

## Evaluating the Chief Executive and Getting it Right

by Suzanne M. Kearney, Executive Director

Most board members know it is their responsibility to evaluate their chief executive (aka President, Administrator, Executive Director, Director, CEO, Principal, Head of School), although they reluctantly admit that they often do not get around to conducting a formal assessment of performance. Yet there is a direct correlation between the effectiveness of the chief executive and the effectiveness of the organization/ministry. If the board wants to enhance the performance of the organization/ministry, clearly one route is to enhance the performance of the chief executive through regular evaluation and shared setting of annual objectives.

### What Is an Evaluation of the Chief Executive?

An evaluation of the chief executive is a board-run endeavor designed to fulfill its governance responsibility of ensuring that the chief executive is effectively meeting his or her responsibilities to lead the organization. Typically, only board members and the chief executive participate in this process, although the executive may want some others involved. If staff are included, it is important to analyze the board and staff responses separately so that the unique perspectives of each can be distinguished.

While the results of the assessment have clear implications for the chief executive's professional development and for decisions affecting executive compensation, it is primarily a vehicle for performance review. An effective evaluation will enable the board to answer the question, is the chief executive enabling the ministry to fulfill its mission and achieve its goals and objectives in a way that will ensure a vibrant future for the ministry? The outcomes of the process form the basis of the board's confidence or lack thereof in its leader and its determination of commendations and recommendations for the chief executive. Subsequent board actions should reflect this conclusion and chart a course for the next year.

### Why Don't Evaluations Happen?

There are many reasons why responsible boards fail to conduct formal evaluations.

- Board members are frequently uncomfortable offering criticism of a person on whom the ministry relies.
- The pressures of immediate issues and day-to-day activities leave little time to devote to the process.
- If evaluations are not regular occurrences, introducing the prospect may raise a red flag for the chief executive.
- Task-oriented Board members may resist devoting time to a process of this nature.

- Board members may lack the skills or tools to undertake effective evaluations.
- The ministry as a whole generally lacks formal policies and processes for evaluation of the board, trustees, the chief executive, and staff members.
- The Board itself may be dysfunctional and/or experience high turnover.
- People have not had good experiences with evaluations or do not see their value.

There are lots of ways formal evaluations can go terribly wrong.

- The evaluation is done out of context, i.e., evaluation is an isolated activity not grounded in regular communication that focuses on the entire ministry, of which the executive is one part.
- There is neither a job description nor annual objectives for the chief executive.
- The board does not make the effort to handcraft evaluation criteria, forms and process to fit its own circumstances.
- The board chooses to measure outcomes that have little impact on the mission of the ministry.
- The feedback is sugar-coated and therefore ineffectual; or concerns are expressed inappropriately and/or given undue weight.

The consequences of skipping the evaluation process are great. Lacking mutually defined objectives and open exchanges around expectations and priorities, the chief executive doesn't know what the board wants/doesn't want, likes/dislikes. This sets the board and the person on whom it relies on a potential collision course. On the other hand, the board does not have a shared assessment of the quality of leadership of its executive and the suitability of her/his leadership for the ministry in its current situation. The ministry loses either way. The board and chief executive need to be on a similar wavelength throughout the year in order to ensure that the evaluation process fulfills its purposes of performance improvement and professional development.

### Why Evaluate the Chief Executive?

The performance of the chief executive and the relationship between her/him and the board are critical factors in successful governance and fulfillment of the ministry's mission. A well-designed and implemented evaluation process can:

- Enable the board to meet its duty to effectively lead the ministry
- Ensure organizational goals are being met
- Allow the board and the chief executive to understand each other's expectations about performance issues
- Clarify boundaries of board and chief executive responsibilities
- Highlight areas where the board is insufficiently informed
- Identify areas for continued development of the chief executive
- Ensure a formal and documented evaluation process that meets standards of fairness and practicality
- Provide a written record of the board's impression of the chief executive's performance
- Mirror the board's expectation that the chief executive will ensure evaluation of other staff

#### **What Are the Key Steps in the Process?**

The process outlined below presumes that a position description is in place and that the parties are committed to open and honest communication. The key steps are to be done annually.

#### **1. Annual Objectives**

Working within the context of multi-year goals for the ministry, the board and the chief executive together must determine: what objectives must/can be accomplished during the next year; what roles both the chief executive and the board members are to assume in helping the organization reach these objectives; and what criteria are suitable to measure success.

Appropriate performance categories might include: board relations, organizational development, programs/services, finance, external relations and professional growth and leadership.

#### **2. Process Design**

Typically the Executive Committee or a board-appointed ad hoc committee is responsible for conduct of the evaluation. The chief executive works with the committee to design the process. The process addresses the timeline, persons to be included, forms/questionnaires to be used, oral and written reports, etc. Important elements include: appointment of evaluation committee, statement of agreed-upon performance objectives, written self-evaluation, feedback from all board members and others, executive session of the board, meeting

of the evaluation committee with the chief executive, and summary letter from the Chair to the executive. An interactive exchange will help to achieve consensus, understand better how each impacts the ministry and gain support for each one's contribution.

#### **3. Tips for Effective Implementation**

- Conduct the process in a manner that reflects CSJ values.
- Begin the process with mutually understood expectations for evaluation that are clearly articulated at the beginning of the process. These should be based on the job description, strategic plan, annual objectives and performance criteria.
- Strongly urge every board member to engage fully in the process.
- Allow between 6 and 8 weeks to complete the process.
- Keep in mind that a key purpose of the evaluation is performance improvement for the sake of the ministry.
- Ensure that the process is confidential for both board members and the chief executive. Performance issues are not public information.
- Getting it right is possible. Doing it is necessary. Strong leadership is a worthwhile outcome!

#### **Resources**

"Annual Evaluation of the Executive Director" on [www.boardcafe.com](http://www.boardcafe.com)

"Evaluating the Executive Director" by Terrie Temkin, October 2002

"Background and Things to Know about Assessment of the Chief Executive" on [www.managementhelp.org](http://www.managementhelp.org)

Glossary on [npgoodpractice.org](http://npgoodpractice.org)