

Week 3

# Supporting and Evaluating Performance

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Leadership Certificate for Nonprofit Chief Executives

# We're Back!



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## Certificate for Nonprofit Chief Executives Webinar Series Resources

## Week 1

For content related questions please contact the BoardSource Knowledge Center: [we](#)

- [This week's slides \(PDF\)](#)
- [This week's recording](#)

## Recommended reading

- [Week 1 Reader](#)

## Optional reading

- [Topic Papers](#)
  - [Board Dynamics and Processes – FAQ](#)
  - [Boards that Micromanage](#)
  - [Chief Executive Job Description](#)
  - [Chief Executive Performance Evaluation](#)
  - [The Role of the Board Chair](#)
  - [John Carver's Policy Governance Model](#)
- [Publications](#)
  - [Ten Basic Responsibilities of Nonprofit Boards](#)
  - [ePolicy Sampler – Chief Executive \(Word Doc\)](#)
  - [ePolicy Sampler – Communications \(Word Doc\)](#)
  - [ePolicy Sampler – Mission-Related Issues \(Word Doc\)](#)
  - [ePolicy Sampler – Ethics and Accountability \(Word Doc\)](#)
  - [The Source: Twelve Principles of Governance That Power Exceptional Boards](#)

## Have questions?

Contact Justin Wood, Governance Program Manager at [Justin.wood@boardsource.org](mailto:Justin.wood@boardsource.org)

# Week 2: Recap

## Board Recruitment and Composition

- Active role identifying and vetting prospects

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- Form follows function
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- Invest in well-crafted agendas
- Evaluate

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## Ensuring Financial Stability

- Engage board members as individuals
- Board and staff each have a role to play

# Chat Question

What have you decided to do as a result of the material covered in week two?



# Week Three Learning Objective

## Supporting and Evaluating Performance

Describe the Chief Executive's role in developing future board leadership and identify 1-2 ways to do so.

# Week 3 Agenda

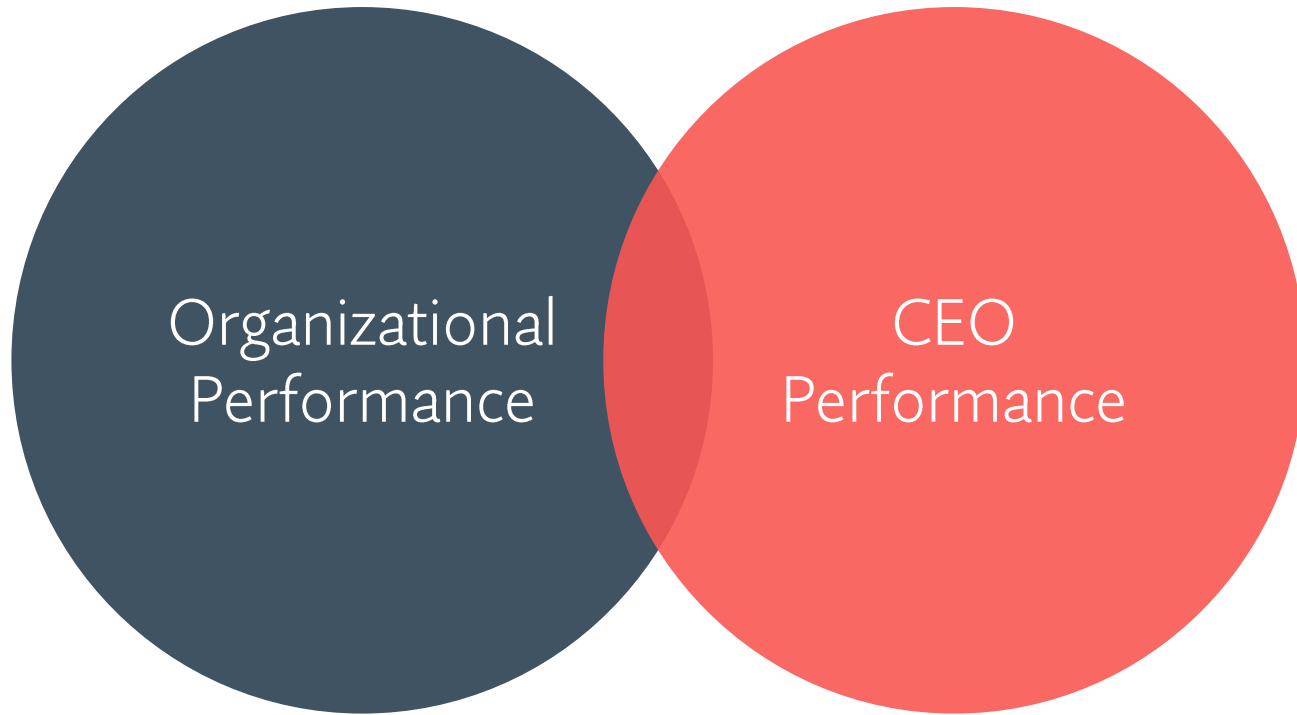
## Supporting and Evaluating Performance



