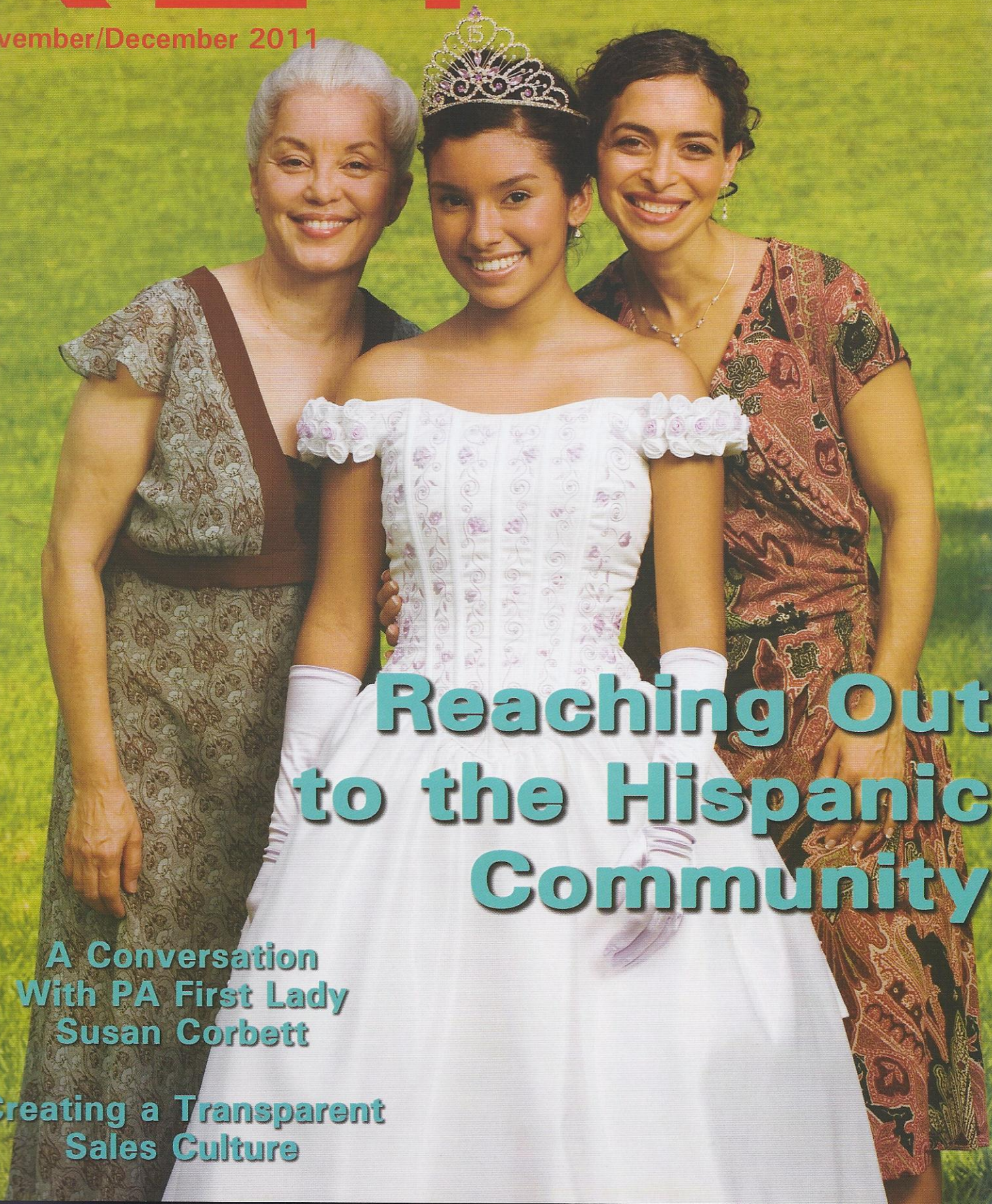


KEYnotes

November/December 2011



Reaching Out to the Hispanic Community

A Conversation
With PA First Lady
Susan Corbett

Creating a Transparent
Sales Culture

Taking the Dread Out of CEO Performance Reviews

By Yvonne M. Evers, Owner, YME Coaching & Consulting, LLC

Do you, as a board, look forward to your CEO's performance evaluation each year? If you answered "yes" to this question, you are probably doing something right when it comes to the performance review process. If you answered "no" you are in the company of the majority of board members.

There are many reasons why most boards do not look forward to CEO performance evaluation time. Some of these reasons include:

- Fear of confrontation or conflict;
- Uncertainty of what their responsibility for this process really is;
- CEO performance expectations are non-existent or ambiguous at best;
- Fear of not doing the right thing;
- Requires extra time spent on credit union business; and
- Brings up disagreements and conflicts between board members.

There are a number of board members who think that as long as they remember to give the CEO a good raise at the end of the year, they have completed their duty to annually review the CEO's performance. The thought is, shouldn't the CEO be able to read into her

increase amount and know whether they've done a good or a poor job?

