

International Co-operative Governance Symposium

Competency-Based Assessments

September 2013

Learning Objectives

1. Understand how to determine the appropriate skills and competencies for your governance environment and engage board members in the change process
2. Design a sample competency matrix and review tips for customizing a skills-based assessment to the needs of an organization
3. Understand how to assess governance performance including a skills and competencies approach that is non-biased
4. Understand how to anticipate and measure the positive impact that governance performance can have on your organization

Methodology



Methodology

The Passive Board	The Certifying Board	The Engaged Board	The Intervening Board	The Operating Board
<ul style="list-style-type: none"> • Functions at the discretion of the CEO • Offers limited activity and participation • Has limited accountability • Ratifies Management preferences 	<ul style="list-style-type: none"> • Certifies to shareholders that CEO is doing what Board expects • Emphasizes independence of Directors • Stays informed as to performance • Establishes orderly succession processes 	<ul style="list-style-type: none"> • Partners with CEO to provide insight, advice, and support to CEO on key decisions and implementation • Recognizes responsibility to oversee CEO and corporate performance • Two way discussion on key issues and decisions • Time spent defining roles and behaviours required to enhance contributions 	<ul style="list-style-type: none"> • Typical mode during a crisis situation when the Board becomes intensely involved in discussions of key decisions facing the organization • Intense Board meetings called on short notice 	<ul style="list-style-type: none"> • Board makes key decisions, Management implements • Not uncommon in start-up situations

Board Leadership

- Clearly articulated rationale
- Board member buy-in
- Board champion



leadership

Competency Matrix

- Tool for deliberate discussion
- Ties competencies to the vision/mission
- Used for assessment, recruitment and development
- Includes:
 - Experience
 - Expertise
 - Personal characteristics
 - Definitions



leadership

Skills and Competencies



leadership

- Consistent with fiduciary, regulatory and strategic objectives
- A range of levels:
 - Basic
 - Good
 - Strong
 - Expert
- Gaps are used to inform recruitment and development activities

Governance Assessments

- Activity-based
- Results-based
- Competency-based



assessment

Insights Generated

- Based on competencies
- Gaps to be filled
- Plans for how best to fill the gaps

Process

- Self-assessment – 4 point scale
- Third-party interview – 12 point scale
- Consistent approach across directors
- Discussion about personal contributions and “value” from skills and competencies



assessment

Sample Credit Union Attributes



assessment

- Leadership
- Board and CEO Performance Management
- Regulatory Environment
- Credit Union Operations
- Financial Literacy
- Strategic Planning
- Governance and Ethics
- Risk Management Oversight
- Audit and Compliance Oversight

Drop off your business card if you would like me to email you a sample assessment matrix with definitions

Recruitment and Elections



recruitment

- Responsibility to inform voters of the competencies that will drive value
- Recruit and nominate against the required skills and competencies
- Education and development plan for each director and the board overall

Role of the Governance Committee

- Reviews the inventory of skills
- Considers director succession issues
- Identifies competencies for focus during recruitment
- Board approval
- Nominating Committee
- Endorsement (or not) of candidates



recruitment

Director and Board Development

- Matrix results identifies the gaps
- Development responds to the gaps and the results of recruitment
- Measureable outcomes
- Continuous improvement
- Succession



development

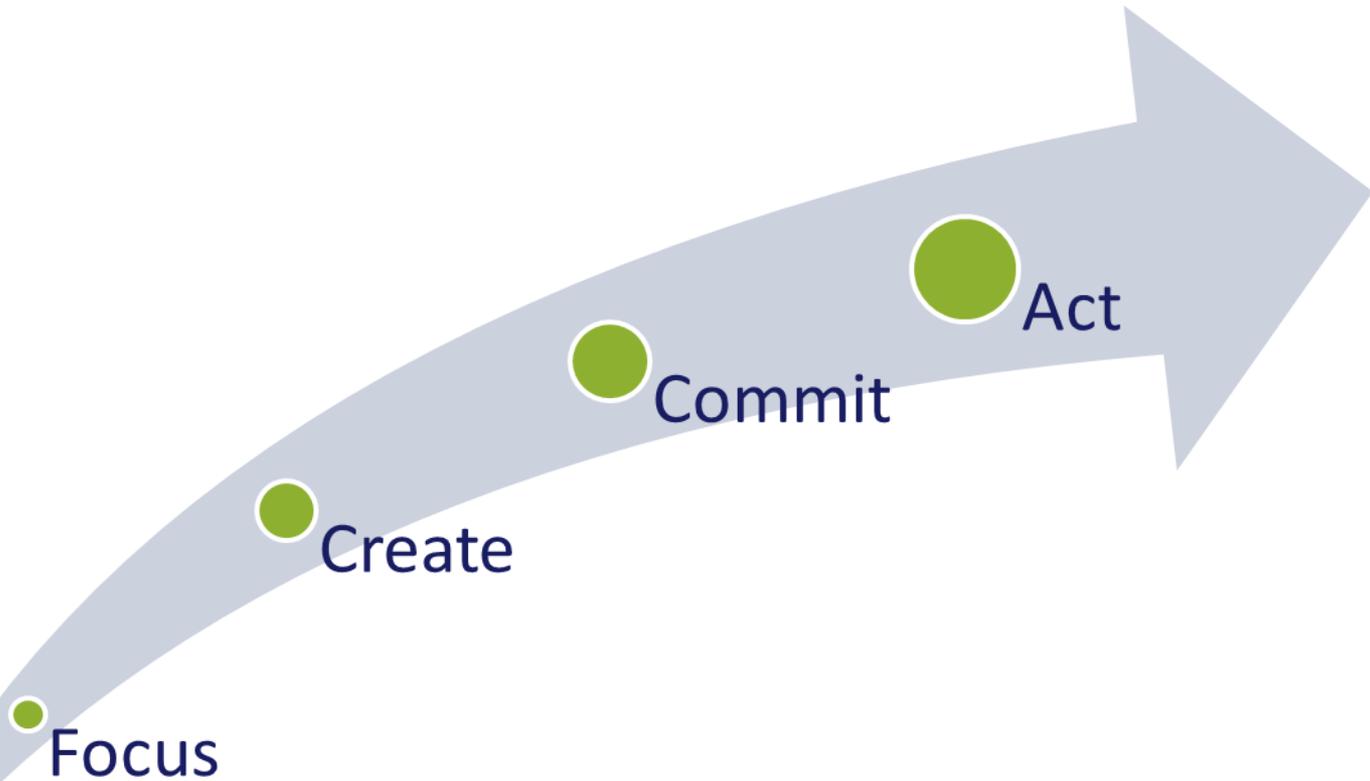
Achievements

- The board is “engaged” in the strategies of the organization’ clear lines can be drawn between the discussion of the board and the strategic outcomes of the organization
- The board has the competencies to focus on substantive issues



development

Four Disciplines of Execution



Methodology



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