Organizational  
Performance

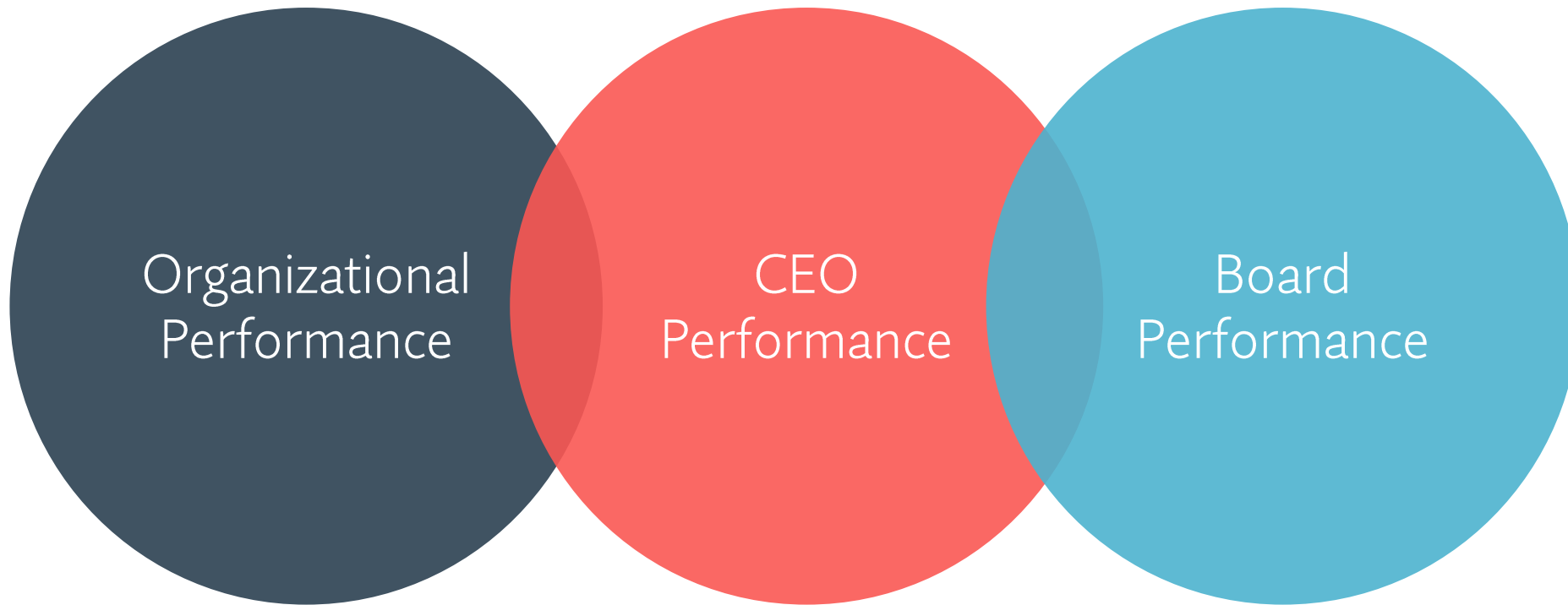
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## Supporting and Evaluating Performance



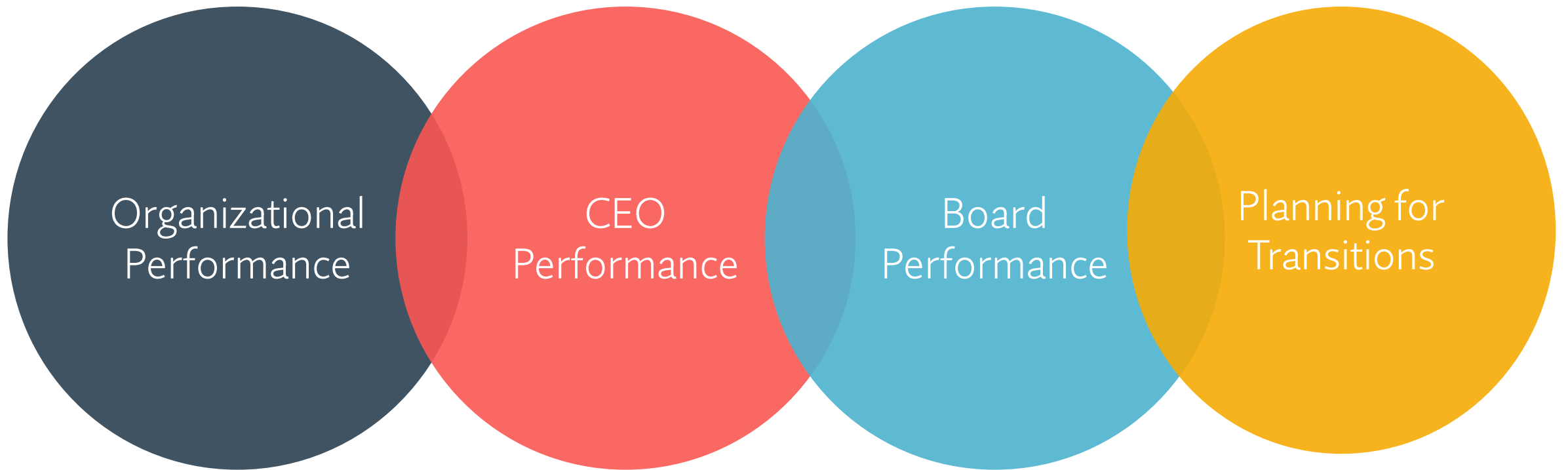
# Week 3 Agenda


## Supporting and Evaluating Performance



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## Supporting and Evaluating Performance



A background image showing a group of business professionals in a meeting. A woman in the center is holding a tablet, and a man to her right is pointing at the screen. Other people are visible in the background, slightly out of focus. The entire image has a blue tint.

# I. Organizational Performance:

*Ensure the Quality and Effectiveness of Programs*

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# Poll Question:

## My board's knowledge of our mission and programs:

A.

Is on par with that of senior program staff

B.

Is not identical to staff knowledge, but is appropriate to fulfill their governance responsibilities

C.

Is less than ideal, but is/has been moving in the right direction

D.

Leaves something to be desired

E.

N/A

# Survey Data: Board Performance in Monitoring Programs

Average grade from executives on boards' knowledge of programs: B

62% of boards ensure that programs/impact is assessed

67% of boards are good (A or B grade) at adopting & following a strategic plan



Management is closer to programs, operations and the field than the board, which poses an opportunity for education and dialogue.

The board should play a substantive role with management in developing, approving, and supporting organizational strategy.

