



Canadian
Construction
Association

SHARING BEST PRACTICES: Association leaders roundtable

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Executive summary

Introduction

Close to 40 association staff and volunteer leaders gathered to share best practices at a session organized by the Canadian Construction Association and moderated by four colleagues.

Being able to mine the collective wisdom of colleagues from across Canada is of tremendous value. This year, the facilitated session covered four important topics:

- Best practices in recruiting and orienting Board directors and volunteers;
- Best practices in board effectiveness and engagement;
- Best practices in non-member revenue generation; and
- Best practices in membership dues structuring.

The main takeaways include:

1. Recruiting, orienting, and retaining volunteers must be a deliberate strategy to ensure diversity and renewal. Most associations identified increasing diversity, especially women, as their biggest challenge. This is partly due to how boards are composed (i.e., some receive appointments from local partners) and uncertainty as to what is the standard (i.e.; is it the Canadian population or the industry representation?).
 2. There is strong recognition that Boards should be focused on governance versus operational boards, except where those boards are so small that they have minimal staff. Having in place governance tools such as nominations committees, orientations, Terms of Reference, a safe culture where discussion is encouraged, evaluations of director performance and meeting effectiveness, opportunities for relationship building and monitoring tools such as dashboards were discussed as essential to success.
 3. Most associations are highly dependent on membership dues and collectively are seeking to diversify; whether through updating their events and sponsorship strategies, education, securing government funding, or launching new services.
 4. No two associations are alike in membership models. Simpler models are preferred, but proportionality between large and small companies is important. Flexibility in fees/benefits can attract new and different types of members. Small fee increases are accepted by the membership.
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Conclusion

This session received high praise for its emphasis on fostering relationships and exchanging knowledge, connecting new and seasoned executives.

Future sessions could focus on:

1. What could be our board and volunteer diversity goals?
2. Strategies to keep boards at a strategic level.
3. Is there an opportunity to further rationalize the membership fee structure to simplify it?
4. Brainstorm on potential new services to diversify away from membership dues?

Objective

Each year CCA brings the industry together at the Annual Conference. It is an opportune time for association executives and volunteer leaders to share best practices with each other. As professional association leaders, we are aware that to stay relevant, we must continuously approve our governance, operations, and value propositions. Being able to mine the collective wisdom of colleagues from across Canada is of tremendous value.

This year, the facilitated session covered four important topics:

- Best practices in recruiting and orienting Board directors and volunteers;
- Best practices in board effectiveness and engagement;
- Best practices in non-member revenue generation; and
- Best practices in membership dues structuring.

Each of the close to 40 participants had the opportunity to contribute and listen to lessons learned in each topic area.

Thank you to Shannon Friesen, CEO, Saskatchewan Construction Associations network; Ellowyn Nadeau, Immediate Past Chair, Winnipeg Construction Association; Anthony Minetti, Chair, British Columbia Construction Association; and Duncan Williams, President and CEO, Construction Association of Nova Scotia, for moderating the roundtables.

Key findings

1. Best practices in recruiting and orienting board directors and volunteers

1a: There is no consistency in board composition and selection

Composition:

Local association boards are primarily composed of general contractors (GC), trade contractors (TC), suppliers, civil sector representatives, and occasionally, public owners or student representatives. As a rule, the candidate must be a member company, with some associations allowing for independent directors who bring a specific skill set.

There is no consensus on the size of local association boards. They are not based on a singular model, rather they are composed to best serve their respective associations.

Selection:

The board member selection process varies across associations. Selection criteria generally includes factors such as regionality, sector, qualifications/skillset, or current board needs.

In terms of procedure, generally, boards are selected through nominating committees or direct recruitment by board members. Individual sectors will often have a board seat reserved to represent them. Recently, many associations have opted to make their processes more transparent, to promote diversity/avoid homogeneity amongst board members. The leadership positions of President and Vice President tend to be elected by board members from amongst themselves.

