



EVALUATION TOOL FOR THE CEO

Weighted-Scale Evaluation with Discussion

- Using the CEO's job description, the Board would outline the major job duties of the CEO.
- The Board would place these categories in order from most important to least important as they see fit. Some categories may be rated as equally as important, therefore being weighted the same.
- Each category would then be assigned a percentage based on its level of importance. For example, if the Board sees fit that the top three equally important aspects of the CEO's job are governance, programs/development, and advocacy, then each of the three may be given a rating of 25%.
- Board members would rate each of the categories on a scale from 1 to 5, with 1 being 'unsatisfactory' and 5 being 'regularly exceeds expectations.' The CEO would receive the same evaluation and rate herself as well.
- The 1-to-5 ratings are then multiplied by the weighted-score percentage for the raw score, with a maximum being 500.

Weighted-Scale Evaluation Sample

Categories	Weight	Ratings: 1= Unsatisfactory 2= Development Needed 3= Fair/Successful 4= Periodically Exceeds Expectations 5= Regularly Exceeds Expectations					
		1	2	3	4	5	Weighted score
Governance	25%			X			75
Program Development/ Operations	25%				X		100
Advocacy	25%		X				50
HR/Administrative Duties	10%			X			30
Financial Management	10%					X	50
Facilities	5%		X				10
							Total Score: 315

Scoring

- Based on the sample evaluation, that CEO does well with finances and program development/operations. However, since it is viewed that her financial duties are *not* a top priority, then the CEO's total score dropped.
- According to this evaluation, she seems to need to focus more on governance and advocacy since those were listed as a top priority but did not score as well in those areas.
- Had the CEO been exceeding expectations in just the top three categories alone (Governance, Program Development/Operations, and Advocacy), scoring a perfect five on each of those, then she would have received a total score of 375, which is already higher than the score on the sample.
- Anything below a four would require commentary from the Board.

Additional Category Samples

- Community Relations
- Compliance
- Following and Commitment to Core Values and Mission of the Organization
- Board Relations
- Risk Management



Pros

- Creates an opportunity for the CEO and Board to compare what they view as vital job duties and allows for an open discussion.
- Allows for honest input from senior management; the management team can simply give their own scores, which are then averaged together by HR. Giving commentary would not necessarily allow for honest scoring.

Cons

- Should the CEO value a particular characteristic of her job as more important than the Board values it, then this would affect her score in a way she did not necessarily see coming.

Three Icons of a Strong CEO Evaluation

1. Continuous
2. Forward-Looking
3. Clarifying

The Board should parallel the organization's strategic plan with the evaluation goals and the CEO's ability to continue in her role.

This leads to the second portion of a CEO evaluation tool...

Self-Evaluation

- The second portion of the tool would be a self-evaluation. The Board would present the CEO with a list of open-ended questions and a timeline in which to have them complete.
- Sample questions:
 - What are your most significant accomplishment(s) within the past year?
 - What are you most significant challenge(s) within the past year?
 - Is there an area within your job that does not seem to align with the board's expectations?
 - List the areas in which you are working to develop professionally. How can the board assist you in achieving these goals?
 - In order of importance to you, list your long-term goals that you have for the company.
 - What else would you like to see the board address during your evaluation period?