LWI 2017 Data



# The CEO's Role in Assessing Organizational Performance



## Listen

Listen to key constituents to understand expectations

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Develop a logic model or theory of change that explains organizational goals and use evaluation data to inform decisions

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Allocate sufficient resources to measure success and track changes and provide digestible information to the board

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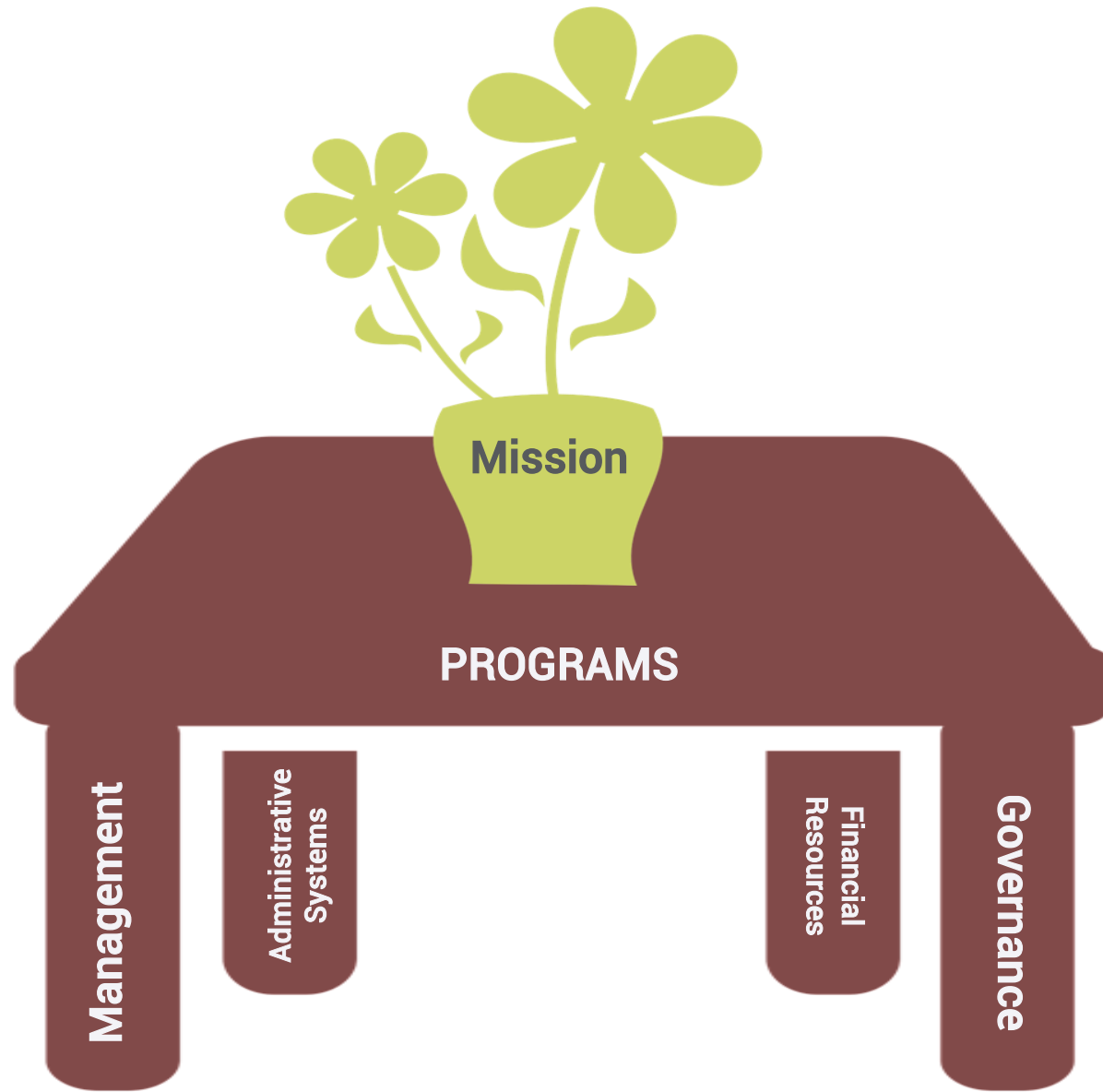
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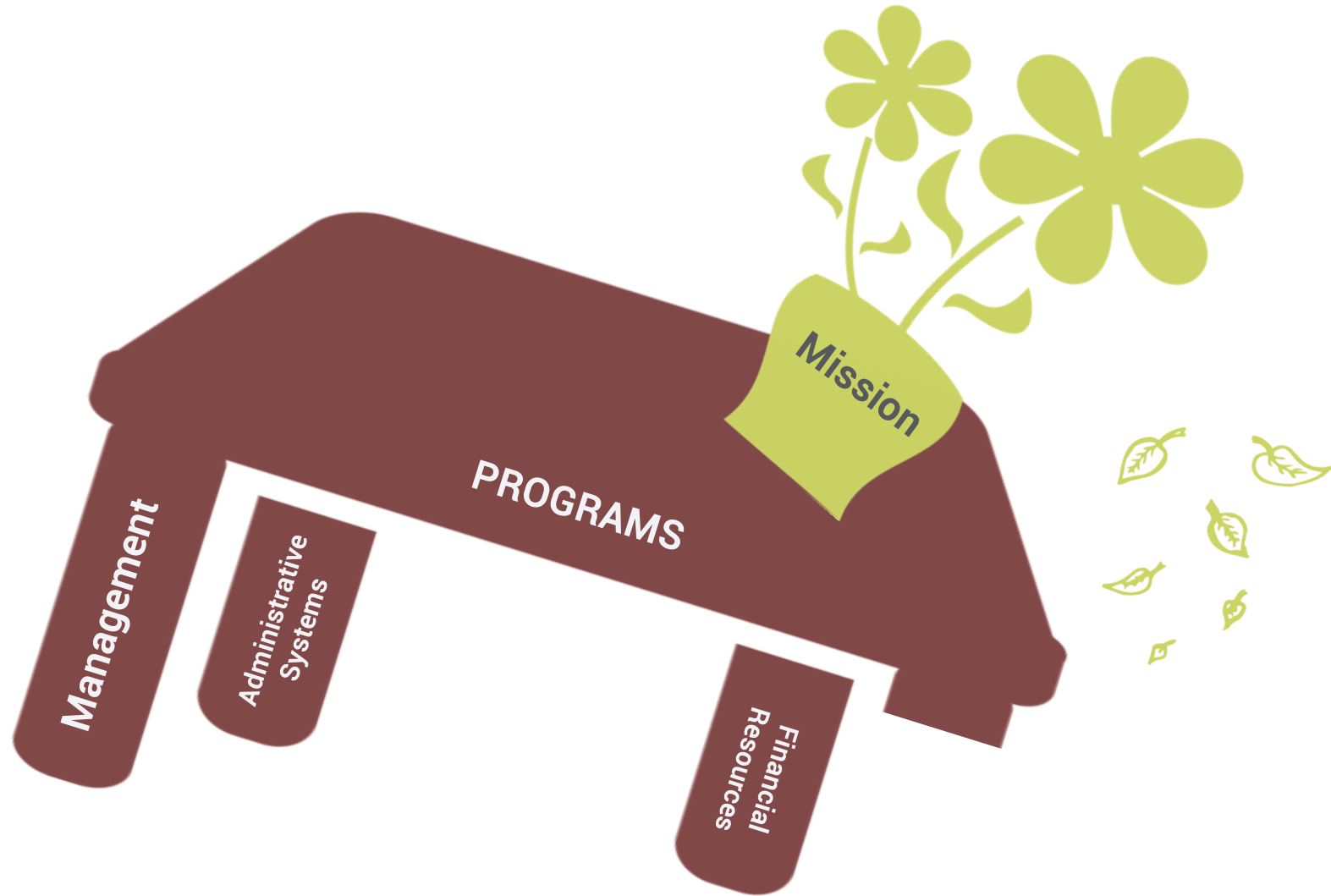
Allocate sufficient resources to measure success and track changes and provide digestible information to the board