Challenges:

Some associations face challenges in recruiting individuals to serve on their board, which compounds the difficulty of addressing diversity within their ranks. It's not uncommon to find several boards composed entirely of white and/or male members, reflecting a lack of diversity that persists within many organizations.

The timing and location of board meetings also play a role in shaping the diversity of participants. Typically, board meetings feature a mix of hybrid and in-person attendance, with the majority opting for in-person gatherings. Furthermore, certain associations have limited control over their board composition due to the practice of inheriting board directors, resulting in constraints on governance and skill diversity.

Recognizing the need for greater inclusivity and expertise; there is a call for governance training tailored to inexperienced or younger candidates, emphasizing the distinction between oversight and operational roles. While committee attendance tends to be less problematic, largely due to the seniority of executive members, variability exists depending on the committee's nature.

Finally, the involvement of owners in association matters presents a nuanced dilemma. While direct engagement can be beneficial, concerns arise regarding potential compromises to the association's representation of its core membership when conflicts emerge with owners.

Other requirements:

Some boards make it mandatory for members to take governance training; others need to have chaired a committee.

Suggestions:

To remedy these common issues across association boards implementing a board internship program can help address diversity concerns, while also provide growth opportunities to potential future board members.

For example, the Saskatchewan Construction Association has a young leader program in which they provide prospective young board members with governance training. To further the appeal of this program, they used a mentoring golf tournament to encourage new members to get involved.

1b: Diversity in recruitment is most pressing opportunity

While associations have no challenge addressing sectoral and regional perspectives, they are challenged to attract youth and women. Some associations struggle with valuing youth or less experienced volunteers. This is a catch 22; the value comes from their youth, or newness to the industry!

Strategies to increase diversity

To enhance diversity within the association's leadership, several strategies can be implemented.

- Active recruitment efforts should target potential candidates, reaching out to individuals and encouraging them to consider running for leadership positions.
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- Specialized committees, such as Women in Construction or Young Leaders, can serve as valuable talent pools, with opportunities for training and mentorship to prepare them for board roles.
- Participation in seminars and webinars can identify promising candidates for future leadership positions, with proactive encouragement to engage further.
- Targeted recruitment initiatives should focus on increasing representation of women within membership groups and actively recruiting them for board positions.
- Conducting a GAP Assessment of current directors can help identify areas where diversity is lacking and inform targeted recruitment efforts.
- Publicizing the association's commitment to diversity and its successful recruitment efforts can further promote interest and support from potential candidates.
- Introducing non-voting or voting roles specifically for young leaders can provide valuable experience and representation within the board structure.
- Engaging with employers to highlight the appreciation for their young leaders' contributions not only acknowledges their efforts but also provides insight into the level of support they receive.
- Providing training opportunities for the board, such as sessions on unconscious bias, can foster a more inclusive and equitable decision-making process.

Strategies to address direct appointments model

Several associations allow for the association to nominate a number of individuals inside or outside the membership/industry so that the association has flexibility to complement direct regional/sectoral appointments and increase diversity.

2. Best practices in board effectiveness and engagement

Key themes from this roundtable included:

2a: Definition of an effective board

An effective governance board ideally maintains a clear distinction between operational involvement and governance oversight, focusing on policy and collaborative support for the executive team.

Ideally a governance board:

- Stays out of operations, instead focuses on governance oversight and policy.
- Supports the executive and works collaboratively.
- Speaks with one voice after decisions are made.
- Takes initiative to stay on top of trends and issues.
- Understands their fiduciary responsibility.
- Conducts governance reviews regularly.
- Understands that large boards are not effective.
- Stays focused on meeting agenda priorities, with time for less structured discussion at the end.
- Values and seeks out diversity, ensuring inclusive representation so all members feel they have a voice at the table.
- Actively participates in discussions and raises issues appropriately.
- Creates a high trust culture.

If a working board:

Due to the size of some associations, directors are more involved with operations. In these cases, careful selection is emphasized and committed directors can have a significant impact on the board. Their direct responsibility for operational aspects enhances their accountability, ensuring active participation and contribution during meetings.

