

A close-up photograph of a hand in a white shirt sleeve moving a dark chess piece on a wooden chessboard. The board is set on a wooden table, and other chess pieces are visible in the background. The lighting is soft and natural, creating a professional and strategic atmosphere.

# Governance Game Changer PAG Survey - Executive Summary & Conclusions

October 2018

National Association of REALTORS® Research Group

# Methodology

In September 2018, NAR sent a survey to 2017 and 2018 NAR Directors (members of the NAR Board of Directors, or BOD), 2017 and 2018 NAR Committee Chairs, Vice-Chairs and Liaisons, the NAR Executive Committee, NAR Regional Vice Presidents, NAR Past Presidents, 2018 state and local REALTOR® association presidents, and all state and local REALTOR® CEOs (AEs). 2,900 surveys were successfully delivered. 1,054 responded to portions of the survey, for a 36 percent response rate. Due to the length of the survey, respondents were allowed to skip some questions. 754 respondents completed the entire survey. The results for those questions completed by all respondents have a margin of error of +/-3.04 percent. At a 95 percent level of confidence, results overall can be considered quantitative and reflective of all of those currently or recently involved in NAR governance to within this margin of error.

**Survey Objective:** To determine the pain points of the current NAR governance structure and whether or how members see it working in order to inform the Governance PAG in its decision-making process as to whether the structure needs to be changed.

**Analysis:** All results have been analyzed for statistically significant (measurable) differences between three groups, and differences are called out either in the report where differences were few enough or in Appendix – Analysis by Groups if differences were more numerous. Those groups were:

- Function in NAR Governance: NAR Directors vs. AEs vs. Local REALTOR® Association Presidents\*
- Age groups
- Years of Experience in NAR Governance.

**Demographics of Survey Respondents:** Most respondents were either NAR Directors (39 percent) or local REALTOR® association CEOs (AEs) (33 percent). Twenty-one percent were local REALTOR® association presidents. The typical respondent was 58 years old and had been involved in NAR governance at some level for seven years.

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*\*Please note that 40 Local Presidents who were also NAR Directors were excluded from analyses by function. Other functions had too few respondents for separate analysis.*

# Executive Summary

## Motivations for Engaging in NAR Governance

Respondents other than REALTOR® association staff were asked about their motivations for engaging in a role in NAR governance. Eighty-one percent were motivated by a desire to give back or make a difference in the industry. About two-thirds also cited desires to protect the industry (68 percent) and create positive change (66 percent). Majorities also wanted to do whatever needed to be done to protect the industry, become more involved in real estate issues nationwide, and have a voice/seat at the table in national issues (62 percent each).

## Roles and Decision-Making Authority in the NAR Governance Structure

### NAR Board of Directors (BOD)

Majorities of those involved in NAR governance believed the following statements should ideally be but are not currently true of the NAR BOD:

- The BOD should guide the NAR Leadership Team in decision-making (79 percent said this should be true vs. 38 percent who felt this is currently true).
- The BOD should bring forth views and issues pertinent to their own states as well as working to advance the interests of REALTORS® in general (76 percent vs. 53 percent).
- The BOD should be a sounding board for the NAR Leadership Team (64 percent vs. 32 percent).

The following were considered currently true, and should ideally be true, of the NAR BOD by a majority:

- The NAR BOD votes on motions brought to them by committees (80 percent said this should be true, and 81 percent said this is currently true).
- The BOD is elected partly to disseminate the decisions of NAR back to the state and local membership (68 percent and 58 percent).

The only statement about the BOD tested that majorities felt should not ideally be true was that it is a body that is only involved with NAR only twice a year. Ninety-four percent did not feel this should be true, while 32 percent reported that it is.

### NAR Committees

A majority of respondents felt the following should ideally be but are not currently true of NAR Committees. NAR Committees should:

- Engage the membership (71 percent said this should be true vs. 36 percent who felt this is currently true).
- Promote enthusiasm for NAR (61 percent vs. 33 percent).
- Bring new members into governance (61 percent vs. 36 percent).
- Do research and develop options for Executive Committee consideration (75 percent vs. 54 percent).
- Make decisions within their own scope of work (59 percent vs. 36 percent).

