# Canadian Psychological Association Governance Review
## Findings and Recommendations

Institute on Governance      Institut sur la gouvernance
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## Report on Findings and Recommendations

## Part I – Background

### Introduction

The Canadian Psychological Association (CPA) is the national professional association for psychologists. It was created in 1939 and incorporated as a not-for-profit organization in 1950. Its membership of over 7,000 is made up of health care providers, researchers and psychology students. The association's objectives are four-fold. It works to improve the health and welfare of Canadians; promotes excellence and innovation in psychological research, education and practice; promotes the advancement, development, dissemination and application of psychological knowledge; and, provides high-quality services to members.

The CPA has a 15-member Board of Directors that has adopted a policy governance model. As such, its main responsibility is the development and maintenance of policy affecting the affairs of the Association. Its board is comprised of 4 presidential officers – president, past-president, president elect and honorary president, as well as 11 directors from across the country representing different components of its diverse membership as well as several key stakeholder organizations. The CPA board has a range of committees that have been in place for several years. The Association also has sections that serve as one of the primary agents through which the needs of the members are met and interests are served. Under its current governance structure, sections have certain roles and responsibilities and access to the Board through the Chair of the Committee on Sections.

### Objective

The CPA has considerably evolved as an organization over the past years, however its governance has more or less remained static. The 2013-2018 strategic plan takes the CPA in ambitious directions that have implications for its staffing and operations but says nothing of how its governance should or could evolve to ensure that it is in line with best practices and can support the achievement of its mandate and strategic objectives.

The Institute on Governance was engaged to conduct a governance review to support the Canadian Psychological Association in the continuous improvement of its governance practices and ensure that they align with best practices. In particular, the governance review is meant to provide clarity on the roles and responsibilities of the board of directors, review board structures, review the committee structure and mandates, and finally review CPA sections in terms of how they are constituted and how they should be governed.

## Governance Review Process

The governance review has involved a preliminary meeting and work planning session, document review, one-on-one interviews and focus groups. The document review phase involved a review of existing documents, including bylaws, policies, Terms of Reference, minutes and the strategic plan. Data collection included confidential one-on-one interviews and one group interview with Board members, past presidents and employees. A total of 18 interviews were completed with 19 individuals for this governance review. Additionally, 2 focus groups were conducted with a cross-section of Section Chairs.

The findings of this governance review are based on the interview responses, document reviews, and the IOG's leading expertise and experience related to the governance of not-for-profit organizations.

## Organization of the Report

This report is organized into four parts. Following the introduction (Part I), Part II provides an overview of good governance and what governance means for public purpose organizations. Next, Part III summarizes the results of the interviews and focus groups, highlighting the overall perspectives of the participants and the Canadian Psychological Association's current governance strengths and areas for improvement. Finally, Part IV provides options and recommendations for addressing some of the concerns and challenges raised by interviewees through the governance review process. A list of individuals who participated in the interviews, the interview and focus group guides, and a Duty of Loyalty on Constituency-based Boards document can be found in annexes at the end of the report.

# Part II – Governance

## Good Governance

The Institute on Governance defines governance as the process whereby societies or organizations make important decisions, determine who has voice, identify who is engaged in the process, and establish how account is rendered. The United Nations Development Programme (UNDP *Governance and Sustainable Human Development 1997)* put forward a set of principles that, with slight variations, appears in much of the literature, including work by the Institute On Governance[1]. These principles are not only about the results of power but about how well power is exercised. According to this approach, good governance exists where those in positions of power are perceived to have acquired their power *legitimately*, and there is appropriate *voice* accorded to those whose interests are affected by decisions. Further, the exercise of power results in a sense of overall *direction* that serves as a guide to action. Governance should result in *performance* that is responsive to the interests of citizens or stakeholders. In addition, good governance demands *accountability* between those in positions of power and those whose interests they are to serve. Accountability cannot be effective unless there is *transparency* and *openness* in the conduct of the work being done. And finally, governance should be *fair*, which implies conformity to the rule of law and the principle of equity.

