ICANN NomCom Assessment and Recommendations

Prepared for: ICANN61 Open Meeting
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March 14, 2018

Agenda

Introduction to the Independent Examiner

Scope and Design of the Review

Interviews and Survey

Assessment and Recommendations

Next Steps

Discussion

Introduction

- We have been hired as the Independent Examiner to conduct an independent review of the NomCom, as mandated by ICANN's Bylaws.

- The team has deep practical and research experience in analyzing non-profit (including volunteer-based organization) governance structures and in determining how organizations can develop more effective boards of directors.

- Relevant experiences includes past work with ICANN and knowledge of, and contributions to, the nonprofit management literature.

- Our team is led by Drs. Will Brown, Mark Engle, and Greg Rafert.

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Project Scope

- **The goal of our review is to provide an assessment of:**
  - Whether the NomCom has a continuing purpose within the ICANN structure.

  - How effectively the NomCom fulfills its purpose and whether any change in structure, process, or operations is needed to improve effectiveness.

  - The extent to which the NomCom is accountable to the wider ICANN community, its organizations, committees, constituencies, and stakeholder groups.

Project Scope (continued)

- **The criteria examined during the review include, but are not limited to:**
  - Fulfilment of mission and adherence to policies and procedures.
  - Accountability and transparency to the public.
  - Composition, and membership processes and participation.
  - Communication among the NomCom's members and with the ICANN community.
  - Effectiveness of execution, including governance and management.
  - Evaluation and measurement of outcomes, such as whether NomCom processes identify skills needed by the bodies to which they are appointed.

Project Design

- **Our project is designed as a two-step process.**
- **Phase 1: Assessment**
  - Review of bylaws, policies, and other written materials.
  - 60 people interviewed during and after ICANN59 and ICANN60.
  - 85 responses to an online survey open to the entire community.
  - Assessment report submitted for feedback to the ICANN community.
- **Phase 2: Recommendations**
  - Draft final report published for public comment.
  - Final report submitted June 1.

Project Design (continued)

- **In the course of our project, we are coordinating with ICANN staff and the NomCom Review Working Party (RWP). They have:**

  – Assisted in outreach efforts.

  – Ensured our understanding of ICANN and NomCom policies and procedures is comprehensive and accurate, which provides the foundation necessary to provide specific, actionable recommendations.

- **This coordination does not affect our independence.**

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Interviews and Survey

- **Interviews**

  – Spoke to more than 60 people during interviews at ICANN59, ICANN60, ICANN61, or remotely.

  – Interviewees were identified based on knowledge of NomCom processes, interest in providing feedback, diversity of perspectives, and recommendations from interviewees, RWP members, and ICANN staff.

- **Survey**

  – Designed to elicit feedback from the wider community – it has not been analyzed in a statistical manner

  – Informed by our interviews and promoted by ICANN

  – 85 completed responses

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Summary of Findings

- The NomCom is generally seen as performing its role effectively, but there is room to improve the functioning of the NomCom.

- NomCom members have exerted, and continue to exert, tremendous effort and time to the activities of the committee.

- NomCom members have significant technical and policy-related experience in their fields.

- The NomCom's interactions with candidates has improved significantly over the past five years and is generally viewed positively.

- The NomCom has made significant progress in becoming more transparent.

- Diversity requirements for NomCom appointees are currently appropriate.

- The leadership structure of the NomCom generally works well.

Summary of Recommendations

Three Sections:

1. Composition and responsibility of the NomCom and its members.

2. Recruitment and evaluation processes.

3. Additional Observations

Composition and Responsibility of the NomCom and its Members

Findings

- Lack understanding of Board member's role and the skills and attributes needed to be a successful Board member

- Lack recruiting and selection experience

- NomCom performance highly dependent on the effectiveness of the Chair

Recommendations

- Training to improve understanding of director responsibilities

- Training in how to interview and assess candidates

- Train NomCom leaders regarding responsibilities and authorities and appoint chair earlier

Composition and Responsibility of the NomCom and its Members

Findings

- SO/ACs not always familiar with roles and responsibilities of NomCom members

- NomCom not always clear of roles of professional recruiting and evaluation firms

Recommendations

- Formalize and communicate the job description for NomCom member

- Retain professional recruiting consultant and codify role

- Retain professional evaluation consultant and codify role

Composition and Responsibility of the NomCom and its Members

Findings

- Term length of one-year insufficient for learning and engagement

- NomCom may not accurately represent constituencies

- Concern over role and participation

Recommendations

- Two year terms, maximum of 2 terms

- Consider rebalancing NomCom composition

- All NomCom members should be fully participating and voting – except leadership

