

# National associations' approaches to Board Governance

*survey results*

July 2024



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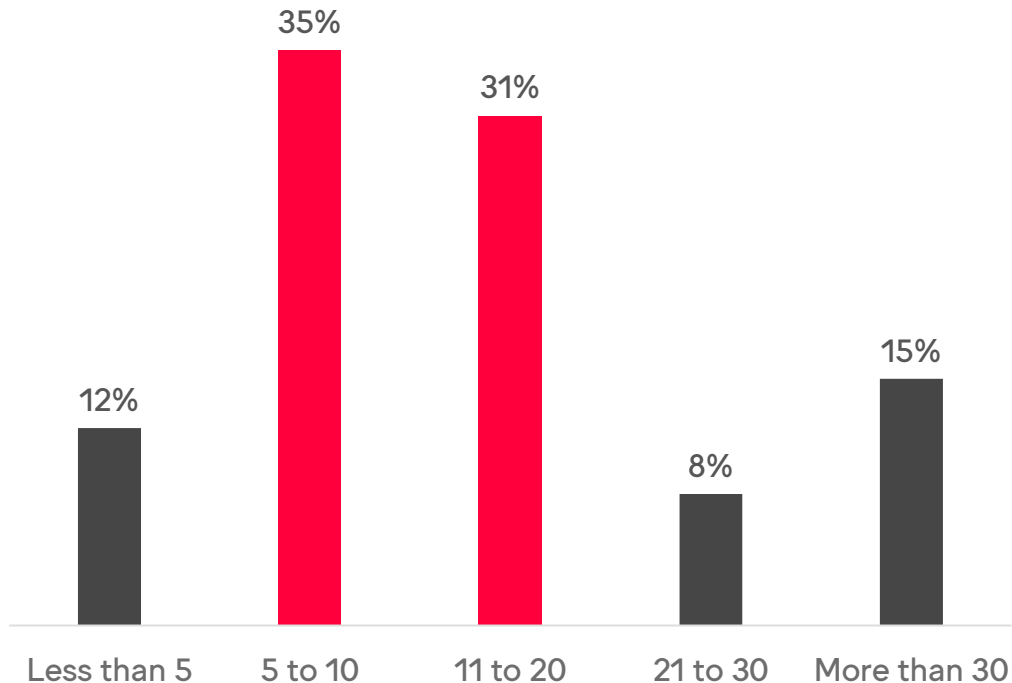
# Responses from 26 national associations globally

