

## SWE Governance Recommendations and Options

Revised: June 10, 2015

### PROJECT OVERVIEW

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The goal of SWE's governance optimization effort is to improve the effectiveness of SWE's governance model and processes and ensure the organization is optimally positioned to drive member engagement and participation to achieve organizational goals in the future. SWE retained McKinley Advisors (McKinley) to conduct research and present recommendations to help the Society identify opportunities to optimize its governance structure. Research phases included interviews with key SWE staff members, telephone interviews with volunteer leaders, discussions with the Senate and Regional governance teams, as well as benchmarking research with other association executives to uncover effective practices. The following document outlines recommendations and options to optimize SWE's governance structure based on the findings of previous research phases and ongoing collaboration with the Governance Task Force.

### RECOMMENDATIONS AND OPTIONS

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#### Board

##### *Phase 1 (Anticipated Timing: FY16)*

- **Recommendation:** Strengthen, enhance and actively manage Board member selection through the SWE Leadership Competency Model. Additional characteristics to consider may include engineering discipline, work setting, job function, leadership experience, demographics, etc.
  - *Rationale:* The use of a competency and criteria matrix is a common practice of association Nominating Committees. By strengthening SWE's existing Leadership Competency Model and incorporating additional criteria, SWE can standardize the process for vetting candidates for the Board of Directors against desired knowledge, skills, abilities, and demographics to provide consistent and competent leadership for the organization. A more coordinated approach to identifying and vetting candidates will also help SWE achieve the goal of attracting industry leaders to the Board of Directors. Most importantly, the Board and Nominating Committee must actively partner to ensure that candidates for Board service reflect the desired diversity of experience, expertise, demographics and other characteristics that are essential to effective governance. Additional recommendations on the Nominating Committee's role in this process are provided on page 6.
- **Recommendation:** Identify and invite guests to participate in Board meetings to provide strategic insight on key issues.
  - *Rationale:* Inviting selected guests to participate in Board meetings will allow for the inclusion and representation of important perspectives that may be under-represented on the current Board. These guests should be identified and invited to



participate based on key perspectives that may otherwise not be represented in Board deliberations to demonstrate the value of having these additional viewpoints to help inform the Board. This is a preliminary step toward an ultimate desired outcome of cultivating a true “competency-based” Board of Directors by introducing additional perspectives through more active management of the Leadership Competency Model, as outlined above, as well as Presidential appointments, as outlined below.

#### *Phase 2 (Anticipated Timing: FY17)*

- **Recommendation:** Reallocate current Board positions to add 1 additional position to be appointed by the President and approved by the Board, while maintaining 12 total Director positions.
  - *Rationale:* By maintaining 10 Board of Director positions to be elected by the membership, SWE will be able to maintain a primarily member-elected Board, while increasing the flexibility of the Board structure through the addition of a second appointed position to allow for the inclusion of key perspectives and insights as needed on annual basis.

#### **House of Delegates**

- **Recommendation:** Merge the SWE Senate and Region Governors into a representative “House of Delegates” whose primary responsibility will be to advise the Board and other Society bodies on key issues, opportunities and priorities for SWE and the engineering profession as manifest in the organization’s strategic plan. McKinley recommends a two-phase approach for implementing this recommendation:
  - *Phase 1 (Anticipated Timing: June/July 2015 through FY17)*
    - The House of Delegates will consist of the current Senators (approximately 30 individuals) and current Region Governors (10 individuals).
    - Potential revisions to the bylaws will be advanced through a new process in which the Bylaws Committee will provide guidance on the suitability and structure potential changes, the Board will vet and consider endorsement of changes and all eligible SWE members (or membership delegates thereof) will vote on potential changes. Prior to affecting this change, a thorough bylaws audit will take place to ensure that the bylaws include only essential governing parameters, with other aspects of governance being moved to SWE’s operating policies.
    - Revise the structure, composition and responsibilities of the Bylaws Committee to support the management of the bylaws revision process when needed.
    - Sunset the Strategic Planning Committee to ensure that strategic planning is the core responsibility of the HoD.
    - The House of Delegates will assume responsibility for the current SPA/ASPR programs.



