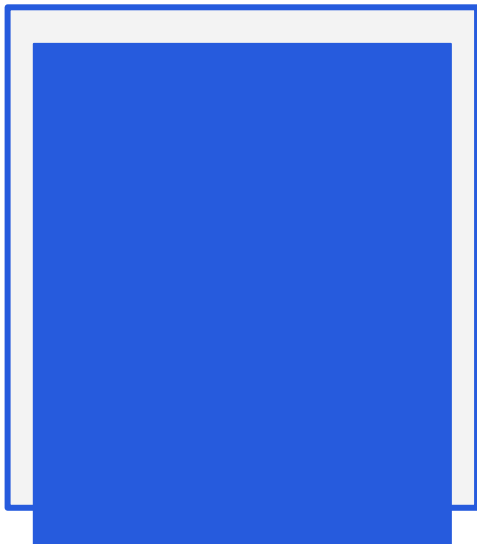




Webinar

**Developing CEO KPIs and
Performance Management
Frameworks**

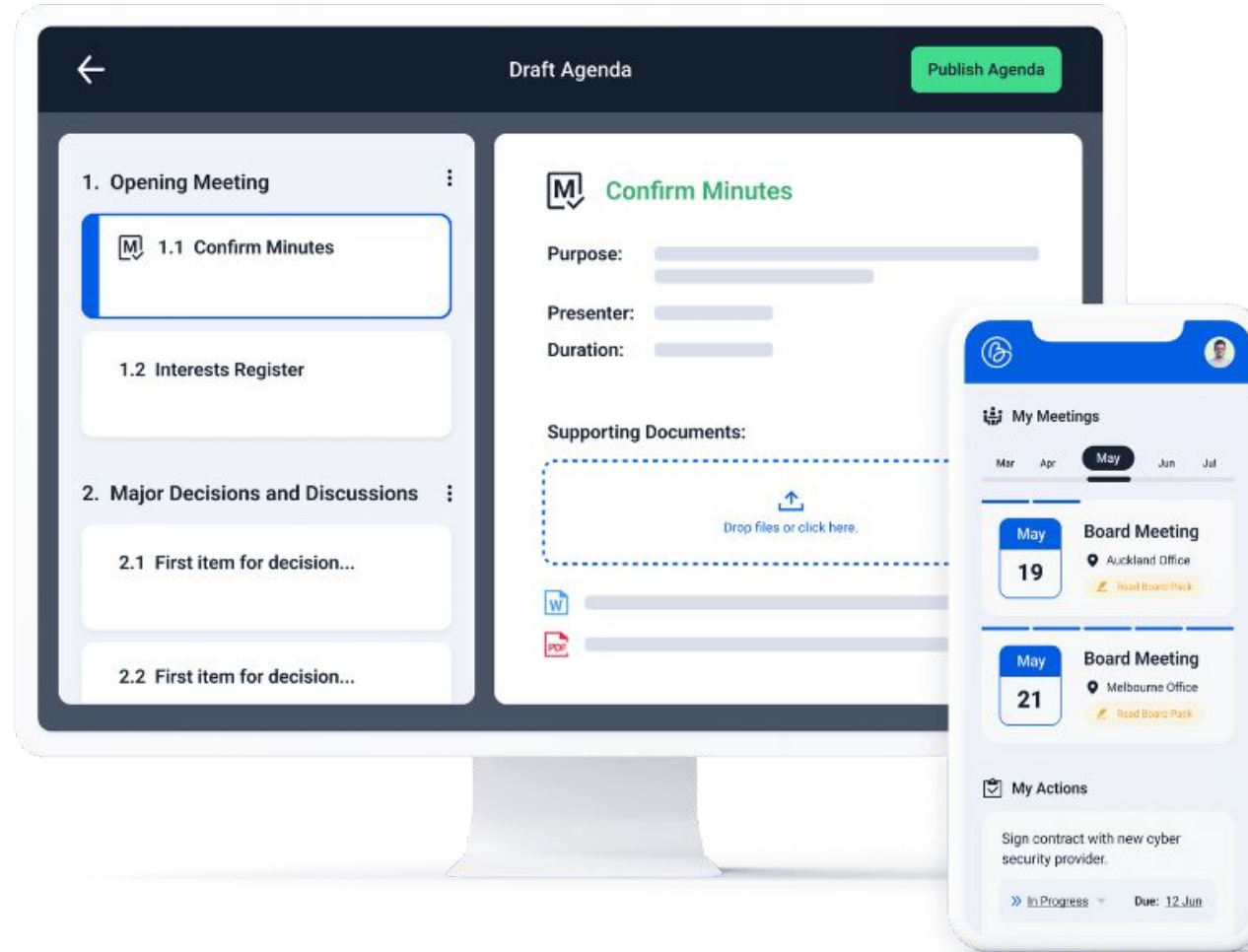




Congratulations Katie Russell
National Director / CEO

**Australian Museums
and Galleries
Association**

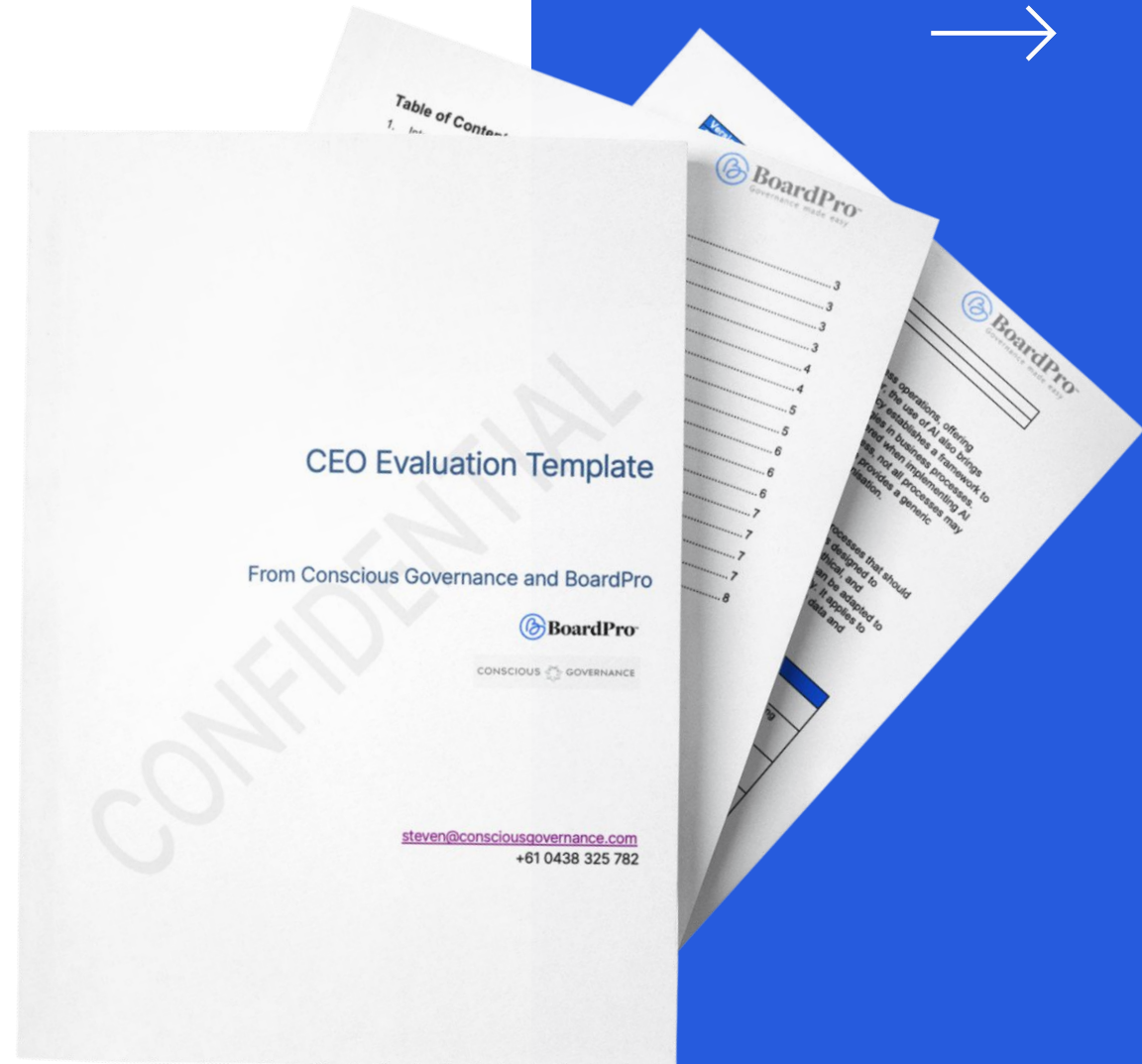






**Making the fundamentals of
governance free and
easy to implement**

Slides, webinar video,
transcript and planning
CEO Evaluation templates
will be sent to you. Relax,
listen and ask questions





**David
Greenslade**

Managing Director
Strategi



**Steven
Bowman**

Managing Director
Conscious Governance



Nigel Scott

Director | Investor
BoardPro



Overview

01

What happens when a CEO Appraisal goes wrong?