## Objectives:

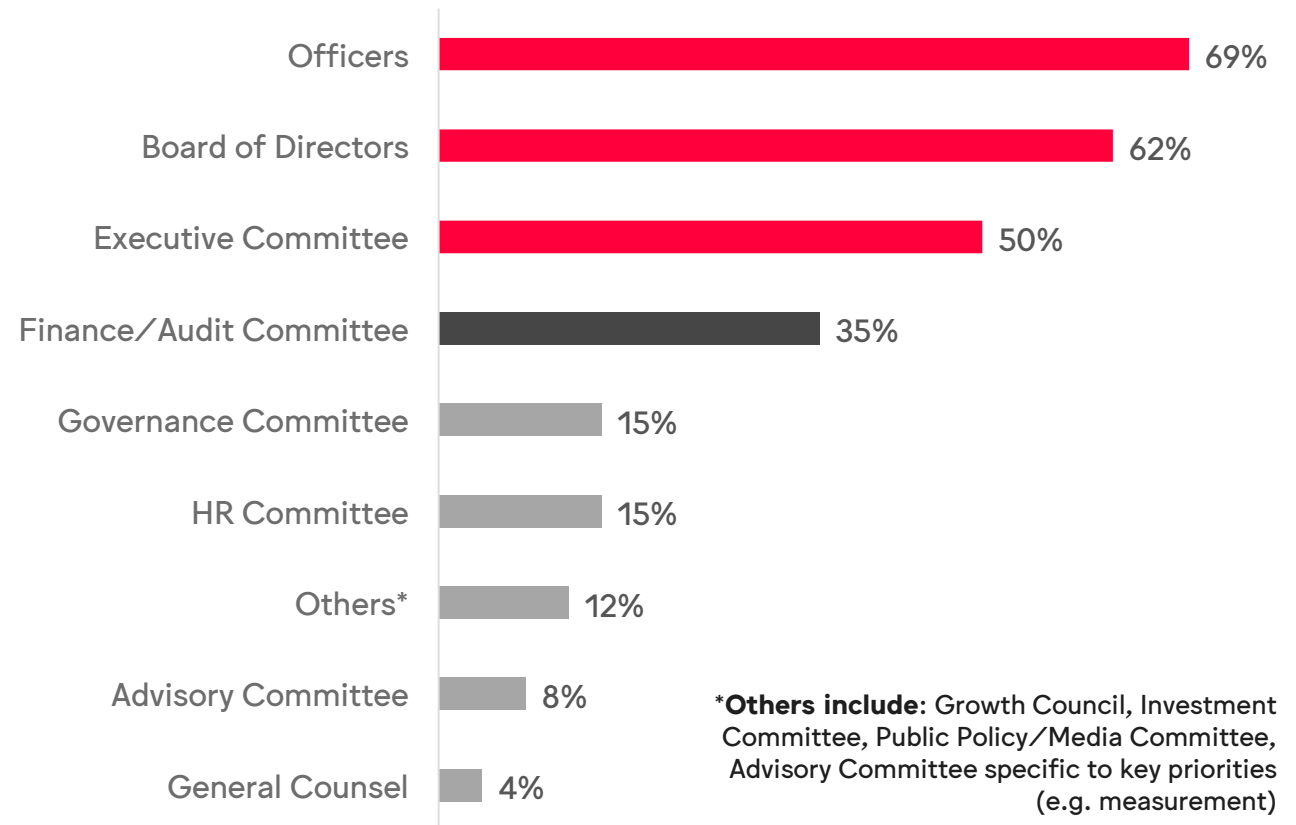
1. Provide an overview of how national associations' governance structure and practices look like, including ways of working and board selection & composition.
2. Identify potential best practices on effective board governance.

# Two-thirds of associations have 5-20 people in their board; most boards are made up of Officers, BoD and/or ExCo

Q: What is the size of your current leadership?



Q: Who makes up your current leadership?

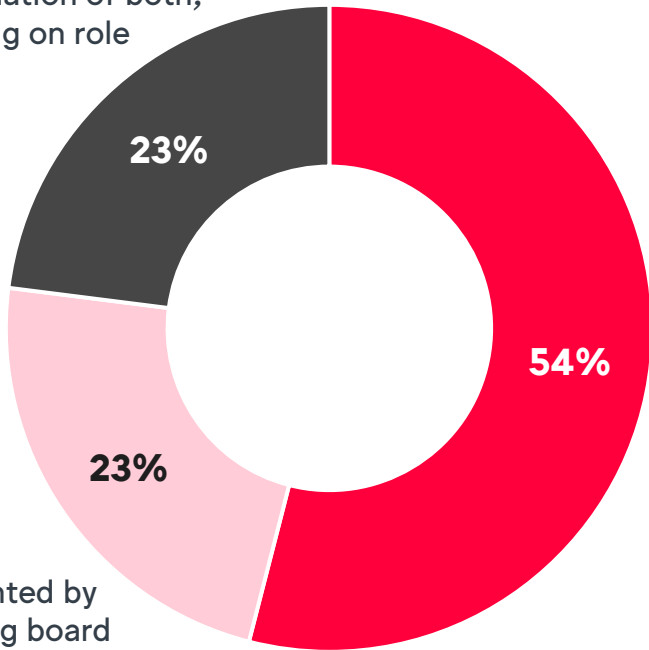


Source: WFA NAC survey: Board governance, June-July 2024 (base: 26)

# Over half of associations have their membership elect their board members; board mandate is usually 2 years while term limit varies

Q: How are board members selected?

