



Governance Optimization Benchmarking Research Findings

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Table of Contents

Project Overview	3
Participant Profile	4
Key Findings	5
Bi-cameral Governance: Advantages and Disadvantages	5
Geographic Representation and Composition	5
Roles and Responsibilities	6
Global Considerations.....	6
Candidates and Elections	7
Leadership Development	7
Critical Success Factors	8
Implementation and Accountability.....	9



Project Overview

The Society of Women Engineers (SWE) has worked to help women engineers achieve their full potential as engineers and leaders for more than six decades. Throughout its history, SWE's governance structure has remained largely the same, with minor changes and adjustments made along the way. However, current leadership perceives opportunities to propel the organization by adjusting its governance model and how members engage with the Society.

SWE retained McKinley Advisors (McKinley) to conduct research and present recommendations to help the Society identify opportunities to implement a more effective governance model and drive desired member participation. Research for this project has included several stages: collaboration with the Governance Task Force appointed by the Board; in-person and telephone interviews with SWE staff; and in-depth telephone interviews with volunteer leaders. The final research phase consists of benchmarking interviews with other associations to explore their governance models and approaches to leadership engagement. The primary goals of the benchmarking phase are to identify effective practices for SWE to consider, to pin-point potential pitfalls for the Society to avoid, and to gain an understanding of how other associations handle governance questions.

McKinley conducted five benchmarking interviews with association executives in January and February 2015. McKinley collaborated with the Task Force to identify and vet associations that could provide valuable insight on topics related to bi-cameral governance structures, regional representation, leadership development and international perspectives. The organizations that participated in our benchmarking research include:

- **American Academy of Orthopedic Surgeons (AAOS)**
- **American College of Healthcare Executives (ACHE)**
- **American Institute of Architects (AIA)**
- **IEEE**
- **National Society of Professional Engineers (NSPE)**

The following report provides an overview of key statistics for participating organizations and a summary of findings and insights from the benchmarking research. Detailed interview notes were provided to SWE under separate cover.



Participant Profile

Governance Feature	SWE	AIA	NSPE	ACHE	AAOS	IEEE
Number of Members	32.5K	75K	35K	40K	39K	400K
Overall Budget	\$8M	\$58M	\$9M	\$25M	\$65M	\$375M
Board Structure	Board of Directors	Board of Directors	Board of Directors	Board of Governors	Board of Directors	Board of Directors
Board Size	13	14-16	19	16	16	31
Officers	President, Pres.-elect, Secretary, Treasurer	President, Pres.-elect, Secretary, Treasurer, 4 VP positions	Immediate Past Pres., President, Pres.-elect, VP	Immediate Past Chairman, Chairman, Chairman-elect	Second VP to First VP to President to Past President	President, Pres.-elect, Past-Pres., Secretary, Treasurer, plus 6 technical area Directors/ VPs
Representative Body	Senate	Strategic Council	House of Delegates	Council of Regents	N/A	N/A
Size of Representative Body	40	50-60	78	70	N/A	N/A
Contested Elections	Yes	Yes	Yes	No	No, uncontested slate	Yes



Key Findings

BI-CAMERAL GOVERNANCE: ADVANTAGES AND DISADVANTAGES

Three out of five organizations who participated in our benchmarking research have bi-cameral governance structures with a small Board of Directors and a larger representative body. In all cases, bi-cameral governance structures were noted as having both advantages and disadvantages for the association. In some cases, the representative bodies were seen as an essential way for a larger number of members to get involved in a leadership capacity and serve at the National level. However, in other cases, bi-cameral governance was seen as a hindrance to the association's effectiveness.

Geographic Representation and Composition

Geographic representation is a core component of many association governance structures. Whether it is on a Board of Directors, through Regions or another body, structures built around geographic representation were often designed as a way to exchange information between the national organization and its various regions, districts, or chapters. However, advancements in technology and changes in how professionals collaborate have shifted how some organizations view geographic representation within their organizations.

Through its recent governance transformation, the American Institute of Architects (AIA) recognized that representation based on geography was no longer the only factor that should be considered relative to meeting the complex needs and challenges of the architecture profession. Practice area, age, demographic characteristics and other factors are all central factors in ensuring a representative mix of leaders from across the profession. As such, AIA recently transitioned away from a geographically-based Board to a more flexible structure that enables knowledge- and constituency-based groups to serve both on the board and on a newly created "Strategic Council."

