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## **Does your governance arrangement with affiliates or chapters need updating?**

I started wondering about this at my very first national board meeting. I was attending the meeting in my capacity as a staff member of a provincial organization and the provincial representative on the national board. Ten minutes into the meeting I noticed participants were acting like they were representatives at a federal-provincial meeting of first ministers. In fact, provincial representatives sat behind their flags. Territorial turf, control issues, and representation similar to a political body was running rampant. This left me puzzled. What about the member? Does such posturing really serve their interests?

To be successful, national associations and their provincial affiliates require most members to be satisfied - an extremely high level of cooperation and the sharing of common goals and resources are necessary for that goal to be achieved. The good news is that the national board I referred to above downsized from about 52 to 24, made some governance representation changes, now engages in shared planning sessions, and has applied some innovative ways of utilizing their staff resources from coast to coast. There are solutions to most situations. The first step is to understand and define the problem or opportunity.

### **The Governance Representation Model**

Are national and provincial/local chapter relationships hindered by the type of governance representation model used? If there is a high degree of concern by affiliates about relationships and the model, it is likely the model and related practices need to be examined. In the above story, governance adjustments and changes to other practices turned the affiliated organizations around. They were able to redirect the energy spent fighting each other and apply it to issues of ultimate benefit to their members.

To explore this question in more depth, it is first necessary to understand some of the models and arrangements that exist. Some examples:

#### **A. National Driven**

The national association forms chapters to support mission related activities. In this situation, dues are collected at the national level and dues rebates are provided through approved budgets to support chapter activities. Most services are developed and delivered at the national level and

members join at the national level. Chapters usually have a limited presence on the national board.

## **B. Chapter Driven**

Chapters form a national association to help with coordination and communications. The chapters retain dominant control and power on the national board. In this situation dues are collected at the local level and funds are allocated to national on some formula/budget basis. Most services are developed and delivered at the local level and members join at the chapter level.

## **C. Others**

In some cases members are organized at the local, provincial and national level. Members do not have to belong to all of the groups. In this situation there is often no overlap in governing structures. All services are developed and delivered by each group and members join each group directly. There is little coordination amongst each of the groups and at times they may be engaged in competing activities.

Other arrangements may involve provincial and local chapters belonging directly to the national group. Another is where local chapters join a provincial body and the provincial body joins the national body. In this arrangement it is possible for the span of control to go either way. There are other hybrid arrangements that exist. One that seems to be growing out of dissatisfaction with situations A and B is the movement towards a corporate model.

As you can see, relationships can be different and governance representation may change as an organization matures. Other factors such as finances, technology, and changing member needs and wants come in to play. It is possible that association affiliates might be working with an older governance representation arrangement which may not be consistent with current requirements.

Most of the governance representation arrangements (such as roles and responsibilities of the parties) are spelled out in a formal affiliation agreement. In many cases, by-laws cover governance elements of the relationship, such as how individuals get on the board. Another example is where the provincial/local chapter model consists of unincorporated groups – in these cases the by-laws usually spell out requirements for direction and control through the establishment of regulations.

I have had the opportunity to view documentation on a number of affiliation arrangements for a variety of national and local organizations. In addition, insight from CAE students in discussions and assignments suggest there is some level of frustration with current governance representation models. Arrangements and relationships between national and provincial/local groups are becoming extremely complex due to rapidly changing situations and this is adding to the frustration of changes in technology and member needs.

## **Affiliate Relationship Frustrations**

What is the source of the frustration? There are many. Governance, planning, duplication of service and communications appear to be the dominant factors. There are many better practices available that can deal with these factors. In some cases, the governance factor may require more than improvement in orientation and education. It may require changes in representation and the governance model.

### **Why is there a problem with representation?**

It is not unusual to have a national board member vote against funding a good national level proposal that would enhance member services for all members throughout the country because they do not want member fees in their jurisdiction to rise. Why is this happening? Governance arrangements, where provincial/local chapters exist, often call for each jurisdiction to have some type of representation on the national board. In many situations the national board is made up solely of chapter representatives or chapter presidents. Chapter representatives, mainly presidents who sit on national boards, are often wearing two hats when they should only be wearing one at a national meeting.

