A BoardSource
TOOLKIT

ASSESSING *and* SUPPORTING *Your* *Chief Executive*

BOARDSOURCE®
Building Effective Nonprofit Boards

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WELCOME TO YOUR BOARDSOURCE TOOLKIT

Four years ago, CompassPoint Nonprofit Services and The Meyer Foundation presented the nonprofit sector with some sobering news. In *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership,* we learned that

- three-quarters of the executives surveyed planned to leave their jobs within five years
- boards of directors contribute to executive burnout
- concerned with organizational sustainability, executives seek new skills and strategies

Having a committed and talented chief executive is critical to every nonprofit organization's success. And assessing and supporting your chief executive is critical to his or her success. BoardSource's popular book, *The Source: Twelve Principles of Governance That Power Exceptional Boards,* states that "exceptional boards forge a partnership with the chief executive characterized by mutual trust, forthrightness, and a common commitment to mission." Such boards also hold the chief executive accountable, evaluating his or her performance annually and formally, and encourage him or her to strengthen necessary skills.

This toolkit can help your board forge a constructive partnership with your chief executive through engaging in the performance assessment process and serving as a sounding board and source of support. As a result, your board, your chief executive, and your organization will be better positioned to pursue your mission, in both good and challenging times.

Assessing and Supporting Your Chief Executive: A BoardSource Toolkit is divided into two sections that will teach you:

- why, when, and how to conduct a performance assessment
- methods for developing a productive relationship with your chief executive

You'll find proven advice and practical tips that will stimulate your board and your chief executive. The 26 tools address these topics and more:

- what a performance assessment should cover
- who should participate in the assessment process
- how to set job expectations
- how to analyze assessment results
- how to link performance to compensation
- how to draw a clear line between governance and management
- how to avoid micromanaging your chief executive
- how to develop trust between the board chair and chief executive
- how to say goodbye when the time comes

The toolkit is based on resources in BoardSource's vast library of governance material that has shown hundreds of thousands of nonprofit board members and other leaders how to develop sound governance practices. BoardSource has more than 20 years of unparalleled experience helping nonprofits tackle challenging situations. In addition to our publications and online resources, our consulting team of governance experts is ready to assist your board and may be reached via e-mail (consulting@boardsource.org) or by calling 877-892-6293.

As you work on developing a constructive partnership with your chief executive through assessment and support, we hope you will continue to look to BoardSource for guidance.

Linda Crompton
President & CEO
BoardSource

PART 1

ASSESSING YOUR CHIEF EXECUTIVE'S PERFORMANCE

as·sess(ing) *vt*
to examine something in order to judge or evaluate it

TOOL 1

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 reenergize 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 turnover.

Excerpted from "It's Lonely at the Top: Why Board Assessment of the Chief Executive is Critical to the Executive's — And the Organization's — Success" by Joshua Mintz. Board Member®, *December 2004.*

TOOL 2

Given its importance, why is the assessment of the chief executive so often neglected? Among the most common reasons BoardSource hears from boards are:

> "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 micromanaging 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 chief executives are typically surrounded by people — board members, staff members, funders, and stakeholders — they are 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.

Excerpted from "It's Lonely at the Top: Why Board Assessment of the Chief Executive is Critical to the Executive's — And the Organization's — Success" by Joshua Mintz. Board Member®, *December 2004.*

** It is not always necessary to develop your own chief executive performance assessment. BoardSource offers a chief executive assessment tool in both an online and print format. Individual performance goals can be added to the online tool, which also can be customized to fit an organization's individual needs. For further information, visit www.boardsource.org/bookstore*

TOOL 3

What should the assessment cover?
The evaluation should cover all aspects of the chief executive's performance in helping the organization accomplish the expectations the board has established. (This is not difficult to do if the board is clear about the organization's mission.) For instance, board evaluation committees commonly ask whether the chief executive's leadership has accomplished these goals:

- Created positive relationships with board members and helped strengthen the board.
- Built a strong internal organization in which systems, staff productivity and morale, and teamwork have improved.
- Advanced the quality and increased the quantity of the services provided.
- Increased the public's trust in the organization's integrity.
- Improved financial resources and accountability.

A comprehensive performance assessment looks at qualitative and quantitative factors that shape individual performance. Measurable indicators link goals to results. Also, the chief executive's intangible qualities may have an invaluable impact on the success of the organization and these characteristics must be calculated into the assessment.

What is the difference between assessing the chief executive and assessing the organization?
Often, measuring the performance on the organization's goals (as identified in the mission, strategic plan or annual plan) is used as a de facto assessment of the chief executive. If the organization meets its goals, the chief executive is seen as having met his or her annual goals as well. While the overall performance of the organization is a critical aspect of the chief executive's leadership role and should be considered in the assessment process, there are other skills and talents that go into the leadership and management of the organization that should be taken into account as well. These leadership and management functions are a primary focus in a performance assessment of the chief executive.

Who should participate?
Because it is a board responsibility, the full board, as well as the chief executive, should participate in the assessment. The actual process can be handled by a committee, a task force, the chair, or by an outside facilitator.

In some cases, depending on the size, complexity, and culture of the organization, it may be appropriate to obtain input from senior staff members who have a closer working relationship with the chief executive and may be able to provide important insight into his or her performance. If staff members are included, it is important to analyze the board and staff responses separately so that the unique perspectives of these groups can be distinguished.

External informants should not be included in the assessment process. Should the board want information on how the organization or chief executive is viewed externally, the organization should conduct an external review or organizational audit.

Should the chief executive complete a self-assessment?
BoardSource recommends that along with the board, the chief executive complete the assessment. The summary report should present the chief executive's responses separately from the board's responses, enabling the board to compare and contrast their perceptions from those of the chief executive. In addition, many chief executives also prepare a self-assessment narrative highlighting key aspects of their performance over the past year.

What is the assessment process?
The process can be informal or structured. There are comprehensive as well as simple questionnaires available for board members to fill out. Naturally, board members should rely on the pre-determined objectives when forming their opinions of the accomplishments. Usually board members' comments are compiled, tabulated, and shared with the chief executive, and they, along with those of the chief executive's self-assessment, provide fodder for the following discussion. If the board seeks opinions from outsiders, their comments should be integrated into the feedback.

Boards that want to be less structured about the process should still ensure that continuous or intermittent feedback reaches the chief executive. Communication may take place via scheduled phone conversations or e-mails. Note-taking is wise as records help refresh the memory about the discussion and provide a record for human resources or for legal purposes.

How often should the assessment process be undertaken?
The chief executive needs regular feedback from the board on his or her performance, therefore BoardSource believes that the assessment process should be completed annually.

What is the right timeline for the assessment process?
The timing of the process should be linked to the organization's annual calendar and planning cycle so that the board will be able to assess the entire year's performance and begin a discussion of annual performance goals for the year ahead. For this reason, most organizations conduct the assessment at the end of the year (calendar or fiscal). Regardless of the timing of the assessment process, it should be completed before any discussions of compensation are held.

Adapted from The Nonprofit Board Answer Book, Second Edition, *BoardSource and Jossey-Bass, 2007, and from the BoardSource Topic Papers "Background and Things to Know About the Assessment of the Chief Executive" and "Evaluating the Chief Executive."*

TOOL 4

Three key elements ensure that a performance evaluation is well structured: job description, expectations, and process. Like any evaluation, the practice is cyclical in nature. Any outcomes must be incorporated into the next evaluation cycle to feed into future improvement efforts.

Job description — The chief executive needs a clear and unambiguous job description in order to clarify the primary duties and responsibilities of the position. The skills needed to carry out the duties of the job define the competency of the person being hired for the position.

Expectations — Establishing annual expectations helps to identify the priorities and specific projected accomplishments for the coming year. These expectations must be mutually agreed upon by the chief executive and the board as they serve as the final device for assessing achievements or shortcomings.

Process — Implementation of a performance evaluation starts with the decision to do it. The evaluation process needs to fit the organizational culture and enhance the working relationship between the board and the chief executive. The board and chief executive together should determine who should be involved, what evaluation tool to use, and how the results will be communicated in order to use them as building blocks for the future.

Excerpted from the BoardSource Topic Paper "Evaluating the Chief Executive."

TOOL 5

CLARIFYING THE CHIEF EXECUTIVE'S RESPONSIBILITIES

While the board is ultimately responsible for the organization's mission and strategy, the chief executive is the executor — and often the main architect — of that strategy. The chief executive is responsible for the day-to-day leadership of the organization and for its effective management.

Many people feel that the most important duty of a nonprofit board is to hire the right chief executive and supervise him or her well. Before hiring a chief executive, the board needs to clarify the responsibilities of the position and the qualifications of the person who will fill it. Chief executive job descriptions vary a great deal depending on the type of organization, field of service, staff size, and other factors.

While the chief executive is responsible for running the organization's daily affairs, he or she also has a major leadership role in helping the board do its job in the best possible manner. Board development is important and it often falls on the chief executive's shoulders, as he or she has the easiest access to necessary information and governance-related resources. Working closely with the governance committee and the board chair, the chief executive can help the board fulfill its potential.

Key Elements of a Job Description

- Implicitly, if not explicitly, the board delegates daily management to the chief executive through the job description. The job description outlines the leadership framework for the chief executive to manage the daily operations of the organization. It defines the board's expectations and guidelines within which the chief executive must accomplish his or her duties.
- The chief executive's job description usually defines overall responsibility for functional areas within the organization, such as strategic direction, financial performance, personnel, and communications.
- Job descriptions should clarify the lines of authority so that the board and chief executive are clear on the chain of command. More specifically, they often articulate the role of the chief executive as the board's sole employee.

