality**

## Appraisal Documentation

- Key elements to be included
- Examples of different models



# Outcome – the **application** of board member and chair exercises

- Letter from Chair **confirming outcome**
- **Copy** to (Company Secretary) or nominee to prompt any **actions** required and for next year's record

Actions may be

- Objectives for next period
- Training & Development
- Guided Reading
- Manager Briefing(s)
- Coaching
- Mentoring
- Research and report-back
- Particular role
- Succession Planning



# Outcome – the **application** of board member and chair exercises

## Chair

- Letter from administrator, Chief Executive/Company Secretary or nominee
- As for board members

# Chief Executive Appraisal – role of the board

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Why?

- Chief Executive support and development
- Performance Management
- Strategy and objectives
- Compliance and accountability

# Chief Executive Appraisal – role of the board

## Arrangements

- **Annual**, with short updates six or three monthly
- **Planned** and **documented**
- **Integrated** with the Association's Corporate Strategy and Business Plan
- Undertaken by the **Chair, supported** by a limited number of board member colleagues (and professional support)
- May be a **formal** body or ad hoc – have regard to the Association's Rules and Scheme of Delegation
- May or may not be linked to **pay** review
- **Preparation** vital
- **Room** and environmental arrangements be thought about
- **80/20** principle should be aimed for
- **Skills** as per board member appraisals applied
- Practical, tangible **outcomes** required
- Documented and fed back





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