# CEO annual review template

1. This document is concerned only with the CEO’s formal annual performance review. However, the annual review should not be the only time the CEO receives feedback from the board. Effective board–CEO relationships are based on regular, ongoing, frank, constructive communication and feedback throughout the year.
2. A formal CEO review begins a year in advance, when the board works with the CEO to establish key performance indicators for the CEO. These form the basis of the CEO’s annual review. Key performance indicators are a list of what the organisation and CEO should be aiming to achieve within the year. It is not possible to carry out a review if the CEO and the board have not agreed on how each party will assess success.
3. The board should consider who is best placed to conduct and document the CEO review meeting. This will usually be the chair (president).
4. It is inappropriate for other board members to attend the review meeting and have direct individual input in the documentation, because it could be interpreted by the CEO as an ambush. A good alternative is to invite some or all board members to contribute to an aggregate assessment of:
5. how well the CEO has performed against key performance indicators, financial indicators, etc
6. how well the CEO has performed in other realms (interpersonal relations, holding people to account, leading change, representing the organisation etc).

These assessments should be presented on a numerical scale (e.g. 1–5) rather than as comments.

The chair or reviewer should then aggregate these figures and include them on the review form. This should be shared with the CEO before the review meeting so they can read the results and prepare for the subsequent discussion.

The reason we recommend presenting aggregated information as numbers rather than comments is that it removes any possibility of individual board members making inappropriately personal or unpleasant remarks.

We also recommend that individual aberrative scores that are extremely positive or negative should be excluded from the review.

1. The CEO may be given the opportunity to put their own numerical scores against each indicator. Similarities to and differences from the board’s scores can then be the subject of discussion.
2. The chair should complete their portion of the template before the review meeting to help ensure they attend the meeting prepared, having reflected on the events of the year.
3. The form containing aggregated numerical scores and the chair’s comments should be shared with the CEO at least a week (ideally two weeks) before a review meeting. The CEO should then complete their parts of the form, and share them at the review meeting.
4. The review meeting is an opportunity for the chair and the CEO to frankly and honestly discuss the CEO’s performance, using the form as a starting point. It is an opportunity to share successes as well as ideas for improvement or working differently. If the board and the CEO have been communicating effectively throughout the past 12 months, then in theory no surprises or new information should come to light during the annual review process; it should be a formality and a punctuation mark.
5. At the review meeting (or at a separate follow-up meeting soon afterwards), the chair and the CEO should establish goals and KPIs for the next 12 months. These will form the basis of the next annual review. Areas that have been identified as needing improvement should be built into these KPIs.
6. The results of the review should be shared with the board to ensure accountability and continuity.
7. It is important to note that there is a power differential between the chair and the CEO. The CEO has much more knowledge of the operations of the organisation and in many cases has more institutional knowledge than the chair, but the chair is their employer. The review process puts the CEO in a vulnerable position relative to the chair, and this awareness should drive the chair’s engagement with the review meeting.
8. In many organisations, annual reviews are tied to financial bonuses or salary increases, so a letter from the chair to the CEO typically follows the review meeting.

### To be filled in by CEO and shared with the chair or board representative at the review meeting.

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| Recap the top five goals that were agreed between you and the board for this review period.  |
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| To what extent do you feel you achieved each of them?  |
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| What are you most proud of in terms of your impact this year? |
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| How do you think you embodied the organisation’s values and led the culture this past year? |
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| What challenges did you face this year and how did you navigate them? |
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| **NEXT STEPS**In light of the board’s strategic priorities for the next 12 months, what do you consider your top five priorities should be for that period? Translate these into goals and KPIs.  |
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| What do you need from the board to enable you to meet those goals? |
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| What professional development would assist you in the coming year?How would it assist the organisation to fulfill its mission? |
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### To be completed by the chair or board reviewer, based on input from all board members.

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| CEO achievements this year (1–5 achievements)  |
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| CEO impact this year (1–5 impacts) |
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| How did the CEO embody the organisation’s values and lead the organisation’s culture this past year? |
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| What challenges did the CEO face this year and how did they navigate them? |
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| Next stepsWhat are the board’s top five strategic priorities for the coming year?(This most likely will have been discussed before the review meeting but should be included in annual review documentation so the board and CEO are clear about the basis of the CEO’s goals and KPIs for the year to come.) |
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