## Frame discussions

Help the board frame periodic discussions about program effectiveness



\*Susan Kenney Stevens



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# Ask The Right Questions

## Fiduciary Thinking (What)

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What is our capacity?

What does success look like?

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# Ask The Right Questions

## Fiduciary Thinking (What)

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What is our capacity?

What does success look like?

## Strategic Thinking (How)

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How does this serve our mission?

How does it fit our strategic goals?

## Generative Thinking (Why)

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Why is this important right now?

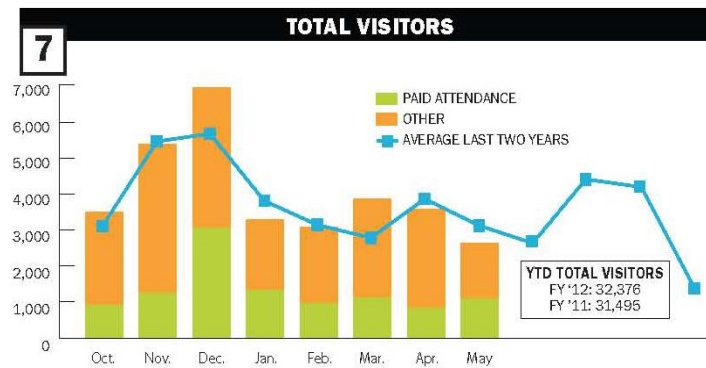
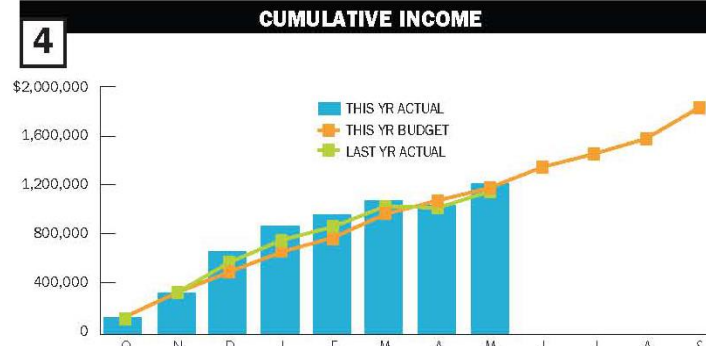
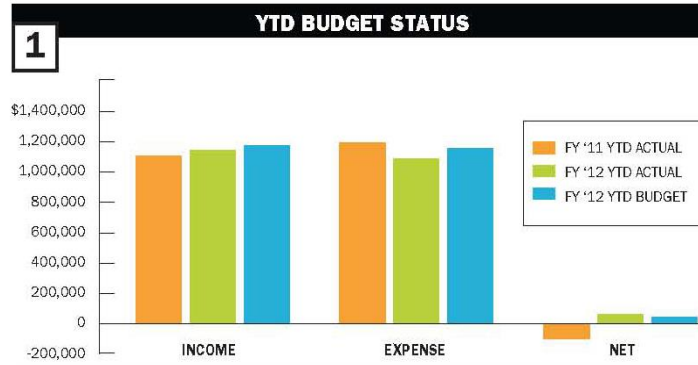
Why should we consider other options?

