

The Case for a Change to ASSE's Governance Structure

Introduction

A thorough review of the ASSE governance structure is a long overdue, but more importantly, moving the Board toward a more strategic focus is the best way to ensure that the Society will maintain relevance and increase value for every member, while growing globally. ASSE is poised to become a truly global membership society, affecting policy and procedure around the world while giving its members a richly connected network of peers and a vast warehouse of knowledge to draw upon. But in order to reach those goals we must be prepared to enact meaningful change.

1. Why should ASSE review its governance structure now?

TIMING: It is prudent for the ASSE Board of Directors to review the governance of our Society as appropriate to assure alignment with changes in our strategic plan and priorities, mission and any other internal and external impacts.

The last time ASSE set about to review its governance structure was almost twenty years ago (1993) and was approved by the House of Delegates in 1995. An informal sample of sixteen professional societies at a recent meeting of the American Society of Association Executives failed to find one that hadn't reviewed its governance structure in the last ten years.

At the time of ASSE's last governance restructure, the plan called for the Board to revisit the governance restructure in a few years to determine whether the restructure had accomplished its intent and whether there were unintended consequences which needed to be addressed. This was never done.

The safety professional is no stranger to systematic review. ANSI and ISO standards require routine management reviews, the seeking of opportunities for continual improvement, monitoring and ongoing evaluations. Accordingly, a premier professional safety society such as ASSE should welcome a review of its "management system," (i.e., governance), on a regular basis.

CHANGED ENVIRONMENT: The environment in which our members live and work, and in which the Society operates has altered radically since 1995. Indeed, the acceleration of change today is unprecedented.

The practice of SH&E has changed drastically.

- In 1995, 49% of safety professionals had unrestricted access to the Internet and 33% had no access whatsoever. In 2012, 99%+ of SH&E professionals have access to the Internet.
- In 1995, virtually all SH&E Training was done face-to-face. In 2012, in excess of 30% of all SH&E training is done virtually with an estimate that it will soon reach 50%.
- In 1995, the vast majority of safety professionals relied on OSHA regulations or American voluntary national consensus standards as part of their practice. In

2012 SH&E professionals have to review and be aware of a diverse range of global standards (OHSAS Safety Management, ISO Risk Management, etc...).

- In 1995, SH&E sustainability was not even an issue for the safety profession. In 2012, 39% of SH&E Professionals reported that they will have an increased role in sustainability.
- In 1995, safety professionals focused primarily on safety and OSHA compliance. In 2012, they also have additional responsibilities for security, environmental, SH&E business strategy, and global management.
- The critical challenge ahead is for safety to become professionalized before it becomes commoditized.

Additionally, business and industry have experienced wrenching changes and even dislocations. The economy has struggled recently worldwide. Mergers and acquisitions have led to consolidations and downsizings. More needs to be done quicker and better with less.

The Society has seen significant changes since the last restructure. Think no further than 9/11, the way cell phones are used, global warming, internet access and use of social media. Demographics of aging, gender and ethnicity are changing significantly. Institutions such as marriage and family are ever more nontraditional. There is an increasing polarization of society and politics at the same time that the world has become much smaller.

The globalization phenomenon has led to sea changes in business and the economy. Virtually every business is now a player on the global stage. Whole industries have declined almost to extinction. First manufacturing jobs left North America in huge numbers. Then clerical and customer service jobs were sent overseas. Recently even white collar jobs in technology, engineering, design and law are going overseas. China, India and other developing economies have replaced the US as the driver of the world economy.

Technology has produced fundamental and discontinuous changes since 1995. The Web, mobile communications and social media have altered our relationship to work and the world. Employers expect employees to be accessible almost 24/7. Vast quantities of information are available anywhere and anytime in our rapidly evolving networked knowledge economy

CHANGED ASSE: In the mid 1990s, the Society's membership was smaller and younger. It was more male and white. Members were more likely to attend chapter meetings and volunteer for service. Employers were more likely to pay members' dues (maybe even multiple dues to multiple organizations), send members to professional development opportunities and support volunteer leadership service.

Divisions, now called Practice Specialties, were few and small. Their publications were few and small. Women in Safety Engineering (WISE), Blacks in Safety Engineering (BISE), Safety Professionals and the Latino Workforce (SPAWL) and Young

Professionals in SH&E (YPS) didn't exist. ASSE didn't have much of a website so no one engaged with ASSE virtually.

ASSE's competitors in 1995 were US-based SH&E organizations. Today the competition is global; meaning organizations in the US and the rest of the globe. The competition is not limited to SH&E organizations but includes for-profit companies as well. And a major competitor includes the World Wide Web and the vast amount of information available online.