A combination of both, depending on role



List of candidates elected by broad membership during general meeting or by proxy

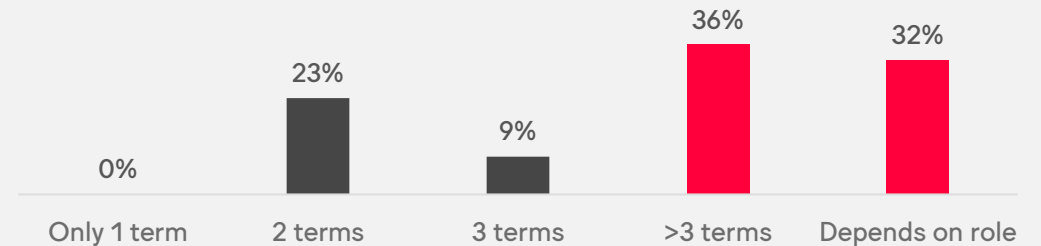
Appointed by existing board members

Source: WFA NAC survey: Board governance, June-July 2024 (base: 26)

Q: How long is the mandate of board members?



Q: Is there a limit on how many terms board members can serve?



**Comments:**

“It is the company that is elected, not the individual... There is no limit on the number of terms a company can be on the board.”

“The minimum mandate is 2 years but most stay 4-8 years.”

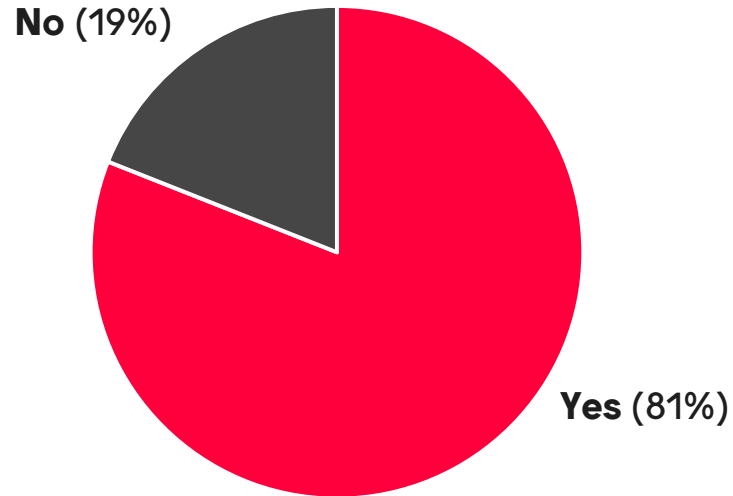
“There is no term limit.”

“3 terms is really an exception, 2 terms is standard.”

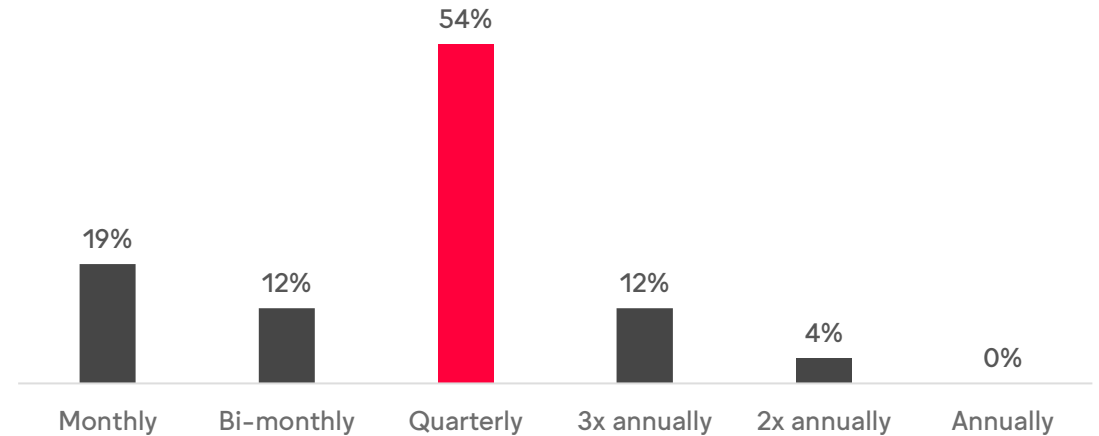
“We did away with fixed terms and rather look at refreshing the board every so often based on finding people who can commit the time.”

