

Strengthen Ties Between the Board and Executive Leader

An effective executive director or chief executive is crucial to a nonprofit's success. In turn, the executive leader relies on the board of directors or trustees to provide oversight and direction. A common way to do this is through a performance evaluation.

The benefits of evaluation

Board members might be uncomfortable evaluating the executive leader due to fear of conflict or lack of experience with the process. Still, it is a worthwhile task. An evaluation can:

- Strengthen the relationship between the board and executive leader
- Assess the leader's accomplishments
- Provide suggestions for improving skills or performance
- Justify adjustments to the leader's compensation
- Set new goals for the leader
- Measure progress toward organizational goals
- Identify challenges within the organization

Getting started

The first step is to create an executive evaluation policy. This policy typically explains:

- When and how often the performance evaluation will be done
- What criteria will be used to evaluate the performance
- How the findings of the evaluation will be shared and discussed with the leader

Evaluation is typically recommended at least annually. Many boards make the evaluation part of an annual overall organizational evaluation. This is helpful because organizational performance information can be used to measure the executive leader's performance. It also allows the board to set new goals for the organization and executive leader at the same time, which can then be reviewed at the next evaluation.

Whatever the timing, it is important to give the executive leader advance notice of the board's expectations and the criteria used for the evaluation.

Setting objectives and identifying feedback sources

To set objectives upon which to evaluate the executive leader, the board should review:

- The executive director or chief executive job description
- Relevant board policies
- The annual plan or strategic plan

These documents likely highlight areas of responsibility, major priorities related to your nonprofit's mission, limitations on certain financial and ethical practices, and organizational goals.

Next, you'll need to determine what information the board will use to assess the executive leader's performance. Options include:

- A self-evaluation
- Reports submitted to the board
- Information collected from staff, clients, members customers, funders, partner organizations, volunteers or other stakeholders (such as through surveys or anonymous feedback)

- Intermittent continuous observation of the executive leader by board members

You might ask your executive leader to help select the sources of feedback. Some organizations hire an outside consultant to collect this information.

Creating the evaluation

If you're creating a survey that monitors your executive leader's performance relative to his or her job description, you will likely want to ask questions that help you collect information on:

- Administrative and staff management
- Problem-solving and decision-making skills
- Leadership
- Business development
- Fundraising
- Risk management
- Relationships with the board, community, and public
- Planning and budgeting

You may ask open-ended questions or use a scale, with answers ranging from not applicable to outstanding. Keep your focus narrow to avoid overwhelming those you ask to complete the survey—and to make it easier for you to compile and analyze the data. You might consider asking another nonprofit for a copy of its review survey as a starting point.

Another option is to analyze the executive leader's performance results and give him or her a rating for each goal stated in your annual plan.

Some organizations also use the executive leader's job description and list of responsibilities to analyze strengths and weaknesses and note actions to support improvement.

Discussing the evaluation

Once you have compiled the evaluation information, discuss the findings and agree on a summary of the evaluation as a board before meeting with the executive leader.

Make sure your evaluation focuses on the leader's performance, not his or her personality, and includes both praise and concerns. Also, keep in mind any changes or challenges the executive leader might have experienced during the review period and how they might have affected his or her performance.

Next, determine which board members will meet with the executive leader. Consider putting one person in charge of keeping the meeting on track and making sure everyone has a chance to speak. During the meeting, review the executive leader's accomplishments and strengths and then move on to areas of concern and opportunities for growth. Use examples to support your points and be specific with any recommendations.

After the review meeting, a member of the board should write up the evaluation as a formal report and ask the executive leader to sign and date it (agreeing that he or she understands what the report states).

A performance evaluation poses a great opportunity to provide constructive feedback. It shouldn't, however, be the only feedback your executive leader receives. Maintaining close communication with your executive leader throughout the year can help keep him or her on track—and prevent surprises when the formal evaluation occurs.