2. Why should ASSE consider changing its governance structure now?

This question can be answered from a number of perspectives.

To start, a nearly fifty member study group of member leaders, including the Board, the Board Advisory Task Force, members-at-large and professional staff recommended change to ASSE's governance structure.

The broadest answer to "why," the purpose and the intent of this change, is to bring the Board of Directors closer to the members, add diversity and to improve the ability and the efficiency of the Board and the Society to deliver value to members and stakeholders.

From other perspectives, because the world and our members needs have changed substantially over the last twenty years and ASSE's governance structure hasn't. Our operational structure has changed to meet the emerging needs over the last two decades. However, our governance structure lags behind and is now hindering our ability to provide continued value to our growing membership needs.

The membership and the profession have changed substantially over the last twenty years and ASSE needs to keep up with, if not ahead of, these changes.

The current governance model is not maximally aligned to execute the new strategic plan.

Our current governance structure is regionally focused and chapter-centric while the members are shifting their engagement from geographic chapters only to industry-specific and common interest methods. They are engaging virtually instead of face-to-face. Our future regional expansion is on a global level with time zone and language barriers which further requires the need for virtual translations and engagement.

The outdated governance model of a chapter-centric board structure gives eight of fifteen board votes to chapter and regional representatives. This does not adequately reflect our evolving current membership or future trends. At the same time, these 8 board members (RVPs) are split between board duties and regional operational responsibilities that continue to grow. The result is a current chapter governance structure that under represents membership at the board level and fails to provide chapters with sufficient support and resources to maximize their potential.

Under the existing governance structure the Regional Vice Presidents (RVPs) and Council Vice Presidents are overburdened with growing operational and administrative

responsibilities. A new structure allows for a more efficient use of volunteer resources that focus on both strategic and operational issues. This allows for a larger pool of skilled and experienced members to engage in ASSE leadership resulting in better support to the members at the chapter level.

The Board has struggled at times to focus its time and attention on strategic as opposed to operational issues. A major cause of this struggle with strategic focus is due to the growing scale of operational urgencies that absorb valuable time of our volunteer leaders.

A smaller size board can reduce the cost to the Society for the Board of Directors.

We asked our consultant what other organizations like us were doing regarding these matters. A summary of his answer, by way of a quote from one of his books is as follows:

“The key lies in creating organizations with optimal flexibility, directed by vision and values, under the leadership of those who are not overly invested in yesterday’s decisions but who continue to engage in conversation about what should happen in the future. The following are key points about how the associations we studied are evolving governance today:

- Most of the associations are either in the process of making, or have recently made, governance changes.
- Board structures have become smaller...to accommodate quicker decision making...this did not mean that fewer people were involved in making or controlling decisions.
- An increasing number of organizations are moving away from geographic/constituency representation and toward a selection process focusing on the skills and experiences the organization needs to make effective decisions.
- The roles of houses of delegates...are changing. ...often creating new roles for them as important sources of information and insight on strategic issues...
- Associations are placing a higher value on eliminating barriers to communication...Technology is allowing a greater grassroots involvement...
- Many boards, now smaller in size, are operating as executive committees once did...
- Several organizations have narrowly limited the time required of both board members and other volunteer leaders and report an increase in individuals interested in these roles.
- Volunteers are expecting the work to be focused, flexible, fast and fun.
- At-large positions are often used to recruit women and minorities

- More attention is being paid to the high cost of governance...and maintaining the organization's multilevel components of governance.
- Associations are spending more time discussing and shaping the future of the industry, profession or cause they serve."

Glenn H. Tecker, *The Will To Govern Well*, 2010, The Center for Association Leadership.

3. What data supports this proposal?

Focusing on ASSE, below are specific data regarding the Society which bear on the issue of governance:

- Since 1995, ASSE membership has grown by over 15%
- 22 US chapters have been formed.
- 10 US chapters have been disbanded. (45% of those formed)
- 8 international chapters have formed.
- 2 international chapters have been disbanded. (25% of those formed)
- Regions range in size from 14 to 25 chapters.
- The number of members of ASSE in at least one Practice Specialty has grown by 34.7%
- Practice Specialty membership has grown by 18.6%
- The number of Practice Specialties has grown by 112.5%
- The number of branches has grown by 800%
- In 1995 Practice Specialties produced fewer than 200 pages of content in total. In 2012 that number is almost 3,600 pages of technical content.
- Common Interest Groups (CIGs) didn't exist until WISE started in 2003. There are now over 5100 members in four CIGs.
- Members are choosing to engage through social networking. LinkedIn participation is 1274 for the branches, 15,526 for the Practice Specialties and 3356 for the CIGs