# 4 in 5 associations include terms of governance in their bylaws; 54% gather their board on a quarterly basis

Q: Are your terms of governance clearly stated in your bylaws?



Q: How often does your leadership meet?



**Comments:**

“Some terms are stated in our bylaws (ie. how many times a board member can be absent).”  
“We have a very robust Memorandum of Incorporation as required by country legislation and regulatory requirements.”

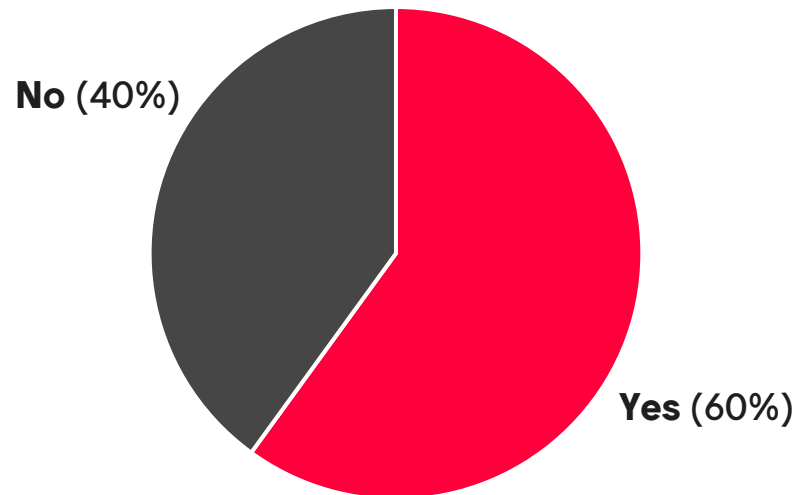
**Comments:**

“3 meetings per year; 2 virtual meetings and one in-person meeting. All meetings are 5-6 hours long.”  
“3 Board meetings per year, 4 Executive Committee meetings per year.”  
“Quarterly Board meetings, monthly Executive Committee meetings.”

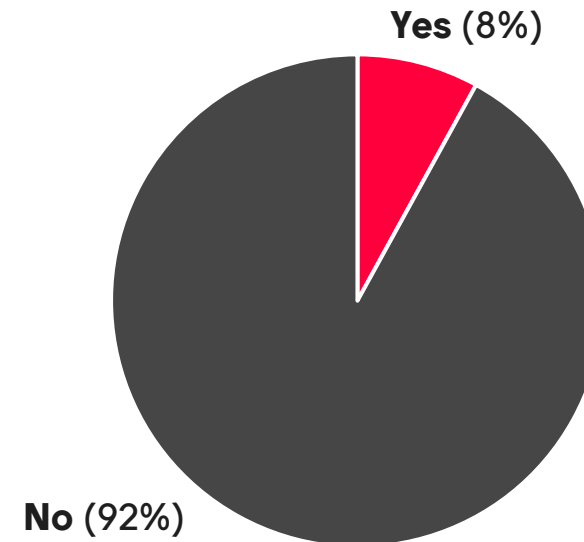
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# 6 in 10 associations have a governance manual/handbook; most associations don't provide training for their board

Q: Do you have a formal governance manual or handbook?

