Course: The governance of nonprofit organizations
Assignment 2: Board assessment effectiveness reflection 2
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Introduction

This report provides an overview of the results of the board performance self-assessment survey (BPSAQ) that was held at Food for all, a nonprofit organization aimed at the creation of a network of food pantries. The main challenges the board of this organization faces based on an initial analysis (see report part 1) are the need for consensus between its member organizations, the degree to which board members should be involved and the role of the executive director. Besides reporting on the results of the survey, this report will assess the effectiveness of the board by using the data gathered in the survey and combine this with theoretical concepts on board governance effectiveness. This report is part 2 of a 3 part series. The other parts describe the organization in greater detail and try to come up with solutions for the challenges faced by this organization. Combined, the three parts will provide a comprehensive overview of the organization and how it can improve in reaching its objectives.

Methodology

For this report, data on the organization, as provided by the course staff, was used. It was not possible to gather data other than information contained within the document. Therefore some gaps exist in the analysis.

Defining nonprofit governance

Governance, with all its dimensions can be seen as a form of strategic leadership in an organization. Being defined as "*the exercise of authority direction and control of an organization in order to ensure its purpose is achieved"* (Gill, 2005). It can be divided into four components: accountability, transparency, predictability and participation. Alongside these four components Murray and Harrison (2012) identified nine dimensions that determine effective governance: clarity of authority and responsibilities, role in planning, role in performance assessment, role in fundraising, structure and operating procedures, effective board meetings, composition and board development, informal culture, and leadership on the board. Together, these dimensions determine the effectiveness of a board.

Key outcomes of the board performance self-assessment survey

The BPSAQ was completed by 67% of the respondents (n=15), 0% of whom answered 'not sure' more than 20 times. This suggests the results of the survey are valid and reliable. The average score of the board across all investigated domains was 181.74 corresponding with a moderately effective board (score range 171 – 221, see annex 1 for more details). Looking at the results of the BPSAQ in greater detail gives insight in the positive and negative characteristics of this board. These are displayed in table 1 and 2. Here, the name of the indicator, averaged score and seriousness of the problem are displayed. Seriousness is displayed through color coding the numbers. Here, red means a very serious problem,

orange represents a moderately serious problem and green few or no problems. For an overview of relation between seriousness and average scores for each of the indicators, see annex 1.

Table 1: Positive characteristics of Food for All's board

#	Indicator	Score		#	Indicator	Score
1	Board Meetings	33.09		2	Leadership issues	39.68

Table 2: Negative characteristics of Food for All's board

#	Indicator	Score		#	Indicator	Score
1	Clarity role and effectiveness	13.82		5	Informal culture	16.99
2	Planning and policy oversight	20.94		6	Role in fundraising	5.46
3	Performance assessment	12.58		7	Board composition and development	11.49

Based on the results of the survey, the relationship between the CEO and the board can be described as a professional one. Information flows both ways are adequate and neither the board nor the COE tries to dominate the other. Trust both between the CEO and the board and within the board itself is established and no inner groups are dominating discussions nor the agenda. The position of the chair of the board is very well established and this is used to facilitate efficient meetings were the expertise of individual board members is consulted regularly.

However, the survey also shows areas of improvement on several areas. These include the lack of succession planning, an absence of board policy, a lack of knowledge in the field of fundraising and regular evaluation. Although the number of board members at Food for All is currently sufficient, little attention is paid to succession planning. This results in a lack of high quality board candidates and not enough new board members who can bring in new and fresh ideas. Further an absence of a standardized board orientation makes finding new members challenging. Second, the lack of policy threatens Food foe All. Due to the lack of a strategic plan, the priorities of the organization are unclear. This lack of clarity extends further into the domain of board policy which is in urgent need of revision. All this, leads to an ambiguous situation where board members are uncertain about their own legal position and protection. A third area of improvement is in the field of fundraising. Due to the unclear overall strategy, no fundraising strategy has been approved by the board and board members do not know how to engage in these activities. Finally, the lack of timely evaluation by the board leads to the situation that the board does not come up with areas to improve on. This leads to the need for outside help to identify these areas.

Linking the survey results to concepts of nonprofit governance

Using the board performance self-assessment survey, positive areas and areas of improvement for the Food for All board were identified. Areas the board is performing well on are the effectiveness of board meetings and a clear leadership structure. This aligns with the clarity of authority, effective board meetings and leadership on the board dimensions by Murray and Harrison (2012). Areas of improvement include succession planning, board policy, fundraising activities and evaluation. These areas all correspond with the accountability dimension of board governance as described by Gill (2005).