Other data support the idea that the fundamental relationship between ASSE and its members is changing:

ASSE member engagement studies – Data Summary and Conclusions

Trends

- Participation in chapters is decreasing, while ASSE membership is increasing. The percentage of members engaged in chapters has decreased over the past 30 years by 16%. Currently 30% of members are engaged with their chapter. Conversely, the percentage of members who have joined a Practice Specialty has increased over the past twelve years by 18%. Currently 60% of members have joined a Practice Specialty or CIG. This is significant when considering membership in Practice Specialties is self-selected and at an added cost.
- Focused content is becoming a more valuable component in the member benefit portfolio. In a series of focus groups, topic focused content and industry specific opportunities were consistently brought up by the groups. The introduction of the Body of Knowledge has made an impact on our members, with practice specialties providing much of the topic focused/industry specific content desired. The Body of

Knowledge has quickly risen to be one of the top three rated member benefits within our new member segment.

When asked what is missing from ASSE membership, the consistent feedback was opportunities to gain industry specific best practices and networking. In the 2012 Chapter Member Experience Survey, 13% of respondents rated the value of their chapter meetings poorly. When asked to comment, a consistent trend in the feedback requested more focused content, aligned with industries.

- Chapters continue to be rated highly among the 30% of members engaged. What we are seeing is membership behavior changing. Members have more options and less time, in all primary and secondary research our members are asking for and migrating toward fast and focused benefits. Chapters cannot always fill that need.
- It's also important to note that, although chapter engagement has been decreasing, satisfaction with ASSE membership has been increasing. This indicates our members continue to gain value despite their declining participation with chapters.
- As member participation in chapters was declining, participation in Practice Specialties and CIGs (which cost extra above Society and chapter dues) were rising. Additionally the number of virtual program participants which didn't begin until 2006 is about 11,000.

A point about governance and governance structure: it is not a data driven exercise. In fact, it can't be. However, decisions about governance can and should be informed by data and that data has been shared. Data will help to support the decision making but in the end it is ultimately the vision, judgment and leadership of the Board of Directors that will determine the best structure for the Society.

Failing to address a governance change today means:

- We are running ASSE with a governance model that is not properly aligned with the recently revised strategic plan. Research suggests that a smaller, more diverse, and strategically focused board becomes an efficient and forward thinking board. A revised governance model positions ASSE to be more responsive to the strategic plan as well as addressing the changing environment of a more global and technically driven profession.
- We will continue to address current and emerging operational issues with overburdened volunteer leaders. A new governance structure allows for a more efficient use of volunteer resources that focus on both strategic and operational issues. This allows for a larger pool of skilled and experienced members to engage in ASSE leadership. The result is a more forward thinking Board of Directors and improved operational support through our Councils and Regions.
- We will govern with a voice that does not adequately reflect our evolving membership. A new governance structure aligns ASSE with needs that have changed in our membership over the last 17 years as identified through an environmental scan. The result is a governance structure that provides a more balanced representation of our diverse membership as we move into the future.

Appendix I

How did we get here? (The Process)

In summary, we got to this point by an open and transparent process involving a representation from a broad spectrum of ASSE's membership and utilizing outside expert facilitation by the same individual who facilitated ASSE's last governance review.

In 2010 a Board Advisory Task Force (BATF) was put together to address (among other things) this oversight. The task force included past presidents, current Board members and members-at-large. After multiple meetings, long discussions and a review of the literature in the field, the task force suggested a smaller board for reasons of economy, flexibility, nimbleness and strategic focus.

The BATF and the Board of Directors reviewed two influential books (Race for Relevance and The Will to Govern Well) by respected and credentialed authors in the field, one of whom pushed for smaller competency-based boards and the other counseled for strategy driven boards with reduced geographic emphasis.

In January 2012 a broad based focus group was convened with an outside facilitator to discuss ASSE's governance structure. This group consisted of the entire Board of Directors, some past presidents, other volunteer leaders, members-at-large and staff. Age, race, gender, geography and practice diversities were all taken into account. This group of nearly 50 individuals was asked to review the current ASSE governance structure, to discuss an environmental scan and other research data and to make suggestions to either retain our current government structure or to improve it.

The group was split into nine tables and after discussions, each table reported out its suggestions. No table suggested that the Society maintain the status quo. All of them suggested change in one form or another.

A review was made of the suggested changes from each of the nine tables. A "consensus model" was developed which included those changes most frequently suggested. This was sent to the Congress of Councils, the BATF and the attendees of the study group. Input was received and the consensus model was adjusted accordingly.

