NONPROFIT BOARD/CEO PERFORMANCE

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Why evaluate?

- Good governance increases mission impact
- Good governance doesn’t just happen
- Evaluation = good governance tool
  - Support & evaluate the chief executive – to ensure CEO has professional support to further the organization’s goals (#3)
  - Build a competent board – ID skills needed, orient new members, and evaluate performance (#8)

-From Ten Basic Responsibilities of Nonprofit Boards, BoardSource
Evaluation benefits

- Individual sense of purpose
- Clarity re key goals
- Strengthens board/CEO partnership
- Increases accountability
- Facilitates organizational & professional development
- Ensures effective leadership

Key ingredients

- Balance trust & support w/ accountability
- Include board & CEO perspectives
- Objective, but acknowledge intangibles that contribute to organizational success
What does it look like?

Evaluation strategy

Part 1

- Board/CEO complete survey
- Review results w/ CEO
- Results presented to board (closed session)

Part 2

- Review CEO compensation
- Make recommendation to full board (closed session)
- Confirm package in writing to CEO
- Recommend goals to CEO for further discussion
- Board committees & members asked to submit goals for coming year
Evaluation tips

- Separate evaluation process from salary negotiations
- Invite Board/CEO to write self-evaluations as part of the process
- Expect all board members to complete the survey candidly and promptly
- Review results with entire board

Evaluation timing?

- Start of fiscal year: Set goals
- Mid fiscal year: Review goals, Make mid-course corrections
- End of fiscal year: Conduct evaluation & approve CEO compensation, Approve next year's budget
Evaluation tools

- Board job description
- CEO job description
- Annual
  - committee goals
  - CEO goals
  - Individual board member goals
- Board/CEO evaluation survey
- Board evaluation report
- Strategic plan

Why resistance?

- Concern re negative judgment
- Apprehension about process & consequences
- Wary re confidentiality & peer comparison
- Discomfort with change
Possible obstacles

- Lack understanding of purpose
- No consensus
- "If it's not broken…"
- Believe will upset board balance
- Don’t know how
- Concern re cost
- No time
- Struggling w/ crisis
- “Been there, done that…”

Overcoming obstacles

- Commitment
- Process
- Planning
- Competency
- Cost
- Accountability
Overcoming obstacles

- **Commitment**
  - Articulate & commit to a goal
  - Ensure confidentiality
  - Get consensus

- **Process**
  - Designate a board leader
  - Research & find the right tool
  - Determine how to incorporate individual board member evaluation

- **Planning**
  - Devote adequate time
  - Commit to discussing the results

Overcoming obstacles

- **Competency**
  - If first time or desire to improve process, consider:
    - Ad hoc committee
    - Board training re giving feedback
    - Outside consultant to facilitate discussion & support self-evaluations

- **Cost**
  - Can be done in-house @ no cost
  - If use outside support, budget expense + seek foundation grant to conduct

- **Accountability**
  - Keep written record of evaluation on file
  - Create follow-up plan to ensure board + individual recommendations/goals are implemented
  - Solicit feedback from board/CEO on how to improve process
Key elements for success

- Organizational readiness
  - Commitment & prep
  - Mandate to improve
    - market
    - mission
    - management
- Internal champion
- Culture of change

If you build an assessment culture
Questions?

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