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Performance Evaluation: A Tool for Retention

By: Laurie Wolf

Our collective workforce woes are real, and we are all searching for what we can do to attract and retain a great workforce. Some of the obvious tools for compensation are outside our reach at the moment, but we do have tools in house right now that we can use to engage and understand our workforce more fully. One of those is meaningful evaluation. There is an art and a science to getting helpful feedback, and if you are the executive director or CEO, you likely know better than most how difficult evaluations are to come by, and meaningful ones are a bit like unicorns. That said, it is not just appropriate to expect some form of helpful feedback, but if you are the executive, it is part of the board's fiduciary role to do this consistently – if not annually.



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I think most boards don't do performance evaluations because they don't know how to judge success, or there is not enough trust and communication in the first place, or they are intimidated by a process they think should be done the "right" way instead of simply in a meaningful way. Supervisors fall into similar traps.

To be sure, there are some "wrong" ways to do it, which in my mind includes:

- Receiving a **surprise list** of things you are being judged on with no conversation before, during, or after the judgment.
- Attempting a **360-evaluation *without* an external evaluator** or even with a heavily biased evaluator. This is a big "no-no" because it breaches all sorts of board/staff boundaries and generally creates a hot mess that the executive is left to clean up after everyone realizes what went horribly wrong.
- **Holding the executive *entirely* responsible** for the state of the organization without any reflection from the board itself about its role and without context to what is happening in the economic or workforce landscape.

My list of how to do it wrong is purposely short, mostly because I want the board and staff supervisors to be less intimidated by it and more open to the gifts it could bring to the person being evaluated and to the evaluator. For example, in the executive/board relationship, the executive receives information from their closest mission partner, the board, that without some process is so hard to get with any sort of meaningful context. Likewise, the board as a whole, when evaluation is done well, gets a truer understanding of its partnership, both where it is working and where it needs support. As the [Foraker Nonprofit Sustainability Model](#) points out, the health of the relationship between the board and the executive is a key indicator in the health of the mission. Once it falters, almost nothing else matters.

Generally, here are a few things for the board or the staff supervisor to consider as they craft the evaluation plan:

1. **What does evaluation do for you and them?** Meaning, is it about confirming what is true, or finding out new information, or trying to solve a problem, or seeing where you have mutually agreed upon goals that appropriately push the person and the mission to be better?

2. **How will you create the questions?** Options include a standardized form for everyone or an individualized approach where the person being evaluated drafts the questions for the board or supervisor's consideration, or vice versa, or you do it together in a joint session.
3. **What other tools in the organization will the evaluator reference?**
Examples could include the strategic plan, executive employee contract (for executives only), past evaluations, budget scenarios, informal professional development conversations, accreditation requirements, etc.
4. **How will the evaluator gather the answers?** For the executive, the options include an informal conversation or set of conversations in executive session at board meetings, one-on-one between the board chair and the executive with some sort of report to the whole board, a small committee of board members and the executive with a report to the whole board, a survey tool, a formal process of interviews, a written personal reflection from the executive to the board, or some combination of it all. For all other staff, the options include variations on the informal or formal ideas above to include the direct supervisor, employee, and potentially some connection point to the executive either in a "signing off" of the final result or through active participation. In most staff-to-staff evaluations, a clear process is delineated and used across the whole team, with the exception of the executive, so that staff evaluators can get support in doing the work and those receiving evaluation are well prepared for the process, too.
 - **A note of caution:** If the board or supervisor decides to do a 360-evaluation as a way to tie their experience of you to the experiences of other stakeholders, then be very mindful of who will conduct the process. This tool can only be effective when used by a highly trained professional who can manage unconscious bias, and can produce a confidential set of results that benefits the employee and protects those doing the evaluation.
5. **Will they use outside support?** Even if you are not using a 360-type model but want to use a survey or even conduct formal interviews, it could be very helpful to use an outside facilitator who is trained in the boundaries of HR and is also aware of how bias can and naturally will be embedded into the process. In so doing, the professional can help you honor board/staff/stakeholder boundaries and everyone can participate in a safe environment.
6. **Is compensation tied to the evaluation?** If you are the executive and have an employment contract, this is usually noted in it. If not, then having clarity on

this point is helpful to build trust and confidence in the process. This is also true for all employees without employment contracts. It is not a given that evaluation and compensation are connected, so be clear.

- **Side note:** When is the last time your organization did a compensation analysis to make sure pay is appropriate to the organization and viable in the marketplace? What about a benefits analysis? Is this analysis routinely performed for the organization as a whole? How are salary and/or bonus increases determined or defined? These are important conversations to have especially given the current workforce challenges of recruitment and retention. And it's more to consider if your evaluation process is tied to compensation.

7. **Is the executive evaluation tied to the board evaluation and vice**

versa? How is the board holding itself accountable to the relationship with the executive and vice versa? This is so rarely a step that it deserves noting because the success of the executive and the success of the board are intricately tied together. Evaluations go hand-in-hand formally or informally.

Likely we could find steps 8, 9, and 10 to consider, too. But I will stop here and say, above all, everyone should follow the rule of "No surprises!"

As we take in the end of summer, and prepare for kids to return to school, and for new fiscal years to take shape, I encourage you to consider how evaluation can be part of a meaningful employee retention, engagement, and even excitement strategy. Formal or informal, the goal is to bring meaning, personal growth, mission alignment, and many more points of connection that matter.

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