Assessing the Performance of the Chief Executive

This information was updated for the Washington Association of College Trustees' 2019 Spring Conference based primarily on and summarized from a similar paper by Cindra Smith for the Community College League of California, 2012.

Successful colleges depend on excellent CEO leadership. Excellent CEO leadership depends on strong board/CEO relations. Strong board/CEO relations depend on clear expectations and open communication.

Regularly discussing board and CEO performance fosters open communication and clarifies expectations, roles and responsibilities. Accreditation standards establish an expectation that boards adhere to a clearly defined policy for evaluating the chief executive. Effective boards and CEOs embrace the assessment process and often include it in board policy and CEO contracts. Given the unique nature of the partnership between the board and CEO, assessing CEO performance is, in many ways, assessing the performance of the board as well.

Purposes and Outcomes

The primary purpose of an evaluation is to bring the CEO and the board together to discuss how their performance and priorities contribute to the effectiveness of the educational program and services for students and the community. The emphasis should be on identifying what works well and what needs improvement.

The CEO evaluation process should be designed to:

- Assess how well the institution is fulfilling its mission
- Assess leader's capacity to help the institution cope with an ever-changing environment.
- Examine and re-set, if necessary, goals for the institution and the CEO
- Support the CEO by providing constructive feedback on performance
- Develop plans to address issues identified in the evaluation process
- Provide an opportunity for the board to learn how its performance affects the board/CEO partnership
- Foster communication between the board and CEO
- Warning: An evaluation process designed to "get the president or chancellor" hurts the operations and morale of the entire institution and the image of the college in the community. Evaluations that have the potential for deciding to end an unproductive or unworkable situation need to be conducted in the most sensitive and professional manner possible.

- The outcomes of an assessment should be:
- Clear expectations and realistic goals
- Strengthened communication
- Clarification of respective and distinctive responsibilities of the CEO and governing board
- Mutual trust, respect, and support between the CEO and governing board
- Renewed confidence in good governance
- A better sense of the district's agenda and the ways to address it.

There are many approaches to CEO evaluation. The approach and process to be used should be developed jointly and mutually agreed to by the CEO and the board. Throughout the evaluation process, all parties involved should continually evaluate it to ensure that it is working to achieve the purposes.

Developing the process involves the following decisions, each of which is discussed in the following sections:

- When should the CEO be evaluated?
- What should the criteria be?
- What types of instruments, if any, should be used?
- Who should conduct the evaluation?
- Who should participate in the evaluation?
- How should the results be communicated?
- Should the evaluation be tied to compensation or contract extensions?
- How do we ensure that the process is done well?

When to Evaluate

Ongoing evaluation occurs naturally as the CEO and the board discuss issues and come to mutual decisions on policy and directions for the college. However, a session devoted solely to an evaluation allows trustees and the CEO to pause and assess the past and plan for the future. Evaluations of this nature likely would occur annually. Districts with new CEOs or a significant number of new trustees may wish to schedule evaluation sessions more often during the first year or two to ensure ongoing and productive communication.

Evaluation Criteria

The criteria used to evaluate the CEO must be defined well before the actual evaluation takes place so that expectations are clear. There are two general categories of criteria: those derived from the mission, vision and district goals, and those which are based on general leadership responsibilities, skills and characteristics.

District-Specific Criteria

Two types of criteria provide information on how the CEO and board are doing: information that measures the effectiveness of the institution, and the CEO's annual priorities related to the district's mission and goals.

Institutional Effectiveness. Chief executives are responsible to ensure that their institutions are successfully educating students and making a difference for their communities. Including institutional effectiveness indicators in the CEO assessment process focuses both the CEO's and board's attention on important goals and leads to valuable discussions on the opportunities, challenges, strategies and tasks needed to foster success. However, given the many variables that affect performance on institutional effectiveness, these indicators should never be the sole criteria for evaluating CEO effectiveness.

Using institutional effectiveness indicators require that the district have in place:

- Institutional goals related to student success and other end products of the institution. These goals are usually stated in the district's strategic plan. Student success may be furthered defined through the establishment of global student learning outcomes.
- Key indicators or measures that assess progress on the institutional goals. For instance, if students' ability to transfer is an institutional goal, the measure might be the increase in number over time or percent of students who are transfer-ready or who succeed at transfer institutions. If supporting community economic development is a goal, the measure might be the number, quality, and or impact of partnerships with business and industry.
- There are dozens of possible indicators. The CEO and board together should determine a limited number (5-10) to use as evaluative data, selecting those deemed most important and that give the board an overview of institutional effectiveness.
- Regular reports that describe how the district is doing on the key indicators of success.

Annual Priorities or Performance Objectives: Effective boards and CEOs annually establish a list of goals, priorities, or performance objectives that are the strategies and tasks deemed necessary to make progress toward the district goals. Each year at a retreat, workshop, or as a part of the regular evaluation, the board and CEO review the district's mission and goals, major challenges and issues, and determine priorities for the coming year.

