

**BEST BOARD PRACTICES CHECKLIST:
CEO GOAL-SETTING AND APPRAISAL PROCESS**

CEO goal-setting and evaluation is a fundamental responsibility of a governing board. These questions are designed to help boards assess their CEO evaluation process and determine if any improvements are necessary.

Questions

1. Does the CEO have a current, written position description that is clear and comprehensive?
2. Does the CEO have an employment contract that, among other things, includes a clear separation agreement?
3. Has the board established in writing, in a policy statement, a formal, CEO goal setting and appraisal process?
4. Has the board formed an effective and independent, Executive Evaluation Committee, or does another committee perform this function, such as the Executive Committee?
5. Do both the CEO and board members perceive the executive evaluation process to be constructive and objective?
6. Does the CEO receive clear and useful feedback on the board's expectations and evaluation of his or her performance?
7. Do all members of the board have sufficient input into establishing the CEO's goals and evaluating performance?
 - How is this input obtained: Via a written questionnaire? Conversations with the Board Chairperson? Interviews conducted by an independent, third party who summarizes findings? Other means?
8. Does the executive evaluation committee make a summary report of its work to the full board so all members can be confident that an effective evaluation process is in place, and so they are aware of the CEO's current goals?
 - Do all board members understand and honor the confidential nature of any personnel evaluation, including executive appraisal?
9. Are the CEO's performance goals both quantitative and qualitative, and do they reflect all important aspects of the organization's mission, strategic vision and major priorities, not only financial and business objectives?
10. Does the evaluation process include assessment of qualitative factors such as the CEO's ability to build consensus and a learning organization?
11. Is CEO performance evaluation effectively linked to executive compensation in a way that rewards the CEO for effective performance?
12. If challenged by members of the community, the press or governmental agencies, can members of the board clearly articulate a policy and rationale for the CEO's compensation and incentives?

BADER & ASSOCIATES

Healthcare Governance Consulting and Retreats

Phone: 301-340-0903 · Fax: 301-340-1345 · E-mail: bbader@GreatBoards.org