Practical Tips

- While BoardSource uses the term "chief executive" in its publications, other organizations may choose to refer to the chief staff officer as the executive director, president, chief executive officer, or director.
- A clear job description lays the groundwork for annual goals and performance reviews. Review and update the job description regularly as part of the chief executive's performance evaluation. As the organization evolves, the chief executive's responsibilities may also need to be adjusted. Always have a current job description available in the event of an unexpected change in leadership.

- As long as the state law does not invalidate the intention, a written employment contract (or memorandum of agreement) provides security to the chief executive, the board, and the organization. Clarify the job description and compensation terms in writing to ensure that mutual expectations are clear from the outset of the relationship.
- The job description should mention the chief executive's role as the governance partner with the board and provide specifics about this responsibility. To stress the importance of board development, indicate clearly how the chief executive is involved in recruitment of board members, orientation, continuous education, and shaping productive board meetings.

Excerpted from The Nonprofit Policy Sampler, Second Edition, *by Outi Flynn and Barbara Lawrence, BoardSource, 2006.*

TOOL 6

Position Summary

The chief executive is responsible for the overall administration and management of XYZ, including service programs, fundraising, and business operations. Areas of responsibility include planning and evaluation, policy development and administration, personnel and fiscal management, and public relations. This is a full-time position, hired by and directly accountable to the board of directors through its elected board chair.

Responsibilities

1. **Management and administration**
   - a. Develop and facilitate an active planning process.
   - b. Develop organizational goals and objectives consistent with the mission and vision of XYZ.
   - c. Develop and administer operational policies.
   - d. Oversee all programs, services and activities to ensure that program objectives are met.
   - e. Oversee business development.
   - f. Ensure compliance with funding sources and regulatory requirements.
   - g. Provide information for evaluation of the organization's activities.
2. **Fiscal**
   - a. Develop, recommend, and monitor annual and other budgets.
   - b. Ensure effective audit trails.
   - c. Approve expenditures.
   - d. Provide for proper fiscal record-keeping and reporting.
   - e. Submit monthly financial statements to the board of directors.
   - f. Prepare and submit grant applications and funding proposals as appropriate.
3. **Personnel**
   - a. Administer board-approved personnel polices.
   - b. Ensure proper (legal) hiring and termination procedures.
   - c. Oversee any and all disciplinary actions.
   - d. Provide for adequate supervision and evaluation of all staff and volunteers.

4. **Board relations**
    a. Assist the board chair in planning the agenda and materials for board meetings.
    b. Initiate and assist in developing policy recommendations and in setting priorities.
    c. Facilitate the orientation of new board members.
    d. Work with the board to raise funds from the community.
    e. Staff board committees as appropriate.
5. **Public relations**
    a. Serve as chief liaison with specific community groups.
    b. Ensure appropriate representation of XYZ by all employees.
    c. Coordinate representation of XYZ to legislative bodies and other groups.

Excerpted from the BoardSource Topic Paper "Chief Executive Job Description."

TOOL 7

Clarifying job expectations is essential for both employees and supervisors. The position of chief executive of a nonprofit is no exception. Since one of the key tasks a board has is to evaluate the chief executive's performance once a year, it is important that a mutual understanding and agreement of the anticipated accomplishments exists between the board and the chief executive.

Purpose of Stated Expectations

The chief executive is responsible for realizing the vision for the organization. The board has approved this vision and participated in the creation of the strategic plan that clarifies the details of its implementation. For the chief executive, the annual expectations are guidelines that define the priorities for the coming year.

Secondly, stated expectations can help fix problems that have been a dilemma in the past. By clarifying what needs to be achieved — when relevant and appropriate — these guidelines can spell out what and specifically how something must happen.

And finally, the expectations allow the chief executive to state his or her self-improvement plans for the coming year. Expectations not only clarify strategic goals but also allow the chief executive to determine what he or she needs to accomplish personally to be able to carry out the leadership task in the most effective manner possible.

SMART Expectations

Try using "SMART" as your guidelines for setting up meaningful expectations. This means that they should be

- **S**pecific, to clearly define boundaries that provide an incentive and an opportunity to reach higher
- **M**easurable, to allow everyone to follow the progress, see when goals have been met and how well they were accomplished
- **A**greed-upon, to remain fair and acceptable to both parties
- **R**ealistic, to make them attainable with available resources and to keep the evaluation reasonable
- **T**ime-based, to clarify when results are expected

Setting the Expectations

It makes sense for chief executives to prepare drafts of expectations and present them to their boards for discussion. Chief executives are in the best position to focus on organizational and personal achievements and tie them together. This shows initiative and ensures that all aspects of the job get attention. The board remains in full control of approving the content of the document. If chief executives take the process seriously, they do not undermine their own positions, but focus on what the organization needs and challenge themselves to exceed those needs. If boards are serious about the purpose of this exercise, they will not automatically accept the proposal, but instead analyze it thoroughly and ensure that the expectations remain "SMART."

Scope of Expectations

How many goals should the chief executive include in his or her plans for the coming year? Creating a long list of future achievements makes winning impossible — or at least unreasonable. Too few and low-key expectations remain unchallenging and most likely undermine the capacity of the chief executive. Also, priorities change. During some years, major strategic issues may take precedence or demand the chief executive's full concentration. Other times, internal re-organization, a specific program, or personnel matters demand continuing and focused attention. Depending on the magnitude of the expectations, three to five specific items might be perfectly sufficient. Dissecting larger goals into smaller steps makes major challenges more palatable.

Examples of Specific Expectations

By categorizing the areas of activities, the board and the chief executive have a better chance of covering all the areas needing attention. Some examples might include:

Organizational

- Complete strategic planning and finalize a three-year plan.
- Organize the annual regional conference and increase attendance by 5 percent.
- Establish a revenue-generating membership program for the organization.

Financial

- Secure 50 percent of the capital campaign goal.
- Increase the operational reserves by 10 percent.
- Balance the budget.

Personnel

- Review the personnel policy manual.
- Hire the first development director.
- Evaluate the organizational chart and assess the staffing needs for the next three years.

Personal

- Hire a professional coach to enhance my leadership skills.
- Attend a public speaking workshop.
- Achieve a better work-life balance.

Mutual Gains

Both the board and the chief executive draw clear benefits from working within set guidelines.

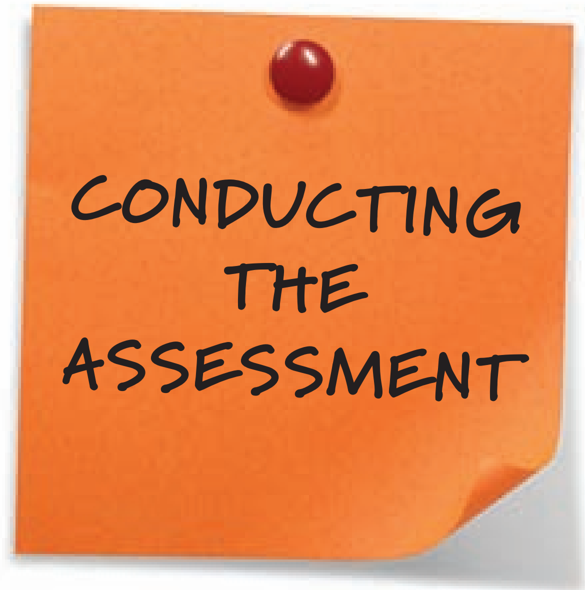
Board

- The strategic plan remains alive as expected achievements help implement it.
- Being clear about expectations allows the board to communicate with the chief executive about valid issues.
- A job well done encourages the board to recognize and support the chief executive.

Chief executive

- Loss of ambiguity. Priorities are constantly clear.
- Performance evaluation is fair as expectations are measurable.
- Personal and professional growth receive proper attention.

Excerpted from the BoardSource Topic Paper "Performance Expectations for the Chief Executive."



TOOL 8

There is no single method for conducting an assessment, but boards and chief executives are more likely to find the assessment constructive if it is implemented in a thoughtful and planned way. BoardSource encourages boards and chief executives using BoardSource's assessment tool (an online or print questionnaire) to follow these ten steps:

Step One: Compile Background Materials

When conducting an assessment, it is important to have a clear understanding of the criteria on which the assessment is based. Tools that identify the responsibilities of the chief executive should be completed in the context of

- the chief executive's job description
- the vision and mission of the organization
- the annual goals and objectives for the organization established by the board and the chief executive
- the chief executive's individual performance goals

Since many organizations may not have these elements in place, the assessment process can be used as an opportunity to establish, clarify, or revise them. Attach a copy of each of these documents when distributing the assessment tool to board members so they can keep them in mind when responding to the questions.

Step Two: Build Support for the Process and Encourage Full Participation

Engage the board in a discussion of the critical importance of the evaluation of the chief executive for the organization. It is one of the board's most important governance responsibilities and a primary vehicle for carrying out the board's oversight and stewardship functions. The assessment process can be a stressful experience for the person being assessed — especially if it comes as a surprise. The process can be initiated by either the board or the chief executive; but no matter who starts it, everyone involved should be engaged and informed from the very beginning. The board and the chief executive should have an opportunity to discuss the assessment, and the chief executive should help design the process. The chief executive should also be familiar with the assessment instrument so he or she will understand the performance areas on which the assessment will be based. The goal should be 100 percent participation by the board and the chief executive.

Step Three: Decide Who Will Lead the Assessment Process

Usually the assessment process is facilitated by the board chair, the immediate past chair, or the chair of the governance committee, if one exists. Some boards use an external consultant to assist in the assessment. A competent, disinterested third party can add credibility and perspective to the process.

