

“Sitting Beside:” Developmental Assessment of Executive Directors of Nonprofit Organizations, A Guide

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This Guide is a revision of a longer version, which you can request by writing Larry@sitbeside.org.

The word “Executive Director” in this Guide describes the senior executive position (e.g., Executive Director, CEO, Executive Director, Chancellor, Dean) in an organization or institution, or the person who directly reports to a Governing Board.

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Introduction

Today we in the nonprofit sector are increasingly asking this question, “How does the Board and the Executive Director advance the organization so it will be sustainable and competitive in a turbulent global society?” And more specifically, “What type of assessment process for the Executive Director is most useful to both the Executive Director and Board in answering and addressing this question?”

In this Guide several features are highlighted.

- The ultimate purpose of the assessment process used in this Guide is to enhance the organization’s well-being by helping the Executive Director develop and grow in becoming an even more effective leader. This requires the Board to invest in leadership development of the Executive Director. It also requires both the Board and Executive Director to create a culture of growth and change.
- This Guide stresses a futurist as well as a developmental view of assessment. A useful assessment evaluates the Executive Director’s ability and potential and works with the Board to lead the organization to be sustainable and competitive in an ever changing and turbulent global society. The Board and Executive Director cannot control the external turbulences -- barriers and opportunities – but together they can adapt wisely and proactively to ensure the future of the organization .
- A customized assessment is the most useful since each organization has distinct features, goals, and environmental context. The Executive Director is also a unique person. In the assessment approach described in this Guide, the Board and Executive Director are given maximum freedom to select what to assess (selecting criteria); how to assess (collecting evidence) and why to assess (to improve the leadership effectiveness of the Executive Director and/or determine the future status of the Executive Director).
- The Guiding principle of the assessment process used in this Guide is based on the Latin root, *assidere*, which means “To Sit Beside.” “Sitting Beside” stresses collaboration between the Board and the Executive Director. It enhances a trusting relationship, where risk taking and experimentation are accepted and encouraged. It promotes a “growth mindset” which focuses on learning and improving and on uncovering and cultivating the Executive Director’s skills and behaviors so the Executive Director will grow and become more effective. It implies ongoing assessment, providing constructive feedback on what is and is not working. Follow-up sessions to discuss the evidence collected and decide on future actions agreed upon by the Executive Director and Board are a part of the process. Finally, it recognizes and highlights the nature of the organizational context –mission, character, culture, strategic goals, and significant external forces-- that may influence the future of the organization .
- “Sitting Beside” is challenging but within a safe environment that focuses on what the Executive Director has contributed to the progress of the organization and what he/she can do in the future to fulfill the mission of the organization . The Board and the Executive Director will benefit by honestly facing current realities and challenges and opportunities for the future, and then together acting proactively on them.

- “Sitting Beside” must be done strategically and wisely. Do not overdo assessment, i.e., do not have the assessment process become the major work of the Board. If assessment of the Executive Director has not previously been done, ease into it incrementally.

The Assessment process described in this Guide includes five major activities:

- Making Decisions about the Administration of the Assessment
- Determining What to Assess: Selecting Criteria
- Collecting Evidence
- Interpreting Evidence and Using Assessment to Foster Development
- Using Assessment to Determine Future Status of the Executive Director



1. Making Decisions about the Administration of the Assessment

Conducting an assessment is a delicate, often a taxing and emotional undertaking. The local setting is critical in determining the administrative details. The following issues are relevant for the assessment of an Executive Director who directly reports to a Governing Board:

Engaging Board Members in the Assessment. All members should have a general understanding of the process. The process will have credibility if members are willing to have confidence in a select group of 2 – 3 Board members which may include the Chair to take responsibility for the administration of the assessment. The key person is the Board Chair and his/her relationship with the Executive Director.

Deciding on an Annual Assessment or Comprehensive Assessment. The Board is responsible for determining the scope and timing of the Executive Directorial assessment. An **Annual Assessment** is common today, although the formality and scope of an annual assessment varies. The legal contract can influence the scope and purpose of the Annual Assessment. At a minimum, it involves the Board chair meeting with the Executive Director once a year to discuss progress, emerging concerns and issues, and plans for the future. The amount of evidence varies, but often fellow Board members are polled to collect their views of the Executive Director. The annual assessment is not to be a laborious undertaking. A **Periodic Comprehensive Assessment** will take longer, since more evidence will most likely be collected. Normally, an external consultant is employed.

