

EVALUATION OF THE CHIEF EXECUTIVE OFFICER IN A NON-PROFIT ORGANIZATION

Introduction

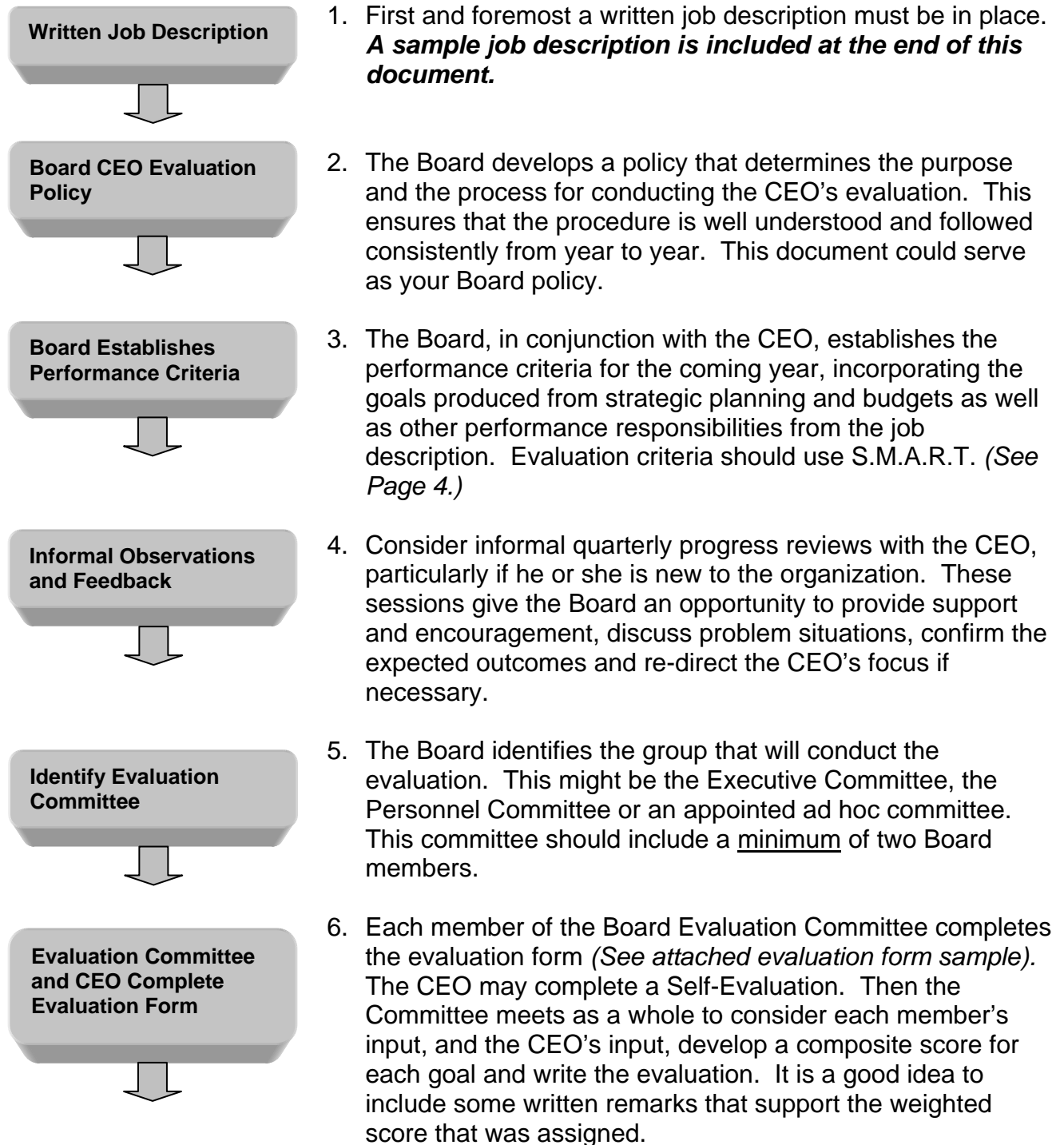
The Chief Executive Officer (CEO) is the single most important position in a non-profit organization. He or she is responsible for carrying out the strategic/operational plans and policies that are established by the Board of Directors and managing the organization. The CEO reports to the Board.

