

FACT SHEET: Template - CEO Performance Appraisal

Performance reviews are intended to be constructive processes that allow the staff of an organisation to be appraised against the job descriptions that form part of their employment contracts. The review is a two-way process: most CEOs value feedback on their work, while the appraisal also allows the CEO the opportunity to identify ways in which the Board can help the CEO to be more effective.

In the case of the CEO's performance review, it must remain strictly confidential to the board and the CEO, with copies of the review retained by the Chair only, off-premises.

The terms of reference for the review, including criteria and measures against which performance is to be evaluated, are developed in consultation with the CEO and should have the approval of the full board. The terms of reference for the review are subject to company disciplinary procedures, including warning and dismissal procedures that are part of all employment contracts with the organisation. (Criteria are kept to a minimum to ensure the scope can be sufficiently broad to accommodate wide-ranging matters. Measures can also be kept to a minimum, such as: Exceeds expectations; Satisfactory; Needs some improvement; Highly unsatisfactory).

Reviews normally occur annually or as stated in the employment contract, conducted by a panel that should consist of the Chair and one or two other board members. Unless there are grounds for seeking input from outside sources, input would usually only be sought from the CEO and from the rest of the Board prior to meeting with the CEO.

Step One: the CEO reviews his/her own work against the criteria agreed in the terms of reference, including key areas of responsibility and/or key elements of the Strategic Plan. This review would include the CEO's assessment of the adequacy of supervision and direction from the board, with suggestions for improvement. It would also include an assessment of any concerns or difficulties being experienced, as well as suggestions for training and/or changes for improvement.

Step Two: The panel undertakes the performance review based on the same criteria as those used by the CEO, together with an assessment of internal and external relations and of how he/she is realising the direction set in the strategic plan.

Step Three: Panel and CEO convene for a discussion of the review each has undertaken. The meeting will jointly develop appropriate objectives to address variances and performance measures. The results of this discussion will form the basis of the subsequent review.

There are two templates attached. The first focuses on the CEO's performance against KPIs associated with the Strategic Plan. (Only three are indicated in the template – more to be added as necessary.) The second allows a review across more general criteria.

Source: Fishel, D, *The Book of the Board*, Federation Press, Sydney, NSW (2003; 2nd edn. 2008)

Suggested Template 1

Performance

Objectives: [Name]

Employer	Date of review:	Length of time in post:
		Performance review schedule:
Name:	Position:	Signature:
Review conducted by:	Signatures:	

Overall Performance Deliverables: Sample entries only (to be replaced by organisation's own material)

Development and delivery of Strategic Business Plan inclusive of operational, KPI and strategic objectives.

No.	Performance Objectives	Performance Deliverable	Timeframe	Performance Status	Comments
1	Strategic Development Plan & Operational Plan: KPIs	Achieve 50% of all business plan targets across each programme area	By December 2010	Achieved	The delivery of KPIs in the strategic business plan has been achieved as reported to most recent Board meeting.
2	Establishment of Staffing Structure		By December 2010	Part achieved	This has been achieved in part as: The organisation structure approved by the Board and recruitment for Development Manager achieved in October 2008.
3	Completion and launch of AAA marketing plan.		By December 2010	Part Achieved	

SUGGESTED TEMPLATE 2:

CEO

APPRAISAL PLAN

An appraisal involves a number of things, but first and foremost it is the process of identifying anything that might have gotten in the way of better performance and how board and CEO can work together in the future, to achieve optimum results.

Name:		Date of Appointment to current role:	
Position:		Reviewers:	
Date:			
Performance Criteria	Definition/Description	Staff Comments	Directors/ Managers Comments
OBJECTIVES AND TASKS			
Performance	<i>Please describe some of your achievements over the past 6-12 months. Are there any areas in which you would like to improve your performance or make additional contributions?</i>		
Workload and Time Management	<i>Please describe how you feel about your overall workload and the balance between different areas of work</i>		
Company direction	<i>How well is the Company progressing in the direction set in the Strategic Plan? Is there anything that could assist achievement of Strategic Plan goals?</i>		
Duty Statement	<i>Currency of duty statement. Are there areas of your work not covered by the Duty Statement or areas which are in the duty statement which don't seem to form a part of the job?</i>		

Board Communications	<i>Effectiveness of communications with the Board. How do you feel about the level and nature of communications, as they affect your work?</i>			
Long Term Aspirations	<i>Are there particular areas of work where you would like to develop further? What are your longer term work aspirations?</i>			
Short Term Work Goals	<i>What are your short term goals in your work?</i>			
OTHER COMMENTS	<i>Are there any broader comments you would like to make about your progress?</i>			

In discussion with the Board, when is your next salary review: _____