# Executive Summary

## **NAR Committees (Continued)**

Respondents were most likely to feel that committees should receive direction and objectives from the Chair and Vice-Chair (55 percent), and a similar proportion (52 percent) felt this is currently the case. However, half (51 percent) of respondents said that committees currently receive direction and objectives from NAR staff, while 42 percent felt this should actually be true.

Committee Chairs and Vice-Chairs were asked to rate their agreement with two statements about their experience on NAR committees. They were slightly more likely to agree that the goals of their committees were well-aligned with the overall priorities of NAR (77 strongly agreed) than to agree that the direction for and expectations of their committee were clear (60 strongly agreed). Majorities, however, strongly agreed with both statements.

## **NAR Executive Committee**

The following were considered currently true, and should ideally be true, of the NAR Executive Committee by a majority. The Executive Committee:

- Is empowered to make important decisions between BOD meetings (68 percent said this should be true, and 64 percent felt this is currently true).
- Is ultimately be responsible for shaping the direction of NAR (54 percent and 60 percent).

However, over half (55 percent) felt that the following is currently true of the Executive Committee but did not feel it ideally should be:

- Decides which motions from NAR committee chairs will be presented for voting to the NAR BOD (45 percent felt this should be true, while 55 percent said this is currently true).

## **NAR Leadership Team**

Majorities of respondents stated that the following should be true of the Leadership Team, but is not currently true:

- Takes the recommendations of committees into account in all decisions (86 percent felt this should be true, vs. 55 percent who said this was currently true).

Majorities did feel that the Leadership Team should be, and currently is:

- Empowered to make important decisions between BOD meetings (59 percent said this should be true, and 58 percent felt it is currently true).
- Ultimately responsible for shaping the direction of NAR (58 percent and 61 percent).

# Executive Summary

## NAR Governance Structure and Processes

### NAR Committees

A majority of respondents at least somewhat agreed that:

- Some NAR committees need to remain larger in order to ensure representation from all states (72 percent).
- NAR committees that meet only twice a year can't do any substantive work (60 percent).
- Smaller committees allow NAR business to be conducted more efficiently (59 percent).

About half felt that larger committees allow national information to be better disseminated. However, majorities were neutral about or disagreed that most NAR committees are too big (64 percent) and that NAR has too many committees (63 percent).

### NAR Board of Directors

The one statement that respondents overall strongly agreed with regarding the BOD was that NAR Directors are expected to vote in the best interests of NAR and the membership as a whole: 77 percent strongly agreed.

Most at least somewhat agreed that:

- It is important for the BOD to have representation from all state and local associations (74 percent).
- It is difficult for the BOD to have substantive discussions (60 percent).

Respondents were neutral overall that the BOD is too big/has too many members (51 percent were neutral or disagreed) and that the BOD functions well as it is (60 percent were neutral or disagreed).

Respondents were least likely to agree that NAR Directors are expected to vote in the best interests of their local or state association: 53 percent strongly disagreed.

### NAR Executive Committee and Leadership Team

More respondents were neutral or unsure about statements about these two bodies than about committees or the BOD. They were most likely to agree that the Executive Committee should be given more latitude in some areas to move without approval from the BOD so that decisions can be made more quickly, but they were almost evenly split on this: 41 percent agreed, while 37 percent disagreed.

Asked whether the Leadership Team has too much decision-making authority, respondents were as likely to be neutral as to agree or disagree (about 30 percent each).

Respondents were most likely to disagree that decision-making at either level is transparent: 43 percent disagreed with this assessment of the Leadership Team, and 44 percent disagreed that this is true of the Executive Committee. Twenty-one percent were neutral about each of these statements.

# Executive Summary

## Pain Points in NAR Governance

### **NAR Committees**

The two greatest pain points in NAR governance, cited by almost half (48 percent) of respondents, were committee members who do not “do the work”/lack of engagement among committee members, and committees in which action items do not move forward in a single year, so that members feel they can’t make a difference. Forty-two percent each also cited structures in which committees need to get objectives accomplished in two weeks, twice a year, and large committees in which issues are discussed but action is not take in a timely manner.

### **NAR Board of Directors**

The three greatest pain points in terms of the NAR BOD were NAR Directors who do not familiarize themselves with the issues before a meeting (61 percent), NAR Directors who leave BOD meetings before voting (54 percent), and inability of NAR to respond quickly and efficiently to changing market conditions due to structure in which decisions must be made only twice a year (50 percent).