The facilitator's job includes: gathering background information, setting deadlines, distributing the surveys and background materials, sending out reminder notes, taking receipt of the completed surveys, and tabulating the results. Due to the sensitive nature of the information in a survey, asking a staff member to facilitate, no matter how trustworthy he or she is, can compromise the confidentiality of the responses and provide information to staff that should stay with the board and chief executive.

Step Four: Provide the Board with an Overview of the Process

At a board meeting, take the opportunity to discuss with board members what they should expect during the assessment process. Provide them with timelines for when the assessment will begin and end. Explain why a timely response is so important and let them know when the results of the assessment will be brought back to the full board for discussion. Determining an end date for survey completion is often helpful in motivating people to respond more quickly. An open-ended process can go on forever.

Set an official due date — and then build time into the process for an extension. Despite the facilitator's best attempts to remind participants about deadlines, some board members will inevitably be slow in responding. It is typical to provide board members with two weeks to respond and then an additional one-week extension for follow up.

To increase the response rate and to encourage candor, emphasize that the information will be compiled in a composite summary report and that individual responses will be anonymous. Of course, when the results are presented, the responses from the chief executive will not remain anonymous.

Step Five: Prepare the Chief Executive's Annual Goals

Assessments ask board members to rate how well the chief executive has met their expectations in pursuing or achieving predetermined annual goals. This is the board's opportunity to assess the chief executive on the specific performance criteria set for him or her by the board. When distributing the assessment tool, be sure to attach a list of these annual performance goals specific to your chief executive to each questionnaire.

If the board does not have a set of established performance goals, skip this step and use the assessment process as an opportunity to begin the discussion about goals for the upcoming year.

Step Six: Distribute the Assessment Tool

Distribute questionnaires to each of the assessment participants. The chief executive and board members should complete the same questionnaire in order to provide a common language for discussion and a basis for comparison between the board's and the chief executive's perceptions of the chief executive's strengths, limitations, and performance over the past year. Make sure that the background documents listed above are included with the questionnaire. A firm deadline for completion and return of the survey should accompany its distribution. A follow-up letter from the board chair repeating the overall assessment process and the importance of individual participation in the survey can help generate enthusiasm for the process.

Step Seven: Tabulate and Analyze the Assessment Results

When all questionnaires are returned, the comments and responses are compiled into a survey report. Because responses are to remain anonymous, it goes without saying that the chief executive (or another assisting staff member) should have no role in the compilation and tabulation of results. The facilitator, another unbiased board member, or an external consultant should be tasked with this job.

Step Eight: Discuss the Results with the Board

Once the assessment results are available, discuss the key findings in an executive session at the next board meeting. Review the overall ratings and the key themes from the open-ended questions. The board needs to agree on what it perceives to be meaningful in the results. The board should also agree on the key messages to be brought to the chief executive and discuss any adjustments to compensation, if appropriate. The outcomes of the assessment are only one critical point in decisions about adjustments to the chief executive's compensation. However, there is no "magic formula" that correlates specific ratings on the assessment to specific changes to compensation. Compensation decisions are complex and need to take into account the organization's policies and approach to compensation, the terms of the chief executive's contract, market-based benchmarking data, and specific performance metrics or bonus criteria, in addition to the outcomes of the assessment process.

Step Nine: Review the Results with the Chief Executive and Develop Action Plans

For the assessment process to have real value, it is essential that the board chair, the chair of the executive committee, and/or other representatives of the board sit down with the chief executive to discuss the results and the highlights. The purpose of the meeting is to discuss what major strengths can be built upon and what areas of weaknesses need to be addressed. This is also the time to talk about the critical priorities for the coming year, as well as the implications of these strengths and limitations for the future of the organization.

Step Ten: Support the Chief Executive's Future Development

The main objective of the assessment process is to encourage self-discovery and improvement. Assessment results provide a starting point for discussion. The conversation should focus on the future: What will the chief executive do over the next year to address the issues brought to light in the assessment and improve his or her performance? How can the board be supportive in this effort? This is also the time that any changes to compensation may be discussed. Change can be a difficult process, and the board should encourage the chief executive's personal and professional development.

Excerpted from Assessment of the Chief Executive User's Guide, Revised Edition, *by Joshua Mintz and Jane Pierson, BoardSource, 2005.*

TOOL 9

Completing the assessment process typically takes 6 to 8 weeks from launch to the board's discussion of the results. The following is a sample timeline for handling the logistics involved in conducting the assessment. Please see Tool 8 for a discussion of roles.

Week 1 Prepare board members for their participation in the assessment process.

Week 2 Distribute the assessment tool to board members and chief executive, with a request that they return it within two weeks.

Week 3 Follow up with phone calls or e-mails to board members reminding them to return the completed questionnaires (as needed).

Week 4 This is the final deadline for returning completed questionnaires.

Week 6 Complete tabulation and analysis of questionnaires and compile the survey report.

Week 7 Hold executive session to discuss the key findings of the survey and agree on key messages to be brought to the chief executive.

Week 8 Hold meeting with the chief executive to discuss results and develop plans for the future.

Excerpted from Assessment of the Chief Executive User's Guide, Revised Edition, *by Joshua Mintz and Jane Pierson, BoardSource, 2005.*

TOOL 10

After you have compiled the results of your assessment, the next step is to analyze them and discuss their implications for the organization as a whole and the chief executive individually. The board should meet in executive session to discuss the outcome. The goal is for the board to agree on what it perceives to be meaningful and important in the results, and on the key messages to be brought to the chief executive, including any adjustments to compensation if appropriate.

What Really Matters

Before the board begins to review the results, it is important to discuss what really matters. If an organization has a strong chief operating officer, relatively lower ratings from the chief executive in the area of administration may not be significant. On the other hand, a low rating in an area such as public relations may be critical if the organization is about to embark on a major media campaign that the chief executive is expected to lead. Only your board is able to prioritize and weight the results to reflect what really matters to your board — and to your organization.

What to do With the Scores

When analyzing numeric ratings, remember that ratings can be subjective.

What exceeds one board member's expectations may simply meet another's. This is why it is important to identify patterns in the ratings and not just focus on the specific numbers themselves. Which questions were the highest rated? Which received the lowest ratings? It is more important to focus on key strengths and limitations than to debate minute differences between ratings.

Look for questions that had a high degree of consistency among the responses.

If these questions received relatively higher ratings, they should be considered clear strengths of the chief executive and performance in these areas should be reinforced. If these questions received relatively lower ratings, these are clear areas of limitation that need to be addressed.

Look for areas of disagreement in the responses.

Look for questions that had a large variation in the responses. Engage the board in discussing why these different perceptions of the chief executive's performance exist.

Look for the "lone wolf" response and ask why.

When one or two board members provide ratings that are significantly out of alignment with the majority of the board, the board should discuss the question to determine the reason for the discrepancy in the ratings. Sometimes the difference comes down to differing expectations for performance or even a communication issue. Other times, there may be a board member who is either disgruntled or overly optimistic. But every once in a while the lone wolf may see a problem in performance before it becomes obvious to the rest of the board. This is why it is important not to dismiss outlying ratings, but to understand the rationale behind them.

Open-ended Questions Provide the Greatest Insight

Numeric ratings are an important vehicle for measuring performance over time. However, open-ended responses often offer insights into strengths and challenges that numeric ratings cannot provide. Read through the open-ended comments and identify key themes. This is usually where the most specific and useful information for strengthening performance is located.

Excerpted from the BoardSource Topic Paper "Using the Chief Executive Assessment Results."

TOOL 11

The first year of a new executive's tenure requires a different set of evaluation tools and a different timetable than might be used in succeeding years. Typically, the board evaluates the chief executive's performance annually. During the first year, however, a graduated approach is in order. Here's a possible timeline:

- After 90 days, an informal "how's it going" check-in to review progress against the 90-day entry plan.
- After six months, a slightly more formal review of the executive's progress on the taking-charge process — assuming the proper level of leadership and oversight for key aspects of the organization, such as fundraising, board support/development, etc.
- After 12 months, a formal review focused principally on the achievement of the executive's responsibilities and contributions toward organizational performance. (This is usually a different review than the executive's annual, year-end performance review emphasizing organizational accomplishments.)

Excerpted from Chief Executive Transitions: How to Hire and Support a Nonprofit CEO *by Don Tebbe. BoardSource, 2008.*

TOOL 12

The best way to link compensation to performance is to decide before the evaluation the rewards associated with achieving your organization's objectives. Thus, you could agree with the chief executive that achieving stated objectives would mean (finances allowing) either a certain percentage increase in salary, the award of an incentive amount, or some combination of the two. Going beyond the objectives would be worth more.

We also recommend that objectives be set in three categories: strategic objectives (the Harvard Balanced Scorecard approach is useful for deciding on strategic objectives), performance against unanticipated challenges, and leadership. Objectives may be given different weightings (i.e., be worth a different percentage of the overall assessment) based on their importance to the organization. Measures for achieving success should be as concrete as possible.

In the absence of an existing link between pay and performance, the next best thing is to decide on an appropriate reward (a salary increase, an ad hoc bonus, or some combination of the two) and carefully explain to the chief executive the particular achievements that justify the boost in pay. That explanation could then serve as the basis for the following year's performance plan.

Compensation decisions are complex and need to take into account the organization's policies and approach to compensation, the terms of the chief executive's contract, market-based benchmarking data, and specific performance metrics or bonus criteria, in addition to the outcomes of the assessment process. Conducting an assessment of the chief executive is an important way to demonstrate that compensation decisions are addressed in a more formal process and should be one of the steps taken in making compensation decisions for the chief executive.

