

ASSESSING THE EXECUTIVE DIRECTOR/CEO & ASSESSING THE BOARD



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Zoom 12-1pm

Board Workshop Series

Board Duties



1. **Ensure Legal & Ethical Integrity**
2. **Build a Competent Board**
3. **Determine Mission & Purpose; Ensure Effective Planning; Monitor & Strengthen Programs & Services**
4. **Protect Assets & Provide Financial Oversight**
5. **Ensure Adequate Financial Resources**
6. **Enhance the Organization's Public Standing**
7. **Select, Support & Evaluate the Chief Executive**

Aims – Motivators - Barriers



Our goal today is to provide tips on how a CEO assessment & a Board self-assessment can be a positive, engaging & healthy process.

- ❖ How can an annual CEO assessment help you and your nonprofit organization?
- ❖ What are barriers to the Board engaging in an annual CEO assessment?
- ❖ How can we make this a positive, engaging & healthy process?

Why Conduct An Annual Nonprofit CEO Assessment?

- ❖ It's the Board's Job: Select, Support & Evaluate the CEO
- ❖ Everyone Needs Feedback to Continue Growing
- ❖ Discern Mission-related Progress, Outcomes & Needed Refinements. See trends over time
- ❖ Legal CYA: Keep written records of evaluations from each year
Protect the nonprofit: If there are discrepancies about compensation amounts or termination, written nonprofit CEO assessments can help set the record straight.
- ❖ The **IRS 990** says to *(almost)*:
Checkbox on **Compensation** (*which should be reviewed in relation to Performance Assessment*)
Part VI, Section B, Line 15A: **Governance & Management Policies**:
Did the process for determining compensation of the organization's CEO, Executive Director or top management official include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?



Basic Parameters – CEO Assessment

- ❖ Assessment guides will give some helpful ideas
- ❖ The CEO & Board should design the assessment process together
 - collaborative effort
- ❖ Evaluations should be tied to the strategic plan & the CEO job description
 - annual strategic plan CEO goal setting & job description refinements are a natural outcome of a healthy CEO assessment process
- ❖ The assessment feedback should be a conversation
- ❖ There should be no big surprises. The CEO should be getting ongoing feedback, especially if there are issues emerging.



Best Practices – CEO Assessment

The more responsibility one holds, the more public the evaluation process becomes.

The CEO evaluation should involve at least the entire Board
Aim to make the review process objective, fair & valuable

❖ **Best Practice: Keep things fair, objective, open & SMART**

Clear expectations and agreed-upon measurements are crucial
When goals are clear, it's easier to discern results fairly and objectively
Set **SMART** goals: **S**pecific, **M**easurable, **A**chievable, **R**ealistic & **T**imely
Base the CEO evaluation on organizational strategic plan goals & core values



❖ **Best Practice: Evaluation is related to, but not exclusively tied to, nonprofit CEO Executive Compensation**

Positive assessments are not always tied to increased compensation
Sometimes, the CEO works the hardest when budgets are down. This does not/cannot always mean a raise.

❖ **Process Should Include Feedback from**

CEO: Self-evaluation: review goals set the previous year and reflect on progress made

Board: Observations of Board members

Assess in relation to strategic plan goals (rather than feelings about someone, one-time situations, etc.)

CEO & Board: Reflection reports on personal performance and growth plans

What areas surprised the CEO & the Board?

Where could the CEO have used more support?

What seems the most challenging of the growth plans, and how can the Board help the CEO succeed?

What to Include – CEO Assessment

Quantitative Evaluation Metrics

❖ Program Service, Organizational Growth

- Constituents served: maintain, increase, or decrease?
- Program services: maintain/increase/decrease?
- New program development?

❖ Fiscal Responsibility

- Are financial trend lines moving in the right direction?
- Did we contain expenses within budget?
- Did we meet our budgeted income goals? (dollars raised & earned, donor retention, donor cultivation, etc.)



Qualitative Evaluation Metrics

❖ Leadership

- Does the CEO inspire staff, volunteers and board to do their best work?
- What is turnover like under this CEO, and what do people say at their exit interviews?

❖ Relationship-Building

- Does the CEO foster beneficial relationships with specifically prioritized stakeholder groups?
- Does the CEO consistently build trust with board members, staff members, and stakeholders?