In exploring these principles it is important to note two points. First, it is not enough to meet only some of the principles; all of the principles need to be present, to at least some degree, to ensure good governance. Second, there will often be friction between the principles. For example, demands for increased accountability, and the resources required to achieve this, may work against goals for improved performance, as more time spent writing reports means less time delivering a program. This example is not provided to show that accountability is not important but rather to illustrate the need to recognize the inherent conflicts within the principles and the importance of finding balance among them.

## Governance of Organizations

*Governance is the process whereby organizations take decisions on matters of strategic importance. It rests on a framework of structures, policies and traditions that define how power is allocated, who has voice or input into decision-making, how key relationships are maintained, and how decision-makers are held to account.*

Although it does not end with the central governing body of a community or organization, good governance certainly begins with it. In the case of the Canadian Psychological Association, that body is legally the Board of Directors. A well-governed board or council promotes a healthy work environment and service excellence for the entire organization.

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[1] Graham, John et al. "Principles for Good Governance in the 21 Century," Institute on Governance, 2003.

Building on the literature and the IOG's own experience working with boards of public purpose organizations, the following are the IOG's suggested characteristics of high performing boards:

1. They develop & <u>maintain a longer-term vision and clear sense of direction</u> through mission and vision statements, a longer-term strategic plan and clear priorities.
2. They ensure <u>the prevalence of high ethical standards and understand their legal obligations</u>, including transparency and openness in what they do, respect for their legal and contractual obligations, ensuring the voices of stakeholders are heard, and appointing and overseeing the work of the senior staff person (if the organization has staff). Board members will fulfill their obligations to the organization as a whole, including the <u>duty of care</u> (demonstrating both competence and diligence in their work as board members) and their <u>duty of loyalty</u> to the organization's best interests.
3. They <u>ensure effective performance</u> through sound information. They focus on results or outcomes and have a good sense of their information needs.
4. They <u>ensure the financial & organizational health</u> by focusing on long-term sustainability and demonstrating a macro-level concern with the quality of management of the organization.
5. They ensure <u>sound relationships with their key external bodies and stakeholders,</u> including funders, sponsors and other partners.
6. They <u>ensure sound relationships with their members</u> and others they provide services to allowing opportunities for them to influence key initiatives.
7. They <u>manage risk effectively</u> by identifying, assessing, mitigating & monitoring critical developments that have uncertain outcomes.
8. They <u>are accountable through publicly available information</u> (for example, financial or results achieved) through audits & evaluations, outreach activities, public engagement practices, and redress mechanisms.
9. They ensure <u>the soundness of the governance system</u> by having effective relationships with staff, evaluating board performance (individually and collectively), and adopting an ethic of continuous improvement. They also ensure a sound governance system through effective development and implementation of bylaws and policies, and through sound board recruitment and training.
10. They <u>recruit, set objectives and evaluate the performance of the Executive Director</u>.

The results of good governance are trust, credibility, legitimacy, results that matter, the ability to weather crises and good relationships with stakeholders. The ramifications of inadequate governance can be equally great. If an organization fails to carry out this role effectively, it stands to lose credibility with its members and the public at large, damage its ability to carry out policies or deliver services, and ultimately fail at its primary mission or objectives.

# Part III – Findings

The results of the informant interviews and focus groups revealed strengths in the Canadian Psychological Association's governance, but also some areas for governance improvement in order for it to fully achieve its potential.

## Overall Perspectives of Interviewees

The governance review found a great number of strengths of CPA governance, including a board of directors dedicated to a vision that the science and practice of psychology has broad and deep relevance to public policy and the public good, and who are also eager to improve their governance practices. Other strengths include a positive working relationship with CPA staff and other partner organizations, generally sound board meeting practices and dedication to building effective relationships with its membership.

The review also identified a number of governance challenges, including board composition, a need to expand director orientation, and building the appropriate structures and processes for sections and committees.

## Mandate and Strategy

The Canadian Psychological Association works towards a set of objectives, which are:
- To improve the health and welfare of all Canadians;
- To promote excellence and innovation in psychological research, education, and practice;
- To promote the advancement, development, dissemination, and application of psychological knowledge; and
- To provide high-quality services to members.

All interviewees have a clear understanding of the mandate, and their role in representing psychology in Canada and being the home and the voice for all psychologists in Canada. It was noted by some that there is a perception that the needs of scientists and other non-practitioners are not as well represented as those of practitioners.

