

2015 Institute for Trustees

A constructive and practical guide to evaluating your executive director's performance

Workshop Leader: Gayle L. Gifford, ACFRE

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Topics

- The problem with performance evaluations
- Re-orienting to collaborative learning
- Start at the beginning – agreeing on a job plan
- Getting feedback year round and all around
- Holding the conversation
- Asking for help

About the presenter

Gayle L. Gifford, ACFRE, is President of the consulting firm, Cause & Effect Inc.® A



nationally respected consultant, writer and trainer, Gayle has over 25 years of experience in building nonprofit capacity in governance, strategic and business planning, fund raising, facilitation, program development, and communications. Gayle's work to strengthen nonprofits is fueled by her passion for a greener, more just and peaceful world.

Author of *How to Make Your Board Dramatically More Effective, Starting Today*, Gayle writes, blogs and tweets on nonprofit governance, strategy and fundraising. She is a contributor to multiple books on nonprofit management and governance. Gayle is an adjunct instructor at Brown University and previously at Simmons University.

Gayle's nonprofit clients have ranged from the grassroots to international, including the Salem Athenaeum, the House of the Seven Gables Settlement Association, Essex National Heritage Area, May Institute, and PLAN International.

Gayle serves as Vice Chair of the board of WaterFire Providence and President of the board of Blackstone Academy Charter School. Gayle is one of the just 102 fund development professionals worldwide who have achieved the ACFRE advanced fundraising credential awarded by the Association of Fundraising Professionals.

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You can also sign up for her free enewsletter at www.ceffect.com.

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*When confronted by conflict, confusion or criticism, ask yourself:
Where is the gift in this? Adapted from The Tao of Personal Leadership*

Reasons not to do standard performance reviews.

- Everyone hates them.
 - Negative feedback drowns out positive feedback – we're hard wired that way.
 - Most reviews focus on deficiencies rather than strengths.
 - They are done "to us."
 - All reviews are subjective.
 - Boards don't want to do them or have the time - according to *Dare to Lead*, just 45% of Executive Directors have had a review in the last year.
 - Too often the review is entirely the perspective of the Board Chair, with limited input. The rest of the board has no idea of what is being conveyed or negotiated.
 - We all think we are above average anyway.
 -
-

Some reasons to do a formal performance evaluation.

- Executive Directors want feedback and most are interested in learning.
- Boards are sometimes delusional about their CEOs as managers and leaders.
- Getting input from multiple constituents is valuable.
- At least there is once a year where feedback is exchanged.

Before you start – everyone pulls in the same direction.

- Establish a policy aligned with your values and strategic objectives.
- Start with clear goals and objectives, mutually created – a Job Plan (similar to Peter Drucker's *Manager's Letter*).
- Confirm all with the board and the CEO.

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Re-orient to collaborative learning.

- Flip the power dynamic – CEOs become active participants, if not the leader, of their own feedback loop.
- Establish objectives in advance, through Job Plan.
- Use a dashboard based on key organizational performance indicators year round
- Exchange feedback, regularly and year round.
- Incorporate coaching.
- Eliminate rating numbers.
- Design toward inquiry.
- Analyze results with an eye to future performance.
- Incorporate review agreements into a revised Job Plan.

Create a Job Plan

- Written by the CEO, discussed with and approved by the board annually.
- Linked to your strategic plan and other vision documents.
- Establishes standards for success in outcomes, key relationships, and leadership qualities.
- Becomes the standard for asking for constituent feedback.

Elements of the Job Plan include:

- Mission statement for the CEO
- What success looks like – choose your timeframes
- Describes the characteristics of key relationships
- Outlines time to priorities
- Identifies professional development plan

See Appendix for Sample Job Plan

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Some questions for self-evaluation

Taken from *Appreciative Inquiry Commons*

1. How am I doing? Considering all of my objectives, what am I proud of, what have I accomplished, what am I doing that works?
2. What contributed to my successes? What enabled me to do my best work?
3. How have I changed over the last year? What has helped me improve?
4. What do I want to do more of, do better or do differently in the coming year to be more effective? Which of these are my priorities?
5. What is it that I want to accomplish? Which of these are my priorities?
6. What do I need from the board?
7. What support is available within our organization to achieve this? What resources do I need from outside our organization?