2b: What does an engaged board look like?

Characteristics:

Board effectiveness and engagement are enhanced through various practices, including advocacy for and active support for change, providing directional leadership, and fostering forward thinking. Members are expected to come prepared to board meetings by reading briefing materials, actively listening, and asking questions. A culture of healthy discussion is cultivated, where those who challenge the status quo or engage in debate over important

issues are respected and valued. Board members understand the objectives of the organization and maintain a focus on the needs of the members. They regularly review goals and establish clear measures for success while consistently meeting quorum. The chair assumes responsibility for directing the meeting and carrying the vote, distinguishing their role from that of the COO or GM.

Success factors:

- Ensuring that board members are nominated by their respective companies and enjoy their full support is fundamental to effective governance.
 - Smaller board sizes are found to enhance engagement among members.
 - The leadership provided by the Chair is essential for guiding meetings effectively.
 - To maintain engagement, consequences are in place; for example, missing two meetings prompts a discussion with the Chair, with attendance tracking and repercussions for non-participation enforced.
 - Board meetings adhere to a regular schedule, providing consistency and structure.
 - The board actively fosters connections among members, particularly through strategic planning sessions, ideally held during retreats to establish goals and direction.
 - Continuous support, including orientation and governance education, is provided to board members.
 - Monitoring association success against strategic plans, including risk management strategies, is facilitated through dashboard tools.
 - Regular evaluations of meetings via surveys ensure ongoing improvement.
 - Governance review and training sessions are conducted to enhance board effectiveness.
 - Face-to-face meetings are utilized for relationship-building purposes.
 - Directors are expected to represent their companies, sectors, or regions credibly while prioritizing the association's interests. An application process for new board members ensures consideration of relevant experience, skills, and diversity.
 - Clear terms of reference for roles clarify expectations for prospective board members.
 - Engaging board directors as talent scouts helps identify potential new members.
 - Performance evaluations, including colleague and peer reviews, inform continuous improvement efforts. Implementing a succession plan and term limits ensures regular renewal and diversification of the board.
 - Recognizing and celebrating volunteers for their contributions fosters a positive and appreciative board culture.
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3. Best practices in non-member revenue generation

The following synthesizes insights and strategies on best practices in generating non-member revenue and accessing local, provincial, and federal funding.

3a: The dependence on membership vs non-member revenue dues varies in Canada:

Membership mix:

There is a wide spectrum of reliance on membership dues among associations, with the highest and lowest percentages being 100 per cent and 12 per cent, respectively.

Membership dues formed the primary source of income for most organizations, with proportions ranging from 35 to 90 per cent. This diverse range highlighted varying degrees of reliance on membership contributions. Some organizations maintained a balanced mix of revenue sources, with percentages spanning from 33 to 55 per cent. Overall, these findings underscored the importance of understanding the financial dynamics within each organization, as well as the need for diversified revenue streams to ensure sustainability.

Important sources of non-dues revenue include:

Primary sources of non-dues revenue include events, sponsorships, and education.

Additionally, benefit trust programs and government funding play significant roles in revenue generation. Introducing new services such as [Tradeslink](#) and rental guides also contribute to revenue diversification. Some associations generate income by renting out parts of their buildings, while others directly solicit contributions to support specific projects.

Successful funding grants have been secured for:

Various initiatives contribute to successful funding grants, including workplace productivity, youth programs, apprenticeships, education, newcomer programs, trades training and apprenticeships, safety programs and research and development (R&D) efforts. Additionally, hiring a grant application writer has proven to be instrumental in securing funding for these endeavors.

3b: Revenue diversification is an important and deliberate strategy.

It comes as no surprise that given the high reliance on membership dues, a consistent theme across the participating associations is the importance of diversifying revenue sources.

Workforce development funding

A notable success area is accessing funding for workforce development programs including apprenticeships, trades training and youth programs. Several associations have successfully

tapped into local, provincial, and federal resources, with several innovative projects highlighted, such as green initiatives and indigenous programs.