## Benefits

- Saves time
- Tracks progress
- Sheds light on system dynamics
- Points up potential problems
- Reveals patterns
- Expands comfort zones
- Develops a shared knowledge base
- Focuses information
- Reinforces board oversight

### GRAPHIC DASHBOARD

Sample Art Museum  
Monthly Status Report May 2012

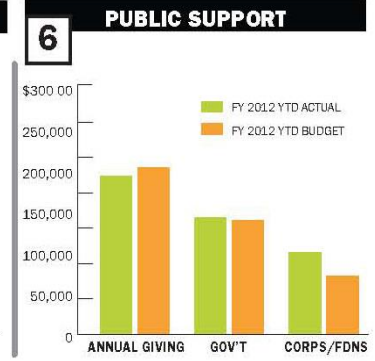
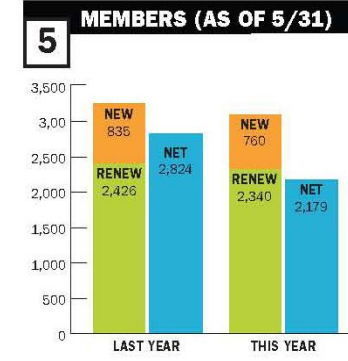
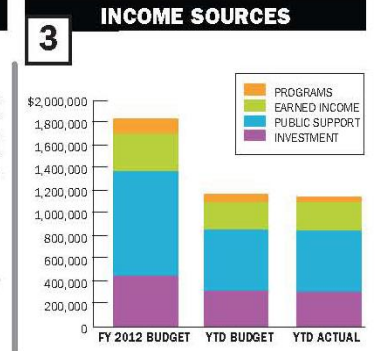


#### 2 SUPPORTING DATA

YTD \$	2011 ACT	2012 ACT	2012 BUDGET
INC	1,099,550	1,146,569	1,174,845
EXP	1,193,264	1,090,188	1,162,444
NET	(93,714)	56,380	12,401

#### INCOME SOURCES

PROGRAMS	2011 ACT	2012 ACT
EARNED INCOME	234,157	250,450
PUBLIC SUPPORT	542,129	543,725
INVESTMENTS	303,940	303,940



#### HIGHLIGHTS

**5** MEMBERSHIP: Total membership declined by 161 since last year – or 4.9%. More troubling is that over twice as many members lapsed during this period – 921 compared to 437. Had the lapses remained constant, our membership would have grown by 9.9%

**1** BUDGET STATUS: Income is ahead of last year but below budget. By controlling expenses, YTD net is significantly greater than last year and almost 5x this year's budget.

PROGRAMS: The African-American Art Exhibition was a critical and financial success drawing large numbers of visitors – especially in March – and greatly improving our outreach.

# Chat Questions

With respect to sharing program data with board members....

- 1 What do you find easiest to convey?

# Chat Questions

With respect to sharing program data with board members....

- 1 What do you find easiest to convey?
- 2 What do you find hardest to convey?

A photograph of two business professionals, a man and a woman, looking at a tablet together. The man is on the right, wearing glasses and a dark suit jacket over a light shirt. The woman is on the left, wearing a dark blazer. They are in a modern office setting with large windows in the background. The image has a blue tint and a semi-transparent white text overlay.

## II. CEO Performance: *Benchmarking and Rewarding Performance*

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# Leading with Intent 2015 Data: CEO Assessments

CEO performance reviews include a formal, written evaluation

83%

Invite feedback from senior staff

75%

Gather feedback from the full board

50%

CEO performance review is shared with the full board

75%

# Importance of CEO Assessment

*“CEOs who have formal performance evaluations are more satisfied with their jobs.”*

Express support and appreciation

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Express support and appreciation

CEO performance affects organizational performance

Regular, planned feedback is preferable to reactive or change-induced feedback

Neglect can be costly

TOOL

# CEO Cycle of Assessment

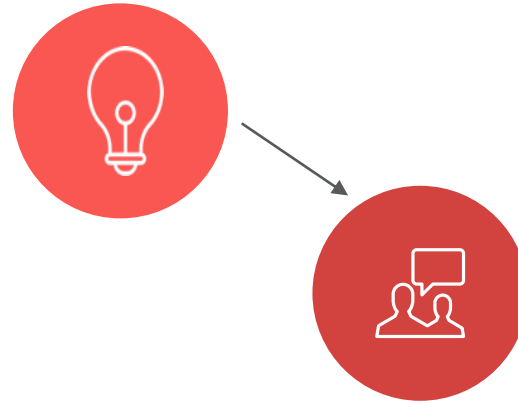
Develop a written job description



TOOL

# CEO Cycle of Assessment

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Discuss organizational expectations for the year

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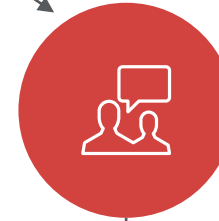
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Set individual performance goals