Composition and Responsibility of the NomCom and its Members

Findings

- NomCom is under-resourced and lacks integration with ICANN staff and strategy

Recommendations

- NomCom senior staff should be accountable to and report to CEO office

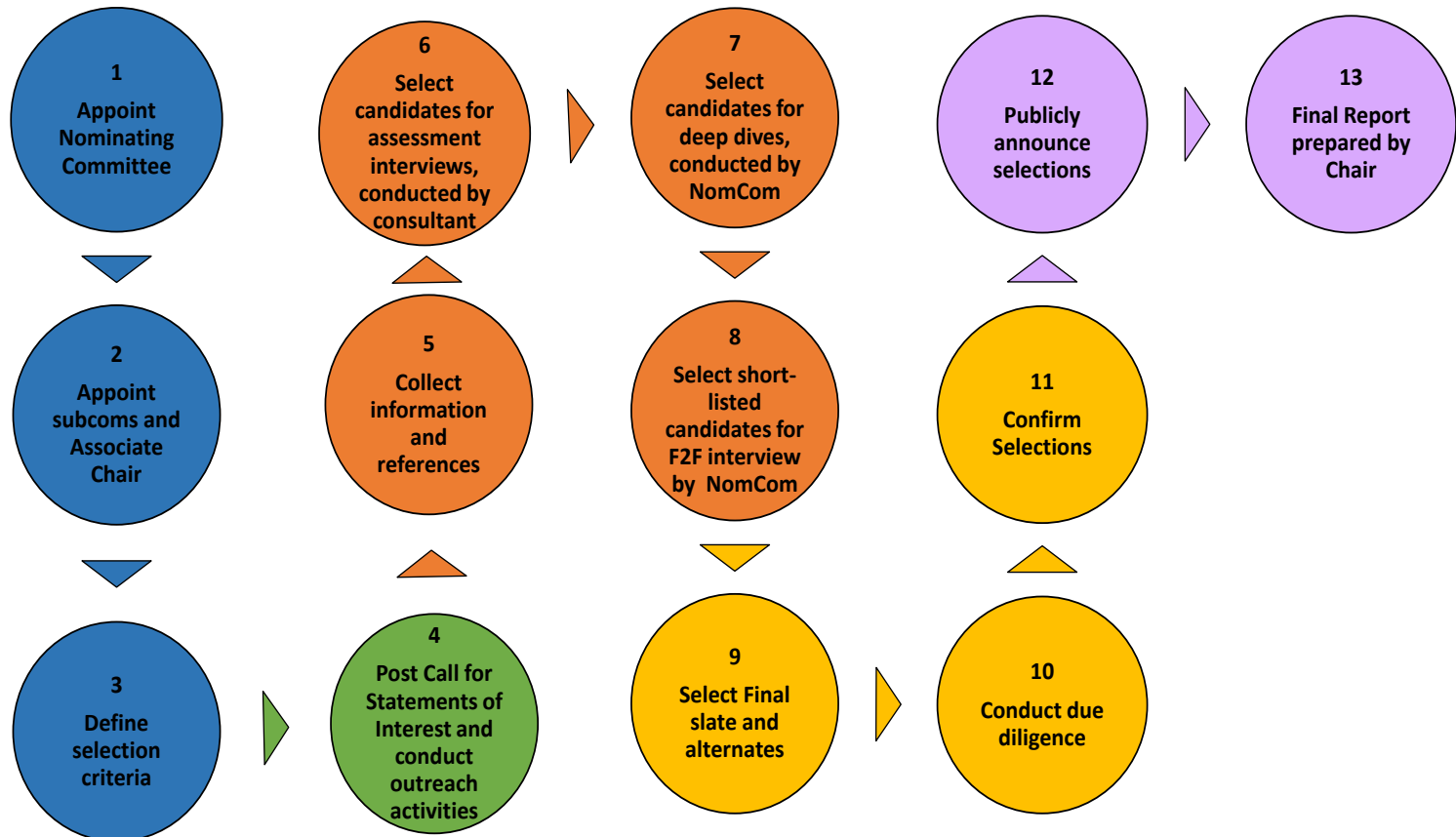- NomCom leadership should have input on budget and resources

