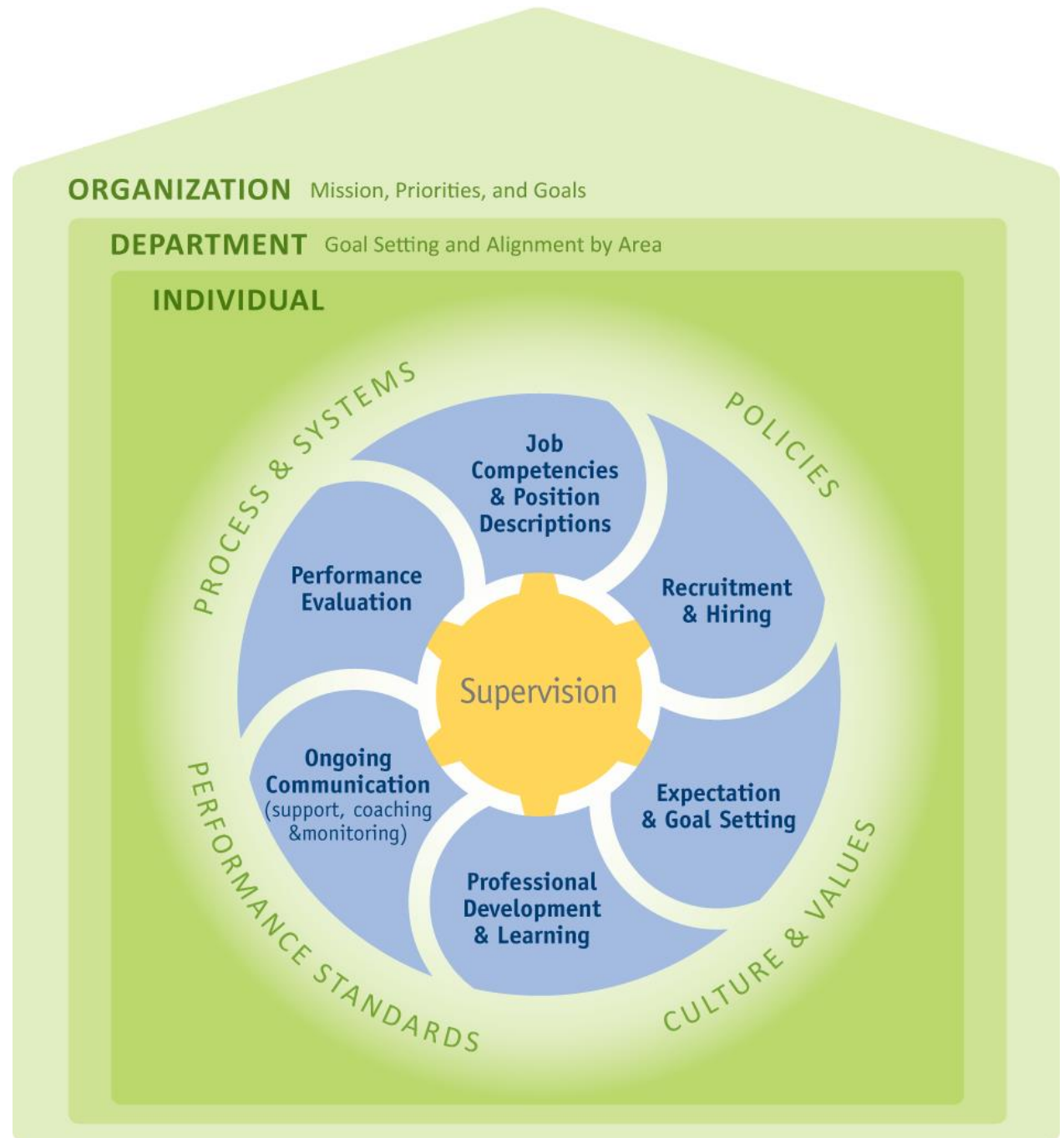# A Sustainable Model for Performance Management:

The purpose of an organization's performance planning, management, and review process is to guide, support, and develop staff to **ensure both employee and organizational success.**

Performance Management Infrastructure

Performance Management Infrastructure

Who's responsible for managing performance?