Collecting performance feedback

- Consider different collectors, at different times. e.g. Leadership Practices Inventory, employee climate survey.
- Decide if 360
- Identify the who – e.g. Executive director, board members, staff, community leadership, donors
- Co-design what you want or need to know
- Use online surveys, interviews to collect data

Areas with more “objective” measures:

- Financial management
- Revenue development success
- Program objectives
- Adherence to policy
- Internal controls
- Assigned task completion
- _____
- _____

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Some people and items for feedback

From board members:

- Nature of relationship with ED, e.g. collegial, supportive, inspirational
- Information flows, e.g. timely, sufficient, meaningful, truthful
- Use of directors as volunteers, e.g. level of engagement, appropriate, meaningful
- Issues presented to board, e.g. strategic, relevant, important, forward looking
- ED interpretation of his/her management authority
- Leadership
- Community relations and public comport, as witnessed directly by board members
- Adherence to organizational values, ethics

From staff:

- Clear expectations
- Articulation of strategic plan, organizational values
- Observed relationship with clients
- Training and support for individual performance
- Quality and timeliness of feedback
- Openness to input, level of engagement
- Effectiveness of delegation
- Adherence to organizational values
- Leadership

From community:

- Nature of relationship
- Demonstration of leadership
- Representation of organization
- Fulfillment of partnerships

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Include the full board

- The content of performance reviews should be shared with and agreed to by full board, before any discussion with the CEO.
- The results of any conversation with the CEO should be shared with the full board.
- I recommended two HR talented leadership board members participate in the discussion.
- I also recommend that Board Chairs refrain from supervising or managing the CEO.

Rules for feedback

- Be specific, never generalize.
- Directed toward behavior a person can do something about.
- Use inquiry to understand.
- Describe facts, observed behavior, impacts and desired outcomes.
- Give feedback on concerns, and success. But not at the same time.
- Well-timed.
- Do it regularly.
- Be ready to receive feedback back.

Coaching principles

- Create a safe and trusting place for exploration.
- Focus on the needs and wants of the person being coached.
- Act as a sounding board, with a focus on inquiry, to enable the person being coached to develop his/her own thoughts, ideas, solutions.
- Be neutral, non-judgmental and supportive.
- Focus on action and systems for moving forward.
- Model what you coach.

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Compensation and Performance Evaluation

- Decide whether to link compensation adjustment to performance review.
- Establishes a board-designated Compensation Committee.
- Ensure total executive compensation will meet “reasonable” test of IRS and public, researched and documented. Assess internal equity.
- Establish board-approved compensation policies, remember to include compensation philosophy\strategy, conflict of interest and travel and expense reimbursement policies
- Board approves ED compensation level on some regular review schedule.
- Bonuses: criteria established in advance, not percentage, not purely related to financials.

When to ask for outside help

- When you don't have any experience in the board.
- When you have no one to manage the process.
- When you need legal advice, e.g. in advance of an adverse action.
- To move you along faster.
- To coach you in giving feedback.
- _____
- _____

What's good for the goose is good for the gander

- Boards should conduct their own self-evaluation, and solicit feedback from the Executive Director as part of that evaluation.

Personal Reflection for Executive Directors

**Who knows others is clever,
Who knows him/ herself has insight.**

**Who conquers others has force,
Who conquers him/ herself is truly strong.**

Tao Te Ching by Lao Tzu, 33, Adapted translation from John Wu

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SAMPLE EXECUTIVE DIRECTOR JOB PLAN

Mission of Your Organization:

[state here]

Executive Director Mission Statement:

As the Chief Executive Officer, I mobilize our many resources to achieve our vision and fulfill our mission.

Chief responsibilities:

In partnership with the board, staff and our community, I am the chief staff champion of the vision of the change we are working to achieve in our community and the role our organization plays in achieving that vision. I am accountable for delivering on board approved outcomes, securing necessary resources, ensuring wise stewardship of those resources, enabling staff and volunteers to achieve their highest potential in furtherance of our mission, building strong and lasting community support, planning for the future, and upholding our values and the highest ethical standards in the execution of my duties.

What success looks like – tied to strategic plan outcomes:

Twelve months from now:

- * Ensured the highest quality service to 1,000 constituents.
- * Rolled out our new service program.
- * Completed a comprehensive evaluation of the impact of our core programs.
- * Grown annual operating revenues by 10% and increased reserves by 5%.
- * Revitalized the volunteer program in alignment with our human resource plan.

Three years from now:

- * Completed the redesign of programs to achieve our desired results.
- * Completed our geographic expansion to serve three new communities.
- * Successfully met the goals of our growth campaign.
- * Completed the renovation of our facility and investment in additional organizational capacity.
- * Efforts underway to increase bequests, planned and large gifts

Ongoing responsibilities

I am accountable to the Board and responsible for the execution of all matters pertaining to the administration of our organization including program delivery, fundraising, financial planning and management, capital development, human resource development, workforce diversity, inclusive

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workplace, policy development, public and government relations, facilities management and all other operations of our organization.

