



What to Evaluate

Performance assessments often raise concern and even fear. Many people associate them with judgment, unfairness, and the need to defend one's actions.

However, without appropriate monitoring and feedback, it is difficult to evaluate whether you, your board, and your organization are meeting goals and making progress. In a nonprofit, there are three different kinds of assessments that the board should do on a regular basis: its own self-assessment, performance assessment of the chief executive, and evaluation of the organizational health and development. The board needs to ensure that all these processes are institutionalized and documented.

Board self-assessment

Every board should assess its own performance approximately every two to three years. There are **numerous tools available** to facilitate the task. A full and comprehensive assessment is not necessary every year because there has to be adequate time to implement any recommendations and affect change.

Some of the benefits of board self-assessment include

- clarifying the responsibilities of the board and individual board members — and creating a mutual understanding on what these should be
- directing the board's attention to issues that it may be neglecting or not performing as desired
- sending a message that governance is important and that doing it well allows the board to better serve the organization

A board also should determine how it handles individual board member assessment. This could easily be tied to the full board assessment process by asking board members to rate their own performance at the same time. Some boards conduct **peer evaluations** — asking board members to evaluate the contributions their peers are making to the board work. It is probably best to have the governance committee coordinate this effort and communicate with individual board members privately to determine together whether any changes are needed and to give necessary support or accolades for commitment. Under any circumstances, it is a good practice to assess every board member's performance before a new term is granted.

Assessment of the chair's performance can be performed by the **executive or governance committee** or the entire board can provide comments through an anonymous and confidential process. No matter who participates in the evaluation, the results should be communicated to the chair in a private meeting. This evaluation provides the chair with feedback on his style, leadership, and facilitation skills; his handling of the board's challenges and key focus areas; and his capacity to keep board members engaged.

Chief executive assessment

Every board should carry out a **chief executive performance evaluation** on an annual basis — and keep a written record of the results as a way to protect both the chief executive and the board. The process should rely heavily on the **job description for the position** and the previously identified priorities and projected accomplishments for the year. To be fair, the process should be mutually agreed upon, and the **performance goals should be measurable**.

In addition to providing constructive feedback for the chief executive on what works and what doesn't, the process allows the chief executive to feel more comfortable about her own strengths and weaknesses and to identify areas in need of improvement. Even though salary adjustments should be based on performance, the **actual discussions on compensation** should be separate from the performance evaluation process.

Organizational assessment

Most boards monitor the organization's financial performance on a regular basis by reviewing the **financial statements** prepared by staff and comparing them to the previously approved budget. In their reports for board meetings, program directors elaborate on the triumphs (and hopefully also on the shortfalls) of the programs to allow the board to judge which activities most successfully meet the goals. **A dashboard report** — succinct performance indicators that can be read at a glance — is a practical and quick tool to set the overall performance record straight.

It is relatively easy to determine the quantitative measures for accomplishments. Quantitative data — we feed 200 homeless individuals daily — do not necessarily tell the full story, however. To assess how well the organization fulfills its mission often goes beyond bare numbers. When it is not possible to **draw a direct link between the work of the organization and the improvements in the community**, it helps to identify the extent to which individual customers or clients feel the impact of the services. Qualitative data — the services provided by the shelter helped a homeless person find a job and permanent lodging — present valuable success stories. When methodical surveys of all the constituents are not possible, anecdotal feedback can help tell a story. Together, raw numbers and stories of changed lives provide a more comprehensive picture of the organization's accomplishments.

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*Resources: **BoardSource Board Self-Assessment**, **Assessment of the Chief Executive***