❖ Problem-Solving and Decision-Making

- Does the CEO meet standards of timeliness and professionalism, internally to staff/board and externally to public?
- Does the CEO demonstrate an ability to develop and engage others in implementing action plans?

EXAMPLE-CEO ASSESSMENT: <https://chescof.org/getonboard-resources>

COMMUNITY FOUNDATION: ONLINE, CAN BE CUSTOMIZED, FREE

If interested in this Free Customized Online CEO Assessment Survey visit

<https://chescof.org/getonboard-resources>

Want More Info? Contact GetOnBoard Outreach Officer Hugh Bleemer hugh@chesocf.org 610.696.8211



CHESTER COUNTY community FOUNDATION

Dear Colleagues,
Our Board conducts an annual appraisal of our CEO. Appraisal areas are derived from:
-overall initiatives in our strategic plan
-goals from last year's appraisal and
-generally accepted CEO organizational responsibilities and leadership characteristics.

By November 1, please set aside @10 minutes to fill out this appraisal survey online.

If you feel you do not have enough information or experience to answer a question, please click on the "Unsure" response. That, too, is valuable data to help target Board information needs.

We will review survey results and discuss summary findings and recommendations with the full Board during November. Individual answers will be held in confidence; only summary data is reported.

Thanks for all you do to make Chester County even better, now and forever.

xxxxx, Chair of the Board
xxxxx, Chair of CEO Appraisal Task Force

CEO ASSESSMENT SURVEY

Re: CEO name

ASSESSMENT TIME PERIOD: month year - month year+1

1. What are your perceptions of the general quality of LEADERSHIP & MANAGEMENT the CEO provides in these areas?

	Not Satisfactory	Satisfactory	Very Satisfactory	Unsure
PROGRAM DEVELOPMENT & DELIVERY: plans, organizes, directs, and reviews core programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CUSTOMER SERVICE: Assures that needs of constituents are met in a timely, professional manner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ADMINISTRATION & OPERATIONS: manages daily operations; improves administrative systems & ensures compliance with regulations & laws	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FISCAL MANAGEMENT: accurate, efficient financial reporting systems are in place; the strategic plan is supported by financial plans; finances are well-managed; & qualified personnel accurately monitor, assess & manage our fiscal health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MARKETING & PUBLIC RELATIONS: consistent high-quality communications, inspiring long-term community inclusion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VISION, MISSION, STRATEGIC PLAN: enhance understanding of mission & vision & refine goals & strategies to advance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PERSONNEL: secures, manages and develops competent personnel; hires and fires as necessary; fosters productive working relationships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CEO/BOARD PARTNERSHIP: helps the Board meet its legal & fiduciary responsibilities; helps the Board monitor & formulate policy decisions; fosters productive working relationships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

INITIATIVES & GOALS

2. These are overall initiatives from our strategic plan. What is your sense of progress made in the past year?

	Not Satisfactory	Satisfactory	Very Satisfactory	Unsure
Program Goal 1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Program Goal 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Program Goal 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Infrastructure Goal 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Per the last appraisal, our CEO agreed to these annual goals. What is your sense of the progress made in the past year?

	Little progress made; still in process	Moderate progress made; still in process	Progress made; goal attained	Unsure
Annual goal #1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Annual goal #2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Annual goal #3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

CORE VALUES & KEY OPERATING PRINCIPLES

4. The set of desirable attributes for a CEO is extensive. They include: committed ... confident ... creative ... empowering ... inclusive ... inspirational ... integrity ... intelligent ... positive outlook ... productive ... quality mindset ... self-motivated ... solution-oriented ... willing to make the tough calls ... accountable...delivers on time as promised...unflappable/operates well under stress.

	Not Satisfactory	Satisfactory	Very Satisfactory	Unsure
How do you rate our CEO on the key operating values noted above?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Please list the CEO's main strengths:

6. Please list where you would like to see the CEO focus increased attention in the coming year:

7. How can the Board better support the CEO?

HOW DOES STRATEGIC PLANNING RELATE TO CEO & BOARD ASSESSMENT?

A strategic plan is a roadmap that helps an organization agree on its focus & aims; a multi-year guide

Envision future initiatives + overall steps to achievement:

- goals, objectives, strategies, action steps
- outcomes
- metrics to measure progress
- timelines
- budgets

A successful strategic planning process

- examines internal and external realities
- focuses priorities
- helps anticipate and proactively respond/adapt to change
- long term (2-10 years)
- relatively general in scope
- focuses on broad, long-lasting issues needing extra attention



Why Conduct a Board Self-Assessment?