- *Phase 2 (Anticipated Timing: FY17 through FY19)*
  - Similar to the Board, evolve to a competency-based selection process to enable House of Delegates to populate itself with professional members that are representative of the diverse SWE constituency. The composition of the House of Delegates will be considered and proactively managed by a subset of the body (e.g., Leadership Development Committee) which will ensure that new Delegates are identified to represent of SWE's geographic, demographic and professional diversity. While the HoD is envisioned as being primarily comprised of professional members, collegiate members will be eligible to be elected by the House of Delegates in alignment with the Society's goals and objectives as outlined in the Strategic Plan.
  - The Board of Directors will attend and participate in meetings of the House of Delegates as ex-officio members but will not vote on "official" House of Delegate matters.
  - The leadership of the House of Delegates will be maintained and shall include a Speaker, who will also serve as the liaison to the Board of Directors, as well as a Deputy and Secretary.
  - Revisions and updates to the Strategic Plan will be facilitated by an independent facilitator at regular 3 to 5 year intervals with more regular and frequent discussion focused on specific generative and strategic topics of relevance to the strategic plan.
  - Sunset the SPA and ASPR programs and charge the House of Delegates to carry forward programs and activities that support effective strategic planning.
  - Plan for future global growth in the Society by planning for and creating avenues for participation in the HoD for members outside the United States.
- *Rationale:* There is a clear and well-recognized disconnect between the intended purpose and the current activities of the Senate. The Senate's purpose as expressed in the SWE bylaws is to *"be responsible for charting the strategic direction of SWE by developing and adopting the long-range goals for the Society. The senate shall also be responsible for developing statements of external policy on issues or positions that have broad implications for the professional environment and the Society as an organization. To these ends, the senate shall conduct essential dialogue on long-term trends and issues of common interest, and may appoint subordinate units to assist in the creation of these strategic directions or policies. The senate shall communicate the outcome of such dialogue to the board of directors."* Merging SWE's Senate and Regional governance structures, and removing the focus on society bylaws from the House of Delegates, will help ensure that this new body will have the composition and competencies to achieve this purpose, reduce overlap and redundancy, while bringing much needed clarity and alignment to governance roles and responsibilities. At the January 2015 Senate meeting, 95% of Senators indicated that they believe the most important role for the Senate to play is developing the strategic plan and setting long-range goals for the Society or discussing and



debating professional issues and trends. The phased approach to the proposed transition, as outlined above, will allow SWE to shift from an exclusively geographic composition of the Senate and Region governance teams to a structure that incorporates more diverse competencies, skills and perspectives to effectively engage in strategic discussions, as directed by the strategic plan.

- **Recommendation:** Dissolve SWE's Regional Fiduciary Governance Structure. McKinley recommends a two-phase approach for implementing this recommendation:
  - *Phase 1 (Anticipated Timing: FY16)*
    - Dissolve the Regional Governance Councils and Region Governor positions
    - Provide a number of options for Regions to dissolve their corporate structures and financial assets. Options that could be offered include:
      - Spending down their bank accounts in accordance with SWE's mission
      - Contributing their funds to a common training/leadership development fund that the Society would administer
      - Distributing the assets among active sections within the Region.
    - Conduct an organizational assessment and gap analysis to identify additional staff roles required to manage additional administrative duties and other responsibilities related to governance changes.
  - *Phase 2 (Anticipated timing: FY17)*
    - Hire additional staff to meet the Society's member needs, administrative and other needs identified through the organizational assessment
    - Transition management of key responsibilities, including regional conferences, annual training and education for SWE leaders, and administrative responsibilities to SWE HQ Staff.
  - *Rationale:* Dissolving SWE's Regional Fiduciary Governance Structure will reduce overlap and minimize duplication of efforts between various layers of the governance structure, themes which surfaced repeatedly in the research. Many key responsibilities of the Regional Governance structure, such as organizing regional conferences and planning training and education for SWE leaders, can be administered more efficiently and consistently through SWE's HQ staff, with input from key volunteer leaders (e.g., committees, task forces, etc.) which may, or may not, have an explicit geographic focus (e.g., a SWE volunteer leaders' development committee could have oversight for content at all venues across the country). By charging the House of Delegates to ensure geographic diversity in its ranks, SWE will ensure more meaningful volunteer opportunities for current members of the regional governance team in the development of the organization's strategy, while reducing duplication and overlap of roles.