### **NAR Executive Committee and Leadership Team**

The three greatest pain points in terms of the Executive Committee, the Leadership Team and Regional Vice-Presidents (RVPs) were lack of understanding of the role of RVPs (39 percent), lack of transparency in the Executive Committee (38 percent), and lack of transparency in the Leadership Team (33 percent). It should be noted that almost

one-quarter of respondents (24 percent) were not sure what the greatest pain points were regarding these entities.

## Resources for NAR Governance

Eighty-four percent of respondents have their participation in NAR governance subsidized or reimbursed in some way. Almost half (47 percent) say that their local REALTOR® association pays for some or all of their participation in NAR governance. Forty-four percent cite their state association, and 17 percent cite NAR. Sixteen percent said that their participation is not subsidized or reimbursed in any way.

The typical respondent reported that 82 percent of their costs for participating in NAR governance are subsidized or reimbursed. Sixty-six percent reported that at least three-quarters of the costs are covered.

Sixty percent of respondents would be at least somewhat less involved if they were solely responsible for the costs of their participation. Twenty-seven percent would be somewhat less involved; 24 percent would be significantly less involved, and nine percent would no longer be involved at all. Thirty-one percent said this would not affect their participation.

Respondents overall would be somewhat interested (mean rating of four on a five-point scale) in increased opportunities for virtual participation in NAR governance that did not involve travel. Over three-quarters (77 percent) would be somewhat or very interested.

# Executive Summary

## Engagement in NAR Governance

Majorities felt that the greatest barriers to engagement in NAR governance are that members don't see how this adds value to their business (68 percent), that members don't think their voice or contribution will make a difference (63 percent), and lack of understanding of the importance of participation (55 percent). Half (49 percent) felt that there is a perception that getting a volunteer position is too political.

Two-thirds (66 percent) of respondents ranked an elected position with a state or local REALTOR® association in the top three factors they felt go into being selected for a role in NAR governance. Over half (58 percent) placed who you know already in NAR governance among the top three. Almost half (48 percent) ranked volunteer experience in state governance. Forty percent ranked contributions to RPAC among the top three factors.

The ways to identify future NAR leaders mentioned most often were:

- Referrals from local and state association CEOs
- Involvement at the local level/Accountability in current position at the local level
- Referrals from local presidents and RVPs
- Referrals from other active members
- NAR committees
- NAR Leadership Academy
- Leadership programs at the state and local level

# Conclusions and Recommendations

## **NAR Board of Directors**

The pain points in NAR governance cited by the greatest numbers of respondents overall were related to the NAR BOD:

- NAR Directors who do not familiarize themselves with the issues before a meeting (61 percent)
- NAR Directors who leave BOD meetings before voting (54 percent)
- Inability of NAR to respond quickly and efficiently to changing market conditions due to a structure in which decisions must be made only twice a year (50 percent).

NAR Directors themselves were more likely than other respondent groups to cite virtually all the pain points tested, including the three above. Two of these issues can be traced at least partly to lack of engagement. Majorities felt that NAR could address lack of engagement among NAR Directors by:

- creating a mentorship program for BOD members at NAR conferences (54 percent)
- tracking which BOD members vote at the close of BOD meetings by scanning badges and only paying the travel expenses of those who stayed through the vote (52 percent)
- creating networking forums for BOD members at NAR conferences (52 percent).

In terms of role and decision-making authority, most respondents felt that the BOD should guide the NAR Leadership Team in decision making, bring forth views and

issues pertinent to their own states as well as to REALTORS® in general, and be a sounding board for the NAR Leadership Team. The Governance Game Changer PAG should explore ways to better involve the BOD in these ways in particular. Most respondents were at least somewhat interested in greater opportunities for virtual participation, and NAR Directors were no exception. Comments from some respondents also indicated that RVPs should be more involved in keeping the NAR Directors in their regions engaged between NAR meetings. So NAR should consider creating virtual processes for RVPs to engage their Directors on a more regular basis.