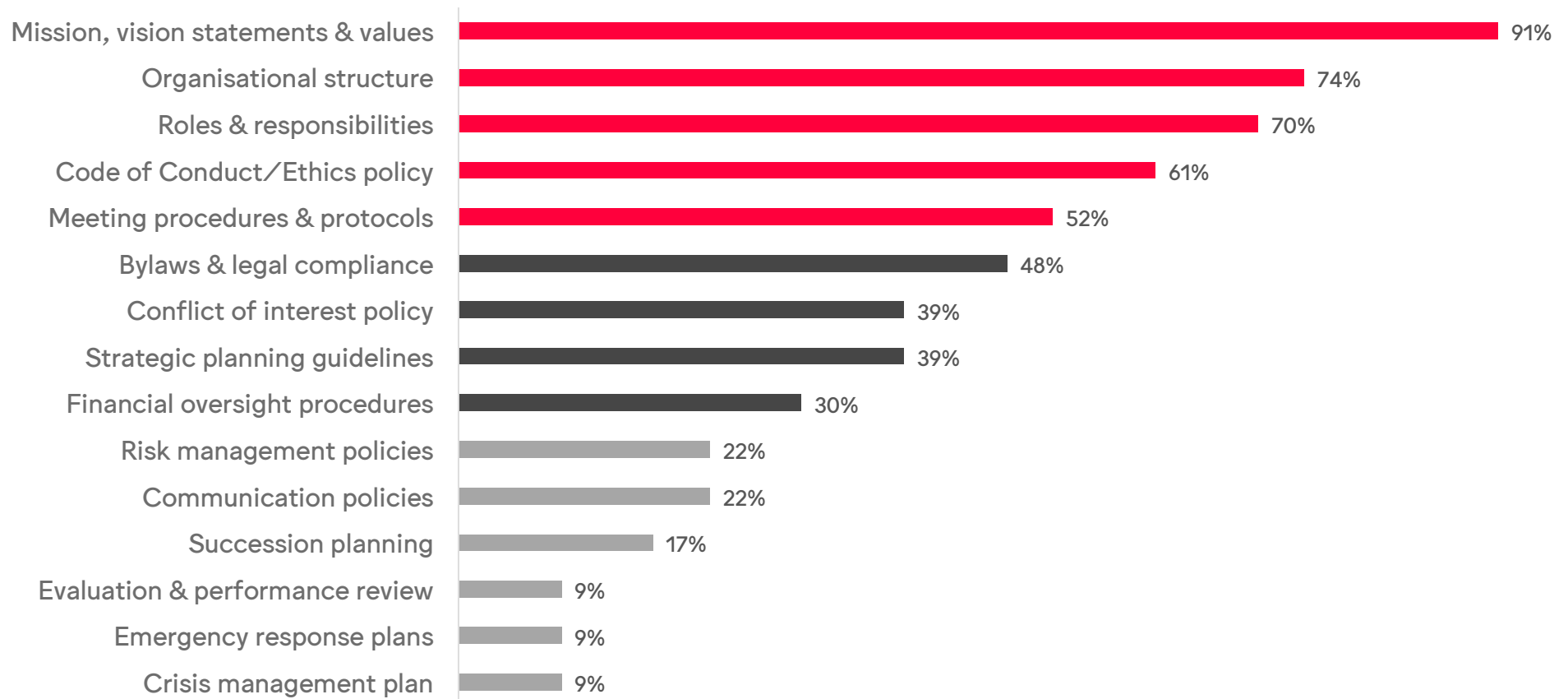


Q: Do you provide governance training?



# Mission & vision, org. structure, R&R, CoC and meeting procedures/protocols most included in board onboarding

Q: What is included in your onboarding for board members?



Source: WFA NAC survey: Board governance, June-July 2024 (base: 26)

# Potential conflicts of interest within the board are managed in different ways

Q: How do you avoid potential conflicts of interest within your leadership in terms of priority setting and strategy building?

“Via a well-balanced mix of board members... We work closely with our board in vision and strategy to avoid this from happening.”

“We always try to reach decisions by consensus.”

“The General Manager (after discussing with the President of the BoD) sets the priorities; board members approve them by a majority vote.”

“Strategy setting is initiated by the Staff senior leadership and approved by the Executive Committee. The Finance and Operations Committee oversees membership and financial strategy.”

“Chairperson has deciding vote.”

“Independent role of chairman ensures objectivity.”

“Potential conflicts of interest are avoided by recusing in discussions related to company or industry.”

“Every board member signs up to an NDA that includes a Declaration of Interests and Confidentiality Requirements.”

