



# BOARD MEMBER & EXECUTIVE DIRECTOR EVALUATIONS: A KEY TO BUILDING EFFECTIVE ORGANIZATIONS

DEVELOPMENT  
STRATEGIES  
PLUS

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## TODAY'S SIMPLE (BUT IMPORTANT) FOCUS

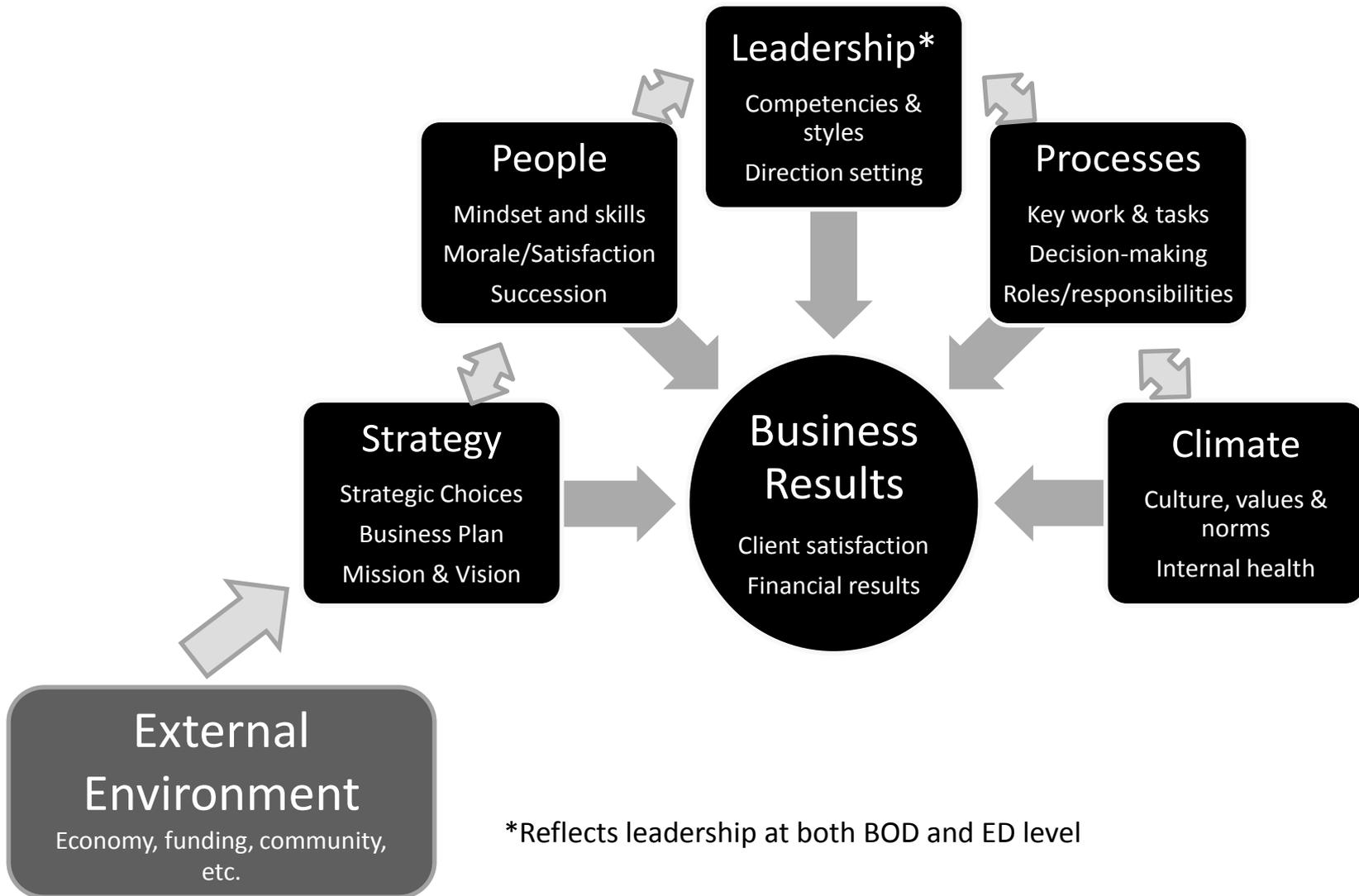
- How should Board members police themselves?
- What is the role of the ED in the process?
- How can the BoD review the ED in such a way that the process is healthy for all involved?
- What do you do for either (BoD or ED) when there is a gap between “what is” vs. expectations?
- What role does organization culture play in all of this?

# TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS\*

- Determine mission and purpose
- Select the chief executive
- *Support and evaluate the chief executive*
- Ensure effective planning
- Monitor, and strengthen programs and services
- Ensure adequate financial resources
- Protect assets and provide proper financial oversight
- *Build a competent board*
- Ensure legal and ethical integrity
- Enhance the organization's public standing

\*Richard T. Ingram, *Ten Basic Responsibilities of Nonprofit Boards, Second Edition* (BoardSource, 2009)

# A SYSTEMS “VIEW” OF GOVERNANCE



# HIGH PERFORMING BOARDS

- Are comprised of the right people
- Get the right information
- Make the best use of their time
- Have effective committees
- Have effective leadership
- Work together well as a team
- Work constructively with the ED/CEO
- Have effective processes, especially with respect to:
  - Strategic planning and strategy definition
  - CEO succession planning
  - Board evaluation and assessment
  - CEO evaluation



Our focus today

# BOARD SELF-ASSESSMENT – WHAT, WHY, HOW...



## ○ What?

- A process to help identify gaps between the standards for both dynamics and performance as BoDs carry out their roles

## ○ Why?

- Use feedback to identify strengths and any problem areas that need attention – develop an action plan to address *priority areas*

## ○ How?

- Anonymous survey, questionnaire or 1:1 interviews (There is no best way)
- Compile results
- Agree on most important issues and develop action plan

# SO NOW YOU HAVE FEEDBACK

## 1) **Analyze It**

- Analyze the key themes surfaced from the assessment to help determine:
  - Strengths of the board
  - Areas that might need attention
  - Items answered with “Don’t know” or “Not applicable”

## 2) **Talk about it**

- Schedule time (2-4 hours) for the board to discuss the results of the board assessment
- Discuss the top 2-5 areas for improvement and develop strategies to effectively address these

## 3) **Create an Action Plan**

- A roadmap for the board to use over the next 12 months to address possible improvements or changes to how they work

## “WE HAVE NO ISSUES”

- “We have no issues” can be a big red flag. It may imply that:
  - The evaluation is poorly designed; or
  - The BoD is “checked out” and doesn’t care
- Good boards are made up of accomplished leaders who value continuous improvement
  - These people always surface “good” issues and try to make good boards even better

## THE ED'S ROLE IN THE BOARD SELF-ASSESSMENT PROCESS

- The ED is in the best position for ensuring the effective functioning of the board (and should be the one that cares most)
- The ED is the primary staff support for (committee) meetings and is the person most likely to be in contact with board members
- As the person responsible for day-to-day organizational performance, and assuming governance is key to that performance, the ED should feel a strong need to ensure the board 'gets it right'

# BoD SAMPLES – YOUR THOUGHTS?



## ED EVALUATION

- The ED/CEO is the sole official link between the board and the organization that it governs
- The evaluation is a great way to get all (board, staff, ED) on the same page regarding expectations
- The evaluation is the responsibility of the *entire* board
- The evaluation is often driven by any (or all) of these components:
  - ED Job Description (updated vs. the hiring document)
  - Annual performance objectives (expectations)
  - Achievement of operating plan and org objectives
  - Quality of relationship with staff, board and stakeholders
- Ideally, the evaluation is results-focused rather than subjective or personality-focused
- An ED can't fix what s/he doesn't know

## THE BOARD'S ROLE IN THE ED EVALUATION PROCESS

- The board sets the annual goals/expectations, reviews results and makes compensation decisions
- Evaluation responsibility is often in the hands of a smaller group or task force
- The board defines who will participate, e.g., staff, board, partners, stakeholders, etc.
- The board receives and reviews Exec Ltr and summary of all input; formulates BOD position re: merit increase, next year's goals, etc.

## PROBLEMS TO AVOID

- No set standards or expectations against which to measure performance
- Ratings that only measure popularity or personality rather than results
- Sharing an evaluation that only uses numbers or scores, e.g., 3.5 or 'Exceeds', without context or narrative comments
- A focus on recency, e.g., a grant awarded in the month prior to the evaluation, ignoring the other 11 months (Halo effect)
- Handing (emailing) the results to the ED without discussion
- Compensation decisions that contradict the "message" of the evaluation

## CONTENT AREAS TO CONSIDER

- Consider both *what* has been accomplished (operational or program results, fiscal and staff management, public relations, etc.) as well as *how* it has been accomplished (interpersonal relationships, personal qualities, leadership skills, etc.)
- Other areas:
  - Strategic focus
  - Agency culture
  - Agency performance
  - Board relations
  - Administration
  - Personal Leadership
  - External Relationships

# ED SAMPLE REVIEWS – YOUR THOUGHTS?



# QUESTIONS?

