

Tom Little's

BIG IDEAS

for Non-Profits

In This Edition

April 5 to 9, 2021

Evaluating the Performance of the CEO/Executive Director - Part 2

Tom discusses who should do the evaluation and who should provide input.

To have credentials is human, to be able to communicate is divine

It's all about communication, whether we are talking a new hire or CEO/ED.

Headline News

Evaluating the Performance of the CEO/Executive Director – Part 2

The Story

Last week, BIG Ideas discussed evaluating the work of the CEO/Executive Director. I noted that the key was to use performance against plan. Of course, this approach presumes the organization has a plan, either longer-term and strategic, or short-term and operational. If your organization doesn't have either, you now know what your next step must be.

The Skinny

If there is a plan in place, the CEO/ED is responsible for achieving (or exceeding) it. So your evaluative approach has to ensure there is information available to tell you whether this is the case. As a Board of Directors, therefore, you need a yearend report from the CEO/ED that describes the results.

This report should be accompanied by financial statements indicating how well the organization made out in terms of meeting its budget. As often mentioned in BIG Ideas, a budget isn't a plan, a budget supports a plan, but organizational achievement needs to be measured both in terms of actions completed and working within the parameters of the budget.

The CEO/ED should also report on a number of performance standards that pertain to the position:

- Ensuring the day-to-day operation of the organization is compatible with its vision, mission, and values;
- Ensuring the existence of complete operational documentation, including a staffing chart and a set of operating policies and procedures that address service (or product) delivery, staffing, administration, finance, HR, IT, facilities and health and safety;
- Ensuring the existence of a healthy and supportive work environment for the organization's employees;
- Acting in accordance with Board resolutions and policies;
- Keeping the Board informed;
- Working in partnership with the Board and supporting its work;
- Identifying and mitigating operational risk;
- Ensuring compliance with all legislation impacting on the operation of the organization and with operational contracts; and
- Demonstrating exemplary professional and personal conduct.

Many Boards of Directors assign the responsibility for evaluating the performance of the CEO/ED to the Board Chair, the Executive Committee or the Governance Committee. I am not sure there is a "best choice" among those options. Regardless of who does the evaluation, they should solicit input from all Board members, especially related to those CEO/ED duties that involve working with the Board, such as keeping it informed and supporting its work. It is also vital that the process be conducted in a way that

is constructive and helpful. As noted often in BIG Ideas, the relationship between the CEO/ED and the Board is really a partnership.

Every three to five years, some Boards of Directors undertake a different kind of CEO/ED evaluation, soliciting input from the senior management team at a minimum and sometimes from non-management staff and other stakeholders. If this is a direction your organization takes, it is vital that it be done in a way that ensures confidentiality, especially for senior management, and that it takes account of the possibility there may be tensions between one or more members of the senior management team and the CEO/ED. Many CEOs/EDs inherit their senior management teams and don't have the latitude to decide who stays and who goes. In fact, some CEOs/EDs end up working with senior management personnel who applied for the CEO/ED position and were unsuccessful. So caution is needed. The use of a third party can help to avoid some of the pitfalls that are inherent in this approach.

Here are some measures of CEO/ED performance that could be put in front of the senior management team for comment:

- Provides a clear, accurate job description
- Provides clear direction
- Provides clear and timely decision-making
- Delegates well and promotes independence
- Holds me accountable
- Holds regular individual meetings
- Provides encouragement
- Acknowledges achievements
- Evaluates my performance regularly and objectively
- Identifies my strengths and needs
- Encourages development of my skills

There are some non-profit CEOs/EDs that proactively pre-empt this process by asking their direct reports (and sometimes others) for input on how they as CEO/ED are doing, but those CEOs/EDs tend to be the exception.

The BIG Idea

My BIG Idea for Boards of Directors is to ensure you evaluate the performance of your CEO/ED yearly, based on objective criteria in the form of performance against plan, accompanied by key standards for the position. Get input from all Board members and ensure the process is constructive and helpful. Periodically the Board may want to solicit input from other stakeholders, starting with the senior management team, but be aware of the pitfalls that can accompany this option.

Blast From the Past

Blast from the Past is a selection of previous BIG Ideas articles that you may not have read, or if you did, may have forgotten how helpful and insightful (i.e., brilliantly written) they were. This article is from 2015.

To have credentials is human, to be able to communicate is divine

What is the one competency that is most valued by Canadian employers? The answer will surprise you. It is communication, especially verbal communication.

