Chief Executive Officer Evaluation

Board Briefs are a series of "at-a-glance" resources to assist board volunteers in supporting their Clubs. They are designed for use at board meetings as subject matter for a five-minute educational opportunity. They can be discussed in their entirety or in sections. Different questions from the same brief can be posed at different meetings.

The Board Chair can use them or ask an appropriate committee to lead the conversation (e.g., finance, governance, etc.).

Executive Summary

The board has authorized the chief executive officer (CEO) to act on its behalf in managing and leading the organization. Since the board is ultimately accountable for the Club's performance, it needs to ensure that the Club has the appropriate executive leadership. It is not fair to a CEO not to let him or her know what the board thinks of his or her performance. It is essential to evaluate a new CEO 90 days after they begin in the position. After that, the board should evaluate the CEO annually.

CEO Evaluation

Boys & Girls Clubs of America (BGCA) indicates that a new CEO should be evaluated after 90 days in the position in order to recognize early achievements and to identify gaps in CEO skills or knowledge. BGCA has an appraisal form that boards can use.

Otherwise, a CEO should be evaluated annually. The timing may be linked to the organization’s annual calendar and planning cycle. Annual evaluation serves three major and interrelated purposes:

1. Ensures CEO accountability for Club management. The board must hold the CEO accountable for the outcomes of his/her work and for acting in accordance with the policies established and with the values that are espoused by the Club. By conducting regular CEO performance evaluations, the board makes sure that there is agreement between the board and the CEO concerning what should be expected in terms of job performance, and determines the level to which the CEO has lived up to expectations.

2. Support the CEO in doing an excellent job. CEOs are in a lonely position; they have no peers inside the organization. Often they do not know how others feel about their work. Some will assume that if there is no negative feedback from the board, everything is fine. Others in the same position may assume that since there is no feedback the board must not be particularly pleased with their work. Either situation can result in abrupt departures and put the Club at risk. Problems may grow into crises and result in forced resignations or the CEO finding a new position where his or her contributions will be more appreciated. They also deserve appreciation both for effort and for accomplishment.

3. Evaluation is needed to ensure appropriate CEO leadership for the future. The board needs to be aware that the Club’s leadership needs may change over time. The board must determine whether there is still a good match between what the CEO has to offer and what the organization needs. If there is not, the board needs to take action. Either the board will need to find a new CEO or work with the CEO to correct the situation. With regular and careful performance evaluations, sudden or painful CEO departures can usually be avoided.
Process for Implementing and Conducting the Annual Chief Executive Officer Performance Review

BGCA has designed a new uniform performance management system. To implement the uniform performance management system, BGCA recommends the following process guidelines:

1. Annually, the Chief Executive Officer and the Board Chair/Executive Committee mutually determine the following:
   - Target areas for leadership development (Source: Chief Executive Officer Leadership Model).
   - Target areas for organization development/improvement (Source: Standards of Organizational Effectiveness).
   - Establish key performance standards for organization performance
2. Once the target areas for leadership development and organization development/improvement are approved, the Chief Executive Officer and the Board Chair meet on a monthly basis to review progress on the targets and metrics.
3. At the end of the 12-month cycle, the Chief Executive Officer and the Board Chair/Executive Committee rate performance using the CEO Performance Review document.

Questions for Discussion:

The following questions can be used for discussion at board meetings:

1. Do we evaluate the CEO annually? If not, why not and how can we ensure we begin this good practice?
2. Have we experienced any challenges in conducting the annual CEO evaluation? Do we need to change and/or enhance the process we are using to evaluate the CEO?

Additional Resources:

- Boys & Girls Clubs of America, Board Chairman On-Boarding Guide