But a board is not that kind of boss. The board observes the executive director in action quite infrequently. Most board members do not possess the technical expertise to give the C.E.O. corrective feedback or positive coaching. Furthermore, a board is too large to provide such supervision; boards of 25 members have the potential to think that any particular task could be done 25 different ways. And that is not the kind of direction the chief executive officer needs. If the C.E.O. needs to be “supervised” in order to be successful, then the board has not selected a person with sufficient experience, judgment, or expertise.

What should the board do as boss? The board provides oversight and evaluates the progress of the corporation and holds its C.E.O. accountable for these organizational results. If the affiliate board has ratified a long-range strategic plan and adopted a set of comprehensive policies, more than enough baseline information exists to examine at what level the C.E.O. is performing. Using this approach, the destiny of the affiliate and the executive director are inextricably linked.

In other words, if the organization is doing well (under the specific set of circumstances confronting the affiliate), then it must be presumed that the C.E.O. is doing well. Clearly, there are other monitoring reports that can be used to enrich and broaden the board oversight function. The most relevant examples are: the annual financial audit; PPFA recertification reviews; and PPFA indicators of patient growth rates, financial ratios, and productivity rankings.

Evaluating the Executive Director. Performance appraisal is difficult under the best of circumstances, but when the supervisor is a collective, a board of 15 to 40 individuals who serve part time and hold diverse views, the job can be overwhelming. With creativity and dedication, approaches can be created that work well. C.E.O. appraisal must be done carefully, because the C.E.O. deserves to know what is being done well and what must be improved. In simplest terms this is how an appraisal enables executive directors to get better: they can relax a bit in job areas that are perceived as excellent and focus their improvement plans on the weakest aspects of performance. Boards do not have to be able to teach or correct for performance deficiencies; for that, there are hundreds of workshops, college courses, training tapes, and publications. But the mandate is to focus attention on strengths, potentials, and problems, because if the board doesn’t do it for the executive director, no one else will.

The chances that a board will do well in its role as evaluator of the executive director are greatly increased if the board has in place the foundations discussed in the last two chapters. Using the written plans

"Many boards incorrectly regard evaluation as a negative process and are uncomfortable in attempting it. However, when the process is well planned and fair, and when board members bring both close attention and good will to it, everyone involved benefits."

— ANDREW SWANSON
and policies that define the results, the acceptable means, and the agreed-upon bottom lines, the board has the benchmarks with which to appraise the performance of the affiliate C.E.O.

"The issue of evaluation of Planned Parenthood affiliate Executive Directors is often anxiety-producing for both the Executive Director and the board members conducting the evaluation. Why? In evaluating the various formats presently existing for evaluating Executive Directors, there appears to be an inordinate amount of attention to subjective criteria that board members often have little information on or simply "don't know." From the Executive Director's perspective the subjective criteria often lack precision and have less application to the day-to-day aspects of the job."

From the PPFA Southern Region Council Executive Director Evaluation Guide

The following essential ingredients are prerequisites for the board in order to effectively evaluate its C.E.O.:

1. ASK THE EXECUTIVE DIRECTOR TO DO A SELF-EVALUATION. Appraisal starts with asking the C.E.O. to evaluate himself or herself. Encourage candor and offer assistance where weaknesses are acknowledged or problems identified. The format can be flexible, but some fairly open-ended questions can be helpful. Here are some possibilities:
   • What do I consider to be the important abilities that my job requires?
   • What are my major accomplishments for the past year?
   • How do my personal achievements compare with affiliate performance?
   • In what area of my job do I need to improve?
   • What are the ways in which the board can help me to do my job better?
- In what aspects of my job do I feel I need more experience and training?
- What have I done for my personal and/or professional development?

This self-evaluation report should be discussed at the actual performance review session.

2. USE OVERALL ORGANIZATION RESULTS AS A BENCHMARK. The performance of the organization (successes and failures) is not necessarily synonymous with that of the executive director, but they are interrelated. Therefore, the C.E.O. should be appraised simultaneously with or on the heels of a thorough evaluation of the affiliate's achievements. Every board should have the executive director (as part of an annual evaluation cycle) prepare a report on the actual performance results compared to the budget and planning predictions. Additionally, the actual results should be compared with the goals in the board's strategic, long-range plan. Documented results verify the progress of executive competence and become the basis for the board's trust in the C.E.O.