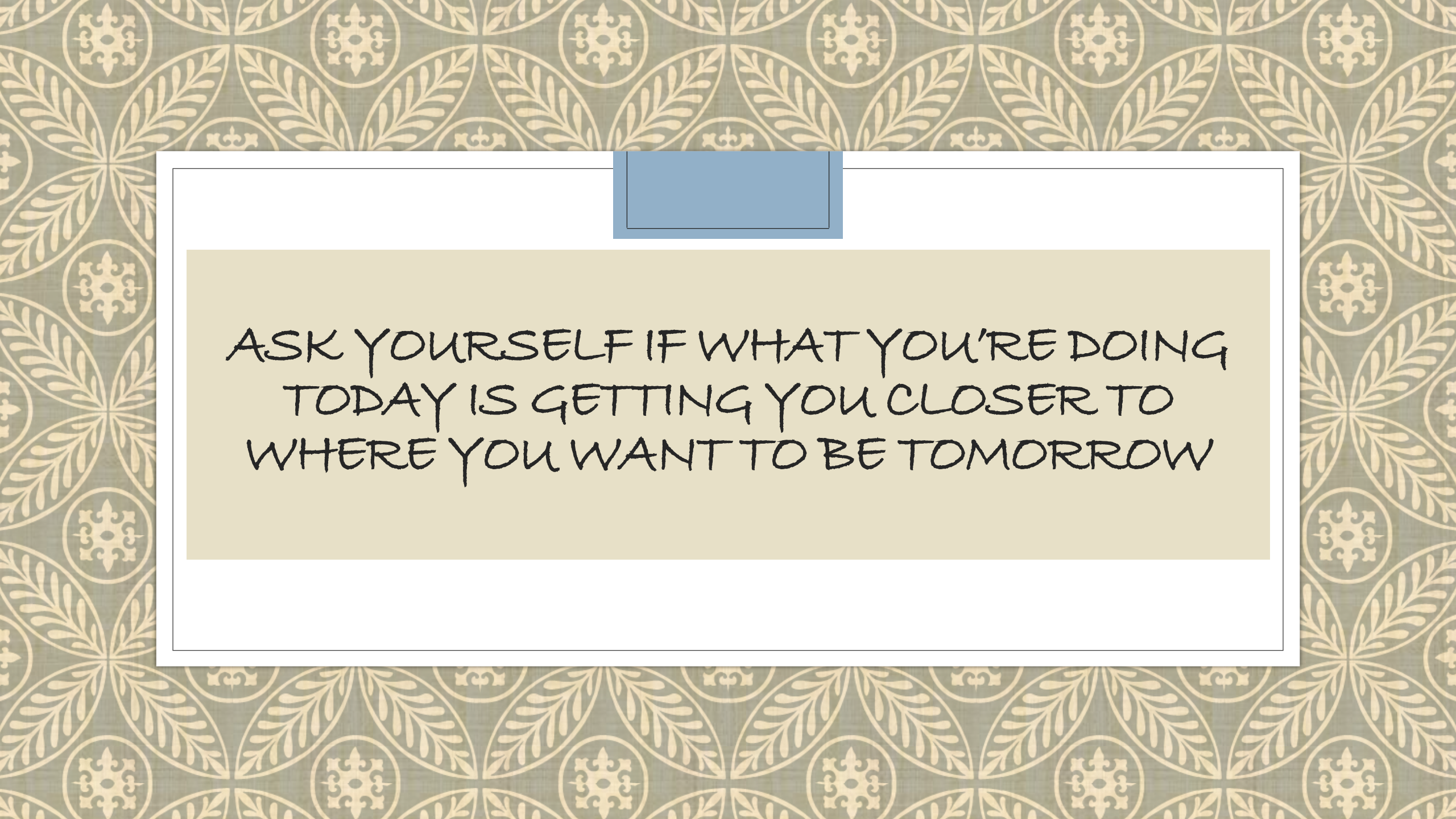
Steps for the Evaluation

1. Evaluation Committee creates the self-evaluation and weighted-scale evaluation chart
2. Board presents CEO with self-evaluation and gives an allotted amount of time to complete; the CEO could also be asked to complete the weighted-scale evaluation as well if the Board sees fit
3. Board individually or collectively completes the weighted-scale chart; senior management completes weighted-scale chart
4. CEO returns self-evaluation to Board for review before meeting
5. CEO meets with Board to review all evaluations; allow for open discussion

Additional Information

- If possible, have a committee of Board members who are solely dedicated to the CEO's evaluation. These members will track projects of the CEO throughout the year to present at the formal annual evaluation. This committee would also be responsible for creating the final evaluation tool. Many sources note that having a defined committee heading the CEO's evaluation is best.
- Reach out for input for specific categories. For example, when LC4 first opened, the Board may have asked the CEO of Laurens County Memorial Hospital for input for the Program Development/Operations portion. Keep in mind, the Board may be willing to answer a panel of questions, but keep the questions to a minimum for members outside the organization.
- Documents the Board should have on hand when conducting the CEO's evaluation: CEO's job description, relevant Board policies, and the strategic plan.
- Allow the Board to not only reflect on the performance of the CEO, but also on the performance of the Board itself and the organization as a whole.
- The Board should review the compensation package every few years.





ASK YOURSELF IF WHAT YOU'RE DOING
TODAY IS GETTING YOU CLOSER TO
WHERE YOU WANT TO BE TOMORROW