The major steps of an Annual Assessment can include:

- Board selects 2 - 3 Board members (It is called the Assessment Committee in this Guide) to conduct the assessment,
- The Assessment Committee meets with the Executive Director to select the criteria, evidence, and uses of the assessment,
- Executive Director prepares a self-report,

- Assessment Committee collects evidence usually by interviewing or asking for comments from fellow Board members,
- Assessment Committee reviews the Executive Director’s self-report and writes a draft response,
- Assessment Committee (with Chair if not a member) meets with the Executive Director to share the draft report to correct possible factual errors and clarifications and to receive initial response from the Executive Director,
- Assessment Committee presents its final report (orally, written summary or complete report) to the Board for discussion and approval,
- Assessment Committee (with Chair) informs Executive Director of the Board decisions and follows up periodically (e.g., four or six months) to discuss progress and issues, provide further feedback, and offer support in light of the challenges the Executive Director and the Organization face.

Ensuring the Confidentiality of the Process. Confidentiality refers both to the respect given to those who provide evaluations of the Executive Director, as well as the Executive Director. The rule of the “need to know” is important since not everyone needs to know everything about the process and all the evidence and conclusions reached. Transparency should be weighed against protecting the needed confidentiality of the process. The potential impact of social media now needs to be considered.



2. Determining What to Assess: Selecting Criteria

What to assess in a developmental assessment is driven by two factors. First, how well has the Executive Director met the goals and expectations that were established for the current year? It is important that the Executive Director be assessed on his/her achievements in meeting the predetermined goals established for the current year. Second, how does the organization define Executive Directorial leadership and what criteria of effective Executive leadership are to be used? What is the Executive Director’s view of being an effective leader at the organization ?

Selecting criteria give focus to the assessment, since they represent the indicators of the effectiveness of the Executive Director. They dictate the types of evidence to collect, discussions, recommendations for the future development of the Executive Director, and follow up meetings. Thus, the Executive Director and the Board should agree on the selection of the criteria to be used at the onset of a developmental assessment.

The three major categories used in this Guide are:

- Leadership Characteristics,
- Skills and Competencies,
- Performance in Meeting Goals

Leadership Characteristics

This category highlights who an Executive Director is as a professional in a leadership position. The term, "Leadership Characteristics" includes a number of concepts such as attributes, traits, qualities, values, dispositions, strengths, attitudes.

Board members and Executive Directors have preferences of what characteristics a Executive Director should possess. They include: the Executive Director being agile, decisive, disciplined, emotionally mature, enterprising, flexible, humble, innovative, persuasive, proactive, resilient, self-confident, socially mature, supportive, and trustworthy.

The Board and Executive Director should select the characteristics that will be most useful and relevant. For example, organizations with a very strong identity and faith-based or religious mission may expect and require that the Executive Director embody and "live out" the organization's beliefs, values, and ethos.

The following are some items that can be included about the strengths and characteristics of the Executive Director to lead the organization in the future. The Executive Director:

- Is knowledgeable and aware of the future demands and challenges in our organization within the broader societal context
- Is a good judge of talent and skills of staff needed for the future of our organization
- Is able to demonstrate emotional and social intelligence to lead our organization into the future
- Is prepared for difficult and often unforgiving external environment and/or internal resistance
- Has insights and capacity to exploit emerging and/or sudden opportunities for future growth of our organization
- Has self-awareness, a strong inner sense of self, and a commitment to leading change
- Is agile and proactively adaptive to the changing external forces and pressures on the future of our Organization
- Advocates social justice and equity, and serving and educating the changing demographics of our populations which may be a strong factor in the future of our organization

Skills and Competencies of a Executive Director

Executive Directors also can be assessed in terms of what they do as leaders in their leadership, managerial, and administrative roles. Leadership skills, competencies, and behaviors include strategic visioning, creating a culture, relations with Board members, staff, and financial management. Below are listed some criteria can be used to assess the Executive Director's competencies in leading the organization in the future. The Executive Director:

- Articulates and communicates a vision for the future of our organization
- Has a realistic view of the current status of our organization and its aspirations for the future
- Makes decisions that ensure the future well-being of our organization
- Gains support and buy-in from internal and external stakeholders for the future of our organization
- Leads the Board in how our organization needs to change to thrive in the future
- Can prioritize his/her energy and influence on areas that will yield the greatest impact on the future well-being of our organization

- Manages the tension between being open and flexible and keeping the organization focused
- Leads the Board in reflective discussion and dialogue about the future of our organization
- Has employed and promoted persons in leadership positions at our organization that respond to our organization's future goals, opportunities, and needs
- Promotes a culture that incorporates both stability and agility
- Knows how to advance the organization in a competitive turbulent environment

Appendix A lists additional items for each of several major competencies that Executive Directors are often expected to perform. You can select a few from this list to meet your goals for the assessment.

Performance on Meeting Goals

This category focuses on results and achievements, highlighting the well-being of the organization. Has the Executive Director advanced the organization in accordance with predetermined goals? The focus is not on the Executive Director's leadership characteristics or leadership skills. It's about the present status and projected future of the organization. Often the goals are numerical and quantifiable and stated in measurable terms, which is very important for clarity and credibility.

The criteria selected to measure the well-being of the organization are most useful if they are based on the mission of the organization; position description of the Executive Director; legal contract; measurable goals of performance for the time period being assessed; strategic plan; prior organizational achievements; and significant challenges facing the organization that have arisen in the past year or are deemed to be significant in the future.

Indicators of organizational well-being reflect the engagement and successes of the Executive Director in many functional areas, such as financial management, fund raising and donor and constituent development, enrollment and diversity of students, and visibility and credibility of the organization to external stakeholders.

Some possible items are listed below, prefaced by "made progress" to emphasize that a developmental assessment is viewing the work of the Executive Director as a journey. **Our Organization has made progress in:**

- Securing funding from donors and friends, philanthropic institutions and corporations
- Attracting and maintaining a high quality and diverse staff
- Enhancing the quality of programs
- Enrolling participants and successes in retention
- Developing and revising programs that meet the needs of the larger society
- Maintaining financial stability and ensuring its future financial well-being
- Increasing the organization's visibility, credibility, and reputation

Selecting criteria

The Board and Executive Director will be wise to select only a few criteria in a developmental assessment. The selection of criteria depends on what the Executive Director and the Board desire to learn about the effectiveness of the Executive Director. They also should consider what criteria and issues will optimally help the Executive Director in leading the organization to be sustainable and competitive in a turbulent global society. The selected criteria should reflect and align with the

organization's mission, goals, and environmental context. They also should be based on the goals and expectations used in the hiring of the Executive Director and for the most recent year of the Executive Director (if available). For developmental purposes, the selection may also be dependent on the tenure of the Executive Director. An Executive Director in his/her first or second year may be evaluated differently than the Executive Director in the position for nearly a decade or more.



3. Collecting Evidence

This major activity is the “how” of the process. What evidence is to be collected and used in the assessment? Will the Board and the Executive Director have confidence that the evidence is fair, accurate, inclusive, sensitive, and reliable? Can the evidence easily lead to meaningful discussions and conclusions about the effectiveness of the Executive Director? Finally, can the evidence lead to planning and action that focuses on both the Executive Director as leader and the projected future well-being of the organization?

A trustworthy assessment is best achieved by collecting evidence from different stakeholders. Normally, Board members and the Executive Director provide their perspectives in an annual “sitting beside” assessment. Other stakeholders and sources include administrators (direct reports and senior staff), participants, friends, donors, citizens and community groups, public officials, and colleagues of the Executive Director.

Many different methods of collecting evidence, data, and information can be employed. They include interviews of stakeholders (individual, group, telephone), rating scales, written appraisals, records of achievements and accomplishments, documentation and records review (e.g., budget, fund raising, participation data over time), and published records of eminence, quality, and impact.

In a “sitting beside” approach, the Executive Director and the Assessment Committee of the Board together determine what evidence is to be collected. The collected evidence should be aligned with the criteria.