Recommendations

- **Expand non-dues revenue streams:** organizations should continue to explore and expand in areas like events, sponsorships, and education, alongside exploring digital avenues for engagement and revenue.
- **Strategic funding applications:** the success seen in securing government funding underscores the need for a strategic approach to grant applications, possibly including dedicated personnel for this purpose.
- **Innovate and experiment:** new ideas, such as green initiatives and digital platforms for networking and training, should be pursued to stay ahead in revenue generation and member engagement.
- **Engage members directly:** direct asks and engagement with members for specific causes or projects can supplement traditional revenue streams effectively.

Conclusion

The collective insights highlight the importance of diversification in revenue sources and the strategic acquisition of funding for workforce development. By implementing a mix of traditional and innovative strategies, organizations can enhance their financial stability and continue to provide value to their members and wider community.

4. Best practices in membership dues structuring

4a: Membership models and fees differ widely across the country:

With membership dues varying widely across associations, there are several models which are common:

- **Flat rate model:** Associations with flat rates charge annual dues ranging between \$1,000 to \$3,000.
 - **Tiered rate model:** Models with rates based on member company revenue typically had between three and five tiers, with the highest tier ranging from \$3,000 to \$11,500 and
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the lowest from \$1,000 to \$1,750. Where tiered systems were used, some relied solely on members' self declaration of revenue while others utilized peer review by volunteers.

Membership structures often feature distinct levels and benefits tailored for non-builders such as law firms, suppliers, and architects. Additionally, fee structures may vary, with some associations charging fees on a rotating anniversary date or a shared date, allowing for prorated fees within the calendar year. Furthermore, payment plans may be offered as an alternative to lump-sum payments, providing members with flexibility in managing their financial commitments to the association.

4b: Benefits/drawbacks of current models

Membership models offering greater flexibility in pricing and benefits have been observed to stimulate membership growth and diversification by providing enhanced value propositions. However, simpler membership structures are often favored due to their ease of administration.

Challenges arise in instances where flat rates are employed, particularly in justifying uniform fees for both large contractors and smaller members. Moreover, amalgamations of construction associations in certain regions have exacerbated issues as members in different localities might pay significantly different amounts for the same benefits.

Additional challenges include reliance on dues as a provincial association without direct member access and the consolidation of member companies, leading to a reduction in both membership numbers and dues collected.

Finding a suitable balance amidst these complexities remains a persistent challenge for association administrators.

4c: Finetuning the models

Many associations conduct regular reviews of their membership models, aiming to adapt to evolving needs and challenges. However, they often encounter resistance when attempting to implement changes. For instance, some members reject proposed initiatives, making it challenging to secure necessary approvals, even for minor adjustments to membership dues. Despite these hurdles, some associations have still reported successfully increasing dues by five to 10 per cent without encountering significant pushback. As an example, one association phased out their architect/engineer tier, gradually increasing dues over a three-year period to align with their regular flat rate, ultimately retaining all members.

Other potential changes being explored include reducing the number of tiers, offering discounts for new and Indigenous businesses, and introducing tiers for owners.

These deliberations underscore the complexities and considerations involved in reshaping membership models to better serve the diverse needs of members.

4d: Key takeaways

- No two associations are alike in membership models.
- Simpler models are preferred due to ease of administration, but proportionality between large and small companies is important.
- Flexibility in fees and benefits can attract new and different types of members.
- Phasing changes over longer periods can ensure a smoother transition.
- Minor increases to dues do not always result in member pushback.

Next steps

CCA will include a roundtable session at the 2025 Conference in Quebec City.

Future topics could include:

- For diversity, what is our goal? Parity with Canadian population, or with construction representation?
- What can we do differently to help people to participate: Change in technology, translation, etc.
- Is their Board participation fatigue? Are the same people rotating through?

Conclusion

By pooling our lessons learned, key trends and new opportunities, we can strengthen not only our own associations, but our collective support for the industry.

Contact:

Rodrigue Gilbert

President

Canadian Construction Association

rgilbert@cca-acc.com

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