Recruitment and Evaluation Processes

Findings

- Recruitment processes generally effective, yet "reinvented" each year; lack of continuity

Recommendations

- Publish process diagram and codify key elements of NomCom process; explain annual changes

1 Appoint Nominating Committee

2 Appoint subcoms and Associate Chair

3 Define selection criteria

4 Post Call for Statements of Interest and conduct outreach activities

5 Collect information and references

6 Select candidates for assessment interviews, conducted by consultant

7 Select candidates for deep dives, conducted by NomCom

8 Select short-listed candidates for F2F interview by NomCom

9 Select Final slate and alternates

10 Conduct due diligence

11 Confirm Selections

12 Publicly announce selections

13 Final Report prepared by Chair

Table 1: Example Process Table (based on current process)

	Step	Who does it?	Comments
1	Appoint Nominating Committee	Board, SO/ACs	Board: Non-voting Chair, Non-voting Chair-Elect One non-voting liaison appointed from each of the following groups: • Root Server System Advisory Committee • Security and Stability Advisory Committee • Governmental Advisory Committee

Recruitment and Evaluation Processes

Findings

- Lack of clarity on desired competencies and experience

- Lack of clarity of responsibilities of SO/AC leadership positions

Recommendations

- Formalize communication between NomCom and Board, SO/ACs, and PTI board in regards to competencies

- Publish job description for open positions

Recruitment and Evaluation Processes

Findings

- Disconnect between board member performance and reappointment consideration

Recommendations

- Feedback regarding members up for reappointment

Recruitment and Evaluation Processes

Findings

- NomCom should increase diversity of candidate pool

- While improved, NomCom interactions with candidates still challenged

Recommendations

- Develop marketing plan to better reach prospective candidates

- Candidate communication: codify process and publish schedule

Recruitment and Evaluation Processes

Findings

- Lack of consistency in how candidates are evaluated

Recommendations

- NomCom use standardized matrix to evaluate and prioritize based on competencies and experience

- Evaluation consultant does preliminary screening

Directors self-selected their expertise

EXPERTISE/EXPERIENCE	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10	Director 11	Director 12	Director 13
Bus. Model Transformation & Revenue Diversification													
Digital Transformation or Big Data													
Marketing/Brand Revitalization													
Human Resources													
Compensation/Succession Planning													
HR Policies and Benefits													
Large Membership Org./Retail													
Multicultural Issues													
Public Policy													
Healthcare													
Financial/Consumer Finances													
Financial Mgmt													
Investments													
Accounting													
Innovation													
Insurance													
Information Technology													
State/Local or Affiliate Leader													
Advocacy/Govt. Relations													
Media/Publishing													
Legal													
Mergers & Acquisitions													

Demographic Snapshot

Employmet Status	# of Directors
Employed - full time	
Employed - part time	
Retired	

Age in 2016	Board
50-54	
55-59	
60-64	
65-69	
70-74	
75+	

Ethnicity	Board
Asian/Pacific	
Caucasian	
African American	
Hispanic/Latino	

Gender

Candidate Name	Diversity	Career Stage	Geographic Region	Source: Open Call Referral, Recruiter	Competency 1 Board Experience	Competency 2 Leadership Experience	Competency 3 HR Experience	Competency 4 Mergers & Acq Experience	Competency 5 Volunteer Experience	Competency 6 Personal Values	Strategic Priority 1 Experience	Strategic Priority 2 Experience	Strategic Priority 3 Experience	TOTAL
Anita Sanchez	Hispanic	Late	So America	Open Call	4	4	2	1	5	5	1	2	5	29

Recruitment and Evaluation Processes

Findings

- Some negative candidate experiences during the interview process

- Lack of knowledge of composition of candidate pool and sources of candidates

Recommendations

- Consistency in interview questions and evaluation form

- Publish data on candidates

Additional Observations

Findings

- Lack of clear path to leadership opportunities in ICANN

- Without appreciation of the performance of the board, as a whole, limited ability to determine performance of NomCom

Recommendations

- Investigate evolution of NomCom into Leadership Development function

- Inform assessments of NomCom by evaluating performance of the Board

Additional Observations

Findings

- Confusion on the definition of an independent director, if they are desired, and how many should be allocated

Recommendations

- Clarify and designate desire for independent directors

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- **March 26, 2018:** Draft final report (assessment + recommendations) published for public comments

  - Comment period is 40 days

- **June 1, 2018**: Final Report

Discussion