Description of Key Relationships

- * **Clients.** We exist to serve our clients. I ensure that clients are treated with respect by staff, board, volunteers and other visitors to our facility. It is my responsibility to create a nurturing and caring atmosphere for everyone we serve and to deliver what we have promised. I welcome and act on feedback from clients.

- * **Staff and volunteers:** It is my responsibility to develop and lead a highly qualified, diverse, motivated and innovative staff, management structure and volunteer workforce, dedicated to achieving our mission and serving our clients with empathy and respect. Critical to my success as the CEO are a highly functioning team of staff and volunteers committed to personal and professional development who fulfill their responsibilities and take pride in their work. I empower staff and volunteers with the training, feedback, information, cultural competencies, resources and technical knowledge necessary to achieve board-mandated outcomes. I hold staff to the highest standards while treating them with respect, fairness and dignity.

- * **Donors:** Without the support of the community, we would not exist. It is my responsibility to engage current and potential donors in the future of our service and our organization, building their awareness of the many ways that our organization can help fulfill their dreams, operating ethically and in the best interests of our donors, ensuring the wise stewardship of donors and their generous contributions, and providing donors with acknowledgement, information and recognition of their support in a way that builds lasting relationships.

- **Board of Directors:** My success depends on a strong partnership with the Board and directors to continue building an organization that fulfills its mission and is worthy and trustworthy of community support. I seek a collegial partnership with the board in developing and implementing our vision, mission, values and outcomes.
I welcome and expect timely feedback from the board on my performance, in accordance with outcomes as mutually set forth in this job plan. The board informs my work through written policies adopted at board meetings, which it may change as appropriate. As long as I use any reasonable interpretation of those policy directives, I am authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities not otherwise the responsibility of the board. In turn, individual directors will respect director/staff boundaries by refraining from directing me or the staff outside of board meetings or board-designated committee meetings. In those interactions, directors will act only as advisors or volunteers to support staff efforts.

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I communicate to the Board in a timely and sufficient manner to keep the Board informed and prepared for its own work. I keep the Board informed of relevant trends, anticipated media coverage (positive or adverse), material external and internal changes, particularly changes in assumptions upon which any board policy has been or is being established.

I will bring to the board my analysis of changing situations and recommendations for enhancements, suggest corrective action in a timely manner on any actual or anticipated non-compliance with any policy of the Board allowing sufficient time for the Board to consider corrective action.¹

- * Other community Stakeholders: Our mission success and continued organizational health necessitate that we are perceived as a vital provider of services and partner to our community. I will develop informed and collegial relationships with elected officials and related government employees, with civic, faith-based and community organizations, with the media, and with professional colleagues. I will be an active participant in our community on matters that have impact on our continued success.

Personal development plan – organization supported:

- I will continue to enhance my CEO skills and competencies. I will seek more training on director/board relations and financial planning. I will enroll in the ABC Leadership program.
- I will increase the technical expertise I need to lead the development of a strong fund development program, concentrating on improving my skills in major gift solicitation and donor cultivation.
- I will also continue to strengthen my expertise around local and national issues and trends relating to our mission and to our partnership with our national colleagues.

Support plan:

- There are currently ___ FTE staff with a total personnel cost of \$_____. I have full authority within the budget to retain or reconfigure staffing as needed to meet my annual and long-term results.
- My operating budget for the coming year is \$_____.

Guidelines for Allocation of Time to Priorities (first year)

- | | |
|--|-----|
| • Donor and prospect cultivation, solicitation and stewardship | 25% |
| • Community and stakeholder outreach and engagement | 25% |
| • Human resource management | 15% |
| • Budgeting and other executive director functions | 10% |
| • Planning and research | 10% |
| • Board activities (not included elsewhere) | 15% |

¹ Language in this section has been adapted from Reinventing Your Board, J. Carver.

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Resources:

There are dozens of Executive Director performance evaluation questions available online. Search: Executive Director review questions. I prefer questions that are correlated with the job plan and appropriate to the audience.

BoardSource.org offers a downloadable .pdf for \$20/\$30 dollars Assessing and Supporting Your Chief Executive: A Board Source ToolKit.

*The Executive Director's Guide available from Third Sector New England. TSNE.org. *An oldie but goody, an excellent overview of the Executive Director job.**

*How to make your board dramatically more effective, starting today. By Gayle L. Gifford. Available through www.contributionsmagazine.com. *How can you evaluate your Executive Director if you don't know your own responsibilities as a board?**

*The Answer to How is Yes or Stewardship by Peter Block. *Must reads for any executive director.**

*Boards that Make A Difference or Reinventing your Board by John and Miriam Carver. *While this can be dense, it offers the best description of delegation and policy making by boards that I have encountered.**

*The Leadership Challenge by Kouzes and Posner. *A classic on the five principles of exemplary leadership.**

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