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Discussion and Process Guide for GM Evaluation

This discussion guide is meant to accompany the process for [Evaluating the General Manager](#) described in the Cooperative Grocer article published in July/August 2009. Please review article that before implementing this guide. This process is based on [CBLD Policy Template](#) D4 Evaluating the GM. If your board has a different policy, be sure to follow the policy you have.

Under Policy Governance the board sets expectations for GM performance in its policies on Ends and Executive Limitations. The Board evaluates GM performance by thoroughly and rigorously monitoring compliance with those policies. The monitoring process is conducted throughout the year usually on a set schedule. At the end of a 12-month cycle, an overall evaluation is conducted - primarily a summary of the results of that monitoring process. It is useful to review the process with the board in the months preceding running the process, so everyone is familiar with and ready for what is coming up.

The GM evaluation is also a time for the board to reflect on the GM's performance, the co-op's performance, the expectations the board has set and the monitoring process. This is a guide to that process.

In Board packet

Include the table with the last 12 months of monitoring data including Ends and Executive Limitation policies. Note: This table should be kept current during the year by the board administrator or Secretary. See the article referenced above for an example.

In open session

Review the table showing compliance data for the year. Directors may ask any clarifying questions.

In Executive Session with the GM

Ask the GM to share any additional information they wish to share – additional accomplishments or concerns, corrected out of compliance situations, or other relevant information. Ask any clarifying questions.

In Executive Session without the GM

Determine if the monitoring data demonstrates acceptable performance. If yes, proceed with this guide. If no, just like an out of compliance monitoring report, consider the severity, implications and trends, and then what, if any, consequences the board will impose.

Ask directors if there are any accomplishments that the board would like to highlight in its letter to the GM and if there are any GM behaviors the board would like to appreciate and praise?

Ask directors if there are any concerns with GM or co-op performance that have not been addressed in policy monitoring reports. If yes, determine if there is an existing policy that should cover this concern. If so, review the monitoring report on that policy to see if needs additional data, revised interpretation or policy change. Inform the GM of the board's desire to see changes. Remember the board can monitor any policy, at any time, by any method, so you have the option of monitoring sooner than the next regularly scheduled report if desired. If no policy exists to address the concern, determine if the board wishes to create or modify a policy so this can be evaluated in the future. If yes, add to board calendar and inform GM of anticipated change. The goal of the letter is to summarize the past year; it is not the place to document new expectations which should be done in policy development.

Discuss and agree on the strategic message the board wants to convey to the GM – the overall tone or top-level message. Empower the Board President or Chair of the GM Evaluation committee to prepare an annual evaluation letter to the GM and for their personnel file, summarizing the Board's decisions and views. Be careful not to let this become a list of individual directors' opinions; it should reflect the opinion of the board as a whole. See the article referenced above for examples of letters.

Post Meeting

Board President or Chair of the GM Evaluation committee prepare a letter including:

- The board's finding on policy monitoring reports
- Appreciations and acknowledgements
- Concerns and how the board intend to address them (revise policy or expect changes in monitoring report)
- If your board links the evaluation to compensation, any changes to compensation and/or benefits

Some boards review a draft letter before it becomes final; others empower the Board President to sign off on the final letter. Either way ensure that the GM receives the letter in a timely way.

Schedule and hold a meeting with the GM and the Board President or GM evaluation committee to discuss the letter. This is also a good time to debrief on the process sharing thoughts on how it went overall and checking in on the overall relationship between the Board and GM.

Remember

- This is not an opportunity for individual board member issues or concerns to be expressed to the GM. Only concerns that the board decides (by its usual decision-making process) should be included in the GM evaluation.

- The board has agreed to evaluate the GM based on compliance with board policy.
The Board can change its policies (expectations) going forward but should not judge the GM for not complying with expectations that were not stated.
- It is good to provide praise and appreciation for a job well done.
- The 5 key principles of management evaluations:
 - Speak with one voice
 - No surprises
 - Make the rules at the beginning not the end
 - The GM's performance = the co-op's performance
 - Give positive reinforcement when it is due.

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