Overall, most believe that CPA is doing well at achieving its mandate and objectives. It was noted that CPA has achieved a record high membership of over 7,000 this year, which many felt was an indicator that they are doing a good job in this area. However, there was a question of whether the association could improve its approach towards engagement and whether all members feel that they are receiving high quality services or are aware of the services that CPA can provide. Efforts to promote research, advocate, respond to members and network were generally felt to be effective. Most interviewees supported a continued focus on member engagement and better defining and communicating the CPA value proposition. Overall, the biggest member benefit identified was the availability of professional liability insurance. The most commonly identified challenge to achieving the mandate and effective outreach was the

perception of a multi-tiered structure, where the Board has many constituencies and diverse perspectives to consider.

The Canadian Psychological Association most recently undertook a strategic planning process to develop its 2013-2018 strategic plan. In comparison to previous plans, it was felt that this plan was focused on the mandate with clearly identified goals, and activities can be mapped and measured against it. Previously, the strategic plan was described by a few as too granular with too many objectives. Many stated that the Board was involved in the development of the plan, and that staff also participated which allowed for context setting. An important best practice that was identified as an opportunity for improvement by many interviewees was to review the strategic plan on an annual basis and use it to measure against and inform the operating/business plan. Interviewees were confident in the capability of the CPA Head Office and their ability to deliver on the strategic plan.

## Roles and Responsibilities

Most interviewees described the board as a policy board, although given the activities it performs, IOG would not call it a pure policy board as it engages in some management level issues. The Board is effective at enacting policy for the organization and staff carries out policy well. Many mentioned the "traditional" roles and responsibilities of a board of directors, including fiduciary duties, strategic planning, leadership (although there were mixed views on how effective they are in this area) and compliance. Several highlighted desire for more leadership from the board on strategic issues, particularly when it comes to identifying priorities and options. An area that was not commonly raised was the board's desire for more identification, assessment and management, which is potentially an area that could be further emphasized. In addition to these roles and responsibilities, the board is also responsible for addressing issues raised by members and constituent organizations. Many felt that there exists an opportunity for the board to connect further with their members using committees and sections, and it was also noted that there could be a benefit in emphasizing the networking responsibility of directors. For most directors, there are also responsibilities related to the committees. It was noted that the engagement and activity level on the committees varies by the individual (particularly how much time they can give) and the nature of the work of the committee.

Overall, there was general understanding of the fiduciary duties of a director, which include the duty of diligence, duty of loyalty and duty of obedience. There was also acknowledgement of the potential conflicts of interest at the board table given the representation of external organizations and the shared business interests CPA has with some of these organizations. However, there seems to be some underlying concern about how to effectively identify and manage these potential conflicts of interest in practice, and a desire to more successfully address this concern.

The orientation process for new directors was generally felt to be quite good at the front end. Directors stated that the package contains the roles and responsibilities, information about CPA, fiduciary duties and roles of their specific seat. Many also acknowledged that the process is tailored to suit each director based on their past experiences. A commonly identified concern was around the timing of the orientation session in relation to the amount of time that passes between joining the board and receiving the orientation. It was suggested that a series of

webinars in addition to receiving the materials before the first meeting would help directors feel more prepared for their first meeting. Additionally, many felt that it would be very helpful to have more mentoring from previous directors and ongoing training, including around the committee roles. Several interviewees also stated that it would be helpful to have more training on the role of directors representing external groups and how that works in practice. Finally, there was a suggestion to have more orientation and training opportunities specifically for the president-elect in preparation of taking on the role of president and in chairing meetings. Involving the president-elect in calls between the President and CEO is also a good practice that CPA is performing to facilitate the transition.

## Board Composition

The minimum and maximum board size must be defined in the organization's articles of incorporation or bylaws. Across the private and not-for-profit sectors there has been a movement toward smaller, more competency-based boards. The recommended size for a board is in the 11-18 range, though there are boards – both smaller and larger – that function effectively. Even in the membership-based association sector there has been a trend toward smaller boards, driven primarily by the need for more active and effective engagement around the board table.