Conclusion

Four areas of board improvement can be identified to enhance the performance of the Food for All board: succession planning, board policy, fundraising activities and evaluation. It has to be noted that these areas do only partially match with the initial suggestions for improvement as offered in the first report of these series and are therefore in need for further investigation. Besides these points for improvement, effectiveness of board meetings and a clear leadership structure are areas the board is performing well on.

References

Gill, Mel D. (2005). *Governing for Results*. Victoria, BC, Canada: Trafford Publishing.

Murray, Vic and Harrison, Yvonne (2012). Guidelines for Reviewing Board Performance and Processing Board Check-Up Results. Authors.

Annex 1: Ranges of performance as used in the board performance self-assessment survey indicators

Overall board performance

Range	Description
222 – 272	Very likely to be a highly effective board. Only minor 'tune ups' needed to maintain high performance.
171 – 221	A moderately effective board. May need to make some changes and undergo further development.
120 – 170	A board that is probably facing a number of major challenges in many areas. A large scale effort at reform should be undertaken.
68 – 119	A board that is probably experiencing extremely serious difficulties in carrying out its role in the governance function. Wholesale efforts to change in all the dimensions of board effectiveness are likely necessary.

Clarity of the board's role and its effectiveness in meeting basic due diligence responsibilities

Range	Meaning	Description
15 – 20	No or few serious problems	The board is seen as being quite clear about its basic responsibilities and what its role ought to be.
10 – 15	A moderately serious problem	The board is seen as being moderately clear about its basic responsibilities and what its role ought to be, but some differences exist that may need some work.
5 – 10	A very serious problem	The board is seen as experiencing a considerable lack of clarity regarding its basic responsibilities and what its role ought to be. This is a high priority problem that requires considerable attention.

Board responsibilities for planning and policy oversight

Range	Meaning	Description
28 – 36	No or few serious problems	The board is seen as quite clear about its role in planning for the organization's future and feels it is doing a good job of it.
20 – 28	A moderately serious problem	The board may be doing a moderately good job of carrying out its planning function but there are some areas that need work
11 – 20	A very serious problem	Many major problems are seen as existing for the board in grappling with its role in planning.

Board's role in performance assessment

Range	Meaning	Description
15 – 20	No or few serious problems	The board feels it is doing a very good job of tracking how well the organization is doing.
10 – 15	A moderately serious problem	The board feels it is doing a moderately good job in this area but needs some work.
5 – 10	A very serious problem	Major problems are seen to exist for the board in carrying out its planning function.

Board's role in fundraising

Range	Meaning	Description
9 – 12	No or few serious problems	The board is seen as quite clear about its role in fundraising and is doing a good job of it.
6 – 9	A moderately serious problem	The board is seen as either uncertain about its role in fundraising or there are problems in the way it carries out that role.
3 – 6	A very serious problem	There appear to be major problems for the board in dealing with its role in fundraising.

Issues related to the formal structure of the board

Range	Meaning	Description
33 – 44	No or few serious problems	The board is seen as having very satisfactory structural arrangements.
21 – 33	A moderately serious problem	The board is seen as having a moderately satisfactory structure but with some problems that need addressing.
11 – 21	A very serious problem	The board is seen as having many major problems with it structural arrangements.

Issues Related to Board Meetings

Range	Meaning	Description
33 – 44	No or few serious problems	The board's meetings are seen as running very effectively
21 – 33	A moderately serious problem	The board's meetings are seen as moderately effective but with some problems that need to be addressed
11 – 21	A very serious problem	The board is seen as having many major problems with the way its meetings are being run

Issues related to the composition of the board and board development

Range	Meaning	Description
19 – 24	No or few serious problems	The board's composition and level of development is seen as satisfactory
13 – 19	A moderately serious problem	The board's composition and level of development is seen as moderately satisfactory but with some problems that need to be addressed.
6 – 13	A very serious problem	The board is seen as experiencing major problems with how it is made up and the quality of orientation and training provided to its members.

Issues related to the informal culture of the board

Range	Meaning	Description
21 – 28	No or few serious problems	The board is seen as having an informal culture that contributes well to its effectiveness
14 – 21	A moderately serious problem	The board is seen as having an informal culture that moderately contributes to its effectiveness but there are some cultural issues that need to be addressed.
7 – 14	A very serious problem	The board is seen as having a seriously dysfunctional informal culture.

Board leadership issues

Range	Meaning	Description
33 – 44	No or few serious problems	The board is seen as having strong and effective leadership from its chair and CEO
21 – 33	A moderately serious problem	The board is seen as having moderately effective leadership but with some problems in that area that need to be addressed
11 – 21	A very serious problem	The board is seen as experiencing many serious leadership problems.