The American College of Healthcare Executives (ACHE) maintains a very geographic focus within their Council of Regents, but has recently incorporated at-large delegates on their Council. ACHE noted that their Regents, who are elected by their geographic regions, tend to over-represent the C-suite, so the at-large delegates are appointed by the Board of Governors to provide necessary demographic diversity.

The National Society for Professional Engineers' (NSPE's) House of Delegates is composed of geographic representatives from each state, as well as representatives from specialty interest groups. NSPE stated that getting the right people in the House of Delegates was essential to its ability to be effective in its role as it was designed, noting that their House of Delegates "*could be an extraordinarily important group to help discuss current and emerging issues*," but that the current composition of the House was impairing its ability to have the productive conversations that it was intended to have and take those conversations back to their states and other constituencies.



Roles and Responsibilities

Identifying a structure and practices that ensure a strategic focus in governance is a challenge for many associations. A core purpose of the representative bodies of all of the participating organizations with bi-cameral governance structures is to debate, discuss and provide strategic insight on the profession to the Board. However, their success in maintaining this strategic focus varied.

Until around 2000, ACHE's Council of Regents, approved the Budget, Strategic Plan and Bylaws. After a review of their governance operations and a lengthy transition process, these responsibilities were shifted to the Board of Governors. ACHE noted that this shift was generally understood as a "*necessary change*" for the organization. ACHE's Council of Regents now functions primarily as a "*think tank*" for generating and vetting new ideas.

NSPE's House of Delegates has responsibility for approving the Society's strategic plan and establishing positions on issues of professional practice. Although NSPE noted that the House was having very effective debates about professional practice issues, "*it was very ineffective at actually establishing a policy on those matters.*" Additionally, NSPE reported that in many cases the House was not engaged at a deep enough level in the Society's operations to responsibly approve the Society's strategic plan.

Of note, none of the representative bodies in the bi-cameral governance structures are responsible for approving changes to the association's bylaws. One participant stated, "*If there are bylaws changes happening every year that are holding up the work of the organization, then something isn't right.*" Several participating organizations noted that the value of the representative body within their organization is found in their broad perspectives and ideas, rather than spending their time and attention on administrative details.

Global Considerations

With a growing global membership, SWE faces an increasing challenge to effectively integrate the perspectives of international members into their governance structure. As a global association, one of the benchmarking participants noted that their Board of Directors includes representation from their 10 geographic regions around the world. However, six out of 10 regions are within the United States, with only 3 regions representing perspectives outside of North America. It was noted that there are some concerns regarding the broad geographic areas that each of these regions is intended to represent and the ability of the Board to effectively represent the membership if it doesn't reflect its composition. "*Today we have more members outside the US than we do domestically, but 60% of our Board is still representing the US Regions,*" the organization reported. "*It doesn't really make sense.*"

None of the other organizations who participated in our benchmarking research have explicit international representation on their Board of Directors or within their representative body. ACHE



has a Canadian Regent, which represents several hundred members in Canada, but that ACHE has about 400 other international members, who have no explicit representation on the Council of Regents or the Board of Governors.

CANDIDATES AND ELECTIONS

Three of the associations who participated in the benchmarking research noted that their Nominating Committee plays an important role in identifying leaders for their organization, with two noting that their Nominating Committee puts forth a single slate of recommendations for officers of their Board of Directors, which is voted on either by their Fellows or the Board. Those organizations that are focused on creating more competency-based Boards tend to rely more heavily on their nominating committee to vet candidates and their qualifications.

AAOS' Nominating Committee puts forth a single slate of recommendations which is voted on by AAOS Fellows. The Nominating Committee is chaired by the third past president of AAOS and consists of six other members who are nominated by the Fellowship. *"I'm glad we don't have a contested election system,"* stated AAOS. It was also noted that *"the loser is often disenfranchised in a contested election,"* which discourages talented leaders from engaging with the association and diminishes the pool of volunteer leaders.

The Nominating Committee for ACHE accepts applications for the Board of Governors, vets the candidates and creates a single slate for the Council of Regents to approve. ACHE's Nominating Committee is chaired by the penultimate Chairman of the Board and includes the current and Immediate Past Chairman, as well as one representative from each of the six Districts. By engaging leaders from each of ACHE's districts, the organization is able to identify rising leaders from around the country for available positions.