With this trend toward smaller boards, there comes additional tools to support effective board composition – a board competency matrix for example – and alternative means of ensuring the voice of members and other stakeholders are heard. A board competency matrix identifies the skills and other characteristics that all board members must have, such as analytical and critical thinking, strong inter-personal communication, and creative and strategic visioning / planning. The matrix will also include certain competencies and representational elements that a specific number of board members will ideally have, such as financial acumen, communications, risk oversight, fundraising and industry / constituency-based experience. Note that when board recruitment and composition focuses primarily on representation, competency-based criteria for board committees take on increasing importance. Finally, other broader considerations, such as geographic, linguistic and gender representation are noted. The competency matrix serves as a guide for a nominating committee, while recognizing that the matrix is 'an ideal' and that some specific criteria may not always be able to be met.

In addition, as boards have become smaller and more competency-based, new means of ensuring the voices of members and other stakeholders are being implemented. Advisory Committees, comprised of knowledgeable, prominent and credible members in their field of expertise from within and outside the organization, are one such best practice. Advisory committees *provide non-binding but informed guidance and serve as an ally for the organization as it works to achieve its objectives.* Advisory committees are typically made up primarily of non-board members who are brought in for their expertise, to represent particular constituent perspectives, or for broader engagement. More on the value of an advisory body is included in Annex E.

Most interviewees felt that the size of the CPA board is appropriate with no major concerns, however a few felt that the board may be too large given the number of groups represented through the designated seats during discussions.

There were mixed views around the composition of the board. Some concern arose regarding the number of designated seats on the board, particularly for external groups but also for the many segments of CPA's membership. The concern of many is that there are a significant number of external groups and organizations represented and they questioned whether there was enough focus on the membership and best interests of CPA. These interviewees also noted that the organizations represented through the designated seats are important to CPA and strong relations must be maintained. Several interviewees suggested that some other engagement mechanism, such as an advisory committee comprised of representatives from the various partners, could be more effective in fostering the relationships but still keep the CPA Board focused on CPA-specific issues. Other options put forward include giving these partner organizations non-voting status on the board.

In regards to the nominations and elections process, interviewees noted that there are no issues with the process in itself but there is difficulty in finding candidates and that they would benefit from having more people run in order to have a true election (rather than acclaiming the only candidate). It was suggested that there might be a role for the nominations committee to engage and communicate more, and to look to the sections for individuals already demonstrating leadership and commitment to CPA. It was also noted that while the number of designated seats to fill ensures a broad coverage of interest groups, it adds a level of stiffness to constructing a board of dedicated individuals with the necessary skills and expertise. To foster interest, it was recommended by some that past board members produce messaging (a short video perhaps) to express why they ran and the benefits they received from being a part of the board.

It was also recognized that the open call for nominations is not supported by any kind of skills matrix, which would identify gaps and desired expertise to the membership and appointing bodies. Most interviewees were open to the idea of one or more at-large public members to bring a public perspective and to offer the opportunity for other skills such as finance, law, lobbying, government/public service or marketing. Additionally, public members fit with CPA's mandate of improving the health and welfare of all Canadians.

## Board Operations

Effective board meetings are essential to good governance. To achieve effective board meetings there must be thorough preparation (including a clear purpose and desired outcomes, a well-considered agenda, inviting the right people, anticipating contentious issues), agreed upon procedures and decision-making processes during the meeting, and accurate minutes and effective follow-up post-meeting.

Some of the characteristics of a successful board meeting include role clarity among all board members, agreed upon outcomes (people know and agree about what the meeting objectives are), and board members who feel free to voice their views. Other characteristics include balanced participation around the board table, adequate time allowed for discussion, a respect for ending on time and everyone leaving with a sense of time well spent. On the other side, characteristics of poor board meetings include side meetings, repetitious debate, holding back

(people not speaking up) and board members making decisions without considering the whole organization and its best interests.

Most interviewees are generally satisfied with the effectiveness of board meetings. It was noted that there is variance in meeting style from president to president, but that overall the meetings are working well. A number of interviewees suggested that a conflict of interest declaration should be required at the beginning of every meeting. One interviewee noted that the use of the consent agenda has been an effective tool for the board and allows them to use more time for discussions and strategic issues than presenting and reporting on information, but that there might be an opportunity for more board leadership on the agenda development. It was also noted that staff members offer support on protocols and that they offer corporate memory for the board about the association. Many stated that overall, they feel that the directors come well prepared to the meetings and ready to discuss issues and ask questions.