Evaluation of the Executive Director of a non-profit organization is the primary responsibility of the Board of Directors. There are several reasons why this is an important function of the Board:

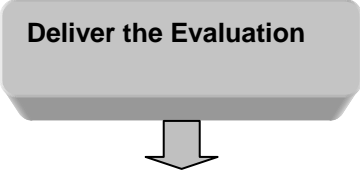
1. Understanding that the CEO is effectively carrying out the responsibilities put forth by the Board ensures that the Board is meeting its obligation to lead the organization.
2. It ensures that the organizational strategies and goals are being accomplished.
3. It allows for the continued development of the CEO to more effectively carry out the responsibilities of his or her position.
4. It capitalizes on a formal and documented process that meets acceptable standards of fairness.
5. It creates a written record of the Board's impression of the CEO's performance in the event that this information is needed for future use for salary increases or personnel actions.

Evaluation Process

The CEO is evaluated by referencing his or her progress towards the last fiscal year's organizational goals and the responsibilities defined on the job description. The following steps establish the sequence of activities toward that end and may need to be customized to meet the Board's specific requirements.



Deliver the Evaluation



7. A date and time for the evaluation is determined with the CEO. Allow at least one month notice so the CEO has adequate time to organize any supporting documentation the Evaluation Committee might require. The committee may opt to send the written evaluation to the CEO a few days prior to the evaluation meeting.

Prepare Development Goals



8. Plans should be made to address any ratings (*see sample of rating definition on sample evaluation form*) that fall below a “3” including the specific actions to be taken and expected dates for completion. Development Goals are prepared in conjunction with the CEO.

Evaluation Criteria: Be S.M.A.R.T.

Effective feedback is intended to make an employee aware of strengths and weaknesses and move in the direction of making positive changes in performance.

S.M.A.R.T. is an acronym that spells out the necessary ingredients for a goal to be well designed and delivered.

- **Specific:** *Is the target clearly stated?*
- **Measurable:** *What is the acceptable standard for achievement?*
- **Agreed:** *Do both manager and employee agree on the goals?*
- **Realistic:** *Is the goal reasonable or too aggressive?*
- **Time Related:** *Is there a time frame for completion?*

Consider the following examples:

Not Smart

S.M.A.R.T. Goal

Specific

Start an in-service education program.

Develop and present 2 in-service education programs on leadership skills for managers. Implement a mentoring plan to review/assess learned skills on a quarterly basis with managers and resolve problem areas.

Specific, Measurable, and Time-Bound

Develop a fundraising plan.

Raise a minimum of \$5,000 over the next 12 months. Select a team of 4 people that I will lead to accomplish this. Hire a consultant to provide the training for the team within the first quarter.

A lot of mutual dialogue and clarification is needed to determine whether or not a goal is **realistic**. Sometimes some convincing is necessary to assure either the manager or the employee that a goal is, indeed, attainable. Including a little “stretch” can be a good thing, particularly for high performers who enjoy a challenge.

Guidelines for Effective Feedback

- Take a mental picture of the behavior to be discussed. Use specific words to describe it, but avoid being judgmental.
- Take ownership and talk only about what you have observed. Leave hearsay out of the conversation.
- Maintain body language and vocal tone that invites discussion.
- Discuss only one issue at a time. Anything more can be overwhelming.
- Be prepared, but don't write a script; rigidity can undermine good discussion.
- Address issues in a timely fashion. Don't "stockpile" feedback for once or twice a year discussions.

