Let’s keep going on the discussion about evaluating your Executive Director. Be forewarned that I’m proceeding with this discussion cautiously and slowly. It’s dangerous territory because while there is significant need for a solid evaluation of EDs, I have some experience in watching Boards rush in to tell an ED how they should be working better when the board itself is the problem. In other words, board members please make sure your own house is in order first.

Last week I left off in the middle of defining what regular operational expectations a board might have for their ED. I mentioned board governance and financial management. Here are some others.

Expectations for fund development might include developing a realistic fund development plan and goal. Realistic means that it’s been created with expertise and experience and that it is reasonable given where the organization is in its evolution and its relationship to funders and donors. Funding should be from diverse sources. If your ED is not taking any responsibility for fund raising but rather standing back to see what the board will do, you may have other concerns regarding their understanding of the board’s role. An excellent evaluation tool for the board is whether or not the ED met the fund development goals for the organization. And this becomes even more important if the ED used projected ‘soft’ funding to pay for actual expenses and wasn’t able to balance the budget. Some entrepreneurial spirit is good but it should be a polite roll of the dice and not a big gamble. Otherwise you end up with an organization that is a hundred thousand dollars in debt because the eyes of the ED were bigger than the plate, so to speak.

Program operations is another area that a Board should have regular expectations of their ED. It is reasonable to require that your ED have a method of evaluating the effectiveness of the organizations’ programs and that it is utilized during the evaluation period. It is also a common expectation that the ED perform services that have been committed to funders.

General expectations regarding physical plant are certainly appropriate. The ED is responsible for maintaining the well being of the organizations facilities assets. Expectations might include the facilities being kept in reasonably good repair or an improvement plan.

Expectations for the staff management area of an EDs position are a hotly debated area of the board/ED relationship. I think that in nonprofits that are bigger than anthill size the ED should be responsible for establishing the personnel policies. I have several reasons for this. The Board doesn’t provide management of the staff and the personnel policies are a management tool. It sets up the Board to get overly involved in personnel policies as opposed to dealing with the less exciting governance issues. I know many boards that spend thousands of hours on personnel issues and not a single minute on fiscal issues or fundraising. It’s juicy and fun. The board should have an expectation that the ED has used a fair, legal and equitable process for establishing and managing personnel.

This discussion becomes even more interesting when we look at setting salaries for the staff. I also believe this is the responsibility of the ED. The Executive Committee of the Board sets the EDs salary and the ED sets everyone else’s. The expectations of the Board are that the ED will establish and maintain fair, equitable and market appropriate salaries.

One of the most complicated areas of ED evaluation in staff management is how the board knows if the ED is effectively managing the day to day staff operations. I’ll spend significant time talking about this later on but for my goal today is to outline regular expectations that a board should have for their ED’s performance. The Board should require that the ED provide a positive organizational culture that enables staff to perform at the highest level of their abilities. Deciding how to measure this is where it gets a little tricky.
Fortunately for me I don’t have to tackle that one right now. Today was about expectations a board could have of the Executive Director. How a board evaluates the EDs performance in these areas is a conversation for another day.

Kelly Otte is the Founder & Executive Director of The Oasis Center for Women & Girls and teaches nonprofit management at the FSU Askew School of Public Administration & Policy. She is also the President of Action Consulting, which provides a wide range of services to board of directors and staff. You can reach her at kellyotte@comcast.net or through the website at www.theoasiscenter.us.