Additionally, ACHE credited the effectiveness of their Board of Governors to the composition of the group and their understanding and appreciation of their own organization's relationship with their Board. *"If the individuals involved in your governance structure have an appreciation for governance within their own shops, they are going to be more reasonable."* ACHE noted, *"We sometimes discount the importance of that understanding to getting things done."*

LEADERSHIP DEVELOPMENT

Leadership institutes or other leadership development programs were noted by two participating associations as having a significant positive impact on their ability to identify and develop future association leaders. AAOS has a detailed and rigorous Leadership Fellows program for members under the age of 45. The program includes the assignment of a mentor, participation in a course run by the University of Chicago Booth School of Business, and other skill development opportunities over the course of a year. At the end of the year, Leadership Fellows have the opportunity to join a committee and the Academy is very intentional about integrating these individuals into the volunteer leadership structure. *"About 90% of requests (to join a committee) are honored,"* AAOS



said. *"Once you get on a committee, you get some experience and you have a chance to (make a name for yourself). Our First Vice President is from our first Leadership Fellows Program, and our Second VP is from our second class, so we can see that the investment is paying off."*

NSPE is also in the process of developing a National level leadership institute. Many of NSPE's larger state organizations have put together their own leadership institutes, which serves as a great pipeline for state leadership, while also helping members to grow their professional skills and build loyalty to the association. These programs are typically intensive small groups of about 20 people which meet 4 times per year with homework in between. *"It's extraordinarily valuable for those who participate,"* NSPE said. *"But it's hard to replicate on the National level because of the costs and commitment involved."*

CRITICAL SUCCESS FACTORS

The benchmarking interviews explored what research participants perceived to be critical success factors for their governance structures. Research participants agreed that delivering tailored training and orientation programs to volunteer leaders is essential to effective governance operations. Onboarding for volunteer leaders is a channel to clearly communicate their roles and responsibilities within the association governance structure. NSPE noted that many volunteer leaders come to the National level with a very *"state formed perspective."* *"They need to understand that they can represent state interests, but they are [serving at the National level] to make a collective impact,"* NSPE stated. Ensuring that volunteer training is appropriate to the specific governance positions and the individuals filling those roles is also important. For example, ACHE's Board of Governors is comprised of C-Suite executives from hospitals and health systems who work with Boards of their own, so they are familiar with the roles and responsibilities that go along with Board-level leadership.

Another key success factor noted by interview participants was ensuring adequate staff support to the regional and chapter governance structures. ACHE noted that the organization had made a commitment to providing high levels of support in this area. *"We provide a tremendous amount of high level support to the Regents and Chapter structure,"* ACHE said. *"[ACHE's Regional Directors] work directly with the Regent leaders on meeting planning, agenda development, issue or program management questions, etc."* ACHE noted that the Regional Directors are also responsible for liaising with the leaders of the chapters in their Regions. By working with the staff and volunteers at both levels, ACHE staff are often able to identify areas where Regions and Chapters can collaborate to reduce redundancy and maximize their impact.

Identifying methods to prevent volunteer leader burnout was also noted as an important way to maintain the volunteer leadership pipeline. AAOS has imposed strict limits on the number of positions that members can hold at one time in order to prevent burnout and ensure a meaningful association leadership experience. *"We have major limits on how many roles people can serve in,"* AAOS said. *"We basically have a one committee rule with few exceptions."*



IMPLEMENTATION AND ACCOUNTABILITY

When considering implementation of governance changes, communication throughout the process with volunteer leaders and the membership at large is essential. ACHE noted that having powerful member champions or a task force to advocate for support for the proposed changes is hugely beneficial to the process. *"You have to have a powerful volunteer member advocate for any changes [to the governance structure],"* ACHE stated.

Research participants who have gone through governance changes also discussed the need for patience and transparency. Introducing changes gradually while continuing to move forward and demonstrate progress are important considerations. ACHE stated, *"We took chunks at a time; we wanted to get enough consensus to move forward... There have been many times over the past 10 years where I've thought, 'Just pull the Band-Aid off.' But you have to bring people along slowly."*

Regardless of the magnitude of the change, however, there are always volunteer leaders who have an attachment and sense of ownership to a certain governing body, so it's important to recognize the impact each decision can have. One participant cautioned not to ignore the "minority voice." *"It's tempting to say '80% are in favor of this,' but it's amazing what 20% can do to put the brakes on progress."* After making governance changes in 2006, AAOS created a transition plan to phase in the changes over several years to avoid disenfranchising anyone. *"In 2006, when we were making changes, we heard about the horrible things that would happen,"* AAOS said. *"All I can say is none of the horrible things have happened."*