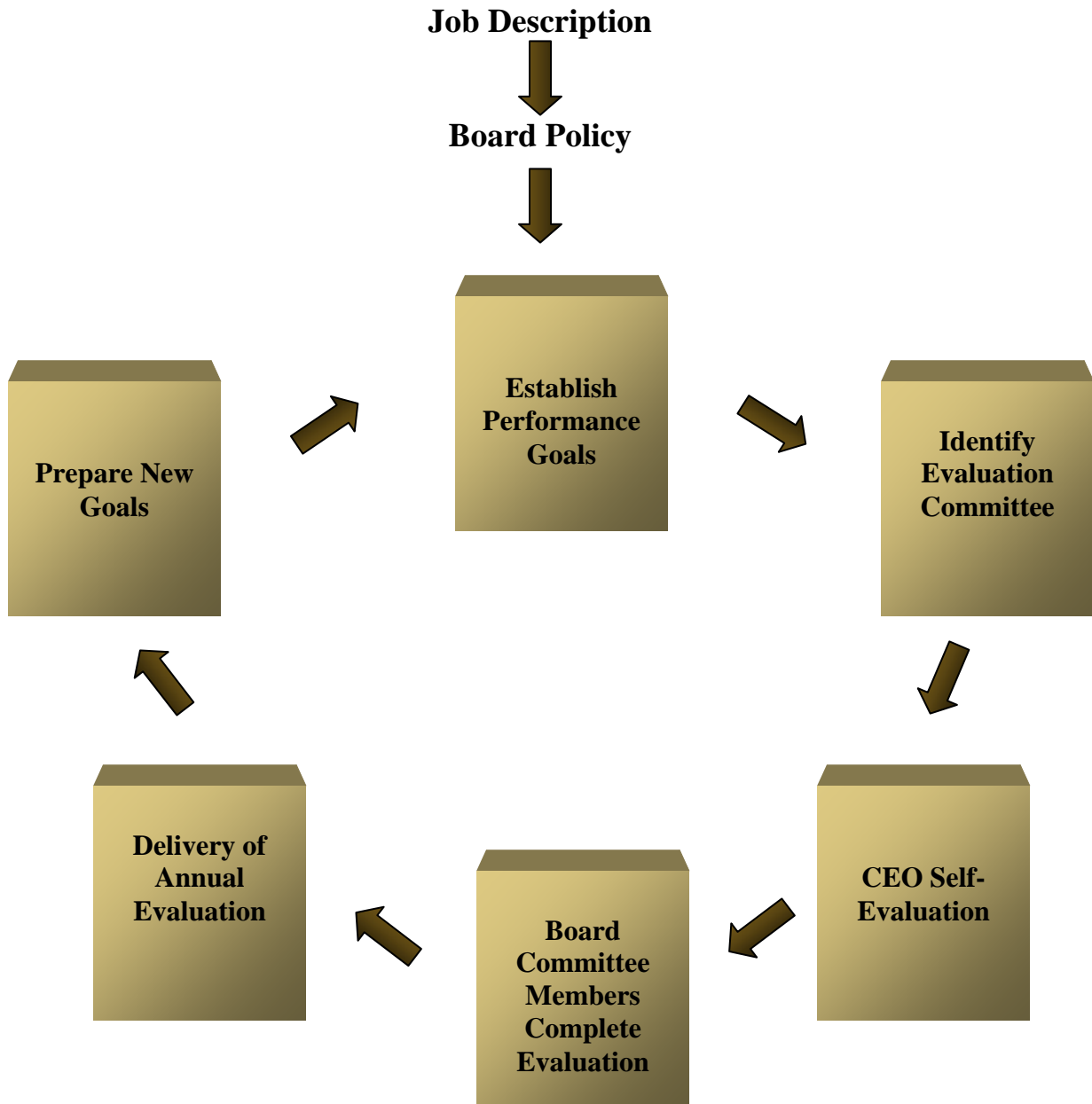
Responsibilities of the CEO

The knowledge, skills and abilities assigned to the CEO's role may vary depending on the mission and size of the organization. However, if an organization is to be successful, the CEO must give time and attention to ***strategic planning, financial oversight, internal business processes, employee growth and development, customer relations, and the impact of the organization on society***. Typically, the responsibilities of a CEO include the following:

1. ***Leader:***
 - Provides for the motivation of employees in the delivery of the organization's programs and services
 - Promotes the organization to stakeholders and the community
 - Creates implements and evaluates strategic and financial goals
2. ***Visionary:***
 - Assesses the future for change opportunities
 - Makes sure the Board and staff have current and sufficient information
 - Serves as the interface between the Board and employees as well as the organization and the community
3. ***Decision Maker:***
 - Views problems as opportunities and facilitates a constructive, organized process to resolve them
 - Guides staff action in operations activities
4. ***Manager:***
 - Oversees operations
 - Manages directly or indirectly the financial, physical and human resources of the organization
5. ***Board Developer:***
 - Assists in the selection, orientation and evaluation of Board members
 - Acts as an advisor to the Board
 - Formulates policies and recommendations
 - Works with the Board to develop the organization's strategic plan
 - Supports the Board's evaluation of the CEO

A sample job description can be found on Page 8.

