



CEO PERFORMANCE

Why Measuring It Matters



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LEARNING OUTCOMES

- ✦ CEO Performance: Why Measuring It Matters
- ✦ The Role of the Board in Performance Management
- ✦ The Role of the CEO in Performance Management
- ✦ The Role of HR in Performance Management

★ CEO Performance: Why Measuring It Matters



“Boards have an obligation to shareholders to ensure that companies are led well, and the sooner they can spot problems with leaders’ performance, the better.”

Harvard Business Review, October 2008



High performing organizations require high performing leaders. If high performing organizations measure their performance it would stand to reason that they would measure the performance of the CEO.

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CEO Performance: Why Measuring It Matters

**Why is it Important to
Measure CEO
Performance?**

Universal Elements of CEO Performance

- ✦ Ability to work effectively with the Board of Directors
- ✦ Fiscal management/resource development
- ✦ Leadership & Management
- ✦ Constituency Involvement/Shareholder Engagement
- ✦ Talent & Culture Management

Role of the Board in Performance Management

- ✦ Establish clear goals and objectives against which CEO performance gets measured
- ✦ Give regular positive AND constructive feedback
- ✦ Hold CEO accountable for results; take action for failure to perform
- ✦ Ensure the documentation of CEO's performance
- ✦ Ensure alignment between performance and compensation

Role of the CEO in Performance Management

- ✦ Establish clear goals and objectives against which CEO performance gets measured
- ✦ Give regular positive AND constructive feedback about the role and impact of the Board on his/her performance
- ✦ Clearly self-identify accomplishments/gaps in performance
- ✦ Take measurable action to close performance gaps
- ✦ Respond to performance feedback by adjusting behavior/practices/actions

Role of HR in Performance Management

- ✦ Establish and maintain CEO performance management systems/protocols
- ✦ Monitor accountability for Board and CEO responsibilities related to performance management
- ✦ Provide coaching/guidance to CEO to ensure effective performance
- ✦ Ensure the documentation of CEO's performance
- ✦ Ensure alignment between performance and compensation



HAVE QUESTIONS?

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