   Obviously, evaluation of the C.E.O. of an organization as complex and ever-changing as Planned Parenthood defies simple checklist type appraisals, whose answers are yes, no, or maybe. The analysis of results requires critical and sophisticated thinking. For instance, meeting a goal may connote executive competence or blind luck. The board needs to differentiate between a "windfall" or meeting a standard that was woefully low in the first place. Conversely, in certain circumstances, getting 75 percent of a goal may represent a minor miracle that could not have been pulled off without exemplary effort by the executive director. These are the judgments that the board-as-boss must make.

3. DO NOT INVOLVE OTHER STAFF IN EVALUATING THE EXECUTIVE DIRECTOR. Although staff members have direct knowledge about how the executive is doing, putting them in a formal evaluation loop is very awkward. This style of performance appraisal breaches the classic lines of authority and can thereby set a dangerous pattern of communication within the organization. The ability to obtain useful and dependable information is compromised because staff must constantly worry that their comments might get back to their boss. In addition, the context of staff comments is a result of many variables that the board simply won't know or fully appreciate. A knowledgeable and involved board can evaluate by
“Executive Directors are very sensitive to board members involving themselves in management issues. One of the concerns is that board members do not trust executive directors to manage. Board presidents, on the other hand, urged trust but wanted verification.”

Excerpt from PPFA report, *An Analysis of Executive Director Turnover in 1990*

itself, as long as it has a benchmark plan to measure executive accountability and policies that allow periodic monitoring of affiliate practices. A board must discern why its affiliate is doing well or badly and how the performance of the C.E.O. is affecting overall organizational performance.

4. ALLOW INVOLVEMENT FROM THE ENTIRE BOARD. A written checklist, with some opportunity for open-ended responses, allows even new board members to participate in executive appraisal. However, if members have no certain or direct knowledge in a specific area, they should be given the opportunity to defer judgment. The best evaluation documents I’ve come across were developed by the Southern Region of PPFA (Executive Director Evaluation Guide) and by Lee Minto (Choosing an Effective Executive Director: A Guide for Affiliate Boards). Both contain forms used by the board to evaluate the C.E.O.

5. CREATE A SMALL, KNOWLEDGEABLE EVALUATION TEAM. This handful of board members should include the most experienced and capable people who have worked directly and closely with the executive. It should always include the board president. Along with the executive director’s self-evaluation and overall organization evaluation tools, this team uses two data sources: their own direct observation of the executive and the collected responses of other board members. They must sort through and assimilate this scattered array of feedback so that it can be shaped into a fair and coherent critique.

6. PROVIDE A WRITTEN EVALUATION. This report should highlight the strengths and weaknesses of the executive, specify any improvements sought, propose possible training plans, and offer an overall conclusion as to how the executive director is doing. It should be provided to the executive in advance of the performance review session and should form the basis of the appraisal meeting between the team and executive. The executive director should be allowed to respond formally if major disagreement occurs. The results should then be reported to the board, in part or in whole, in executive session with the executive director present. At this meeting, questions or other comments from the board at large should be invited. The written evaluation is filed in the executive’s personnel folder.

7. NEGOTIATE COMPENSATION SEPARATELY. It is important to conduct the appraisal first and the salary negotiation later. If the
If two items are not separated, discussion of money will invariably dominate the appraisal interview, and important messages regarding performance may be lost. Clearly, the appraisal should be linked with the compensation, but they should definitely occur separately and sequentially. Many boards find it convenient and consistent to have the evaluation team also do the salary negotiation, as this job is un-wieldy for the board as a whole. The compensation negotiating group must be knowledgeable about comparable salary rates and benefit packages, both in the local job market and within the Federation. Most successful boards do not ratify the exact terms of compensation, but rather delegate to the small group and subsequently receive a full report on the negotiation results in executive session.

"Build security into your (C.E.O.) job with a contract that spells out what the board expects and insulates you from the negative whims of your board... multi-year contracts, renewable yearly, are an excellent way to insulate yourself from the uncertainty of board changes."

DAN CAIN

A Contractual Employee. Many executive directors operate with a written contract or letter of understanding between themselves and the board of directors. A contract can protect the interests of both parties. For the executive director, the primary benefit is stability. Namely, with a very difficult job and in an era of employment “at will,” written provisions can offer protection. For the board, the most attractive reason is both stability and continuity. Namely, the board as boss is by definition a revolving group (the negotiating group of two years ago may be composed of entirely different persons in the present), so keeping things explicitly clear and written is essential.

The following terms and condition topics are the elements that are most frequently found in employment contracts:

- the period of time covered by the contract, with specific dates set for the next evaluation and compensation negotiations;
- salary and benefits defined, especially if certain items vary with agency-wide personnel practices or salary ranges;
- explicit definition of any special “perquisites” that the board has provided — e.g., company car, performance bonus, tax sheltered annuities;