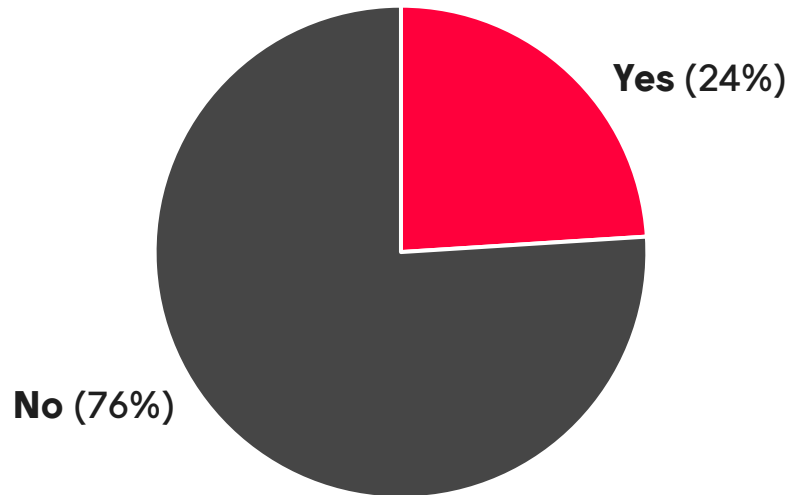
“All board members are in their capacity as brand owners/advertisers. No agencies. Ask for recusal by media owners if required.”

“All media and agencies in membership are excluded from board positions or exchange communities.”



# 1 in 4 associations have a DEI policy for board selection; 82% use targeted recruitment to ensure diversity in the selection process

Q: Do you have a formal DEI policy in place for board member selection?



**Comments:**

“We try to have 50% women, 50% men but most important are skills & expertise. We only accept board members in a CxO position, and on that level diversity in our country is poor.”

“We are working on a new skills matrix that will include DEI.”

“We have guidelines...not a policy.”

“Not that I am aware of. Run by our Remuneration and Nominations Committee.”

Q: How do you ensure diversity in your selection process?