02

Agree on the Process, including KPIs, Incentive Payments

03

Developing Meaningful KPIs

04

Measuring Performance against the KPIs

05

The Conscious Governance CEO Appraisal Framework



Agree the KPIs and Framework



CEO Comments on their view of their Performance



Board Feedback to CEO



Using 360-degree feedback Surveys



Documenting the Appraisal process and gaining CEO endorsement



Review the KPIs and agree on the process for the next Appraisal period

06

Allocating Performance Related Payments (if appropriate)

07

Questions, issues, challenges



01 Outcomes expected

Please add a comment in the "Chat Box" to describe where you are at with the CEO Appraisal Framework and what you would like to achieve / cover today

Hints:

- Don't know where to start
- Very ready, and want to help improve it
- Long overdue
- Need help with KPIs / success measures
- Want to understand Incentive Payments



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02

2 What happens when a CEO Appraisal goes wrong?





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- 3.1 Agree KPIs and Framework
- 3.2 CEO Comments on their view of their Performance
- 3.3 Board Feedback to CEO
- 3.4 Using 360-degree feedback Surveys
- 3.5 Documenting Appraisal process and CEO endorsement
- 3.6 Review KPIs and agree on process for next Appraisal period



03

The Conscious Governance CEO Appraisal Framework



03

The Conscious Governance CEO Appraisal Framework



3.1a Agree on the Appraisal Framework (Hint: use this one!)

3.1b Agree on the KPIs

Conscious Governance recommends:

- Strategic KPIs – 2 or 3 of these
- Leadership/Behaviour/Culture KPIs – 1 or 2 of these
- Compliance KPIs – 1 or 2 of these



03

The Conscious Governance CEO Appraisal Framework

Iterative process for developing the KPIs or Success Measures

01

What does a great job look like? (Or, as an example, if we are world leaders in this area, what would it look like?)

04

Use these iteratively until you get a KPI that measures the outcomes, not the activity

02

How do we measure it? (note, everything is measurable)

05

CEO does first draft, Chair/Governance committee amend as required

03

At what level of performance would we be happy? At what level would we be thrilled to achieve (i.e. a 'stretch target')?



KPI	KPI-area-and-results
1	<p>Financial Sustainability and Financial Management: on budget as at 30 Jun 2021, surplus of 3%, (Excellent performance is achieving a surplus of 5%), quality financial reports to Board (as evidenced by the average rating of all Board Directors),¶</p> <p>Comment and evidence of achievement:¶</p> <ul style="list-style-type: none"> • → <<CEO inserts comments and evidence here>>¶ • → ¶
2	<p>Effective support to the Board and Board Chair: regular meetings with Chair, Board and Chair rate the support as effective. Board materials are timely, meet information needs of Directors and are aligned to Strategic Priorities.¶</p> <p>Comment and evidence of achievement:¶</p> <ul style="list-style-type: none"> • → <<CEO inserts comments and evidence here>>¶ • → ¶
6	<p>Leadership of staff and volunteers: results of the 360-degree feedback, results of surveys of Branch Chairs, Conference Committees, quality paper to Board on 5-year staffing strategy (as evidenced by the average rating of all Board Directors)¶</p> <p>Comment and evidence of achievement:¶</p>

3.1

Agree on the Process, including KPIs, Performance related Payments (template provided)



03

The Conscious Governance CEO Appraisal Framework

3.2

CEO Comments on their view of their Performance (template provided)