Structurally, most respondents felt that it is important for the BOD to have representation from all state and local associations, but that it is difficult for the BOD to have substantive discussions due to its size. There was no consensus, however, on whether the BOD is too big or has too many members. AEs and NAR Directors were more likely than Local Presidents to agree that the Board is too big, but they were still not sure that NAR should actually make the BOD smaller: only 28 percent of either of these groups felt that step should be taken. Respondents from local associations, meanwhile, expressed concern that their voices would no longer be heard if the BOD was made smaller: only nine percent of Local Presidents felt that NAR should reduce the size of the Board. So representation of all associations must be carefully considered before implementing any structural changes to the NAR Board of Directors.



# Conclusions and Recommendations

## **NAR Committees**

A majority of respondents felt that NAR committees should engage the membership, promote enthusiasm for NAR, and bring new members into governance, but that committee members are not necessarily doing so. One of the greatest pain points about NAR committees cited was committee members who do not “do the work,” or lack of engagement among committee members. The top four steps respondents felt that NAR should take to increase engagement in NAR committees were to:

- allow members to serve on more than one committee (42 percent)
- incentivize committee members to bring a member who has never been involved in governance to the NAR meetings (39 percent)
- reduce the number of committees but increase the number of workgroups, task forces, forums and PAGs (39 percent)
- focus more on recruitment of experienced members (38 percent).

It should be noted that respondents ages 65 or over and those with four or more years of experience in NAR governance were significantly more likely than younger respondents to suggest that members should be allowed to serve on more than one committee. Furthermore, those with between four and 29 years of experience were more likely than others to say that NAR should focus more on recruitment of experienced members. Members under age 40, those with less than 10 years of experience, and those with 30 years of experience in NAR governance or more were more likely than other respondents to suggest that NAR focus more

on recruiting younger members. Those with three years of experience or less were also significantly more likely than more experienced members to say that NAR should reduce the number of committees but increase the number of workgroups, task forces, forums and PAGs. This group was also more interested in incentives for committee members to bring in members who have never been involved. So NAR should definitely explore expanding opportunities for new governance participants through these avenues, while taking care to balance all of these groups between newer and more experienced members – perhaps allowing members who wish to do so to serve in more than once capacity, should expanded opportunities still allow for enough new participants.

The other major pain point in terms of NAR committees is when action items do not move forward in a single year, so that members feel they cannot make a difference. The general consensus was that committees should make decisions within their own scope of work, so efforts should be made to structure committees and other related bodies to make this possible.

Chairs and Vice-Chairs, rather than NAR Staff, should set committee direction and objectives. Committees should then be relied upon to “do the work” that leads to decisions by NAR Leadership without delegating the work to NAR Staff Executives.

Committees should also be responsible for doing research and developing options for Executive Committee consideration. Respondents felt that, in turn, the Leadership Team should take the recommendations made by committees into account in all decisions.

# Conclusions and Recommendations

## ***NAR Executive Committee, Leadership Team and Regional Vice Presidents (RVPs)***

Less than 40 percent cited any pain points regarding the Executive Committee, Leadership or RVPs, and a sizeable proportion of respondents were simply not sure what the pain points with these entities might be. Repeated comments about these groups indicate that some members involved in NAR governance neither understand the role of RVPs nor the difference between the Executive Committee and the Leadership Team. The roles and responsibilities of these governance bodies should be better explained to governance participants, particularly to those who become part of governance by virtue of an elected position.

Respondents had mixed views of the Executive Committee and Leadership Team. Overall, they felt that both the Executive Committee and the Leadership Team are and should be empowered to make important decisions between BOD meetings, and are and should be ultimately responsible for shaping the direction of NAR.

However, majorities felt that the Leadership Team should take the recommendations of committees into account in all decisions, but that it is not currently doing so. Respondents were split on whether the Executive Team should be given more latitude in some areas to move without approval from the BOD so that decisions can be made more quickly. Furthermore, there was some disagreement that the Executive Committee should decide which motions from NAR committee chairs will be presented for voting to the NAR BOD.

What most did agree on was that decision-making at both of these levels is not yet transparent enough. Steps should continue to be taken to explore ways to make the actions of these two groups more open to members, particularly to those involved in governance. Many comments indicated that respondents feel that NAR is making great strides in the area of transparency. But there is clearly a desire for even more from the highest levels of NAR governance.



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