- ❖ How can a Board-Self assessment help you and your nonprofit organization? Why is it important and useful?
- ❖ What are barriers to the Board engaging in a self-assessment, at least every other year?
- ❖ How can we make this a positive, engaging & healthy process?



BOARD SELF-ASSESSMENT: NOMINATING/GOVERNANCE COMMITTEE RESPONSIBILITY

Individual Board Member Self-Assessment Areas Can Include:

- Level of engagement
- Being a good steward of the nonprofit's finances
- Effectively communicating the nonprofit's mission
- Making a commitment to training, education, mentorship
- Making personal contributions
- Being involved in fundraising

Overall Board Performance Self-Assessment Can Include:

- Effectiveness, morale and participation in full board, committees and workgroups
- Board meeting frequency, length, and impact
- Development of a diverse, inclusive board
- Strategic planning
- Oversight of financial matters
- Oversight and participation in fundraising
- Forward-thinking and future-oriented



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Nonprofit Board Self Assessment

1. Intro

Dear Board Colleague,
Thank you for completing this survey. We look forward to sharing summarized survey results with the Board. Our aim is to help make your service even more productive and enjoyable. Responses are analyzed in aggregate. The Committee cannot identify you with your answers. We appreciate your candor and your dedication. Thanks for all you do.
xxx, Board Chair xxx, Governance Committee Chair xxx, Exec Dir/CEO

* 1. How long have you been affiliated with our nonprofit as a donor, direct service volunteer, committee volunteer, and/or Board member?

- less than one year 1 to 3 years 4 to 6 years 7 to 10 years
 over a decade Emeritus Board member, serving forever

* 2. What of our committees have you served on, currently and recently?

- Governance/Nominating Marketing & Communications Strategic Planning
 Fundraising Diversity, Equity & Inclusion

Other/Comments

1. SELF-ASSESSMENT

	Yes	Somewhat	No	Don't Know
Can you readily explain our mission & core programs/services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have adequate opportunities to know your fellow Board members?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are you familiar with the our history?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you help Board and committee meetings to steer clear of non-governance matters better left to staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you urge friends & colleagues to learn more about us & attend events?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have you found your service as a Board member to be interesting & rewarding thus far?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you donate to our annual campaign?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. How well do you understand this topic, so that your Board decisions and actions are well-informed?

	Very Well	Somewhat	Not Well	Don't Know
strategic direction & plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
opening doors to people who are interested in supporting our mission	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
finances & investments of our nonprofit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
core programs of our nonprofit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
cultivating potential committee & board members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The word "effective" is defined as "successful in producing a desired or intended result." What's your opinion:

	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Don't Know
Individually, I am an effective Board member	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Committee I serve on is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board as a whole is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our nonprofit as a whole is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. How can you as an individual Board member better support our Executive Director/CEO?

5. What could be done to help make your Board service more interesting and rewarding?

6. If you would like to identify yourself, please type your name here. Thanks so much for completing this Board survey!

Feedback Conversations & Summaries

- ❖ Assessment areas should be designed based on the job description (for CEO & for Board members) & strategic plan
- ❖ An assessment needs to be completed by enough respondents so results are meaningful
Reality: it's uncommon to get 100% input from all board, on both the CEO assessment & Board self-assessment.
80% survey response is acceptable.
- ❖ Assessment feedback should summarize the responses to the questions + highlight key areas of strength + key areas for development /refinement/refocus
- ❖ Well-orchestrated assessments foster incremental organizational growth and development, year after year.



RESOURCES

Source	URL
Board Source	https://boardsource.org/board-support/assessing-performance/chief-executive-assessments-ace/
Board Source	https://boardsource.org/fundamental-topics-of-nonprofit-board-service/executive-evaluation-compensation/
Nonprofit Risk Management Institute	https://nonprofitrisk.org/resources/articles/key-questions-evaluating-ceo-performance/
Board Effect	https://www.boardeffect.com/blog/assessing-board-performance-best-practices-for-nonprofits/
Chester County Community Foundation	https://chescof.org/getonboard-resources CEO Assessment & Board Self-Assessment articles & survey tools