KPI	KPI-area-and-results
1	<p>Financial Sustainability and Financial Management: on budget as at 30 Jun 2021, surplus of 3%, (Excellent performance is achieving a surplus of 5%), quality financial reports to Board (as evidenced by the average rating of all Board Directors),</p> <p>Comment and evidence of achievement:</p> <ul style="list-style-type: none"> •-> <<CEO inserts comments and evidence here>> •->
2	<p>Effective support to the Board and Board Chair: regular meetings with Chair, Board and Chair rate the support as effective. Board materials are timely, meet information needs of Directors and are aligned to Strategic Priorities.</p> <p>Comment and evidence of achievement:</p> <ul style="list-style-type: none"> •-> <<CEO inserts comments and evidence here>> •->
6	<p>Leadership of staff and volunteers: results of the 360-degree feedback, results of surveys of Branch Chairs, Conference Committees, quality paper to Board on 5-year staffing strategy (as evidenced by the average rating of all Board Directors)</p> <p>Comment and evidence of achievement:</p>



1	<p>Overall comments on performance of CEO over the assessment period:</p> <ul style="list-style-type: none"> • <<Board Chair or Chair of Governance Committee includes relevant comments in this form. Remember to include positive acknowledgements, as well as areas where the CEO could improve.>> • • •
2	<p>The areas of performance that warrant attention over the coming year:</p> <ul style="list-style-type: none"> • • •
3	<p>Professional Development opportunities to be pursued over the coming year:</p> <ul style="list-style-type: none"> • <<Include suggestions for PD courses or activities the Board feels the CEO may benefit from undertaking.>> • •
<p>Chair Signature: _____ Date:DD-MMM-2021</p>	
<p>Signed for and on behalf of the Board: _____ Chair Name: _____ Date:DD-MMM-2021</p>	

03

The Conscious Governance CEO Appraisal Framework

3.3

Board Feedback to CEO (template provided)



03

The Conscious Governance CEO Appraisal Framework

3.4

Using 360-degree feedback Surveys (template provided)

• Consultation: 360 Feedback and Pulse Check on Organisational Culture

Confidential

- ¶
- 1. What are the top two strengths of the CEO from your point of view?¶
 - → ¶
 - → ¶
- ¶
- 2. What two skills do you think the CEO could improve from your point of view?¶
 - → ¶
 - → ¶
- ¶
- 3. What two things might the CEO do to be more effective from your point of view?¶
 - → ¶
 - → ¶
- ¶
- 4. Are there any skills or Professional Development you might recommend that the CEO consider?¶
 - → ¶
- ¶



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Reporting template is provided



03

The Conscious Governance CEO Appraisal Framework

3.5

Documenting the Appraisal process and gaining CEO endorsement



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03

The Conscious Governance CEO Appraisal Framework

3.6 Review the KPIs and agree on the process
for the next Appraisal period





04

Allocating Performance-Related Payments

(if appropriate; template provided)

KPI	KPI area and results	Max Incentive Payment	Recommended	
			% Offered	\$ offered
1	List the KPIs agreed between CEO and Board	\$4,000	70	\$2,900
2		\$3,000	100	\$3,000
3		\$3,000	100	\$3,000
4		\$2,000	70	\$1,400
5		\$2,000	50	\$1,000
6		\$3,000	70	\$2,100
7		\$2,000	80	\$1,600
8		\$2,000	50	\$1,000
	Totals:	\$21,000	-	\$16,000

Insert Amount for each KPI. Offer more for the KPIs that are more important to the Board and the success of the organisation

Insert % to be offered to the CEO, based on actual performance, as perceived by the Board

For each Cell here, multiply the Incentive \$s, by the % offered



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5 Questions, issues, challenges





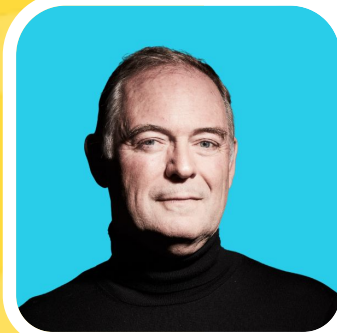
Nigel Scott

in www.linkedin.com/in/nigel-scott-7588352b/



**David
Greenslade**

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Steven Bowman

in www.linkedin.com/in/stevenbowmangovernance



Webinar Schedule

Oct - Dec 2024

104.	How to think differently about whole of business governance	On Demand
105.	How to create your annual operating plan	On Demand
106.	Developing CEO KPIs and Performance Management frameworks	On Demand
107.	The AI Playbook: How to Elevate Your Governance Game	Nov 25
108.	Cultivating Board Culture for Excellence and Impact	Nov 28
109.	From conflict to Innovation	Dec 5
110.	Identifying and managing conflict of interest	Dec 12
111.	The purpose and function of advisory boards	Dec 19



Thank you

