

Step-by-step Performance Review Process for Agency Chief Executives

SUGGESTED GOALS OF THIS PROCESS:

- 1) To provide useful feedback to the chief executive about how her/his actions affect stakeholders.
- 2) To provide useful feedback to the Board about how its actions affect the chief executive in her/his work.
- 2) To provide guidance to the chief executive from the board as the governing body of the organization.
- 3) To provide the opportunity for ongoing, focused, two-way conversation between board and chief executive about the future of the organization.
- 4) To provide documentation of non-discriminatory reasons for any negative action the board may ever have to take with respect to the chief executive's employment.
- 5) To provide part of the information needed to make rational decisions about the chief executive's continued employment and compensation.

STEP 1: Board chair or board itself appoints a person, committee, or work group (hereafter "committee") to lead the process.

TIP #1: This *must* happen near the beginning of the chief executive's job performance year, not near the end of it.

TIP #2: The board chair or the full board *must* give the committee a written charge. This should include the goals of the process (suggestions appear above).

STEP 2: Committee plans its year-long process; this includes a schedule of events for the job performance year and target dates for each event. The committee notifies the board of the process or requests board approval of it.

STEP 3: During the month after the performance year ends the chief executive submits 1) a report to the committee on progress on goals and objectives for the previous year, 2) proposed goals and objectives for the upcoming year, and 3) any salary or benefit requests for the upcoming year.

STEP 4: The committee seeks anonymous feedback from board members. The names of persons providing the feedback are not disclosed to the chief executive without authorization.

TIP: The Human Services Coalition has a sample survey of board members.

OPTION: The committee may also wish to secure feedback from staff and community stakeholders. The Human Services Coalition can provide contact information for facilitators who can manage a staff and/or community feedback process in a professional manner. The Coalition can also provide sample staff surveys. The committee should not simply hand the chief executive the raw

results of this survey – the committee should take these results, discuss them with the full board if at all possible, and make well-reasoned judgments about what the chief executive should hear and she s/he does not need to hear.

CRITICAL TIP: The most common single mistake non-profit boards make when they evaluate the chief executive is to hand the chief executive the raw results of this feedback and ignore the outcome of the chief executive's work on agreed-upon objectives. Do not do this. Make thoughtful decisions about which feedback comments deserve to be included in the committee's discussions with the chief executive and to be included in the performance review; and always pay close attention to the outcome of the chief executive's work to achieve agency objectives.

STEP 5: The committee reviews all the information received, develops 1) a *draft* performance review of the chief executive, 2) proposed goals and objectives for the upcoming year, and 3) proposed salary or benefit changes, and submits all of these to the chief executive for review.

STEP 6: The committee discusses all three of these proposed actions with the chief executive, hears her/his feedback, and then finalizes a set of recommendations to the Board of Directors.

STEP 7: The board reviews the committee recommendations, amends them if necessary, and takes final action on a performance review, goals and objectives for the upcoming year, as well as any salary or benefit changes.

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