## Sections

(Anticipated Timing: FY 17)

- **Recommendation:** Create model Section bylaws that emphasize efficiency in governance, flexibility in the leadership structure, and maximizing the time and contributions of members serving in local roles. The model bylaws should also include baseline Section performance criteria and other affiliation parameters (e.g., aligning with SWE corporate identity) as well as protocols that define the appropriate roles, responsibilities, and number of volunteer officers and positions.
  - *Rationale:* By creating model Section bylaws, Section leaders can decrease the amount of time they are spending focused on the bylaws to maximize their contributions to the Society and delivering a more valuable and consistent local experience for current and prospective SWE members.
- **Recommendation:** Enhance leadership development training and onboarding for Section leaders to elevate the effectiveness of all Sections, clearly communicate roles and responsibilities, and enhance the member experience at the Section level. Additionally, SWE should ensure that all Section leaders have access to funding to attend SWE-sponsored leadership training and development programs.
  - *Rationale:* Improving the value and consistency of volunteer leadership training and onboarding programs, and ensuring all Section leaders have access to them, will significantly increase the efficiency and productivity of the governance structure. Leadership development programs benefit the Society by equipping members with the skills and resources they need to be effective leaders in their positions, while also providing them with valuable knowledge they can use to excel in their careers.
- **Recommendation:** Develop programs and mechanisms for ongoing communication from the Sections to the Board / SWE HQ and vice versa. This may include in-person and virtual town-hall meetings, video updates, and / or ongoing communication with SWE HQ staff liaisons.
  - *Rationale:* By facilitating ongoing communications among all levels of the governance structure, SWE will be better positioned to identify opportunities for collaboration and decrease redundancy across the Society.

## Collegiate Sections

(Anticipated Timing: FY 16)

- **Recommendation:** Create a Collegiate Advisory Council consisting of one delegate from each SWE collegiate section, to be coordinated by the Collegiate Director on the Board of Directors in partnership with SWE HQ staff. Additionally, SWE HQ should develop funding mechanisms that will defray costs related to participation in the Collegiate Advisory Council, such as scholarships, travel stipends, etc.
  - *Rationale:* Changing the composition of the SWE Senate presents the opportunity to respond to feedback from collegiate Senators who have described the challenges involved in participating in the Senate. The Collegiate Advisory Council would provide a more effective feedback loop from collegiate members to the Board and SWE HQ. Adapting the current role of the RCRs to serve as an advisors or coach for



Collegiate members would help to enhance the collegiate experience, while strengthening the connection between collegiate (undergraduate and graduate) members and professional members.

## Committees

*(Anticipated Timing: FY 16)*

- **Recommendation:** Consolidate SWE’s current Committees to create a more manageable number of Board-level Committees, under which related Councils will be organized. Each Board-level committee will include a Board representative who is responsible for appointing a Committee Chair-elect, to be approved by the Board. The Committee Chair, working in partnership with SWE HQ staff, will be responsible for identifying Committee members using a development matrix, similar to the one used to identify and assess candidates for the Board, which may be modified for the specific needs of each Committee.
  - *Rationale:* The reorganization of SWE’s Committee structure and related Councils will provide more focused, meaningful leadership opportunities for SWE members beyond the “inner circle” of volunteers through the appointments process.
- **Recommendation:** Establish 3 year term limits for positions within SWE’s Committee structure. The 3 year term limits will exclude the chair-elect, chair and immediate past chair positions. After completing a term, members other than those advancing to chair positions, must “roll off,” and can apply again after 3 years. SWE HQ will be responsible for maintaining accurate records of committee service and enforcing term limits.
  - *Rationale:* By establishing 3 year term limits, the Society will ensure that Committee and Council seats will continue to open on a regular basis, creating additional opportunities for new members to get involved and for SWE to incorporate “new blood” into the structure.
- **Recommendation:** Develop an annual process for the review of each Committee’s purpose and expectations. The review will be conducted by the Board and the House of Delegates, who will determine if the Committee will be reauthorized, modified or sunset.
  - *Rationale:* By establishing goals and desired outcomes for the work of each Committee, the Society can provide volunteer opportunities with a clear purpose. Regular reviews of the purpose and expectations of each Committee is essential to assuring progress toward key deliverables and continued alignment with the Society’s Strategic Plan.