It was felt that meeting 3 times per year was sufficient for the Board to be able to fulfill their responsibilities. A minority of interviewees felt that only 2 meetings per year would be better as there isn't enough time in between to get tasks accomplished. It was also suggested by a few that the meetings are too long of a time commitment as they last multiple days, and that there isn't enough value in relation to their length.

Materials received by directors for review were generally felt to be of good quality. All interviewees noted that the documents provided by staff are well prepared. Concern expressed by some directors was around the timeliness of the distribution of materials. The use of a cloud system to upload materials was found to be helpful as it is a timely and centralized way of providing documents, however there were concerns around version control and missing reports from committees, and the need to set and enforce deadlines. Several interviewees noted that there are missing reports on occasion and that sometimes reports are read in the meetings causing a redundancy between the materials in the package and information presented.

In terms of board meeting processes, a number of interviewees indicated that the CPA board is engaged, but that there is room for improvement around balanced participation. This could be an opportunity for the president to solicit more opinions and for newer board members to feel more confident by being encouraged to participate. Additionally it was noted that in some cases, board members will refrain from commenting on a specific issue to avoid entering into a heated discussion. It was also noted that level of engagement by directors varies according to topic. A few felt that the board has good discussions, however few decisions are actually reached at some meetings. In contrast, many others said they made decisions effectively. Interviewees commonly stated that they assume individual directors support collective decisions when a decision has been reached, but some were unsure if this always happens in practice. Many interviewees felt that it would be beneficial to have some key messaging from meetings that directors can use to share with members to ensure consistency.

## Committees

Board committees are often a tool to complement the work of a board of directors. Committees are sub-groups of the larger board who are tasked by the board with conducting a particular piece(s) of the board's work, and the membership on these committees is normally driven by the

competencies required. These committees will normally not have the authority to take decisions on behalf of the full board for both practical reasons (effective communication) and for reasons of full board accountability. Board committees that have a more internal focus (e.g. governance, audit, risk) will be populated primarily by board members with the necessary interest and expertise but may also have a limited number of additional, non-board members who bring to the committee specific knowledge and/or expertise (if this expertise cannot be found on the board). Other board committees that have a more externally-focused component to their work, such as fundraising or communications, may have a much broader and more representative composition, although competency criteria are still prominent in committee composition decisions. Note that best practice indicates that all board committees, even those with a more external focus, have at least some board representation. Regardless of whether a committee member is a member of the board or not, he/she must work in the best interests of the organization, and conflict of interest requirements apply.

Finally, it is important to distinguish between board committees and other management or operational committees. Board committees do the work of the board and are accountable directly to the board. The organization, however, may have many other management level committees that do the operational work of the organization and are accountable to the CEO. While board members may participate on such 'operational' committees on occasion – either in a liaison role or because of their expertise – this does not make the committee a board committee.

Interviewees noted that CPA has a high number of committees (18), and in many cases it was unclear whether they do the work of the board, or of the broader organization. In many cases, the amount and type of work done by the committees varies depending on who is the Chair of the committee and what activities the Chair and/or committee chooses to take on. Overall, many stated that there could be a more efficient structure. Several noted that some of the committees are better suited to be 'organizational' committees, not board committees. Some also said that they are not all active and that activities of some don't fit with the strategic plan anymore. Suggestions were made to merge some, get rid of some and restructure some as management-level committees. There was support for continuing to have a significant number of committees to ensure many voices are heard and that members feel involved, in addition to helping with the workload of the board and staff.

Specifically, it was suggested that the Past Presidents Committee could be removed, and that there is some overlap between the mandate and the terms of reference of the Practice Directorate and the Professional Affairs Committee such as advocacy and information dissemination. Generally, interviewees indicated that the committees that should remain at the board level include governance/nomination/election, finance/administration, audit and membership (with a focus on strategy not actual engagement). There were mixed views around the nature of the Convention Committee; it was felt to be important that the Convention Committee consult with the Board on certain topics, but that overall it is more of a management-level committee.