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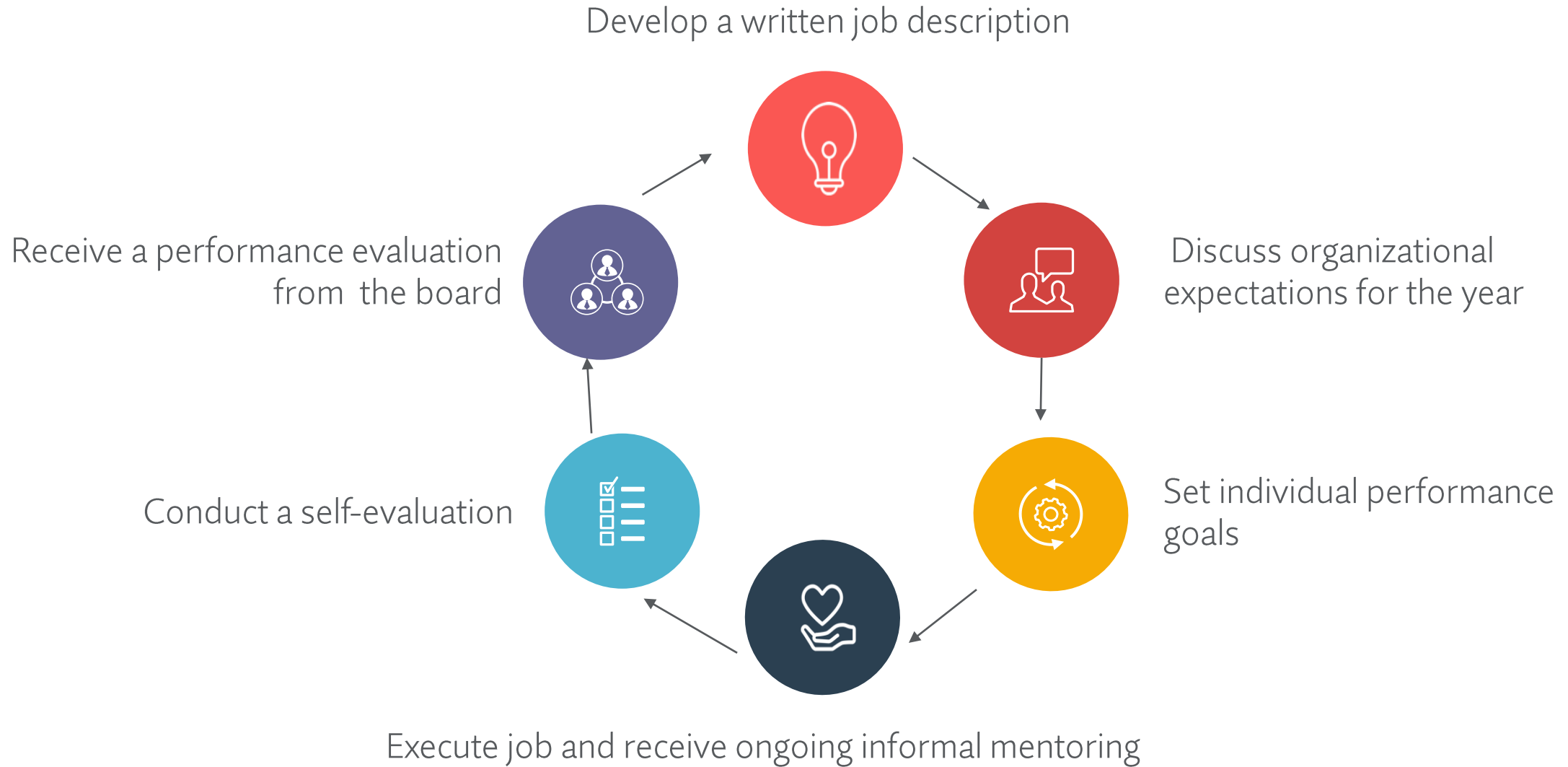


Execute job and receive ongoing informal mentoring

# CEO Cycle of Assessment



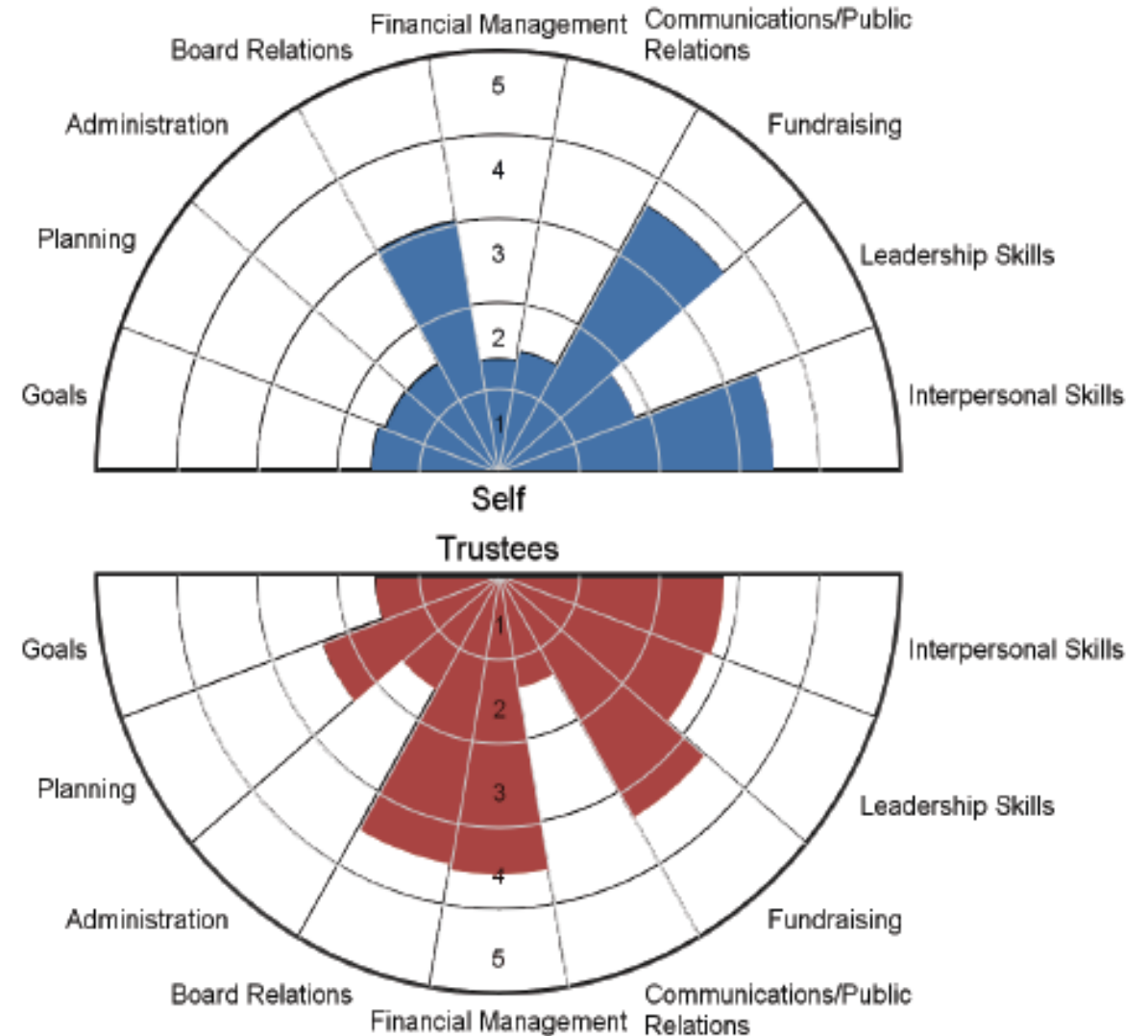
# CEO Cycle of Assessment





## Categories for CEO Assessment

1. Annual goals
2. Planning: Vision, Mission, and Strategies
3. Administration
4. Board Relations
5. Fiscal Management
6. Communication/Public Relations
7. Fundraising
8. Leadership Skills
9. Interpersonal Skills