ORGANIZATION Mission, Priorities, and Goals

DEPARTMENT Goal Setting and Alignment by Area

INDIVIDUAL

PROCESS & SYSTEMS
POLICIES
PERFORMANCE STANDARDS
CULTURE & VALUES

Job Competencies & Position Descriptions

Performance Evaluation

Recruitment & Hiring

Supervision

Ongoing Communication (support, coaching &monitoring)

Expectation & Goal Setting

Professional Development & Learning

PARTNERSHIP

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THEORY of CHANGE

PROBLEM or ISSUE STATEMENT

A concise and compelling description of the conditions we aim to change.

FOCUS of CHANGE

The people among whom we will focus our efforts and resources.

ORGANIZATIONAL STRATEGIES

The distinctive, cross-cutting approaches we take to our work.

ANTICIPATED CHANGES

Specific, observable changes that indicate that the problem is being solved.

VALUES & GUIDING PRINCIPLES

- VALUES: Fundamental, intrinsic beliefs that guide the work.
- GUIDING PRINCIPLES: How the organization expresses its values; the organization's character in action. Guiding principles describe the way the values manifest on a daily basis.

Supervision Framework

ORGANIZATION
Mission, Priorities, and Goals

Expectation Setting
- New staff orientation
- Setting annual goals
- Creating professional development plans
- Reviewing and revising workplans
- Delegating
- Assigning projects
- Reviewing and revising job description

MUTUAL

Performance Review
- Quarterly and/or biannual performance reviews
- Annual performance reviews
- Setting annual goals
- Creating professional development plans

NO SURPRISES

Regular Communication
- Discussing current projects, work load, and deadlines
- Identifying and solving problems
- Giving timely appreciative and developmental feedback
- Coaching and supporting

ONGOING

Core Competencies Approach to Staffing and Development

Definition

Competencies are observable and measurable characteristics of a person that include using knowledge and demonstrating skills, behaviors, and abilities that contribute to performing well. A competency can be a behavioral skill, a technical skill, an attribute (such as creativity and strategic agility).

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EXAMPLE: CompassPoint

Competency	Description	How Contributes to Success
Multicultural Competence	Analysis of racial, gender, age, etc. oppression. Understand how power and privilege dynamics play out in relationships, organizations and movements. Ability to navigate conflict related to power and privilege.	This competency is a way that people embody our values and commitment to social justice. This competency is critical for staff and board to be able to engage diverse communities. Staff must be able to bring a power and privilege lens into our coaching, consulting and teaching.
Financial Leadership	Managing a portfolio of programs and assessing each based on both its mission impact and financial return. Ability to read financial reports and interpret information for program teams. Making real-time decisions based	Program leads manage large programs that comprise the majority of our budget. Must be able to understand the financial drivers of the organization and make decisions quickly and strategically.

Using Competencies with Role Clarity

Employee Name and Title:

Roles	Competencies (and sub competencies needed)	Key Activities	Measures of success and development (goals/standards)	Time Goals by % of time

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Board Basics and Governance

Or what the hell do are board members doing?

. . . And should they be doing that?

According to California law, what is the required minimum # of board members for a nonprofit?

A. 1

B. 2

C. 3

D. No minimum

Are paid staff allowed to serve as a full voting board member?

A. Yes, with specific restrictions.
B. No
C. Yes, but only the executive director.
D. Yes, but no more than 3 at any time.

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Who governs a nonprofit?

A. The board

B. The staff

C. The government

D. The community

E. All of the above

By law, board members MUST abstain from all votes that have any impact on their personal or professional lives.

A. Yes.
B. No
C. It depends

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According to best practice, all communication between board and staff MUST be done through the executive director.