Adapted from Nonprofit Executive Compensation: Planning, Performance, and Pay, Second Edition, *by Brian Vogel and Charles W. Quatt, Ph.D., BoardSource, 2010, and from the BoardSource Q & A "Should Chief Executive Assessment Results Be Tied to Compensation?"*

PART 2

SUPPORTING THE CHIEF EXECUTIVE

sup·port(ing) *vt*
to give active help and encouragement

TOOL 13

Selecting the top staff person is only the beginning of what every board member and chief executive hopes will be a long and productive relationship that will bring real achievement to the organization.

The chief executive's success is linked to the board's determination to do its part to sustain an effective relationship — one marked by mutual respect on both sides and an understanding of the distinction between board and executive responsibilities that is determined, first and foremost, by open communication.

The only place the chief executive can look for support that really counts is in the governing board, beginning with its top elected leader — the chair. For the chair and the board, being supportive means being reasonably predictable in how they react to and address emerging problems, encouraging the chief executive to be decisive, standing by the chief executive when constituencies do not like certain decisions, providing encouragement when it may be needed, and responding to the chief executive's requests for help.

The quality of the relationship between the board chair and chief executive cannot be over-emphasized. In fact, one characteristic of a high-performing board is its record of retaining effective chief executives over time. The board chair has special responsibilities in this regard: The chair–chief executive relationship affects the executive's relationship with the entire board.

The chief executive's second line of support ordinarily comes from and through the board's executive committee or from the board's elected leaders. A subset of board members may assume special responsibility to monitor the chief executive's morale, understand the issues of greatest concern, and look for opportunities for the whole board to offer needed support through the good times and especially the difficult times — there are plenty of both! Again, how a board's leaders react to bad news reveals their true character as well as their confidence in the chief executive.

Specifically, the board should ensure that the chief executive

- receives frequent, substantive, and constructive feedback (not just at the time of the annual performance review)
- has confidence that the board chair will intervene with any board members who may misunderstand or abuse their positions
- feels that on-the-job performance is being assessed fairly and appropriately, without resorting to over-simplified checklists, rating scales, or invitations for constituents or staff to offer critiques
- is introduced by board members to key community leaders who can assist and support the organization
- receives invitations to important social events, opening opportunities for the chief executive to speak at significant or high-profile community functions

- receives compliments for exceptional initiatives; every chief executive appreciates the occasional "pat on the back" from board members, especially the board's leaders
- is encouraged to use professional and personal leave time for renewal
- feels that at least the board chair is aware of and sensitive to any personal situations or needs and respects the confidentiality of their private conversations

In all of their dealings, both the chief executive and the board should do their best to adhere to the doctrine of no surprises, whether the news concerns cash-flow problems or major personnel problems. In other words, the board chair and the full board should be the first to know of any problems rather than hearing the news from others or reading about them in the newspaper. Similarly, the chief executive should know early on if the board or its leaders have concerns about staff management or leadership. Then the chief executive can make improvements before little irritations or disappointments become more serious and consequential.

Excerpted from Ten Basic Responsibilities of Nonprofit Boards, Second Edition, *by Richard T. Ingram. BoardSource, 2009.*

Chief Executive Burnout

In the groundbreaking study *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership,* a joint project of CompassPoint Nonprofit Services and The Meyer Foundation, we find:

- Executives who are unhappy with their boards are more than twice as likely to be planning near-term departures as those who have positive perceptions of their boards.
- Only one in three executives agrees strongly that their board challenges them in ways that make them more effective.
- Only one in three executives agrees strongly that their staff view the board as an engaged leadership body.

Excerpted from Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive *by Katha Kissman. BoardSource, 2009.*

TOOL 14 UNDERSTANDING DUTIES

It is not always easy or even possible to draw a clear line between governance and management. The board's duties are colored by its monitoring role. The chief executive, on the other hand, alone is responsible for making things happen with the help of the rest of the staff. However, both sides need each other's support — and availability, when requested — without veering off to micromanagement or "über-control." Constructive partnership is built on knowing when to act alone, when to help — or ask for help, and trusting the partner to do the same.

Specific Responsibilities

Oversight

Board: Health and success of the organization

- Drafts and/or approves broad policies to guide and protect the organization, board, and staff
- Monitors that all legal requirements get proper attention
- Hires the chief executive and delegates to him or her the daily operations
- Expects regular and objective reports from staff

Chief executive: Programs and administration

- Oversees daily operations
- Hires staff and delegates operational responsibilities to them
- Shares good and bad news with the board

Planning and evaluation

Board: Strategic framework for the organization

- Adopts an overall strategic mindset by focusing on the big issues that matter most
- Actively participates in strategic sessions and retreats
- Annually evaluates the performance of the chief executive and determines appropriate compensation
- Evaluates its own performance regularly — at least every two to three years
- Via staff reports, assesses the organization's achievement of its goals

Chief executive: Strategic and operational plans

- Ensures that strategic planning happens with the board's appropriate involvement
- Leads operational planning and approves the plans for the staff
- Ensures a process for staff performance exists, approves staff compensation, and evaluates his or her own performance

Finances

Board: Fiduciary duty over the organization

- Makes sure adequate financial expertise is secured on the board
- Sets overall fiscal policies and ensures appropriate internal controls
- Approves the annual budget and monitors carefully the financial reports
- Hires an auditor and reviews the audit in an executive session with the auditor

Chief executive: Financial management

- With the help of the financial staff, prepares the annual budget and provides the board with regular financial statements
- With staff, handles the daily financial operations and monitors cash flow
- Defines financial policies and procedures for all daily money transactions

Fundraising

Board: Fundraising policies

- Drafts gift-acceptance policies and personal giving guidelines for board members
- Actively participates in the overall fundraising efforts as directed by development staff
- During capital campaigns takes a lead in securing the campaign's success

Chief executive: Fundraising plan

- Drafts (with development staff) a development plan, oversees its implementation, and involves the board in fundraising
- Acts as the main representative of the organization and (when there is no development director) communicator with major funders

Board recruitment and development

Board:

- Through the governance committee ensures that the board's composition reflects the organization's needs: actively cultivates new recruits
- Drafts board specific policies and ensures the bylaws are applicable
- Incorporates governance training, including orientation, into regular board schedule

Chief executive:

- Assigns staff to support the board in committees and in meeting, orientation, and retreat preparation
- Identifies potential new board members

Excerpted from the BoardSource Topic Paper "Dividing Duties Between Board and Staff."

TOOL 15 DELEGATING AUTHORITY

In addition to a well-written job description, ensuring board consensus about the delineation of authority and delegation to a chief executive can help to prevent common relationship breakdowns in the future. Boards have an opportunity to state specifically, in writing, the specific delegations of authority they are granting to the chief executive. Such a statement then provides a basis for the chief executive's accountability to the board.

The late George Knight, a board member of NEIGHBORWORKS® AMERICA, provided the following example:

- Manage the day-to-day affairs of the organization as its chief executive.
- Provide financial reports to the board and/or its appropriate committee(s) on no less than a quarterly basis.
- Implement the organization's strategic planning process and establish new programs, consistent with the mission, in consultation with the board of directors.
- Develop and submit annual budgets for approval by a specific date annually based on operational plans stemming from the strategic plan.
- Provide monthly dashboard reports of organizational progress against stated goals to the Board and/or appropriate committee(s) as defined.
- Arrange for tax payments or other government ordered payments or filings to be paid in a timely and accurate manner.
- Select, employ, fix the compensation and benefits of, and remove employees, according to both law and the established board-approved human resources policies; and to settle payroll and debts in a timely manner.
- Select and contract with consultants and professional services contractors as budgeted and as necessary.
- Approve and execute applications and/or renewal forms related to charitable solicitation as required in states where the organization registers to raise funds under charitable solicitation statutes.
- Establish, and as necessary amend, organizational charts and administrative practices and procedures for efficient and effective operation.
- Lead the organization's fundraising/sponsorship activities in accordance with established organizational policies.
- Lead the organization's program or service delivery activities in accordance with established organizational policies.
- Arrange for the appropriate levels of insurance against theft and casualty losses to at least __ percent replacement value and against liability losses to board members, staff and the organization itself in an amount greater than the average for comparable organizations.

- Establish comprehensive organizational emergency and disaster preparedness plans.
- Arrange, through purchase, lease, grant, or otherwise for offices, furniture, equipment, and facilities, including the authority to execute all office and facility leases, up to $_______ and to seek approval for same for any agreements over $_______.
- Negotiate and execute contracts and other agreements committing the organization to the receipt or disposition of assets, or to the acquisition, holding, or disposition of any property, consistent with the organization's mission up to $_______ and to seek approval for same for any agreements over $_______.
- Approve and execute all grants without limitation, consistent with the organizational mission, and provide a report on all grants awarded to the board or its appropriate committee(s) on a quarterly basis.
- Establish, from time to time amend, and enforce the terms and conditions under which agreements are made.
- Serve as the organization's official spokesperson and delegate this responsibility as deemed appropriate and necessary.
- Complain for or defend the organization, or otherwise represent its interests, in any judicial or legislative proceedings that may affect its purposes or operations.
- Upon formal or informal request or invitation, appear before, meet, confer or consult regarding the organization or its mission area with members, committees, or subcommittees of Congress and their professional staffs or any other legislative body; but to ensure that no part of the organization's activities shall be used to contribute to or otherwise support any candidate for elective public office.
- Settle, adjust, and compromise any claim, demand, right of, by or against, the organization; exercise such other authority as may be necessary and proper to carry out the authorities granted by the Board.
- Delegate any or all of such authorities to other officers or employees of the organization, provided that each such delegation or re-delegation is: (a) in writing; (b) signed by the chief executive; and (c) consistent with any board policy.