The mandates and terms of reference of the committees were described as out of date in many cases, and it was suggested that they commit to reviewing the terms of reference and mandate more regularly to ensure that they are still aligned with the objectives of CPA.

## Board – Senior Staff Relations

Most interviewees believe that the board – senior staff relationship is very good and they aren't aware of any problems. They have clear roles and responsibilities that are well understood and respected. Occasionally the board or staff may cross the line in practice, but individuals will push to get back on track. Many expressed the benefit of having the Chief Executive Officer, Deputy Chief Executive Officer and the Chief Financial Officer attend board meetings. Senior management functions are shared and do not vest with a single person. However, several interviewees noted the importance of developing and having a succession plan in place for the senior management team.

The relationship between the board and the CEO is considered good and respectful. It was noted that the board is responsive to the CEO, but that the amount of time that board members have to dedicate to CPA varies. Interviewees supported the biweekly calls between the President and the CEO as a way to remain up-to-date and support relationship building.

Many interviewees also recognized that the board needs to be conducting an annual performance assessment and objective setting exercise with the CEO each year, and that the objectives need to be better linked to CPA's strategic and operational plans. It was recommended by many interviewees that a short, formal assessment be done on an annual basis, with a more substantial review to be conducted every 3 years.

## Member & Stakeholder Relations

Members

CPA is accountable to its members through the Annual General Meeting, annual reports, financial statements, committee and CEO reports, and the newsletter. It was noted that the AGM isn't an effective mechanism for the board to use to engage with the membership, as there is a low turnout. Interviewees generally recognized that a lot of the communication CPA does is outwards, and while it was noted that staff seek considerable input from sections with different degrees of success, more work could be done to seek input from membership. Another mechanism for engagement that was commonly referenced was the ambassador program, where the board meets with various individuals from organizations and institutions related to the field of psychology in the city in which the meeting is held.

A specific component of the membership that requires more focused effort is engagement with student members, to keep them loyal to the organization when they graduate by demonstrating the value that CPA offers. Another section of the CPA membership that feels underrepresented is scientists who, as stated previously, feel that CPA is more orientated towards practitioners.

Sections

In regard to CPA's sections, most were not concerned with the number of sections or their membership provided that they are all active. Many feel that the sections are key mechanisms for CPA to engage with its members, and for members to engage in specific areas of focus.

Without the sections, there was concern that members might join topic-specific associations, rather than a more general association such as CPA. It was noted that the task force helped to clarify what the sections are supposed to be doing, and it has translated successfully in most cases in practice. Building on this, there may be some value in reviewing the roles and responsibilities of the sections, a process that could be led by the Governance Committee, in conjunction with section chairs.

Many believe that the sections that are active are good at sharing information and engaging with their members. Some interviewees worry, however, about the possible implications of external communications at the section level, and whether these communications are effectively overseen to ensure consistency with CPA messaging. In support of consistency, many also felt that more guidelines around the expectations on section reporting and communications would be beneficial. This would allow the sections to maintain autonomy but provide CPA with the means to have sufficient oversight. Monitoring activity and ensuring that responsibilities are being fulfilled would be done by both the staff and the board.

In relation to leadership, it was generally noted that within the smaller sections, it is sometimes hard to create an executive with the right leadership. The members of the sections often make the difference in how active a section is. It was noted that in cases where the appropriate executive cannot be formed, that it might be an indicator of a section that could be re-evaluated in terms on ongoing relevance. That scenario raised the point that since the CPA bylaws specify the process to form a section, it is important to also develop a set of criteria on what constitutes a section and a process to disband a section that is no longer considered active. Finally, it was suggested that the sections nominate their own representative out of the section chairs to stand for election on the CPA board.

<u>The Directorates, the Practice Directorate Council and the Council of Professional Associations of Psychology</u>

Generally, interviewees expressed strong support for the work of the Practice Directorate, and believe it, along with the Science and Education Directorates, to be necessary structures to support the work of CPA and its members. While the Science and Education Directorates are internal CPA structures, some components of the Practice Directorate's work are governed by a Council made up of CPA and external representatives from the provinces and territories.