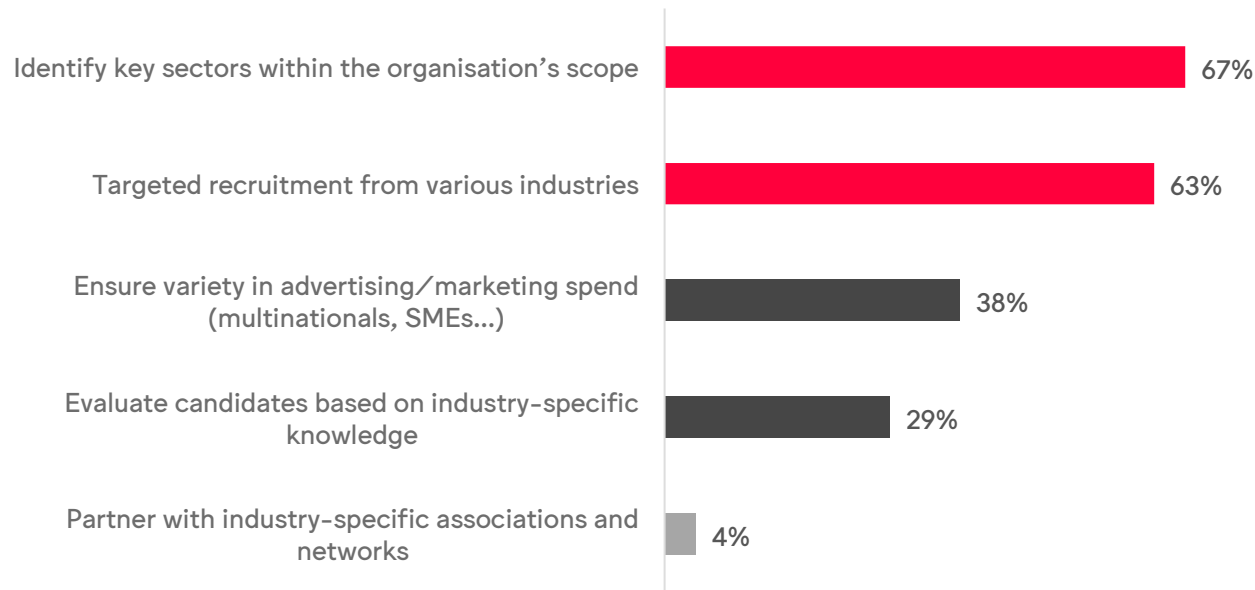


**\*Other includes:**

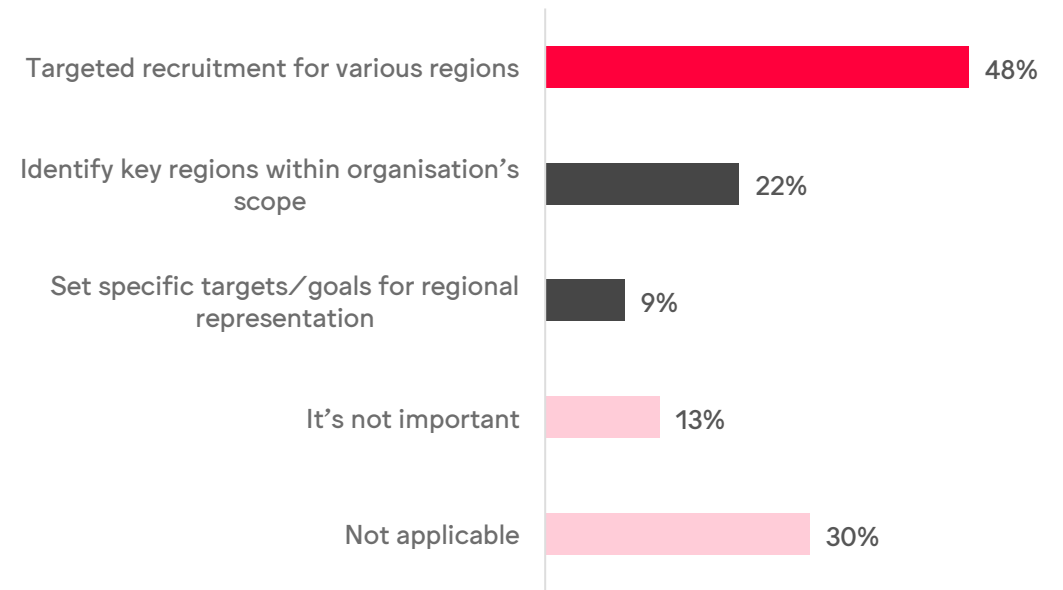
Annual review of board composition and identification of gaps

# Two-thirds of associations identify key sectors within their scope and use targeted recruitment to ensure sector/industry representation; 48% use targeted recruitment to ensure regional representation (if applicable)

Q: How do you ensure representation from different sectors/industries on your board?



Q: How do you ensure representation from different regions on your board?



# Member engagement & accountability perceived as biggest challenge in board governance

Q: What are the biggest challenges you face in terms of governance?



Source: WFA NAC survey: Board governance, June-July 2024 (base: 26)

# Clarifying R&R and increasing transparency & communication perceived as key steps to improve board governance

Q: What steps are you taking to improve governance practices?



# Suggestions on board governance from peers

“We look for board members who share our overall vision. It’s the most important criterion, but we believe that it’s also valuable if they have a slightly different opinion on how we fulfil that vision.”

“Aim for a balanced mix of business leaders who directly benefit from your associations’ efforts and leaders who are less directly involved (e.g. ex CMO’s) who can provide the longer term and broader perspective.”

“Balance new board members and continuity.”

“Create a governance committee and meet regularly.”

“Ensure diversity in the Executive Committee not only in terms of gender but of region, industry, size of organisation, national & international companies, etc.”

“Consider talent mapping.”

“Keep it as clear and as simple as possible. Members have plenty of governance to manage in their roles. Being part of a trade body’s governance must be accountable but should not be onerous.”

“Share compliance rules with all members and have a clear communication channel with your board.”

“First step is to follow the law of the land in terms of legislation and regulation in all the areas of work you do. Next is to coalesce that into clear written documents and ensure that you constantly remind the Board of these requirements. At the end of the day, most who serve on Boards do so on a voluntary basis; consider managing a proper balance of requirements and what people can do in the time they can offer to the organisation.”

“Run a session with your board members to review governance and identify ways to improve engagement.”

“There are helpful resources and guidance through different (local) governance groups (e.g. Institute of Corporate Directors).”



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