This was the finding of Yvonne Rodney, Director of the University of Toronto's Career Centre, St. George Campus, in her report titled *Preparing Students for Jobs that do not yet exist: A Look at the Core Competencies Needed*. After obtaining input from a range of sources including a number of Canadian corporations, her top 15 competencies for new hires were:

1. Communication
2. Collaboration/teamwork
3. Continuous learning
4. Innovation/creativity
5. Leadership
6. Problem solving
7. Self-management
8. Adaptability
9. Results-oriented
10. Relationship management
11. Global/cultural fluency
12. Initiative
13. Interpersonal
14. Customer service/obsession
15. Judgment

Rodney notes that her work is corroborated by America's National Association of Colleges and Employers. "(NACE's) Job Outlook Survey asks employers to rate the importance of certain skills/qualities when hiring possible job candidates and every year, communication skills top the list."

According to the University of Victoria, which has also done work on core competencies, and which ranks communication second only to personal management: "Communication means that you're comfortable using a broad range of communication styles, and you choose appropriate, effective ways to communicate to different audiences in diverse situations. You demonstrate communication when you:

- Communicate in a respectful tone and manner

- Listen actively and communicate effectively with others
- Write clearly and accurately in a variety of contexts and formats
- Listen and ask questions to understand other people's viewpoints
- Communicate issues promptly
- Are aware of and responsive to verbal and non-verbal communication styles
- Recognize cultural differences in communication
- Use effective cross-cultural communication skills."

My colleague Nancy Collins and I often hear non-profit organizations complain about the challenge of hiring quality entry-level staff, especially in smaller communities where people with the desired educational qualifications may be few and far between. Perhaps it is time to bypass that problem by focusing first and foremost on communication.

Rodney also notes the connection between competencies and organizational values, and cites the possibility that elements such as communication may be prioritized both as a desirable competency of individual staff members and as something that is a cornerstone of the organization as well and becomes entrenched in its value system. Her observation reminded me of work Nancy and I did with an Ontario non-profit on strategic planning, and the organizational value it embraced related to communication, that it stated as follows:

We Talk With Each Other

We strive for transparency and for being fully informed. While respecting the need for privacy and confidentiality, we engage in open and timely conversations. We encourage constructive feedback because we know it contributes to a positive environment.

So at least in this non-profit's case, the importance of communication in service delivery was recognized and enshrined in its value statements.

My BIG Idea for this week therefore is to think about using core competencies as a means of evaluating prospective employees. Start with communication. If you want more than one indicator, look at the next four competencies as described by Yvonne Rodney:

- Collaboration/teamwork
- Continuous learning
- Innovation/creativity
- Leadership

This approach may prove especially valuable in evaluating applicants who don't carry applicable credentials. Once you have settled on your core competencies, consider also whether one or more of the competencies you are seeking should also be endorsed in your organizational values.

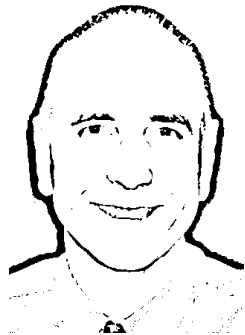
Current CMCS Clients

We are pleased to be working with York Region Centre for Community Safety, Community Living Thunder Bay, Canopy Support Services (formerly Tri-County Community Support Services), Community Living Port Colborne-Wainfleet, Community Visions and Networking (Quinte), Community Living St. Catharines, Community Living Association for South Simcoe, Camphill Community Services, Camphill Foundation Canada, Community Living Ajax-Pickering and Whitby, Tollendale Village, Willowdale Community Legal Services, Community Living-Central Huron and New Visions Toronto.

Recent clientele includes Chatham-Kent Family Health Team, Durham Youth Services, Literacy Network Northeast, Community Living Trent Highlands and Mill Creek Care Centre.

About Tom Little and Nancy Collins

Tom Little and Nancy Collins are the principals of CMCS.



In addition to consulting for many years, Tom has been Executive Director of a large human service organization, experience he brings to the table when working with his non-profit clients. In his younger days he was lucky enough to be part of three Canadian champion hockey teams while attending the University of Toronto.

Nancy's background includes a degree from Wilfrid Laurier and working at a downtown Toronto law firm. In her spare time, at least when there is no pandemic, she plays goal in women's hockey and catcher in summer slo-pitch. A life-long Leafs fan, she no longer apologizes for her unwavering commitment, given their resurrection in recent years. Now if they could just win a playoff round!