A. Yes
B. No
C. It depends

No matter what the issue or task, the board has ultimate decision-making and authority over organizational issues.

A. Yes
B. No
C. It depends

Governance Fundamentals

What is Governance anyway?

Nonprofit governance is the provision of guidance and direction to a nonprofit organization so that it fulfills its vision and reflects its core values, while maintaining accountability and fulfilling its responsibilities to the community, its constituents and government with which it functions.

The Alliance for Nonprofit Management's Governance Affinity Group

Board Roles & Responsibilities

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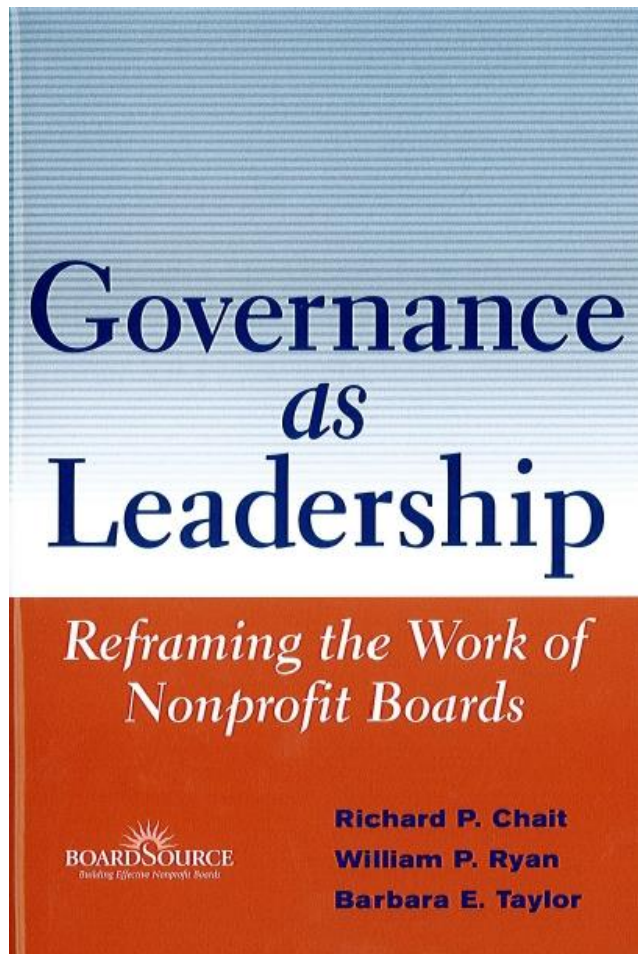
Governance is a relatively rare and unnatural activity as board members are part time volunteers overseeing full time professional staff

--Richard Chait

Purpose of a Nonprofit Board of Directors

A nonprofit board is the legal guardian of an organization. Formal Responsibilities:

- Ensure legal compliance

- Mission and purpose integrity (viable strategies & programs to achieve desired impact)

- Fiduciary oversight; ensure resources used appropriately towards fulfillment of tax-exempt purpose

- Oversight and management of CEO/ED

Competent Stewards
+
Engaged Leaders

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Legal Obligations: 3 Duties

1. ***Duty of Care***—acting with the same care as would a "reasonably prudent person" under similar circumstances, in good faith, and in a manner reasonably believed to be in the best interest of the organization.
   – Ask questions
   – Read materials to prepare for meetings
   – Attend meetings
   – Deliberate and decide
   – Make appropriate decisions
   – Review finances
   – Evaluate the ED annually

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Legal Obligations 3 Duties

2. *Duty of Loyalty*—not engaging in any activities which would injure or take advantage of the organization, including self-dealing.

- Disclose personal conflicts of interest or personal gain
- Adhere to conflict of interest policy
- Disclose information relevant to decision-making or oversight role
- No special benefits
- No impropriety
- No disclosure of confidential information about organization to others
- Speak with one voice

Legal Obligations 3 Duties

3. ***Duty of Obedience (Compliance)***—following federal and state statutes (such as laws prohibiting discrimination) and contractual agreements.