In May, a smaller study group was convened consisting of some Board members, some past presidents and some members-at-large. This meeting was also facilitated by an outside consultant to refine and flesh out aspects of the first meeting's conclusions. The discussion centered on the consensus model, which they confirmed. This group was also divided into tables and each discussed various components of governance structure and provided further input. It was the consensus if not the unanimity of this group that the governance structure could be improved with some changes.

A summary of their conclusions and suggestions were further folded into the consensus model and these results were presented to the Board in June 2012. The results of these meetings were explained, discussed and debated by members of the Board of Directors.

Appendix II

More specific reasons to change to a new governance model include:

- To put operational functions in the Councils and governance functions in the Board of Directors. The Regional Vice President's focus is necessarily operational. Regional Operating Committees, areas, chapters, sections, student sections, international chapters all require operational guidance, counsel and time.
- To reduce the workload and increase the effectiveness of the RVPs. The job of the RVP as currently structured is too broad, too difficult and too operational in nature when combined with Board duties. The RVPs wear at least three hats simultaneously. They serve as Directors on the Board of Directors. They may serve on board standing committees. They are members of the Council on Member and Regional Affairs, they chair a Regional Operating Committee, they may be responsible for Regional PDCs, they directly advise and counsel area, chapter, section, student section and possibly global chapter leaders and many RVPs travel extensively to visit these constituent units. No one has as much responsibility over as many different levels of the Society.
- To increase the voice of the Practice Specialties and the CIGs in the governance of ASSE. Since the last restructure Practice Specialties have grown in number and in size. The largest Practice Specialties rival Regions in size. Practice Specialties are significantly more active in a variety of ways than twenty years ago. The CIGs didn't exist and they now represent over 5000 members. Chapter participation has waned while Practice Specialty and CIG participation has grown substantially.
- To add diverse and direct member voices to the Board of Directors. The addition of four Directors-At-Large (who must be ASSE members) will give all members a direct vote in the election of these additional Board members. These Directors will represent the members. They will not represent a Region or a Council. Having at-large member positions provides the opportunity to nominate and elect members with specific competencies or skill sets needed to address particular strategic challenges.
- To add a Public Director who can bring a different perspective to the deliberations of the Board of Directors. This is a practice that is becoming very common in both for-profit and not-for-profit boards of directors. For example, BCSP and IOSH. The reason is to have an outside voice, an outside perspective on the Board. This can help to keep the Board focused on the big picture and away from inbred thinking or groupthink. Additionally, Boards select Public Directors to add an expertise or experience that cannot be commonly found among the membership.
- To provide more effective and direct help to chapters. Successful chapters are vital to the success of the Society and its membership. We believe that RVPs are critical to chapter success. But RVPs are spread too thin. By increasing the number of regions and RVPs the workload per RVP can be reduced substantially. The result intended is that each chapter gets much more of their RVP's time and attention.

- To flatten the organizational hierarchy so as to enhance communication and nimbleness. The reduction in Regions from thirteen to eight, with the last restructure, greatly increased each RVP's workload, which, at the time, they already thought was too burdensome. The theory was to add areas and area directors to help the RVP's. This did not really work for two reasons. First, most regions did not implement the area/area director structure. Second, where added, the benefits of the areas was to a greater or lesser extent reduced or eliminated by the addition of an extra layer between the chapters and the RVP. A flatter structure facilitates direct communication and is in keeping with best business practices.
- To reduce silos. Silos can happen when a leader has multiple jobs at multiple levels. The leader then brings the lower-level job priority to the higher-level job decision-making. RVPs and Council Vice Presidents are removed from this conundrum and the four new Directors –At-Large and the Public Director are not involved in a council (i.e., lower level job).
- To reduce governance costs. A smaller board can be a less costly Board.
- To provide better value to all members. This is and has always been the goal of all Boards. Specifically, it is our intention to do this through better support of chapters through an enhanced RVP and Regional structure; through a better and more open structure for Practice Specialties and CIGs including open elections, term limits and House of Delegate (HOD) representation for CIGs.
- To be more responsive to the needs of members and the profession. The addition of four direct membership voices to the Board (Directors-At-Large) and a commitment to the virtual content and virtual delivery of services to all members worldwide 24/7. The use of electronic means and the HOD for gathering broad input to decisions at all levels of Society governance. In short, a shift from a representative to a responsive board. The HOD is already geographically representative in structure. Why do we duplicate a geographically representative structure in the Board, too? One authority said a geographically representative board isn't a board. It's a HOD.
- To be nimble, strategic and sustainable during our second century. This is always the goal. Smaller can be more nimble. Less distrustful and less political can be more nimble and relevant. It can be more focused.
- To go from good to great.