Excerpted from Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive *by Katha Kissman. BoardSource, 2009.*

TOOL 16

AVOIDING MICRO-MANAGEMENT

It is not always easy for a board to see the line between management and governance. Board members need to consider themselves overseers, not implementers. Monitoring activities in the organization can be facilitated by clear reporting guidelines and deliberate clarification of the role of the board and the staff. When boards overstep the line between governance and management, they can easily become micromanagers.

What is micromanagement?

Micromanagement usually refers to a manager who is paying too much attention to details and is not focusing on the big picture. A micromanager is not able to delegate but feels obliged to get involved in the actual implementation of the work. When a board micromanages, it steps out of its governance role and gets caught in the actual operations of the organization. It forgets that the chief executive is responsible for daily management according to the guidelines set by the board. Boards that micromanage want to both set strategic direction and actively oversee the implementation of the details.

Why do some boards micromanage?

- Governing does not usually create immediate rewards. Strategic developments take time to show results. Operational tasks often produce faster tangible outcomes and personal satisfaction.
- Sometimes it is difficult to differentiate between governance and management. Particularly in organizations with small staff, board members can easily get drawn into the daily operations.
- Board members may not understand their roles correctly. They likely are involved in management issues in their regular jobs — and that is what they know best.
- The board is missing strong leadership helping it focus on strategic issues.
- A chief executive steers the board astray by bringing management issues to the board for approval.
- The chief executive does not provide the board with adequate information, forcing the board to demand additional detailed reports.
- The board is not confident in the chief executive's ability to manage the organization.

When is the board meddling in management issues?

Here are examples when the board is getting too involved in management issues. It wants to

- approve the choice of vendors, office equipment, software, or office furniture
- participate in staff hiring and defining job descriptions (besides the chief executive's)
- approve individual staff salaries
- verify receipts and invoices

- contact staff members directly for information — without explicitly being invited by the chief executive
- have a key to the office to be able to come and go at will (unless because of small staff board members are involved in helping out)
- create committees that duplicate staff work
- send a board representative to staff meetings
- publicly second-guess the chief executive's decisions

What can the chief executive do?
When the board oversteps its boundaries, the chief executive needs to discuss the issue with the chair and work out a solution. The chair must remind other board members of their roles and how to communicate with staff. If the chair is micromanaging, the chief executive still needs to address the problem directly and remind the chair of the different responsibilities they both have. The chief executive can prevent the most flagrant board interventions by being proactive and not bringing detailed administrative issues to the board's attention and by ensuring that the board receives regular and concise information.

What is not micromanagement?
When a board hires a competent chief executive, it already has adopted the basics of role differentiation between board and staff. Delegating management duties to the chief executive also assumes that the board clarifies job duties. Like any supervisor, the board is there to support the manager, set performance expectations, and challenge him or her to propel the organization forward. How the staff gets its work done is the responsibility of the chief executive and how the board manages its own tasks is the responsibility of the chair. In a productive partnership, the chief executive uses the board as a sounding board. The two end up formulating strategic decisions together while leaving the details of implementation to appropriate individuals.

Excerpted from the BoardSource Topic Paper "Boards That Micromanage."

TOOL 17

A BOARD AND STAFF ROLES WORKSHEET

For each issue or task, indicate with the appropriate letter where your board is now and where it should be:

A. Board initiates and decides on its own (chief executive may implement).

B. Chief executive formally recommends and board decides.

C. Chief executive decides and/or acts after consultation with board members during or outside of normal board or committee meetings.

D. Chief executive and/or staff act on their own within approved guidelines.

Issues and Tasks	Is Now	Should Be
1. Mission statement for organization		
2. Formal annual goals and objectives		
3. Recruitment of new board members		
4. Board and committee structure		
5. Policies regarding board role and activities		
6. Hiring and salaries of staff other than chief executive		
7. Changes in bylaws to keep current		
8. Annual income and expense budget		
9. Budget amendments as required		
10. Capital expenditures		
11. Staff compensation policies		
12. Other personnel policies and practices		
13. Investment policies		
14. Arrangements for external audit		
15. Fundraising plan and policies		
16. Adoption of new programs or services		
17. Termination of current programs or services		
18. Staff organizational structure		
19. Organization’s insurance program		
20. Board meeting agendas		
21. Other:		

Suggested action steps

1. During an open discussion, identify any areas of confusion between board and staff roles. Clarify who does what, and formalize those decisions in policy statements.
2. Invite an objective consultant to observe several board and staff meetings. Ask for feedback on areas needing clarification of roles and responsibilities.

Excerpted from The Nonprofit Board Answer Book, Second Edition. *BoardSource and Jossey-Bass, 2007.*

TOOL 18

THE BOARD CHAIR–CHIEF EXECUTIVE PARTNERSHIP

Like a marriage or a business partnership, the chief executive–board chair relationship brings together two people with distinct personalities, experiences, preferences, perspectives, operating styles, and decision-making modes. Furthermore, both are proven leaders, meaning each also has healthy doses of self-confidence, vision, energy, and innovative ideas. Put them together, and you're bound to have disagreements.

How those disagreements play out within the organization and are ultimately resolved will determine the effectiveness of the board chair's term in office. Allowing tensions to build and spill over into relationships with other board and staff members can create divided loyalties. Everyone devotes his or her time to rehashing or second guessing what one of the leaders said or did instead of focusing on the business at hand.

On the other hand, chief executives and board chairs who acknowledge that they are equal partners and make a commitment to a relationship of mutual trust can keep the organization moving ahead. The board chair must trust his or her own abilities to fulfill the job's many responsibilities and trust the chief executive to do the same, and vice versa.

Here are suggestions for arriving at that level of trust.

Review your respective roles and responsibilities. Knowing your boundaries, as prescribed by your respective job descriptions, will make you less likely to overstep them.

Of course, every board and staff member can probably recite the mantra: The board handles strategy, while the staff handle operations. But what does that mean? Simply put, the board is responsible for the ends and the staff are responsible for the means. To use a nautical analogy, the board determines where the organization needs to head, charts the appropriate course, and checks progress along the way. The staff, with the chief executive as their captain, move the organization toward its destination, taking care to avoid rough waters.

Because it is responsible for governance — including setting policies and goals, keeping the organization true to its mission, and monitoring performance — the board does not become involved in day-to-day operations. As board chair, the last thing on your mind should be hiring or firing staff members (with the exception of the chief executive), doling out assignments to employees, or deciding which phone system the organization should purchase.

Conversely, the chief executive concentrates on implementing board decisions, not publicly disagreeing with them or ignoring outright the decisions that he or she doesn't personally approve. Being an integral part of the strategies and goals discussions, the chief executive will naturally go with the flow and restructure the staff or take on new tasks accordingly. For instance, a staff structured to support growth in fundraising will look different than one with an intense focus on program delivery.

Revisit the organization. No matter how long you have been involved in the organization or have served on its board, take the time to re-read key documents: bylaws, articles of incorporation, board policies, and the strategic plan. Also look over the previous year's financial statements, annual report, and audit. You've undoubtedly seen all of these before, but not necessarily through the eyes of the board chair. Brush up on parliamentary procedure as well so you feel comfortable running meetings even if strict formality is not the style of your board.

Review the strategic plan. What are the strategic priorities for the year? If the board and staff have agreed on what the organization will do (annual operating objectives) and how much it will spend (annual operating budget), then both the chief executive and the board chair will have their work cut out for them. There won't be time (or money) for either to launch a new initiative merely on a whim.

Focusing on the strategic plan underscores the common ground on which both staff and the board operate. Everyone is working toward the same goal: the organization's success.

Set personal goals. Every board chair wants to be remembered for accomplishments, not failures. But leaving your indelible mark on the organization should not come at the expense of its overall objectives. More than one organization has lost ground in a fundraising campaign or failed to develop a key initiative because the board chair had a pet project that siphoned off valuable financial and staff resources. And, more often than not, those projects become distant memories just a few years later.

To leave a lasting legacy, link your personal goals to the organization's overall strategic plan. Zero in on the one or two areas where you believe you can be most effective, then discuss what you'd like to accomplish with the chief executive.

Spend time on the other's turf. Set aside a day to spend at the organization's headquarters — not just sitting in the chief executive's office but meeting with employees and getting a feel for how the organization operates. In turn, familiarize the chief executive with your professional environment so he or she can better understand the daily pressures you face in addition to your board responsibilities. The insights gained can help forge a stronger partnership.

Set up a communication schedule with the chief executive. After reviewing your individual roles, responsibilities, and commitments, discuss the best way to stay in touch. For example, you might set aside a certain time on the same day each week to talk by phone. Or perhaps you'd prefer to exchange regular e-mail updates.

In those exchanges, communicate what you are doing on behalf of the organization; whom you have talked to about what; and what upcoming commitments are on your calendar, such as speaking engagements, meeting with other nonprofits, or attending orientation for board nominees.

Keep your communications open and honest. If you don't want to be bothered by 10 e-mails or five phone calls from the chief executive every day, say so, and offer an alternative means of communication. If you'd rather not do a lot of public speaking or testify before elected officials, share that feeling so someone else can cover for you. If you think board meetings take too long, consult with the chief executive on how you can change the status quo.

When it comes to management of the organization, however, your preferred style or way of doing business doesn't matter. The day-to-day operations remain the chief executive's responsibility.

Serve as a role model. Both board and staff members will take their cues from their respective leader. If the board chair badmouths the chief executive or circumvents his or her authority, for example, the whole environment will be tense and antagonistic. But a collegial culture prevails in organizations where the board chair and chief executive work as a team and support and applaud one another's efforts and accomplishments.