- Know and comply with local, state, and federal laws
- Review and sign the 990
- Compliance with all reporting rules
- Address problems by taking action
- Insist on disclosures required by law
- Set ethical tone for the organization

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Board Roles & Responsibilities

- Ambiguity can lead to role confusion, micro-management, decision making stagnation, and frustration

AND

- Boards are a valuable source of support and guidance

Governance   **Support**

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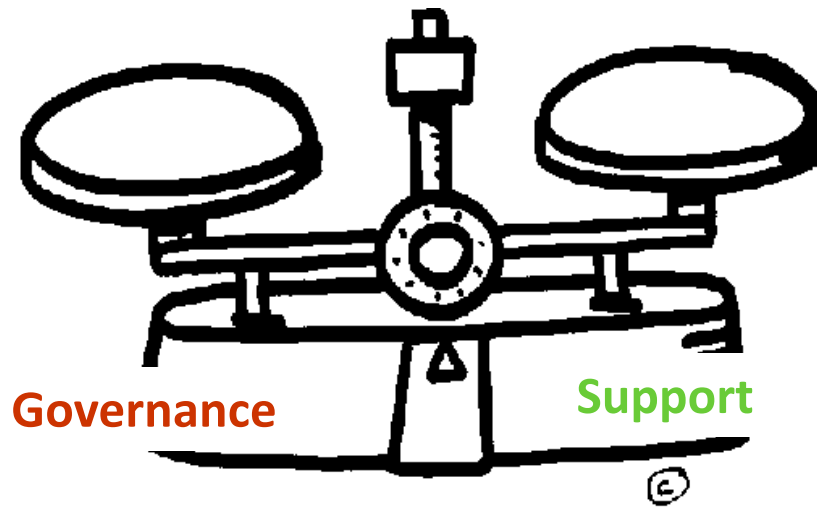
CompassPoint Governance & Support Framework

Governance

→

- Act as a body (whole board)
- Representing interests of community and the public
- Outside looking in
- Board has authority

Legally Mandated

Support

←

- Act as individual volunteers
- Representing interests of organization to the public
- Inside looking out
- CEO/staff have authority

Value Add

GOVERNANCE	MANAGEMENT SUPPORT
Purpose: The board acts to *govern* the organization	**Purpose**: The board acts to provide *management support* to the organization
Process for action: The board acts as a *collective* body	**Process for action:** Board members provide support to staff as *individual volunteers*
Type of Responsibility: Governance fulfills a legal responsibility to the community therefore is a mandated function.	**Type of Responsibility:** The level and type of support expected from individual board members is at the discretion of the CEO, not legally mandated, and dependant on specific organizational needs.
Role: Exercise duties of care, loyalty and obedience	**Role:** At the CEO's invitation, provide expertise, thought-partnership, access to resources, ambassadorship
Example Activities • Hire, evaluate, terminate (as appropriate) CEO • Monitor finances, approve budget, ensure financial and programmatic sustainability • Board development, management and governance effectiveness •Manage the audit	**Example Activities** • Fundraising activities • Speaking engagements • Attending events • Consultation/advising staff on technical issues • Participate on organizational committees

Governance and Support – Three Switches*

- Whether the board is acting as a body or as individual board members

- Who's the boss

- Who the board is representing

*Adapted from BlueAvocado article *The Governance/Support Model for Nonprofit Boards*

Governance and Support – Three Switches*

- Whether the board is acting as a body or as individual board members

Governance	Support
The board acts as body	*Board members act as individuals*
• Big Decisions • Legal oversight • Financial oversight • CEO • Planning • Efficiency and impact	• Advice • Supporting the revenue strategy, perhaps by fundraising, perhaps by assisting with earned income, perhaps by working with funders, and so forth • Ambassadors • Volunteering

Governance and Support – Three Switches*

- Who's the boss?