This list of CEO (and board) priorities, objectives and/or tasks becomes the basis for the next year's evaluation: did the CEO do what was agreed upon? The CEO may write a report detailing what was accomplished. The evaluation discussion reviews the accomplishments and explores what worked and what didn't, and why. These evaluation discussions are great opportunities for exploring the policy direction of the district and what support is needed to meet those challenges.

Leadership Roles, Skills and Characteristics

The second general category of criteria includes the tasks, skills, and characteristics inherent in being the chief executive. The criteria may be derived from the CEO’s job description, the job announcement for a new CEO, general areas of administrative responsibility, and the personal qualities that contribute to effective leadership. They address the overall day-to-day performance of the CEO role.

Survey items would address the following categories:

- relationship with the governing board
- educational leadership for student success
- human resources and employee relations
- fiscal and facilities planning and oversight
- community, state and public relations
- personal qualities
- leadership for innovation and responsiveness to change

What to Expect?

Should the criteria be such that trustees should expect to be fully satisfied with the CEO’s performance? If that expectation is present, the goals that are set and the criteria developed may end up being safe and easily obtainable. CEOs of progressive, dynamic institutions often have risk-taking goals, some of which may not be able to be accomplished due to circumstances beyond his or her control.

Evaluation Strategies

The methods used to assess performance range from informal discussions, discussion of a specific set of criteria and questions, survey forms, to more formal processes facilitated by consultants that may involve interviews, survey forms and/or facilitated discussions.

- Informal discussion. The CEO evaluation session consists of the board members and CEO reviewing the past few months or year (often using annual priorities or goals as the criteria) and discussing how the year has gone, what was accomplished, and what key issues were.
- This format/conversation can also be used two or three times a year to aid the CEO and board’s efforts to stay in alignment as the environment changes in and around the institution; something that is happening more quickly these days.
- Discussion of specific criteria and questions. In this approach, board members and the CEO have identified specific criteria and questions prior to the evaluation session and the CEO has provided a report to the board. Trustees are prepared to discuss their assessment of the criteria and questions; in some cases, a committee of the board may have received trustee responses and prepared a summary.

- CEO Self Evaluation. Key information for the governing board is provided in the CEO's self-evaluation. He or she provides a report to the board of accomplishments of annual goals and priorities and responses to challenges, The board uses this report in conjunction with trustees' input.
- Survey forms. Survey forms consist of a list of performance criteria, and responders are asked to rate each item using a rating scale. They usually include a space for comments as well as open-ended questions. Each trustee is asked to complete a survey. Individual surveys may be compiled and summarized by a board committee or consultant, or all forms may be provided to the CEO as part of the evaluation. Surveys are usually used when gathering information for the assessment from others.

  The questions to be discussed or items on a survey form should be based on specific criteria determined by the board and CEO. Boards and CEOs must adapt models and examples to their own needs. A committee of the board may be assigned the task of customizing sample evaluation instruments to its needs or creating its own form.
- Interviews. The chair of the board, other designated trustees or a consultant may interview each board member, and information from the interviews is summarized and discussed with the CEO. The questions used in the interview are derived from the performance criteria. If others in addition to trustees are included, a consultant should conduct the interviews.

No one method is best; the approach used depends on personal preference, the type of information, time available for the assessment process, length of tenure of the CEO and board members, and the like. The different approaches of evaluation processes and forms reflect the unique situation (which changes from year to year) and the preferences of the players involved.

Who Should Participate

The CEO and the board decide who completes the survey or checklist and how the results are compiled. All trustees should contribute to the evaluation of the chief executive officer.

A committee of the board might be assigned the task of summarizing ratings and comments by individual trustees. In addition, the CEO should provide the board with a self-assessment of his or her performance, which may include input from the cabinet and campus leadership.

Outside consultants and facilitators can be useful in developing evaluation processes, conducting planning sessions that result in criteria for evaluation, and working with boards and CEOs when there are problems.

"360" Degree Assessments

"360" degree assessment processes include board members, the CEO's self-evaluation, and assessments of the CEO's performance from college employees and perhaps even community members. Boards and CEOs may decide to conduct such an evaluation to broaden the scope of information they use.

“360” degree assessments require time, thought, and resources if they are to result in useful information. Poorly planned and executed processes have the potential to harm the institution, the position of the chief executive, and the governing board. They should never be done when the major purpose is to explore or confirm concerns about performance or seek negative input. (If the board has concerns about performance, trustees should address those with the CEO, through the chair or in executive session.)

Doing a “360” well involves hiring a consultant or service to help design the evaluation process and criteria, gather and summarize the results (surveys and/or interviews), and submit a report to the CEO and board. The board and CEO determine who will participate, generally limited to those who work regularly with the CEO and who are most likely to be able to assess performance on the criteria.