Employing a Multiple Perspectives Approach to Assessment

A multiple perspective approach for an assessment of an Executive Director is ideal when feasible and appropriate. Collecting evidence from a number of stakeholders can reveal consistencies and inconsistencies. A “360 degree” strategy can be very useful to gauge the effectiveness of the Executive Director from different perspectives, e.g., staff. While personal face-to-face interviews are often the preferred method for gathering evidence, other collection tools like online surveys, telephone interviews, focus groups also provide useful data.

Collecting evidence without a plan for its use is not productive. Assessment is to help the Executive Director, not undermine his/her authority and needed empowerment to advance the well-being of the organization. Finally, the cost (time, disruption, unintended consequences) of conducting an assessment is important to gauge when choosing those who will provide evidence and how to collect it. Do not overdo.



4. Interpreting Evidence and Using Assessment to Foster Development and Growth

The last major activity of a developmental assessment is interpreting and using the assessment evidence gathered. The recommended first phase is the Executive Director writing a report followed by a report by the Board. These complimentary reports may reveal similar patterns and consistencies, but differences and inconsistencies are also critical for a productive developmental assessment. They focus not on a string of activities or a list of achievements, but an analysis and synthesis of the Executive Director in leading the organization in the future.

Self-report of the Executive Director

The Executive Director's self-report can include both a summary of accomplishments in the past year and plans for the future and a self-reflection of successes and challenges of the present and future. The Executive Director summarizes the achievements and contributions within the context of the organization's expectations. The Executive Director also communicates priorities, successes, future goals and aspirations. The Executive Director's story with evidence becomes the starting point for "sitting beside" interactions between the Executive Director and the Assessment Committee.

Recommended topics for a self-report include:

- Meeting current organizational and strategic goals,
- Notable achievements, including trends,
- Responses to unplanned challenges and opportunities,
- Future plans, strategies, goals, and expectations,
- Future personal and professional goals,
- Request for future organizational support for personal and professional development.

Report of the Board Assessment Committee

The report of the Board Assessment Committee is the critical step in engaging the Board and the Executive Director in follow-up discussion, reflection, planning, and action. It sets the stage about the performance of the Executive Director and the future of both the Executive Director and the organization.

The Board Report can include many of the same topics the Executive Director uses with some notable additions. The Board report often provides judgments of the effectiveness of the Executive Director, areas for improvements, and types of future support that the Board is willing to provide to the Executive Director. Using additional evidence collected from other sources, the Board report often includes conclusions and recommendations to foster the development of the Executive Director and to demonstrate accountability.

Evidence from an assessment for the Executive Director's development and improvement will be most useful if the feedback notes specific examples of strengths and areas for improvement, compares present and past performance to highlight progress in growth and change, and includes

recommendations for improvement. It can offer suggestions to help the Executive Director become more effective, e.g., relationships with Board members and/or employing an external mentor or coach. It ideally centers on future challenges and support. Finally, it encourages the Executive Director to feel that he/she also owns the entire assessment process.

The Board and the Executive Director should consider what issues and information are to be included in a written report. It may be more helpful to the Executive Director if the Assessment Committee includes some of the feedback in a face-to-face confidential “sit beside” setting. Very sensitive and highly personal issues are often best communicated and discussed in a confidential setting. Communication of this nature is best not written in a report. Every person, including Executive Directors, are anxious about assessment, and regardless how positive it is overall, feedback is almost always received personally. Often it stings. Assessment is personal.

Developmental assessment requires an ongoing and interactive process that includes recommending, planning, problem solving, taking action, and monitoring throughout the entire year. A useful assessment includes serious conversations and deliberations and leads to actions by both parties that foster the continual development of the Executive Director. The current goals become the cornerstone of the assessment for the next year. They become markers in the journey of the Executive Director. The Executive Director can provide updated progress reports to the Board or a Board committee during the year.

A Developmental Assessment not only challenges the Executive Director to tell his/her story and take action, but encourages the Board to self-assess its role in helping the Executive Director be successful in the future. In short, to what extent is the Board providing a challenging and supportive environment for the Executive Director?