In many cases, chapter representatives on a national board have a heavy volunteer commitment as they are usually serving as the current chapter president. Representatives serving as directors on the national board must do their due diligence and act in the best interest of the association at the national board meeting. This is part of the duties and responsibilities of directors.

Directors are often confused as to the role they should play. Adding to the confusion is when the representatives go back to the chapters and report. They may or may not give a fair or good report of the national board meeting and the issues. Communications are not always the greatest, resulting in "we" and "they" situations.

It is not unusual to hear a chapter director complain about national performing tasks they are supposed to be doing. While the chapter president may know what is going on, there is a lot of uncertainty on the chapter board. Other directors are not as connected. In situations where there is limited or no staff to provide continuity, the relationship situation can get worse. One association examined its relationship problem and arranged to send all chapter directors minutes and orientation packages which helped directors understand the roles of all parties, plans and other critical decision making information. Chapters and national started providing orientation sessions on a regular basis. Improved understanding and communications helped these affiliates realize they were all working towards the same goals.

As associations mature they realize what they really need are qualified directors on the board that have an at-large or unique perspective needed for the challenges and opportunities at hand, who wear only one hat in terms of focus and responsibility. Where directors come from becomes less important. After all, if five percent of your members are from six chapters, does each one really need a director on the board? Some associations have moved to regional representation

initiatives. Perhaps it is possible to get chapter input through some other organizational structure. Some associations have established a Chapter Council. All chapter presidents sit on the council and in turn they may appoint one or two representatives to sit on the national board. Chapter presidents are finding that the council is more focused and valuable in meeting chapter needs.

There are stages in association growth where members may receive or access equal services from chapters and national. It should be noted that the need for chapter or national services by a member may change based on different needs as an individual or organization develops. For example, a seasoned individual or organization may be looking to national for more international connections and knowledge. An organization just starting out may be looking for local connections and knowledge.

Sometimes boards forget they are part of the ten percent of the membership that are keepers who volunteer and participate on a regular basis. When they speak for the membership they have to remember that they are not the average member. The average member is more concerned about services than representation. Average members didn't join the association to discuss structure or governance arrangements. They just want seamless service on demand by whoever can best provide it at a reasonable price. This needs to be understood when considering representation models.

## **Technology**

Technology is having an impact on the way services are being developed and accessed. New ways of networking, gathering strategic information and benchmarking for best practices are taking place electronically.

This no doubt will have an impact on attendance for some types of associations and their chapters. Do I go to the luncheon meeting and hear the presentation and meet some new people or do I search the web on the topic and get information the speaker has on the topic from their website?

I recently reviewed an article that included results from a survey of chapters. A key point taken from the article is the fact that both attendance and the number of chapters are decreasing. Members are finding new ways of conducting business and personal development. For some associations, this trend needs closer examination. At the same time some associations have not fully explored the potential and value that chapters can provide.

As associations embrace the centres of excellence and the shared services concept, planning of services will no longer be done in isolation by affiliates. Technology has enabled associations to break distance barriers, allows affiliates to develop common plans, and gives everyone an opportunity to take advantage of economies of scale and meet member needs on a timely basis.

What if we don't change our governance representation and try to improve the affiliate relationship? I recently witnessed the disappearance of a national professional group. The local groups did not want to adjust control arrangements to reflect new realities. The organization is now in a maintenance mode as opposed to a growth mode. They are not growing in terms of value and the local groups may eventually disappear as well.

I have often thought the average member's bottom line on representation would call for the national board and committees to be composed of those who have the interest and qualifications, and bring unique perspectives and "big picture strategic thinking" to help the organization succeed no matter where they are from. There should be least a dozen directors on a national board. The average member has no tolerance for poor affiliate relationships and therefore relationships must be rated at better than average. After all, associations are public benefit organizations not political ones.

If you think there is room for improvement in your governance affiliation arrangement and want to tackle one of the biggest challenges in association management, start defining the problem or opportunity now.

*This column features innovation and practical solutions applied to challenges, trends, issue and opportunities for the association community. Column editor Jim Pealow, MBA, CMA, CAE is a consultant and the Association Management Education Program Lead Instructor/Coach for CSAE. He can be reached at [jim@amces.com](mailto:jim@amces.com).*