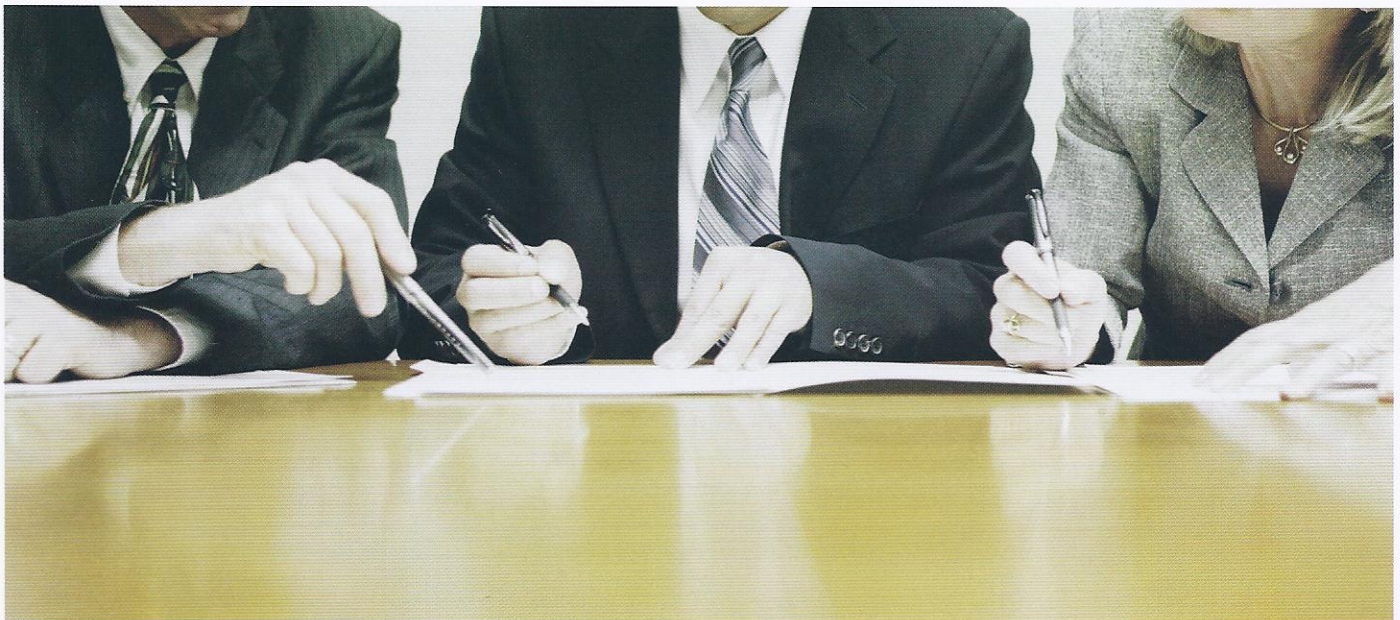
Some of you may also think that your CEO would prefer not to go through a performance evaluation process at the end of year. There are some of those CEOs out there. However, most CEOs want to do a good job for the board, the membership and the employees, and they want feedback to know if they are doing that.

I have coached and talked to a lot of CEOs who feel insecure in their job even though the credit union they are running is successful and they seem to be making all the right decisions. Many times the problem is that they aren't sure what the board's expectations are, and they don't receive any feedback to know if they are doing the right thing.

The board of directors has a responsibility to set and communicate performance expectations, monitor the CEO's performance throughout the year and evaluate his performance against the expectations at the end of each year.

Here are some hints to help lower your board's anxiety level when it comes to the CEO performance review process.

- 1) Set clearly defined goals for the CEO at the beginning of each year. This task alone can be



daunting, but you don't have to do it alone. The goals can be taken from your annual strategic plan. Additionally, you can enlist the help of your CEO, which can also help ensure his/her buy-in of the goals.

- 2) Set up a clear performance review process and educate all board members, as well as the CEO, on the process.
- 3) Provide feedback to the CEO on a regular basis, not just at the end of the year. Having regular conversations with your CEO about her performance should reduce the potential of confrontation or conflict during the review process at the end of the year.
- 4) Encourage open communication and an environment of trust and respect amongst your board members.

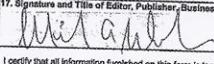
5) If you put a clear, well-defined process in place, the time required by board members on the performance review process should be reasonable.

Remember, as board members, it is your job to set performance expectations for your CEO, hold her accountable, provide feedback during the year and perform a performance evaluation at the end of the year. KN

Yvonne Evers is the owner of YME Coaching & Consulting, LLC, the creator of the Lead to Exceed Success Groups and the author of the book Peak Credit Union Board Performance — 5 Key Strategies to Reach the Top. She has been driving credit union leadership and board success for more than 20 years. Find out how at www.LeadToExceed.com.

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