



It's Lonely at the Top:

Why Board Assessment of the Chief Executive is Critical to the Executive's — And the Organization's — Success

The selection of the chief executive is among the most important responsibilities of the nonprofit board. Boards take great care — and invest significant time and resources — to establish search committees, identify the skills and experience the ideal candidate should possess, and conduct the interview and selection process.

Once the "perfect" candidate is found and hired, however, these critical conversations about the expectations for the chief executive's performance often stop — and the chief executive is deprived of the feedback needed to be successful in his or her leadership role.

There are many reasons why boards should conduct the periodic assessment of the chief executive. But in our work, three stick out:

It's lonely at the top: The executive's position within the organization, with no peers and no direct supervisor, makes it difficult for him or her to obtain honest feedback to use as a basis for improving performance. "What am I doing well?" and "What can I do better?" are questions that effective leaders want to know — but that often go unanswered. The assessment process provides one of the few opportunities the executive has to obtain insight into his or her strengths, limitations, and overall performance.

If only I'd known: Here's a common refrain I hear from many chief executives: "If I had known they expected that, I would have focused on it!" Boards must clarify their expectations for the chief executive. If the chief executive and the board have not agreed on the executive's priorities for the year, the executive establishes his or her own priorities, which may not be aligned with the board's. Conflict is sure to follow. The assessment process provides the board and chief executive with an opportunity to discuss and agree upon the executive's priorities for the year ahead — as distinct from the organization's priorities — and helps to ensure that everyone shares common expectations for performance.

A chance to say "Well done": The assessment of the chief executive is not intended to be a "gotcha" moment. While some may consider the purpose of assessment to find fault or problems, most boards enter

the process with a positive outlook and a desire to strengthen the performance and effectiveness of the chief executive — thereby strengthening the organization as a whole. In many cases, the outcome of the assessment is a strong endorsement of the executive's performance, which serves to re-energize the chief executive and affirm that he or she — and the organization — is headed in the right direction.

By failing to adequately evaluate the chief executive, many nonprofit boards miss an opportunity to ensure that performance expectations between the board and chief executive are clear, to strengthen his or her performance, and to express support for the executive. Neglect can be costly, resulting in mistrust, strained working relationships, ongoing poor performance, and even turn-over.

Given its importance, why is the assessment of the chief executive so often neglected? Among the most common reasons we hear from boards include:

- "It requires too great a commitment of time and energy. Let the next board chair deal with the performance issues."
- "Why open a can of worms when things seem to be going along okay?"
- "I don't feel comfortable giving the executive feedback. After all, he (or she) is more of an expert than the board on the organization's issues."
- "Board members have different assessments of the chief executive's performance. The process would likely trigger conflict among the board that I'd prefer to avoid."

In addition to board reluctance, some chief executive's don't push for having an assessment because they:

- "Don't really want the feedback."
- "Don't think that the board has the information to fairly assess me."
- "Don't want the board to begin micro-managing me."

But most often, boards simply don't know where to begin. While it may sound like a cliché, as the ancient saying goes, "A journey of 1,000 miles begins with a single step." Here are the step-by-steps boards and chief executives should follow on the assessment journey.

1. Agree to conduct the assessment. As obvious as this may sound, the assessment process can be a stressful experience for the person being assessed — especially if it comes as a surprise. The assessment process can be initiated by either the board or the chief executive. No matter who starts it, everyone involved needs to be informed. The board and the chief executive should have an opportunity to discuss the assessment. When possible, the chief executive should have input into the design of the process.

2. Decide how the assessment will be conducted. One size does not fit all when it comes to assessing the chief executive. Some boards hold interviews with every board member to obtain input. Others use surveys that ask board members to rate performance in specific areas. Open-ended questionnaires provide another vehicle for board member input, though they require more effort on the part of board members in both responding to the survey and summarizing the findings. The best assessment process is the one that fits the needs and culture of your organization.

3. Agree on what will be asked. The board (or subgroup of the board), along with the chief executive should develop the assessment questions and ensure that they are relevant and appropriate to the organization. The chief executive's job description and annual performance goals are the place to start. The questions should focus on the chief executive's annual goals, his or her core roles and responsibilities, and the personal leadership skills that the board and executive feel are essential for success in the position. Open-ended questions that focus on the chief executive's greatest successes over the past year and suggested priorities for the year ahead also make great questions. Often, the process of identifying the questions – and determining what the board really thinks is critical – is the most important and enlightening part of the assessment process.

4. Conduct the assessment and analyze the results. Distribute the assessment instrument to board members and the chief executive (or complete the interviews). The chief executive should answer the same questions as board members in order to provide a common language for discussion and a basis for comparison between the board's and the executive's perceptions of his or her strengths, limitations, and performance over the past year. The information should be compiled and reported in a way that promotes candor and ensures anonymity.

5. Review the results with the chief executive and develop an action plan for the upcoming year. For the assessment process to have real value, it is essential that the board chair, the executive committee, or another assigned board member sit down with the chief executive and discuss the results. What are the major strengths to be built upon? What areas of weakness need to be addressed? What are the critical priorities for the year ahead? While the assessment results provide a starting point for discussion, the primary focus of the conversation should be on the future: What will the chief executive do over the upcoming year to address these issues and improve his or her performance – and how can the board be most supportive in this effort?

The main objective of the assessment process is to encourage self-discovery, professional development, and performance improvement. Personal and professional growth is challenging for all of us. After

completing the assessment process and preparing an action plan for the chief executive's development, the board must actively support the chief executive over the next year as he or she works to implement the action plan.

Remember: It really is lonely at the top. While the chief executive is typically surrounded by people — board members, staff members, funders, and stakeholders — he or she is often isolated from information about their own performance. The board assessment of the chief executive is one of the most important — and sometimes the only — vehicles for the executive to obtain input into his or her performance. It is a critical process for the executive's and the organization's success, and an essential function of the nonprofit board.

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