5. Using Assessment to Determine Future Status of the Executive Director

The primary focus of Developmental Assessment described in this Guide is fostering the growth and development of the Executive Director. However, the Board is also charged with fulfilling its moral, legal, and fiduciary duties, which includes determining compensation of the Executive Director and future status. “Sitting Beside” honors the role of the Board to demonstrate it is a responsible steward of the organization. But, as a general operating principle, a Developmental Assessment process is not a substitute for an assessment whose purpose is to determine the future status of the Executive Director.

Integrating both purposes into an assessment frequently creates a tension within the organization. If an assessment is used for both purposes, then the dual purpose should be determined and communicated at the outset of the process. Much of the evidence, particularly the evidence on organizational well-being, is useful for both purposes. Evidence about character and relationships with various stakeholders are generally more appropriate in developmental assessment.



6. Informing Other Stakeholders of the Assessment

In this era of increased desire for transparency, where sharing is a hallmark of accountability and trust, several questions about access to the Executive Director's report and the Assessment Committee Report should be asked. Should only the chair of the Board and the Executive Committee have access to the Assessment Report? Should the entire Board have access to the Assessment Report? Is the communication to be written and/or orally discussed at a future Board meeting? Do those who have provided input (e.g., those providing interview comments) have access to a summary or all sections of the Assessment Report? How does the Executive Director respond to whom (e.g., entire Board) when? How much should members of the organization (e.g., staff) be informed of the conclusions and recommendations of the assessment, if at all?

All of these decisions are best done by the Board Assessment Committee and Executive Director "sitting beside" at the beginning of the process. The entire Board will benefit if it receives either in writing or in a Board meeting, the entire Assessment Committee report or perhaps a summary of it, focusing on the future development of the Executive Director and his/her role in advancing the well-being of the organization. Buy-in from the entire Board helps enhance the future development of the Executive Director.

Informing other stakeholders should be done judiciously. For example, making public comments from individual staff and faculty is not considered good practice. In all cases the goal to help the Executive Director.

Appendix A

For each of the major categories of skills and competencies that Executive Directors may be expected to use in leading as the Executive Director, a set of four items are listed. The Board Assessment Committee and Executive Director have the option to select a few items to use in collecting evidence from fellow Board members and other stakeholders.

In Strategic planning, the Executive Director:

Communicates a vision for the future of our organization that both fulfills our mission and market realities // Is able to create a vision that puts our organization in a positive competitive position // Uses research data and evidence to inform policy and decision making // Has a strategic framework which is updated periodically

In Creating a Culture, the Executive Director:

Creates a culture of continuous feedback and improvement that is results oriented // Creates an ethic of entrepreneurship in our organization // Fosters a culture that honors growth of all employees in our organization // Instills a sense of belongingness to all employees

In Leading and Managing the Organization , the Executive Director:

Delegates appropriately to senior staff // Sets standards of excellence and models for colleagues // Focuses on the highest priorities // Continually monitors progress using transparent metrics

In Relations with Staff and Employees, the Executive Director:

Motivates and inspires staff // Cares about the well-being of all employees in our organization // Acknowledges expertise in his staff and others // Thanks others for their contributions to our organization

In Relations with Governing Board, the Executive Director:

Has established and fosters a collaborative problem-solving approach with our Board // Is skilled in fund raising with the Board // Keeps all Board members appropriately informed // Has been empowered by the Board to lead our organization

In Relations with External Stakeholders, the Executive Director:

Communicates information timely and attractively to constituencies, audiences, and stakeholders // Cultivates relationships with friends and donors // Is highly visible and respected in the community // Relates to the media to promote the visibility and reputation of our Organization

In Financial Management, the Executive Director:

Has been able to effectively right size the budget of our organization // Continually examines and takes action to minimize costs without impacting quality of our services and programs // Has found new income and revenue sources // Communicates clearly and honestly to stakeholders the financial realities of our organization

Additional Readings

Braskamp, Larry A. and Jon F. Wergin. "Inside-out leadership. Liberal Learning, AAC&U. Winter 2008.

Dweck, Carol S. *Mindset: The new psychology of success*. New York: Balantine, 2006.