Governance	Support
The board acts as body	*Board members act as individuals*
The board is the boss	**Board members act with and under the direction of staff**
• Big Decisions • Legal oversight • Financial oversight • CEO • Planning • Efficiency and impact	• Advice • Supporting the revenue strategy, perhaps by fundraising, perhaps by assisting with earned income, perhaps by working with funders, and so forth • Ambassadors • Volunteering

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Governance and Support – Three Switches*

- Who the board is representing?

Governance	Support
The board acts as body	*Board members act as individuals*
The board is the boss	*Board members act with and often under the direction of staff*
The board represents the community's interests to the organization	**Board members represent the organization's interests to the community**
• Big Decisions • Legal oversight • Financial oversight • CEO • Planning • Efficiency and impact	• Advice • Supporting the revenue strategy, perhaps by fundraising, perhaps by assisting with earned income, perhaps by working with funders, and so forth • Ambassadors • Volunteering

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Board & Staff Relationship

- Grounded in transparency, respect, partnership and knowledge sharing

- 3 dimensions
  - Clear lines of authority; clear processes
  - Special relationship between ED/board
  - Shared accountability for achieving the mission

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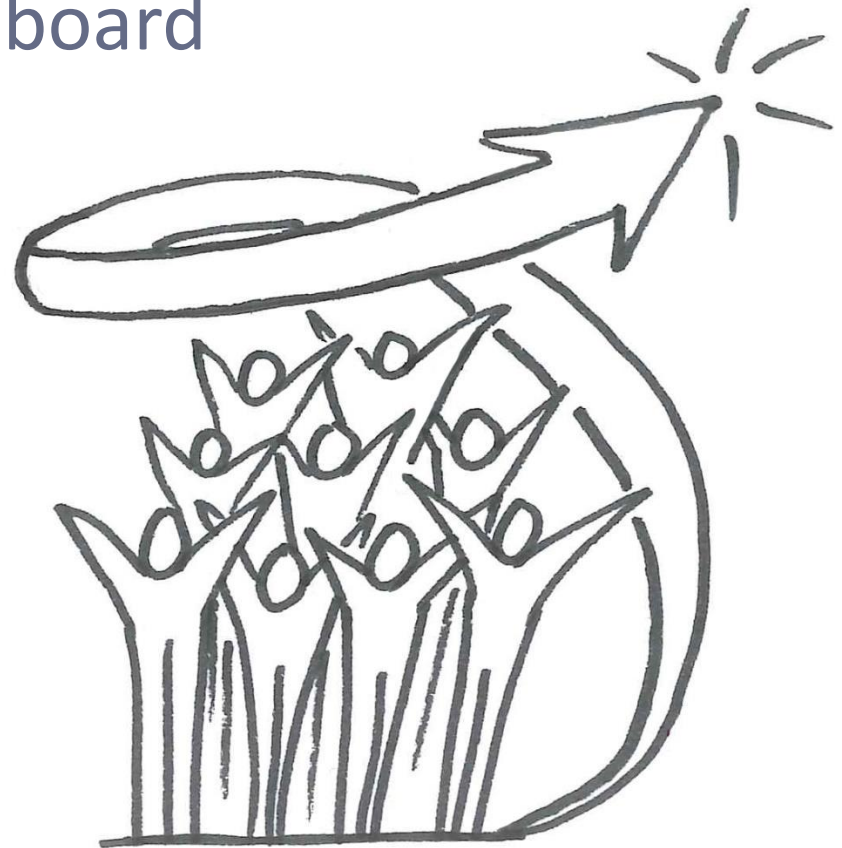# Who leads organizational strategy?

Good governance does **NOT** require program expertise.

- Bill Ryan, co-author of Governance as Leadership

Board & Staff Relationship

What structures and processes create a culture of partnership and collaboration between the board and the staff?

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What do you know about your board?

- Do they know their board roles and responsibilities?

- How well are they fulfilling their governance role?

- How much do you trust them with big decisions? Why?

- Do you know what big decisions they are making that directly impact you?