# III. Board Performance

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# Leading with Intent 2017 Data: Board Self-Assessments

Boards that have conducted a board self-assessment recently **45%**

Boards that have never conducted a board self-assessment **42%**

Large organizations that have undertaken a board self-assessment **63%**

Small organizations that have undertaken a board self-assessment **35%**

# Importance of a Board Self-Assessment

A photograph showing a group of business professionals in a meeting. One person is pointing at a tablet displaying a bar chart, while others look on. There are also printed documents with various charts on the table.

## Boards That Have Done A Board Self-Assessment Report:

- Higher performing boards
- Better board orientation
- Greater board engagement

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## Boards That Have Done A Board Self-Assessment Report:

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## Benefits

Structured self-reflection allows board members to:

- judge their collective performance
- understand the extent of their individual responsibilities
- take action to improve board performance

# The CEO's Role in Board Self-Assessment

By virtue of their role with the nominations or governance committee, the CEO might:



Work with the  
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Support the planning of a board retreat

# Tools for Higher Board Performance



Governance Dashboard: to track board impact

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Board Self-Assessment survey that includes full board and individual board member self-evaluation

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Board Development Action Plan

# Video – Value of a Board Self-Assessment



Link to the video at: <https://www.youtube.com/watch?v=bsONgs18bT4&feature=youtu.be>

## Additional Tools in Reader

### SAMPLE TOOL MINI BOARD SELF-ASSESSMENT SURVEY

Review the list of basic...  
does a good job in an an

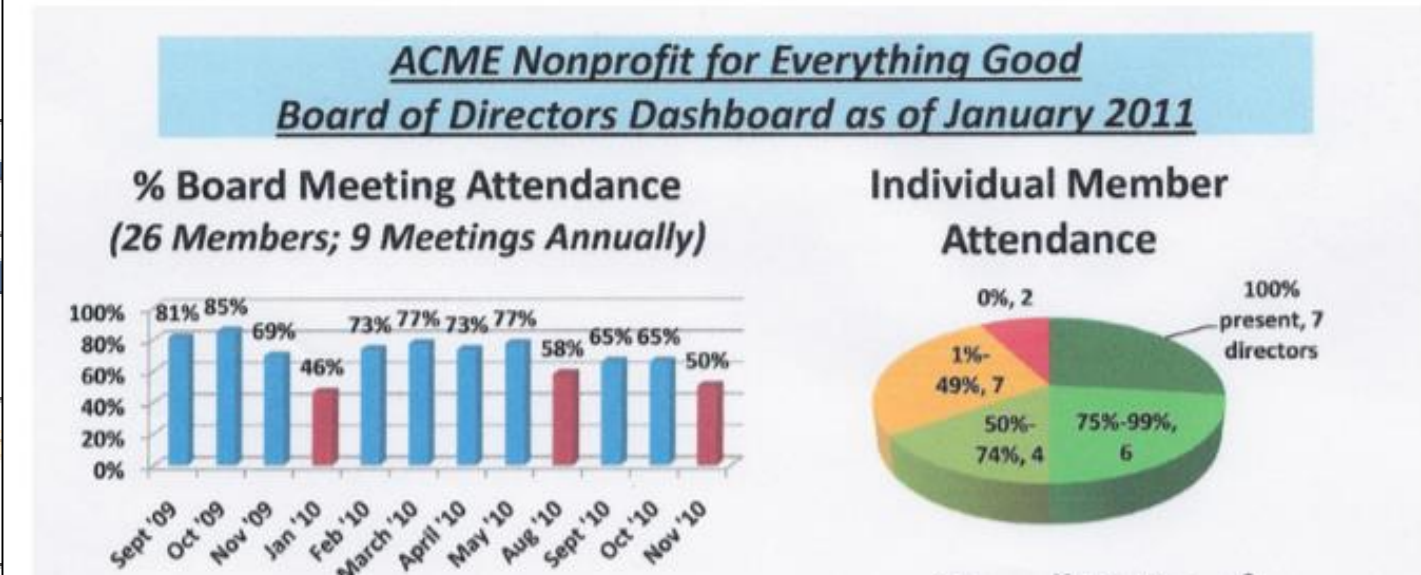
<b>Organization's Mission</b> Do we use it as a guide Does it need to be revis
<b>Strategic Planning</b> Do we have a clear sens Have we established me
<b>Program Evaluation</b> Do we have criteria for
<b>Financial Resources</b> Do we understand the c Do all board members p
<b>Fiscal Oversight and E</b> Does the budget reflect Do we have a firm unde

### SAMPLE TOOL INDIVIDUAL BOARD MEMBER SELF-EVALUATION FORM

Use the following questions for individual board member evaluation. Board members answering yes to these questions are likely to be fulfilling their responsibilities as board members.