Testimonials

On behalf the Board of Directors, we would like to thank you very much for facilitating the work of creating a new strategic plan for our network. It was a pleasure to work with you and everything flowed smoothly. It is great to have this project complete! I hope we will get the opportunity to work together again in the future. **Rita Delaurier, Executive Director, Literacy Network Northeast**

Thank you so much (for your Board training)! Looking forward to the notes and your presentation was very well received! Lots of growth happening with the board and you helped steer more of that in the right direction. Really enjoy working with you and will keep you in mind for my other boards. **Natasha Cosulich Vemb, Board of Directors, Big Brothers Big Sisters of Clarington**

Thank you again to you and Nancy for all the work, dedication and effort put into this Operations Review. We made the right choice in hiring you to do this project and on behalf of the board of directors, I express our deep gratitude. **Roz Werner-Arce, Board Chair, Durham Youth Services**

Our Strategic Plan is moving along better than I could have imagined. I chair the group of around 20 Board and staff who have been meeting monthly for the past 6 months and plan to continue through the fall. Great enthusiasm from all involved and much is being accomplished already, particularly on renewed focus on our Mission and Vision. Thanks again for getting us off on the right foot! **Frank Moore, Board Chair, Community Living Central Huron**

Free Resources From CMCS

We offer a range of free resources to help non-profits be better. For your copy, contact us at info@cmcsconsulting.ca

- Board Duties
- Policy Board Model
- Board Meeting Minutes
- Board Decision-Making Checklist
- Board Evaluation Form
- Dealing with Risk
- List of Possible Board Policies
- Board Recruitment (Stop the BIG LIE)
- Management Principles
- Member and Director Qualifications
- The Importance of Planning
- Canada's Great Non-Profit Websites
- Transitioning to the New Not-for-Profit Corporations Act

Tom's Book For Boards of Directors



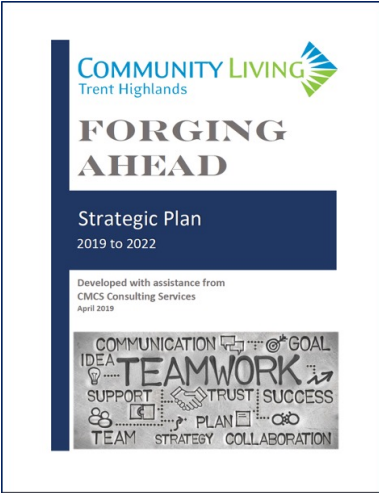
One hundred and ninety-pages. Thirty-six *BIG Ideas*. Thirteen of them are *The BIGGEST of the BIG*, ideas Tom's experience says are critical to any non-profit. Then come twenty-three *BIG Ideas*, more ways to enhance the governance of your organization.

You don't just get ideas either. The book contains all kinds of resources for implementing them. For example, *BIG Ideas* includes samples of strategic and Board yearly action plans, and of evaluation formats Boards can use to rate their own work.

Tom Little's BIG Ideas is formatted as a work book, so it can be used on a continuous basis by the Directors. It is easy to read and has a fun quality your Board members will appreciate. Just \$40 plus HST and shipping. For your copy, contact us at info@cmcsconsulting.ca.

More About CMCS

At CMCS, our specialty is strategic planning.



Since the start of 2018, the following 15 organizations have completed their strategic plans with help from CMCS:

- Kenora Association for Community Living
- Community Living Dryden-Sioux Lookout
- Community Living Trent Highlands
- Elmira District Community Living
- Literacy Northwest
- E3 Community Services
- Durham Region Child Care Forum
- Tollendale Village
- Centennial College School of Transportation
- York Region Violence Against Women Coordinating Committee
- Autism Home Base Durham
- Canoe FM Community Radio
- Toronto Island Residential Community Trust

York Region Centre for Community Safety
Literacy Network Northeast

We provide Board training that comes with a bonus: A Board action plan developed by participants based on the discussion.

Tom wrote his book for non-profit Boards, which you can buy and use as an ongoing resource. We are great facilitators and can help develop agendas for Board and management retreats.

Much of our past work has been in the human service sector, especially disability. But we have assisted in other sectors such as community colleges, local workforce authorities, family health teams, Big Brothers Big Sisters, United Ways and violence against women. We have even assisted a community radio station.

We have built our reputation on producing quality products that have great content and are appealing to look at.

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