



## A Board Chair Explains How To Make the Most of Self-Evaluations

Interview With  
Dona D. Young,  
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of Foot Locker, Inc.

**Q: How do board self-evaluations contribute to building stronger boards of directors?**

A: A company's board of directors should be viewed as a strategic asset. One part of ensuring that the board can add value relates to board composition. Once you get that right, the second critical element is working to ensure that the board continues to grow and is being optimized. Boards expect management teams to evidence accountability for their actions, evaluate outcomes and implement improvements. If we require that of management, then as directors we should model those same behaviors and engage in self-reflection and self-improvement.

There are three levels of a thorough self-evaluation — the board,

the committees and individual director "360" evaluations. An independent board leader, whether that is a non-executive chair, a lead independent director or a nominating and governance committee chair, plays an important role in a good self-evaluation process.

There are a variety of approaches to self-evaluation at the board level. Written questionnaires are common, but probably work best when they are combined with one-on-one calls with each director and the lead independent director or independent chair (or nominating and governance committee chair). Those conversations can provide more color and nuance than the written responses alone. Of course, confidentiality is critical. And the board leader conducting those interviews should be subject to a

similar feedback process, which can be the subject of one-on-one calls with another independent director.

The real acid test of an effective board self-evaluation process is the output. If a board is trying to improve, the board self-evaluation process should result in an action plan to enhance the functioning of the board. That plan does not need to be dramatic; it might just be two or three small items. And at some point there should be a report to the board on that action plan and the outcomes – what changes were actually made in response to the feedback and were those changes effective.

Similarly, committee evaluations can take a variety of forms and written questionnaires are common. Again, combining those with one-on-one calls can add significant insights and feedback. Those calls can be conducted by each committee chair or by the non-executive chair/lead independent director.

Individual director evaluations are gaining traction. They can elevate the contributions of individual directors and thereby improve the effectiveness of the entire board. Generally, if these individual evaluations are done, they are conducted every two-to-three years and utilize an outside facilitator. Although the outside facilitator can be

useful in collecting the feedback and protecting directors' confidentiality, the feedback messages to individual directors should be delivered by the independent board leader coordinating the process. Again, the utmost confidentiality is required.

At boards that have not yet done these 360 reviews, there may be a concern among some directors that these are a tool to get rid of underperforming directors. These reviews work best when they are understood as a method of realizing the full potential of every director rather than as a method of remediating any undesirable behaviors, which are best addressed by a board leader on a regular basis, as needed. For those boards, the advice is to keep discussing and socializing the idea of 360 reviews with directors, reinforce the principle that these reviews are about making the board better and continue to build up the trust among directors that is necessary to eventually move forward on this path.

Like feedback systems in any other context, board self-evaluations and director reviews require trust and safe spaces to truly reflect in an honest way on areas for improvement. It is incumbent on board leadership to help build that boardroom culture of trust and self-reflection — which means for the board leader, not just

being open to receiving feedback from fellow directors, but herself modeling the behavior of self-improvement by incorporating that feedback. Board self-evaluation processes, including director 360 reviews, are about creating the kind of continuous and constructive feedback loops that help elevate the performance of each director individually and, ultimately, contribute to building a stronger board as a whole.

*Dona D. Young serves as the non-executive Chair of Foot Locker, Inc. and also serves on the supervisory board of Aegon N.V., and the boards of USAA, the National Association of Corporate Directors and Spahn & Rose Lumber Co. Ms. Young also serves on the boards of Save the Children International, Save the Children Association and Save the Children U.S. Ms. Young was Chief Executive Officer of The Phoenix Companies, Inc. from 2003 to 2009.*

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