The purpose of the Practice Directorate Council is to provide oversight to the Practice Directorate by bringing together provincial and territorial representatives, along with CPA representation, to collaborate on advocacy initiatives across Canada, while reporting to the CPA Board on policy and finance matters. The Practice Directorate Council is supported by CPA, which also provides funding for specific collaborative advocacy initiatives. While almost all interviewees supported CPA continuing to fund these collaborative initiatives, and to provide some capacity support to the provinces and territories through the Council of Professional Associations of Psychology (CPAP), most saw the Council as a duplication of effort when the relationship could be directly with CPAP. Several interviewees also noted that there is some confusion for the staff person regarding to whom they report (CPAP vs. CPA). A number of interviewees suggested that, as an alternative to funding through the Council, CPA could create a fund to which provinces could apply for advocacy initiatives.

Overall it was noted that the relationship between CPA and CPAP has been complicated by their entry into a significant contractual relationship regarding professional liability insurance for their members, which has moved the relationship between CPA and CPAP from being a strictly collaborative relationship to include a business relationship. Many interviewees noted the conflicts of interest that now exist with CPA and CPAP sitting on each other's boards, and suggested that CPA and CPAP shouldn't have voting rights on each other's boards. To resolve this matter, the partnership could be maintained by having observer rather than voting status on each other's boards.

# Part IV – Conclusions & Recommendations

Feedback from the interview process and focus groups indicates that there is an overall belief in and support of the work of CPA with recognition that it has a broad mandate and a diverse membership. Awareness of opportunities for improvement within the governing processes and structures of CPA were identified, and desires for greater efficiency were commonly expressed. Interviewees support the relationships that have been built to date by CPA with constituent institutions, and are interested in deepening them, as well as engaging further with the CPA membership.

The Institute on Governance, based on the review findings and its own understanding of board governance best practices, recommends the following:

1. Board Operations
   1.1. Conduct an annual review of the strategic plan to monitor progress against stated objectives, and consider any contextual changes that may impact CPA's ability to achieve its desired objectives. The strategic plan should also be used to develop an annual operating/business plan for the organization.
   1.2. Include more focus on risk in the strategic plan as well as on board agendas.
   1.3. Conduct an annual board assessment to review board effectiveness and make improvements if required.

2. Board Composition
   2.1. Short Term:
      2.1.1. Develop a board competency matrix to drive the board nominations process, and that may be shared with sections and partner organizations for consideration when putting forward candidates.
      2.1.2. Consider re-balancing the board composition to reduce the number of votes held by stakeholder organizations, while still maintaining strong relations. Options to do this include:
         • Giving the 4 external stakeholder organizations non-voting, ex-officio status on the board; or,
         • Removing the designated seats from the board, and instead creating an advisory board to inform the CPA board on key strategic issues facing the field of psychology.
   2.2. Longer Term:
      2.2.1. Consider reducing the number of 'designated' seats drawn from within the broad CPA membership base, and allowing the nominations committee (using the board competency matrix) to recruit more at-large board members.
      2.2.2. Consider adding 2 at-large public members driven by the board competency matrix to allow gaps in skills and expertise to be filled.

3. Board Appointments and Orientation
   3.1. Consider implementing a webinar program to offer a more accessible and digestible orientation process. This would also help to address the issues around the timing of the orientation session by offering a virtual resource to begin the learning process well in

advance of the board meeting. Specific webinar sessions for committees and the President-elect could also be considered.

   3.2. Consider the incorporation of a mentoring program to facilitate transition between board members.

4. Sections

   4.1. Develop a set of criteria on what constitutes a 'section' in the CPA bylaws, and a process to disband sections that no longer meet the criteria.

   4.2. Re-label section 'bylaws' as Terms of Reference, as the term 'bylaws' typically applies to separately incorporated entities, and sections are identified as part of CPA in its bylaws.

   4.3. Consider having the Sections Representative on the board be nominated by the sections' chairs – the Nominations Committee could seek input from the sections' chairs on who would fit the skillset of the board, emphasizing commitment to the sections.

5. Committees

   5.1. Restructure current board committees, which will remain directly accountable to the CPA board, into:

- Governance (formerly Bylaws, Rules and Procedures; Nominations; Elections)
- Finance and Administration
- Audit
- Sections
- Public Policy (mandate focused on CPA policy positions / advocacy)
- Membership (Membership Committee should be comprised primarily of board members, but also have at least 2 seats for sections representation and some from the broader CPA membership)

   5.2. For all board committees, ensure:

      5.2.1. Updated terms of reference with accountabilities and any designated decision-making authority (if any) clearly identified.

