The Efficacy of Board Performance Self-Assessment Using the Board Effectiveness Survey Application (BESA)

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Abstract

In this paper we present preliminary results from a panel study exploring the efficacy of a board effectiveness survey application (BESA) developed to increase the capacity of boards to conduct accurate self-assessments of their performance. The paper reports on the perceived effectiveness of the application in generating changes in board performance and the extent to which it enhanced the quality of the board’s general decision-making process with regard to board performance. Data for this paper come from 30 nonprofit boards that assessed their performance using the BESA between July 2010 and April 2012. Results show the application was effective with over 75% of boards reporting changes that reflect good governance practices. Those boards that did not change attributed this to other issues they were facing or a perceived lack of need to make changes. With respect to the effectiveness of the board’s decision-making process, we found the application enhanced the efficiency of board performance decisions. We noted other strengths and challenges of board performance decision-making in different dimensions of effectiveness. Finally, a significant positive relationship was found between perceptions of board effectiveness at time 1 (pre-BESA use) and perceptions of board decision-making effectiveness at time 2 (post-BESA use). This suggests that the issues that challenge the performance of nonprofit boards of directors affect the quality of the decisions they subsequently make to improve their performance. While preliminary, this finding represents a paradox for “challenged” boards looking to improve their performance through use of the BESA. Specifically, the greater the need for change, the greater the difficulty deciding change. The paper concludes with a discussion of the next steps in this research.