Positive aspects of engaging in a carefully planned and executed 360 degree evaluation include the opportunity for the CEO and board to learn, in a systematic way, how administrative, faculty, classified leaders (and perhaps community members) perceive the CEO and his or her leadership.. The information may provide board members with a broader view of the CEO’s accomplishments and skills. If done well, the process can help the staff and community understand the CEO’s goals and expectations.

However, the potential problems with comprehensive evaluations often outweigh the benefits. “360” evaluations rely on two basic assumptions: 1) that those responding have the same relative general knowledge of the president’s performance and 2) that they want to be helpful. Neither of those assumptions may be valid for all respondents. In addition, confidentiality of the evaluation process prevents the results of their input from being shared with those who participated—the responders may be frustrated because can be no feedback on their input.

The Evaluation Session

Evaluations are confidential – evaluation sessions take place in closed sessions of the board. Written evaluations should be kept in a secure location.

The discussions between the trustees and the CEO about the assessment are generally the most valuable portion of the assessment process, and provide insights into ratings or written comments. Discussion will include a review of the ratings on the criteria, as well as such general questions as:

- What is your assessment of the past year, both successes and things that didn’t go well?
- What is the institution's most significant achievement for the year?
- What difficulties were encountered?
- What aspects of the presidency are most interesting and rewarding?
- What aspects are most frustrating and least interesting?
- What do you, as the CEO, need from the board to ensure further success?

After an evaluation session, boards report in the public board session that the evaluation was conducted. Decisions about new goals and changes in policies may be discussed in more depth at board meetings. CEOs will share their annual goals with their cabinets, leadership groups and the campus community.

Addressing Problems

Boards will want to address problems with a CEO in a manner that maintains support for the position of the presidency. Communication to and about the CEO should always be respectful and professional.

Many problems can be prevented by establishing clear expectations, reasonable criteria, and ensuring that there are regular opportunities to discuss issues. Boards should not wait until the annual evaluation to raise questions and concerns…improving performance occurs best through ongoing feedback and discussion of how things are going.

Relationship to Contracts and Compensation

There are different opinions on whether or not contract extensions and compensation issues should be tied directly to evaluation results. The purposes of the evaluation are more than simply determining how long the CEO should continue in the position or how much the person is paid. Those decisions depend on many factors in addition to CEO performance.

Many CEO contracts contain extension or rollover provisions. Extensions are generally perceived as a vote of confidence and a result of satisfactory performance. However, making extensions contingent on a positive evaluation may deflect the board and CEO from the purpose of the evaluation, which is to improve CEO and institutional performance. The criteria are more likely to be “safe” criteria and the focus becomes performing to a minimum standard rather than exploring what needs to be done to move the district forward. Boards should discuss the pros and cons of tying contract extensions to the evaluation process.

Boards may wish to avoid tying compensation issues directly to the evaluation. Due to the many factors that determine compensation levels, the board may consider discussing and changing salary and other benefits separately from the evaluation process.

Common Pitfalls

Assessment processes that include the following are usually unsatisfactory for the participants and achieve few useful outcomes.

- Unstructured sessions or processes that encourage or allow feedback when no standards for performance have been set. Evaluating the CEO only against pre-established criteria is the fairest and best way to provide feedback.
- Violating the confidentiality of the process. The importance of maintaining confidentiality cannot be overemphasized. Rumors and leaks can divide a campus

and exacerbate problems. They reflect poorly on the board and are unfair to the CEO.

- Spending more time on things that need fixing in a session, rather than focusing on what went well. Consider the motivating power of commendation and the debilitating effect of too much criticism.
- Focusing on a single issue. Avoid too much emphasis on a current "hot topic" in an annual evaluation session.
- Allowing personalities and personal agendas to play a significant role. They divert the focus of the evaluation from the achievement of institutional goals and performance against agreed-upon criteria.
- Scheduling evaluations during times of crisis on campus, as CEO and trustee energies will be focused on the crisis.
- Failing to understand that the evaluation comes from the Board as a whole and never simply as a compendium of individual comments from each board members. It must be a single document to which ALL Board members agree.

Summary

Personnel evaluations are not always comfortable, and trustees and CEOs often find it easy to put off formal evaluation sessions. However, engaging in regular and professional reviews of expectations and performance strengthens the board/CEO relationship. CEOs benefit from a discussion of board policies and criteria, which then benefits the institution. Boards benefit from the opportunity for trustees to share their perspectives and perceptions with the CEO.

Given the unique nature of the relationship of the governing board and the CEO, the evaluation of the CEO is in many ways an evaluation of the board as well. As a result of the evaluation, board policy and the board and CEO's roles and expectations are clarified and strengthened.

Resources and References

Resources

The following organizations provide resource materials, sample evaluation forms, and consulting services for CEO evaluation:

- Washington State Association of College Trustees (ACT) website
- The Association of Community College Trustees (ACCT) website
- The Association of Governing Boards for Colleges and Universities (AGB) website

References

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