As the board chair, you're also a role model within the community. How you speak about the chief executive reflects on the organization itself and draws the attention of donors, dues-paying members, reporters, and the general public.

In your quest to be an effective leader, just remember you're not alone. The chief executive reports to the board, not just to you; the board, not you on your own, establishes policies, sets strategic direction, monitors organizational performance, and evaluates its own effectiveness.

Suggested action steps

1. Have the board chair and chief executive attend a partnership-building seminar or conference and discuss specific ways to work more effectively together.
2. Incorporate a discussion of the board–staff partnership into orientation for new board members; use the board chair/chief executive relationship as an example of how the board's responsibility (determining the ends or results) differs from the staff's responsibility (developing the means within board parameters).

Excerpted from The Nonprofit Board Answer Book, Second Edition. *BoardSource and Jossey-Bass, 2007.*

TOOL 19

The chief executive will

- Share both good news and bad news immediately.
- Provide time for weekly telephone and monthly in-person updates.
- Alert the board chair to any information or issue that has the slightest chance of escalating into a risk for the organization.

Add your own here:

The board chair will

- Make time to develop the agenda of each board meeting in concert with the chief executive.
- Provide honest feedback to the chief executive in regard to the purview of her responsibilities and performance.
- Develop a platform of issues in concert with the chief executive to be advanced during his term.
- Be timely and responsive to the requests of the chief executive, recognizing that at least in some instances, it is not appropriate for the chief executive to determine organizational direction or response without participation of the governing body.

Add your own here:

Excerpted from Getting the Best From Your Board: The Chief Executive's Guide to a Successful Partnership *by Sherill K. Williams and Kathleen A. McGinnis. BoardSource, 2007.*

TOOL 20

SUPPORTING A NEW CHIEF EXECUTIVE

Retaining a good executive can hinge on a variety of factors. A competitive compensation plan can go a long way, as can a retirement program. But, two huge and typically overlooked factors in executive retention are the board's support for the executive and the board's level of engagement in the organization.

One of the key findings from the 2006 *Daring to Lead* study is that executives who are unhappy with their boards are more than twice as likely to be planning near-term departures than those who have positive perceptions of their boards. The study outlines several specific board-related factors affecting executive perceptions and their tenure decisions:

- Board is not personally supportive.
- Board doesn't understand the chief executive's role.
- Board doesn't value the chief executive's contribution.
- Staff don't view the board as leaders.

The study goes on to point out that a major factor in chief executives' frustration with their boards is lack of support for fundraising. The *Daring to Lead* authors suggest that frustration about fundraising may be a marker for a more pernicious issue: low levels of board engagement.

Executive transitions are a time-consuming and expensive proposition, both in real costs and in the opportunity costs of having staff and board energy focused on the transition rather than the programmatic work of the organization. Clearly, the best course of action for a board to ensure a good return on this investment is to work to retain a great executive, and to help a good executive become a great one. As the *Daring to Lead* study suggests, one of the greatest impacts the board can have on executive tenure is to support and partner with the new chief executive to the greatest extent possible.

Supporting the New Chief Executive: Key Steps for the Board

- Design and implement a thorough orientation.
- Ensure that the new executive has essential information and materials about the organization's finances, policies, and more.
- Arrange for introductions of the new executive at community forums, executive sessions with other nonprofit leaders, and other events.

- Join the new executive in personal visits and phone calls with key donors and organizational partners.
- Offer training, coaching, or other professional development opportunities for the new executive, as needed.
- Develop a 90-day entry plan for the new executive identifying key short-term challenges and opportunities, along with orientation and learning priorities.
- Work with the new executive to develop a leadership agenda for the organization identifying short-term strategic priorities.
- Develop a plan for monitoring the new executive's performance.

Excerpted from Chief Executive Transitions: How to Hire and Support a Nonprofit CEO *by Don Tebbe. BoardSource, 2008.*

TOOL 21

KPAWN SESSIONS

To support the chief executive, many boards have adopted KPAWN sessions to discuss what "Keeps the President Awake at Night." These executive sessions, with just the board and chief executive in attendance, create an informal setting that is "off the record." They are intended not for taking action, but rather for thinking together. For example, they may be used to take the board's temperature on an industry issue or to identify potential operational problems (e.g., high staff turnover).

Because chief executives do not have true peers within an organization, KPAWN sessions are a unique forum for meeting with the board without other staff or outsiders present. They allow the chief executive to direct board members' attention to matters that are not easily incorporated into the board's agenda or its committee structure but that the chief executive nonetheless regards as critical. By the same token, KPAWN sessions allow board members, as active listeners and collaborative problem solvers, to add value at the highest level of the organization.

Excerpted from the BoardSource White Paper "Executive Sessions: How to Use Them Regularly and Wisely" and from How to Help Your Board Govern More and Manage Less, Revised Edition, *by Richard P. Chait, Ph.D., BoardSource, 2003.*

PROFESSIONAL COACHING

TOOL 22

Elliot Lubar was the last person you'd expect to employ a professional coach. After all, what more was there to teach him? He'd spent 10 years as the executive director of Milwaukee's Jewish Family Services (JFS). His board was certainly happy with his performance. Between family counseling, older adult services, and refugee resettlement programs, JFS had more on its plate than ever before. With JFS operating so smoothly, why would Lubar possibly need a coach?

As a savvy nonprofit leader, Lubar knew that there's more to coaching than bailing out troubled boards. It was precisely because things were going so well that Lubar realized he should update his managerial skills and stay ahead of the business curve. "I'd seen a lot of turnover in the field because people weren't adapting well enough," he says. "I didn't want to become one of those casualties." After employing a coach to help sharpen his entrepreneurial skills, Lubar received an excellent evaluation from his board and completed his first capital campaign. "I connected with my coach right away because she was incredibly perceptive," he says. "I felt like she really understood who I am and she never backed off."

Professional coaching is one of the fastest growing areas of consulting in the nonprofit sector. As boards face greater challenges finding and retaining chief executives, they are more receptive to the idea that nurturing their leaders provides a good return on investment. Executives are also increasingly receptive to using coaches. "I've never encountered a successful executive who felt threatened by professional coaching. The ones from whom I've heard feel that both they and their organizations gained from the experience," says Alan Wichlei, a nonprofit executive search consultant with Isaacson, Miller.

What is professional coaching?
Coaching is teaching in a highly interactive relationship. Professional coaching is essentially a relationship between a consultant and a client. In the case of Lubar and many other leaders, clients are often executive directors, but they can be either individuals or groups, board members, or whole boards. The consultant brings a broad range of expertise to focus on the client's situation and needs. The topics for coaching are agreed upon between the coach and the client, but coaches are usually expected to perform tasks such as

- building a dialogue of trust. The coach must hear a clients' statements while reading the other signals they are sending. Reading between the lines will tell a coach what's really taking place within an organization
- helping clients understand what is expected of them and what is appropriate for them to expect of others
- helping clients become sensitive to what motivates them and how they behave in achieving their goals
- helping clients identify solutions to problems and measure their progress in carrying out those solutions
- stimulating new ideas while acting as a reality check or a point of reference for clients

The time to find a coach

Boards or executives often hire coaches because they are in trouble. They avoid turning to a coach until the organization is facing a perilous funding situation or a turnover in leadership threatens stability or there is a serious disagreement between management and the board. While organizations are likely to benefit from professional help in times like these, the most effective use of coaching is in planning for success and ensuring that the key players keep the goals in sight. Good times to look for a coach are when you begin to recognize that people aren't finding enough time to think strategically, when the board appears to be losing focus, or when board and management are beginning to experience tension about their roles.

The National Dental Association (NDA) initially hired a consultant to help the board understand its governance responsibilities. "That was immediately helpful, but it became clear that we needed someone to work with us over time if we were going to have an active governance committee," says NDA Executive Director Robert Johns. NDA retained the consultant as a coach to keep them on track with their goals and to maintain a dialogue between the board of trustees, the house of delegates, and management. "Hiring a coach isn't enough, though," Johns says. "You have to be prepared to work with the coach to make changes. It takes time and commitment."

What to look for in a coach

The standard criteria for selecting a consultant apply to selecting a coach. In addition to interviewing multiple candidates, asking details of the coach's philosophy and methodology, and checking references thoroughly, you will want to consider personal dynamics. You need someone who inspires confidence, someone who can relate to you or the demographics of your board, and someone who does not judge you or your peers.

Coaching is an intensely personal relationship; you must choose someone with whom you initially feel comfortable. "Ultimately, what mattered most was the relationship I had with my coach," Lubar says. "You've got to find someone you can connect with, someone who shows some perception about you and your organization, someone you can trust."

It's important to remember, however, that coaching is about change, which frequently makes people uncomfortable. You may not always feel in complete harmony with your coach. Try to remain objective in your judgment of the relationship when you confront issues that may make you anxious.

To find a coach, ask peers whose judgment you respect for referrals. You can also check with your statewide association of nonprofits. (BoardSource coaches executives on governance issues.)

What results can you expect?

Your results are, of course, determined by your goals. A good coaching relationship — like any good consulting relationship — will respond to the client's needs. Boards often set annual goals that can be monitored by a coach and analyzed through board self-assessment processes. Some boards use coaches like managers to assist their chairs in ensuring that committees are functioning properly, board talent is being put to best use, and meeting agendas focus on the strategic thinking and evaluation of key indicators.

Christine Hammes, director of strategic development services for the Management Association for Nonprofits (MAP) in St. Paul, Minn., says that her clients often leave with individual strategic plans. Chief executives frequently develop strategies for time management. Many find ways to continue active learning and to integrate their values into their work.