## Nominating Committee/ Elections Process

(Anticipated Timing: FY 17)

- **Recommendation:** Revise the responsibilities of the Nominating Committee to include:
  - Actively soliciting applications for potential Board candidates based on the expressed needs of the Board of Directors
  - Utilizing the Leadership Competency Model to conduct competency-based assessments and adequately vet potential candidates for Board officer positions
  - Advancing a single slate of candidates for Board officer positions to be voted on as a single item by SWE members.
- *Rationale:* The Nominating Committee has an essential role in ensuring an effective evolution to competency-based governance. As such, it must effectively collaborate and coordinate with the Board to ensure that it casts a “broad net” to solicit a diverse candidate pool and thoroughly vets candidates against criteria established by the Board in the Leadership Competency Model. This role is paramount to the success of competency-based governance and will ensure that the Board is populated with individuals with the appropriate knowledge, skills, and abilities to serve as the fiduciaries of the organization. Instituting a predictable, single-slate election for SWE’s Board officers will more reliably yield the most effective leaders for the Society. Additionally, based on election data from 2010 to 2015, voting participation has remarkably consistent, ranging between 9.2% and 12.1% of SWE’s eligible members, with no correlation between a contested officer election and the percentage of members who vote. In fact, the contested election in 2015 yielded the lowest participation rates of any election since 2010. Finally, a vetting process for Board officer positions, which would likely include one-on-one interviews, may also reduce the risk of alienating valuable leaders through “humiliating” public election losses and attract more industry leaders to apply for Board officer positions as they would be unlikely to agree to participate in an “election” to serve as a volunteer.
- **Recommendation:** Revise the composition of the Nominating Committee to align to association industry best practices, to include:
  - Immediate Past President, Chair
  - 4 to 6 additional members appointed by a process to be determined
  - Executive Director/Secretary, ex-officio/non-voting member
- *Rationale:* Revising the composition of the Nominating Committee to ensure it is properly configured and resourced to execute on the responsibilities outlined above is essential to the Committee’s ability to effectively meet the needs of the Society. The 4 to 6 additional members of the Nominating Committee should include individuals who are knowledgeable of the organization’s current strategy, supportive of the Society’s direction and leadership, able to anticipate the competencies of potential leaders, and may include those with an outside perspectives or expertise, as needed or appropriate.



## Internal Infrastructure

*(Anticipated Timing: FY 16-17)*

- **Recommendation:** Create a coordinated and data-driven volunteer relations function within SWE HQ to identify, engage and recognize SWE members who are interested in participating in leadership opportunities at the Society level.
  - *Rationale:* Taking a more coordinated and professional approach to volunteer relations will allow SWE to more effectively match members with appropriate volunteer opportunities relevant to their skills and interests, while filling the leadership pipeline with qualified candidates for future leadership roles.
- **Recommendation:** Develop a regular process for surveying volunteer leaders regarding the value of their volunteer leadership experience and opportunities for improvement.
  - *Rationale:* By gathering input from volunteers on the value of their leadership experience, SWE will be well-positioned to identify and monitor trends, and respond to issues and challenges related to the governance structure and volunteer engagement.

## International

*(Anticipated Timing: FY 17 and beyond)*

- **Recommendation:** Continue to study the engagement of international members and international growth opportunities to identify opportunities and potential gaps or partnerships for SWE.
  - *Rationale:* A significant change to SWE's governance structure to accommodate international members is likely premature. McKinley recommends that SWE continue to study international growth and member engagement to revisit the issues of international membership, representation and investment in 2 to 4 years.

## Transition Planning

*(Anticipated Timing: FY 16)*

- **Recommendation:** Create a 3 to 5 year transition plan to phase in all approved changes to the SWE governance structure.
  - *Rationale:* This will allow SWE to maximize support for the recommended changes and minimize the number of volunteer leaders or other members who may feel disenfranchised by the changes.
- **Recommendation:** Identify and educate “governance champions” to advocate for the proposed changes to SWE's governance structure.
  - *Rationale:* By strategically identifying governance champions from within the membership, SWE can organically build support for rationale and need for the proposed changes.

