

# Marion Conway Consulting Newsletter

Consultant to Nonprofits

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## Time for the CEO or Executive Director's Annual Performance Review by the Board

Hiring, goal setting, evaluation, compensation and firing the Executive Director of a nonprofit are all responsibilities of the Board. According to the 2007 BoardSource Nonprofit Governance Review, 74% of nonprofit Boards give their ED an annual review. My guess is that the percentage is lower for small organizations and Founder led organizations. But the Boards of all organizations have a responsibility to provide this oversight. This article provides some basics for establishing a formal evaluation process for your ED.

### Set Goals for the Coming Year as Basis for Evaluation

You should always start with what were the goals for the year as the basis for evaluation. Even if the Board did not set goals, most EDs start the year by sharing their goals with the Board so I am going to assume you have something to start with. On a going forward basis part of the evaluation process should be for the Board to set goals for the coming year. If you have a Governance or Board Development Committee they can lead the process.

### Getting the Input you Need to Develop the Evaluation

Ask the ED to provide a report of accomplishments as they relate to goals and other information s/he thinks should be included in the review. You will also want to get the input of Board members in order to develop the evaluation. I have reviewed several ED evaluation questionnaires and my favorite is the one from Board Cafe. The evaluation form is broken into categories - Program Development and Delivery, Financial Management and Legal Compliance, Fundraising, Administration and Human Resource Management, Community Relations, and Relationship with the Board. When I have used this tool, we added Strategic Direction as a category since there were major strategic issues that should be an important part of our ED's evaluation. You may have other adaptations that are important for your organization.

The questionnaire is comprehensive but it is multiple choice (excellent, satisfactory, unsatisfactory and don't know) and doesn't take that long to complete. Ask the executive committee (Board Officers) and the ED to review the questionnaire and suggest any changes. They may have particular results they want to have evaluated by Board members. The multiple choice format makes it easy for Board members to complete but you also want to get as much open ended feedback as possible – for the past and coming years. This can be accommodated by two simple questions:

- 1) Add your comments. Provide examples for anything exceptional that should be included in the performance review. Add specific comments for anything you have checked as unsatisfactory.
- 2) Are there specific performance objectives which you would suggest for this year?

## Bits and Pieces

### Visit Marion's Blog!!

The featured article in this newsletter was inspired by my 100<sup>th</sup> post on my blog on the same subject. Other topics on recent posts include ideas for 2008 resolutions for nonprofits, visionary leadership and updates on online giving opportunities.

### Technology for Nonprofits Online Seminars Coming Up

These hour and a half online seminars by Idealware are well worth the \$40. Get details at [Idealware.org](http://Idealware.org)

2/7 Choosing eNewsletter Software

2/14 Choosing a Low Cost Constituent Database

### Need a Keynote Speaker ?

Marion is now available as a keynote speaker. Since I am still new at this - but I do have experience - I am offering this service at a bargain rate. Give me a call to discuss the possibility - we may just be a match!

### Marion's Workshops

See Page 2 for details

3/5 Strategic Planning

11/5 Visionary Leadership

### Governor's Office on Volunteerism Conference

Save the Date - May 28th

The questionnaire should be distributed only to Board Members who were active during the year being reviewed. This is a very important caveat in seeking input for the review.

**Preparing the Written Evaluation**

The results are summarized and the executive committee meets to prepare the formal review. The summarized data is very helpful in seeing the strengths and weaknesses as a composite and capturing a summary of what the Board sees as the goals for the coming year. The ED should not get a copy of the raw data. The data is analyzed and used by the Board to develop a meaningful review. The review should cover results, leadership skills and personal qualities such as integrity and commitment. An example of format for a written review is:

- Summary of Strengths and Weaknesses (Or Areas Needing Improvement)
- Discussion on each major category assessed by Board Members
- Overall statement of performance
- Goals for the coming year
- Recommended Professional Development (ex. Leadership, Interpersonal or Financial Skill)

**Delivering and How to Use the Evaluation**

Once the executive committee completes the written evaluation either they or the Board Chair meets with the ED and delivers the review. At the review the Chair and ED both sign two copies - one for the ED and one for the Board.

An evaluation developed and delivered this way is not punitive nor just "You do a great job - just keep doing what you have been doing" fluff. It is an important process whereby the Board takes stock of how things are going and the ED gets important formal feedback about the Board's satisfaction with his or her work. It is an opportunity to take the time to formally praise the ED for accomplishments, establish and reinforce what the Board's priorities are and let them know what areas you think they need to improve. The evaluation can be used to set compensation and recommend professional development activities.

This open, honest, comprehensive approach to developing and conducting an ED evaluation is not hard to do and can reap strong benefits in establishing a professional board-staff relationship. Nothing is as important in developing a trusting relationship as having honest dialogue.

*Marion*

**References/Resources**

**Articles with Performance Evaluation sample:**

**Board Cafe**

<http://compasspoint.com/boardcafe/details.php?id=74>

**Berkeley Developmental Resource**

<http://www.bdrconsultants.com/>

*Plan Your Board Retreat Now!*

**Workshops Led by Marion Conway**

Strategic Planning for Nonprofits	March 5
Visionary Leadership	November 5
Offered by the Volunteer Center of Bergen County	
Location: 64 Passaic Street, Hackensack	Cost: \$45
Registration:Tess Tomasi 201-489-9454ext.114 or ttomasi@bergenvolunteers.org	

**Workshops and Board/Staff Retreat Facilitation on these subjects is available.**

Board Development	Strategic Planning for Nonprofits
Planning a Board Retreat	Board Recruitment
Visionary Leadership	Nonprofit Lifecycles
Benchmarking for Nonprofits	Understanding Technology