CEO EVALUATION PROCESS



Sample Job Description

Chief Executive Officer-Nonprofit Organization

Job Title:	Chief Executive
Purpose:	<ul style="list-style-type: none">– Implements the strategic goals and objectives of the organization.– In collaboration with the Board Chairman, enables the Board to fulfill its governance functions.– Provides direction and leadership toward the achievement of the organization’s mission and vision.– Works to model and instill the values of the organization in all employees.
Reports To:	The Board of Directors
Education and Experience:	Bachelor’s Degree in management or a related field is required; Master’s Degree preferred. A minimum of two years of management experience.
Personal Attributes:	Possesses the ability to speak/deliver presentations effectively; fosters open communication that leads to cooperation and teamwork; values diversity; conducts self with confidence and integrity.
Major Functions/Accountabilities	<ol style="list-style-type: none">1. <u>Leadership</u> Advises and informs Board, interfaces between Board and staff. Works with Board to develop a strategic plan; implements annual operating plan.2. <u>Financial Oversight</u> Recommends annual budget and conducts operations within those parameters; oversees the planning and implementation of fund-raising activities, including researching funding sources, developing strategies to approach funders, submitting proposals, and maintaining records.3. <u>Program Management</u> Oversees the design, promotion and delivery of quality programs and services; benchmarks and conducts customer satisfaction surveys to monitor quality and develop improvements in the organization.4. <u>Community and Public Relations</u> Assures that the organization, its mission, programs, and services are consistently presented in a strong, positive image to relevant stakeholders5. <u>Human Resources</u> Effectively manages the human resources of the organization according to authorized policies and procedures that conform to current laws/regulations. Provides learning and development opportunities for staff and self.

Chief Executive Officer Evaluation

Sample Form

Employee: _____
Position: Chief Executive Officer
Period Covered: _____
Board Evaluation Committee Members (Optional)

Review of Results: Referring to the job description or the list of principal accountabilities for which results are to be reviewed, briefly summarize the results in each area, identifying those which exceeded expectations as well as needed improvements. Rate each accountability using the following ranking scale:

- 1 = Clearly below acceptable levels. Consistently fails to meet most job expectations.
- 2 = Inconsistent in meeting expectations. Fails to meet some essential goals.
- 3 = Consistently meets performance expectations. Well developed in position.
- 4 = Exceeds at least 50% of defined performance expectations.
- 5 = Consistently exceeds 90% or more of defined performance expectations. Performance is obviously exceptional.

Space is provided for written comments in the "Performance Results" section of each accountability.

A specific weighting factor is assigned to each accountability to denote its priority status. Multiply each ranking by the accountability's weighting factor and enter the number in the rating space.

The **Overall Performance Rating** is determined by adding all of the accountability ratings together.

1. **ACCOUNTABILITY: Leadership Competencies**

Outcome Measures: Develops self and others, maintains effective communications, teamwork and relationships with Board and staff, advocates for the organization, and fosters commitment to the organization's mission and vision. Works with the Board to develop Strategic Planning and implements Annual Operating Plan.

Performance Results:

Accountability Weighting: _____ % X **Ranking Score** _____ = **Rating** _____

2. ACCOUNTABILITY: Financial Oversight

Outcome Measures: Develops and stays within realistic budgets, maintains necessary cash flow, conducts quarterly operations capital reviews, maintains successful audit outcomes, orchestrates fundraising activities.

Performance Results:

Accountability Weighting: _____% X **Ranking Score** _____ = **Rating** _____

3. ACCOUNTABILITY: Program Management

Outcome Measures: Formulates policies and planning recommendations to the Board, guides actions of staff in operations, resolves problems that stand in the way of effective program maintenance and development, program evaluations demonstrate effectiveness.

Performance Results:

Accountability Weighting: _____% X **Ranking Score** _____ = **Rating** _____

4. ACCOUNTABILITY: Community and Public Relations

Outcome Measures: Has a clear mission and strategic plan in place and completes goals, supports the Board in the selection, orientation and evaluation of Board members, supports the Board evaluation process for the CEO.

Performance Results:

Accountability Weighting: _____% X **Ranking Score** _____ = **Rating** _____

5. ACCOUNTABILITY: Human Resources

Outcome Measures: Effectively manages the Human Resources of the organization according to authorized policies and procedures. Provides learning and development opportunities for self and staff.

Performance Results:

Accountability Weighting: _____% X **Ranking Score** _____ = **Rating** _____

OVERALL PERFORMANCE RATING: _____

DEVELOPMENT GOALS:

CEO COMMENTS:

Signature of CEO

Signature of Chairman of the Board

Date