

## Performance Goals for the Chief Executive

Clarifying performance goals 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 annually, it is important that a mutual understanding and agreement of the anticipated accomplishments exists between the board and the chief executive.

### Purpose of Setting Goals

The chief executive is responsible for executing the board-approved vision of the organization. The board has participated in the creation of the strategic plan that clarifies the details of its implementation. For the chief executive, annual goals as aligned with that plan define the priorities for the coming year.

Secondly, stated goals identify what needs to be achieved and how the executive's performance can be evaluated.

Finally, the goals allow the chief executive to identify professional development opportunities for the coming year. Setting goals not only clarify expectations but also allow the chief executive to understand what they need to accomplish to fulfill their leadership role.

## SMART Goals

Project SMART explains how to set up meaningful expectations. This means that they should be

- **Specific**, to clearly define the objective.
- **Measurable**, to allow everyone to know when goals have been met and how well they were accomplished.
- **Agreed-upon**, to remain fair and acceptable to both parties.
- **Realistic**, to make them attainable with available resources and to keep the evaluation reasonable.
- **Time-based**, to clarify when results are expected.

## Setting the Goals

Traditionally, the chief executive prepares a draft of their goals and presents it to the board chair for discussion and feedback. The chief executive is in the best position to connect organizational goals and professional achievements. The board approves the final document.

How many goals should the chief executive include in their plan for the coming year? Creating a long list of future achievements makes achieving them more challenging. Too few and low-key expectations remain unchallenging and most likely minimizes the capacity of the chief executive. Also, priorities may 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 Goals

By categorizing the areas of activities, the board and the chief executive have a better chance of covering all the areas needing attention. Here are some examples:

## Organizational

- Increase staff retention by 15%
- Organize the annual regional conference and increase attendance by 5%
- Establish a revenue-generating membership program for the organization

## Personnel

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

## Financial

- Secure 50% of the capital campaign goal
- Increase the operational reserves by 10%
- Cultivate and solicit three new major donors

## Chief Executive Professional Development

- 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 goals are set to ensure it's accomplished
- Being clear about expectations allows the board to fairly evaluate the chief executive
- A job well done encourages the board to recognize and support the chief executive

## Chief Executive

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

**101 Resource | Last update: May 12, 2023**

*Resource: [The Nonprofit Chief Executive's Ten Basic Responsibilities](#)*