"Our people are working together better than they ever have," says JFS's Lubar. "It would be hard to tell you exactly what to attribute to the coaching, but I know I wouldn't have achieved these things without it."

Finding the Right Coach

The best coaching/client relationships hinge on finding the right match of styles and needs. There are, however, general guidelines that apply in selecting a coach:

Research your options. Get as much information as you can about prospective coaches. Ask about their methods, their working style, their experience, and their training. Think and talk about what is important in building a successful relationship.

Always check references. Even if you feel the chemistry is perfect, be sure to talk to other clients with whom the coach has worked. Ask about responsiveness, timeliness, flexibility, expertise — all of the things you would want in a qualified professional.

Test the dialogue until you are comfortable. Because successful coaching relies so much on trust and respect, make certain you feel comfortable entering into a relationship with the coach. The future cannot be guaranteed on the basis of interviews, but keep searching until you are reasonably certain you have a good match.

Set goals and measure your progress against them. Agreed-upon goals can be hard to determine when you are setting out on a learning exploration, but some markers of progress will help chart whether you're spending your time wisely. Identify goals you want to accomplish as a result of your coaching, and establish a time frame for achieving them.

Make a commitment to success. Once you have entered into a coaching arrangement, make yourself available to the process. Be candid; work hard; recognize resistance for what it is. You can expect some discomfort —confronting our own issues can be challenging — but don't hesitate to be candid with your coach about your experience with the process.

Excerpted from "Put Me In Coach" by Oliver Tessier. Board Member®, *July/August 2002.*

TOOL 23

360-DEGREE EVALUATIONS

One way to assist with the chief executive's professional development is to conduct a 360-degree evaluation. This process allows the chief executive to gain un-attributable feedback from staff.

A 360-degree evaluation instrument is a tool that often is used to achieve global feedback about the chief executive's work performance. It is also commonly called 360 feedback, multi-source feedback, multi-rater assessment, upward feedback, or peer evaluation. Basically, each of these terms describes the process in which the chief executive evaluates himself on a set of criteria as does his direct reports. The chief executive receives a gap analysis detailing how she perceives herself versus how others perceive her. Usually, following such a review, one-on-one coaching sessions are utilized to guide the development process.

Different instruments focus on different things, but the type of information that can be covered in a 360-degree evaluation include:

- knowledge — familiarity with job, industry, company
- skills — task proficiency
- behaviors — patterns in relating to the environment (energy, optimism)

Personality traits or styles are generally not covered in a 360-degree evaluation.

The benefits of a 360-degree evaluation are not only to the individual, but also to that individual's team and organization. The benefits to an individual include:

- helping the individual to understand how he/she is perceived by others
- helping the individual to understand developmental needs
- helping the individual to learn
- helping the individual better manage his or her own performance and career

To the individual's team and organization, the benefits include:

- helping to increase communication between team members
- helping to support teamwork by involving team members in the development process
- providing better career development for employees
- working toward promotion from within
- driving organizational training considerations

Excerpted from Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive *by Katha Kissman. BoardSource, 2009.*

SABBATICALS

TOOL 24

We often relate sabbaticals to a practice in higher education. University professors earn sabbatical leaves after a certain number of years of teaching to be able to pursue research and other professional activities without regular curriculum burdens. A free year or a semester from organizational obligations is considered a bonus that benefits the individual as well as the organization. For many professors, heavy schedules of teaching, committee assignments, and/or other administrative duties do not leave much time for writing or personal development.

Other nonprofits have also experimented with sabbaticals. Besides general leaves for all staff, the board can award special sabbaticals to the chief executive.

Why Offer Sabbaticals

Sabbaticals are special benefits for special situations. There hardly is a reason for every organization to adopt this practice. In many cases, less onerous solutions may be better options. Vacation time and flexible work schedule can provide remedies for numerous demanding situations.

In many circumstances, sabbaticals could be conceived as a bonus after a long tenure. They could serve as a reward after a particularly hectic or difficult period in the organization's life. They can also provide a possibility for personal or professional development benefiting both the chief executive and the organization. During slow periods of business, an organization could offer sabbaticals as a money-saving method. As a standing policy, sabbaticals can serve as incentives for recruitment efforts or as a method to hold onto a particularly valuable executive.

Challenges

Sabbaticals can be costly rewards whether they are paid or unpaid absences from work. When the chief executive is not present, someone else must take charge and carry on the duties. Life does not stop in the office. During the absence, special problems may surface, and they may be tough to solve without the knowledge and experience of the chief executive. For the returning chief executive, possible changes in the organization may demand some adjustment. If this option is not available to other staff, it can create jealousy and feeling of injustice.

Obligations

It is necessary to clarify the purpose of a sabbatical. Either it is for professional improvement, research, writing a book, or other work-related endeavors or it is for personal reflection and rejuvenation. Any expectations or outcomes must be explicit.

Excerpted from the BoardSource Topic Paper "Sabbaticals."

Tips for Boards on Granting Sabbaticals

If your organization is considering implementing a sabbatical policy, here are sample guidelines:

- The employee seeking a sabbatical should be the chief executive or a senior manager.
- The employee should be employed by the organization for at least 10 years before he or she is eligible.
- Requests for sabbatical leave should be made at least four months in advance.
- The chief executive should obtain approval for leave from the executive committee or full board if there is no executive committee.
- The individual should present a proposal outlining reasons for the requested sabbatical.
- The sabbatical does not have to be work-related.
- Before the sabbatical begins, the chief executive's work must be in order and interim leadership must be in place.
- Expenses and salary for the chief executive may or may not be paid during the sabbatical.
- Annual leave, sick leave, and holiday benefits will continue to accrue during the approved sabbatical leave period.

Excerpted from "The Board's Role in Chief Executive Sabbaticals" Leaders' Digest. Board Member®, *March 2001.*

SUPPORTING A FOUNDER

TOOL 25

To say that founders are individualists is an understatement. Some mysterious combination of nature and nurture endows them with ample quantities of vision, energy, and drive. Why these qualities are channeled into the creation of a nonprofit organization is probably as much of an unknown as where they came from in the first place. Nowhere does the founder exert more influence on the budding organization than by the board she assembles and the people she hires.

Like nonprofits themselves, boards of nonprofits have life cycles. The early stage is always a period of cautious groping for answers and a feeling-out process for the founder and a group that were probably strangers just a little while ago. More important, it is in the DNA of most boards to be supportive of the chief executive. For founders, that tendency is magnified. Of course, that is the heart of the potential problem for the founder's board. The founder may be smart, energetic, charismatic, driven, and innovative, but she can still make mistakes. Just as athletes need coaches and actors need directors, chief executives need the counterbalance of a strong board to make them more effective. One of the ways a board gets true strength in this regard is through its ability to think critically. But for the founder's board, critical thinking is usually not high on the to-do list.

Often what is high on the list is cheerleading. Being a founder or being on a founding board is fundamentally an emotional experience. The objective detachment required by critical thinking is the antithesis of emotional engagement, yet it is the source of a board's value to a founder — or any other chief executive. Complicated as it may sound, the founder's main contribution to her board's development is to give it permission to enjoy the ride while maintaining enough distance to let clear-eyed thinking prevail.

A related service the founder can provide her board is encouragement to develop its own identity. A board is a task group, and every task group needs to create pathways of communication and ways of working together to be successful. An effective founder will find ways to help the board develop its own unique perspective on governance independent of the founder. The urge to make the board a personal fan club is strong, but resisting it is the highest service the founder can provide her newborn governing body.

The ability to think critically while still supporting the chief executive allows a board of directors to improve upon the executive's work rather than simply rubber-stamp it. In many ways the board of a nonprofit organization plays an early version of the same role with their executive's initiatives that the outside world will play. Research suggests that over time the best decisions are made by groups, and the vetting that an engaged, critical-thinking board can provide will toughen a proposal and give it a better chance to succeed once exposed to a wider audience.

Finally, the engaged-but-critical board is better equipped to deal with life after the founder. With its own identity apart from the founder secured, it will see that turning point as a large but manageable version of the same critical junctures it has been handling all along.

Excerpted from Moving Beyond Founder's Syndrome to Nonprofit Success *by Thomas A. McLaughlin and Addie Nelson Backlund. BoardSource, 2008.*

TOOL 26

Perhaps the annual evaluation process uncovers some doubts about the chief executive's ability to effectively lead the organization. Maybe the chief executive is approaching the age of retirement or has found a new employment opportunity that offers greater professional fulfillment. Or maybe the chief executive's skills were better suited for a different phase in the organization's lifecycle that has since passed.

Whatever the reason and motivation, a chief executive's departure from the organization can be unsettling. As a result, the board must exercise care, forthrightness, grace, and sensitivity to the needs of the person and the organization. Although the executive or governance committee frequently conducts performance and compensation reviews on behalf of the board, all board members should be involved in any transitions of the one staff member who reports to them.

Here are suggestions for dealing with specific situations that your organization may encounter. How the board manages the loss of a key player in each of these situations will affect the whole organization.

Retirement

When a long-standing chief executive reaches age 60 or so, he or she is probably wondering about the best time to retire. An alert board is probably thinking about the same thing. More often than not, the answer is a result of honest conversations between the chief executive and the board chair and perhaps other board members.

It is common for a board, perhaps during the chief executive's annual evaluation, to raise the issue of retirement. Many factors may feed into this: an upcoming capital campaign, a merger, a move to a different location, the planned retirement of another staff veteran. If the chief executive is interested in retirement but unsure of the timing, the board might offer a sabbatical prior to retirement.