1.	Do I understand and su
2.	Am I sufficiently knowl and services?
3.	Do I follow trends and organization?

### SAMPLE TOOL BOARD OF DIRECTORS DASHBOARD



# IV. Planning for Transitions

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# Board Leadership Transitions

Despite many boards having term limits, officer succession planning is still a vexing challenge for **50%** of boards

LWI Data  
2015



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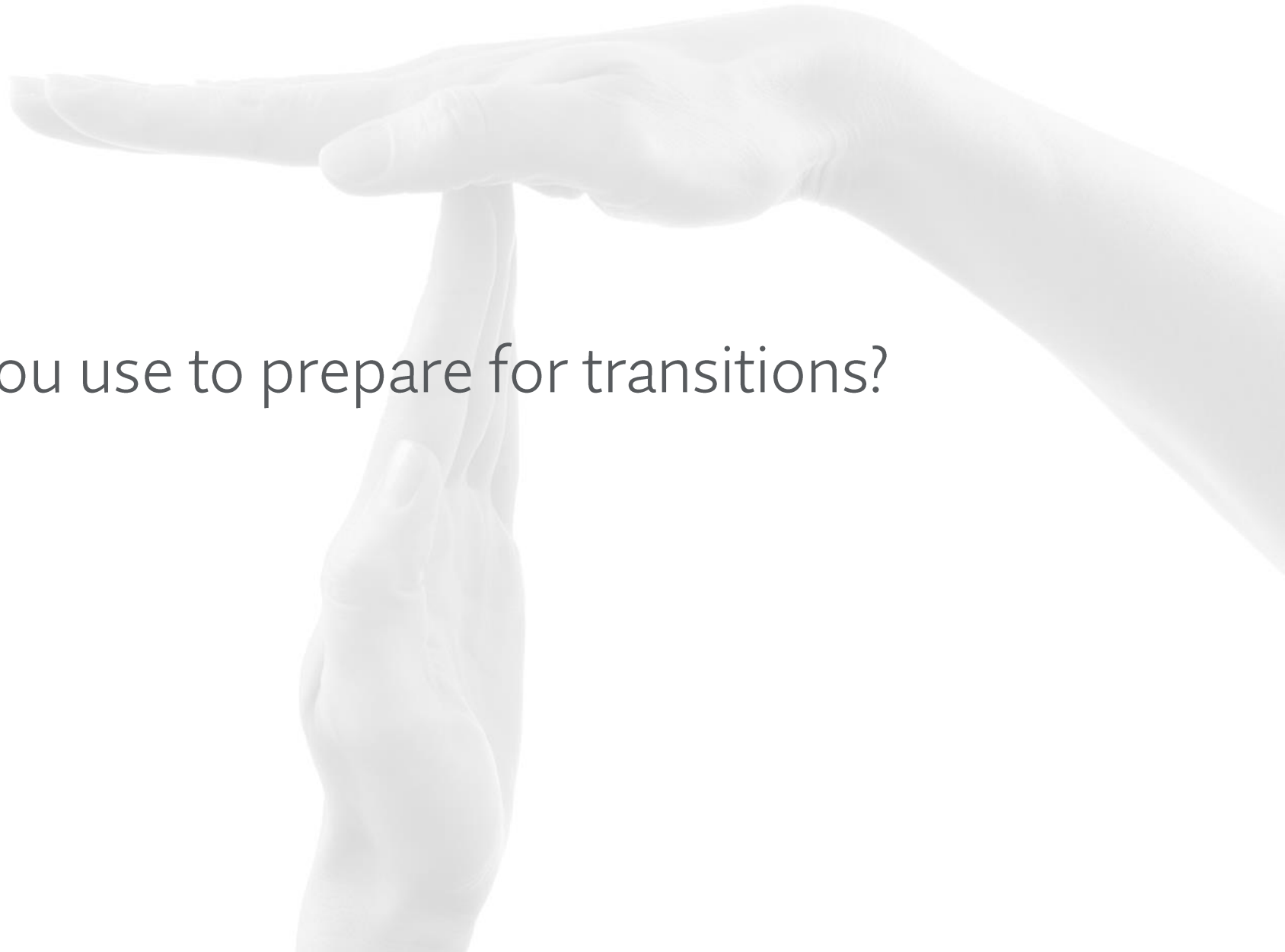
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Effective board leadership contributes to strong board performance in terms of internal and external functions

# Chat Question

What strategies do you use to prepare for transitions?



# The Chief Executive's Role in Planning for Transitions

## Board Chair Transitions

- Keep an eye on promising board members that might be well-suited for future leadership
- Offer up potential candidates to the nominating or governance committee
- Together with the current Board Chair, discuss the realities of the commitment with potential board chair

# The Chief Executive's Role in Planning for Transitions

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## Chief Executive Transitions

- Assist the board in understanding the Chief Executive position
- Initiate or support the development of an emergency transition plan
- Establish an evaluation process for the Chief Executive
- Use board-self assessment to ensure the board is capable of addressing transitions



# Board Chair Responsibilities

## HANDOUT INDIVIDUAL BOARD CHAIR RESPONSIBILITIES

### 1. Build Participation

Share information with officers, committee chairs, and others in leadership positions.  
Create a relaxed, natural environment in meetings and other exchanges.

### 2. Acquire and Communicate Information

Stay informed.  
Keep others informed.  
Communicate accomplishments and failures in a concise manner.

### 3. Evaluate Performance

Encourage the board to assess its performance.  
Coordinate and participate in the performance evaluation of the chief executive.  
Recognize good performance.

### 4. Delegate

Know the board's role and the staff's role, and delegate accordingly.  
Expect reports and periodically assess progress.  
Share the credit and share the risk.

### 5. Raise Funds

Be a role model for staff and other board members.  
Provide leadership in activities and events.

# Wrap up and close

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## Week 3: Recap



**Boards are responsible for assessing organizational performance. They can achieve this by monitor programs and services, providing an annual CEO Assessment, and undertaking a board self-assessment every couple of years.**



**Boards need to plan for both board officer and CEO transitions. Succession planning should be an ongoing activity focused on finding the best person for the job.**



Thank you and Congratulations!

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