Job change

The chief executive may simply announce his or her departure to take another job, although the decision should be communicated first to the board chair. Together, the two leaders can also work out the timing of the staff executive's departure and transition details.

If the chief executive has many loyal supporters within the organization and the community, the board may sponsor a reception in the person's honor and provide a thank-you gift. To recognize the contributions of especially effective chief executives, some organizations name awards or sponsor events in their honor.

Forced resignation

A nonprofit board may conclude that some action or inaction on the part of the chief executive requires that person's fairly quick departure from the organization. The chair is asked to deliver a blunt message: "For these reasons, the board wants to give you the option of resigning at the end of this month or being fired on Friday." Most chief executives would prefer to resign and have some influence over how the announcement is made.

This is never easy and seldom a pleasant way to fulfill the board's responsibility to the organization's stakeholders. The local media or the organization's newsletter often will explain that there are "personal reasons" for the departure. Most people will know this tactic simply puts a nice spin on being fired, but it is a good option that protects the organization from negative press and leaves some dignity to the chief executive and his or her family.

If the situation leading up to the termination has potential legal ramifications, often an attorney will be asked to draft a memorandum of understanding that spells out what the board or the chief executive can say in public about the situation.

An emotional whirlwind usually accompanies a chief executive's sudden departure. The staff, the board, and the departing chief executive all need time to overcome the tension, anger, frustration, doubt, guilt, and anxiety that come with the situation.

Termination

When a chief executive is fired, he or she often has made decisions or statements that have riled the public — or at least enough donors and supporters — to create a crisis. Staff may be threatening to leave. A foundation may want to pull back on its funding. An aggrieved employee may have gone public with some indiscretion on the part of the chief executive. Whatever the reason, for the integrity and progress of the organization, the board realizes that everyone is looking to it to act. To exercise good trusteeship, the board must take on the least pleasant task of firing the chief executive.

If this situation arises in your nonprofit, the board must:

- Unanimously support the decision to terminate employment of the chief executive; the decision would probably be made during an executive session or during a board conference call if the the decision must be made without delay.
- Make sure the action never comes as a surprise to the chief executive. Have substantial documentation of the performance or lack of performance that led to the action.
- Tell the chief executive first. Do not "leak" the news to anyone else.
- Ask an attorney to draft a mutually agreeable termination document. This will reduce the possibility of costly legal battles.
- Communicate the decision. The board chair should brief staff on who will be the acting chief executive and send a letter to donors and special friends. A press release may also be in order.
- Quickly initiate the process to find a replacement.

Succession Planning

Even if your organization's chief executive is young, healthy, and still passionate about the job, you need to have a back-up plan. Succession planning is especially critical for younger organizations so they don't crumble if suddenly confronted with the loss of the staff leader who keeps the day-to-day operations running smoothly. It entails five steps.

1. **Be clear on the chief executive's role.** All board members should understand their responsibilities and how those of the chief executive differ. Knowing the multiple roles played by the chief executive will help the board focus on the type of person the job requires and the demands it asks of that person. The board should have ready access to an updated job description for the chief executive.

2. **Agree on expectations.** Rather than waiting for the chief executive's evaluation to roll around each year, both the chief executive and board members—particularly the board chair—should frequently discuss and reach agreement on their respective roles and responsibilities.

   Who needs what from whom — and by when? Achieving and maintaining this clarity leads to open conversations and a healthy partnership. It also reduces the likelihood that tension and disagreements between the parties will escalate into conflicts that become difficult, if not impossible, to resolve.

3. **Conduct a board self-assessment.** Turnover in staff leadership provides a natural point for the board to look at its own performance vis-à-vis the chief executive. But even at other times, introspection helps a board become more productive. In fact, boards that conduct periodic self-assessments typically have the knowledge and confidence to weather a staff leadership transition smoothly.

4. **Establish an evaluation process for the chief executive.** The question of a chief executive's future plans should be a routine part of his or her annual performance review. Asking, "Where do you see yourself in five years?" doesn't imply that the board has plans that don't include the chief executive. Rather, it confirms the board's interest in the chief executive's professional and personal development and reduces the likelihood that the board will be caught unprepared for a retirement or resignation.

5. **Create an emergency transition plan.** Have a contingency plan in place to guide both board and staff in the event of the chief executive's departure or long-term absence. The plan, for example, might enable the board to appoint an interim chief executive from among the senior staff. Some executives find it fulfilling to mentor younger colleagues who, subject to the board's wishes, may one day be able to step directly into the chief executive's position on a temporary or permanent basis.

   If the board determines no senior staff has the appropriate qualifications or experience to lead the organization during the transition, it may have a policy to hire a consultant or other seasoned manager to serve as the interim executive director.

Suggested action steps

1. After talking with the chief executive, board members, staff, and other stakeholders, invite an outside, objective evaluator to provide an analysis that helps answer the question of chief executive tenure.

2. When a chief executive nears retirement age, encourage a private conversation between the executive committee and the chief executive about the near-term future. This could be a routine question in the annual evaluation.

3. Well in advance of a leadership void, develop policies addressing succession planning, severance benefits, search and transition guidelines, and related issues.

Excerpted from The Nonprofit Board Answer Book, Second Edition. *BoardSource and Jossey-Bass, 2007.*

PART 3

RECOMMENDED READING ON BUILDING A CONSTRUCTIVE PARTNERSHIP WITH THE CHIEF EXECUTIVE

rec·om·mend(ed) *vt*
to suggest something as worthy of being accepted

Assessment of the Chief Executive: A Tool for Nonprofit Boards (online version), by Joshua Mintz and Jane Pierson. BoardSource, 2005.

Chief Executive Succession Planning: Essential Guidance for Boards and CEOs, Second Edition, by Nancy R. Axelrod. BoardSource, 2010.

Chief Executive Transitions: How to Hire and Support a Nonprofit CEO, by Don Tebbe. BoardSource, 2008.

Getting the Best from Your Board: An Executive's Guide to a Successful Partnership, by Sherill K. Williams and Kathleen A. McGinnis. BoardSource, 2007.

How to Help Your Board Govern More and Manage Less, by Richard P. Chait, Ph.D. BoardSource, 2003.

Moving Beyond Founder's Syndrome to Nonprofit Success, by Thomas A. McLaughlin and Addie Nelson Backlund. BoardSource, 2008.

The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition, by BoardSource. BoardSource and Jossey-Bass, 2007.

Nonprofit Executive Compensation: Planning, Performance, and Pay, Second Edition, by Brian Vogel and Charles W. Quatt, Ph.D. BoardSource, 2010.

Ten Basic Responsibilities of Nonprofit Boards, Second Edition, by Richard T. Ingram. BoardSource, 2009.

Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive, by Katha Kissman. BoardSource, 2009.

ABOUT BOARDSOURCE®

Building Effective Nonprofit Boards

BoardSource is dedicated to advancing the public good by building exceptional nonprofit boards and inspiring board service.

BoardSource was established in 1988 by the Association of Governing Boards of Universities and Colleges (AGB) and Independent Sector (IS). Prior to this, in the early 1980s, the two organizations had conducted a survey and found that although 30 percent of respondents believed they were doing a good job of board education and training, the rest of the respondents reported little, if any, activity in strengthening governance. As a result, AGB and IS proposed the creation of a new organization whose mission would be to increase the effectiveness of nonprofit boards.

With a lead grant from the Kellogg Foundation and funding from five other donors, BoardSource opened its doors in 1988 as the National Center for Nonprofit Boards with a staff of three and an operating budget of $385,000. On January 1, 2002, BoardSource took on its new name and identity. These changes were the culmination of an extensive process of understanding how we were perceived, what our audiences wanted, and how we could best meet the needs of nonprofit organizations.

Today BoardSource is the premier voice of nonprofit governance. Its highly acclaimed products, programs, and services mobilize boards so that organizations fulfill their missions, achieve their goals, increase their impact, and extend their influence. BoardSource is a 501(c)(3) organization.

BoardSource provides

- resources to nonprofit leaders through workshops, training, and an extensive Web site (www.boardsource.org)
- governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs
- the world's largest, most comprehensive selection of material on nonprofit governance, including a large selection of books and CD-ROMs
- an annual conference that brings together approximately 900 governance experts, board members, and chief executives and senior staff from around the world

For more information, please visit our Web site at www.boardsource.org, e-mail us at mail@boardsource.org, or call us at 800-883-6262.

The Governance Series

1. *Ten Basic Responsibilities of Nonprofit Boards, Second Edition*
2. *Legal Responsibilities of Nonprofit Boards, Second Edition*
3. *Financial Responsibilities of Nonprofit Boards, Second Edition*
4. *Fundraising Responsibilities of Nonprofit Boards, Second Edition*
5. *The Nonprofit Board's Role in Mission, Planning, and Evaluation, Second Edition*
6. *Structures and Practices of Nonprofit Boards, Second Edition*

e-Products

Assessment of the Chief Executive

Board Self-Assessment

Books

The Nonprofit Chief Executive's Ten Basic Responsibilities

Chief Executive Transitions: How to Hire and Support a Nonprofit CEO

Chief Executive Succession Planning: Essential Guidance for Boards and CEOs, Second Edition

Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive

The Board Chair Handbook, Second Edition

Getting the Best from Your Board: An Executive's Guide to a Successful Partnership

Moving Beyond Founder's Syndrome to Nonprofit Success

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Meeting, and Exceeding Expectations: A Guide to Successful Nonprofit Board Meetings, Second Edition

The Nonprofit Policy Sampler, Second Edition

The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition

The Nonprofit Legal Landscape

Understanding Nonprofit Financial Statements, Third Edition

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