      5.2.2. Annual work plans are developed by each committee and approved by the board.

      5.2.3. Regular reports to the board, in a timely manner.

      5.2.4. All board committee members are appointed by the board.

   5.3. The Conventions Committee should be considered a management level committee, but the terms of reference for the committee should include a requirement to consult with the board of directors on specific issues, such as theme and keynote speakers.

   5.4. The remaining CPA committees should be considered management committees and be accountable to the CEO, who should seek board input on key strategic issues, as necessary and appropriate.

A breakdown of committee changes with rationale is available in Annex F – Suggested Committee Structure.

6. Annual CEO Performance Assessment and Objective Setting

   6.1. Ensure timely completion of an annual performance assessment of the Chief Executive Officer and objective setting exercise tied to the objectives outlined in the strategic plan.

7. The Practice Directorate, the Practice Directorate Council and CPAP

7.1. Disband the Practice Directorate Council and instead work directly with CPAP on advocacy and other strategic issues facing psychologists across Canada.

7.2. Continue to fund collaborative advocacy efforts at the provincial / territorial level. Options:

    7.2.1. A designated fund that CPAP administers on behalf of CPAP members. The fund would be financed by CPA and would therefore require consultation with CPA to ensure consistency in messaging at provincial/territorial and national levels; or,

    7.2.2. A CPA-administered fund that CPAP members can access through an application process (again, consistency in messaging is key).

7.3. Continue to provide some administrative capacity to support an independent CPAP by either:

    7.3.1. Continuing to provide some designated CPA staffing support to CPAP; or,

    7.3.2. Providing a 'contribution' for CPAP to hire its own part time staff person on a contract basis

7.4. Address the significant conflict of interest that now exists with CPA and CPAP serving on each other's boards by giving each other non-voting, ex-officio status on the other's board, and ensuring that conflict of interest practices are in place and consistently implemented, particularly on discussions regarding insurance.

**Annex A – List of Interviewees**

1. Phil Bolger – Chief Financial Officer, Canadian Psychological Association
2. Rupal Bonli – Canadian Council of Professional Psychology Programs Representative
3. Karen Cohen – Chief Executive Officer, Canadian Psychological Association
4. David Dozois – 2012 Canadian Psychological Association President
5. Jennifer Frain – 2013 Canadian Psychological Association President
6. Zarina Giannone – Student Section Representative
7. Peter Graf – 2011 Canadian Psychological Association President
8. Dawn Hanson – Director-at-large – Masters Representative
9. Kevin Kelloway – President-Elect
10. Wolfgang Linden – Past President
11. Judi Malone – Director-at-Large
12. John Meyer – Scientific
13. Sam Mikail – Practitioner
14. Kerry Mothersill – President
15. Marie-Hélène Pelletier – Director-at-large – Francophone Representative
16. Andrea Piotrowski – Council of Professional Associations of Psychology Representative
17. Don Saklofske – Scientist-Practitioner
18. Valerie Thompson – Council of Canadian Departments of Psychology Representative
19. Lisa Votta-Bleeker – Deputy Chief Executive Officer, Canadian Psychological Association

# Annex B – Interview Guide

**Canadian Psychological Association (CPA)**
**Governance Review**
**Interview Guide for Board Members and Senior Staff**

**Name:**
**Date:**
**Interviewed by:**
**Commentary/Introduction:**

## Introduction

1. Tell us about yourself.  How long have you been on the Board or staff? If on the Board, is your position by virtue of designation from another body of psychology or nomination through the CPA membership?
2. Which committee(s) do you serve on?
3. To what extent are you involved in a section?

## Mandate and Strategy

4. What is your understanding of the mandate of CPA? How effective is CPA in achieving its mandate?
5. How effective is the Board in providing strategic direction to the organization? Do you have any suggestions for improvement?

## Roles and Responsibilities

6. What is your understanding of the roles and responsibilities of CPA's Board of Directors? How well does the Board fulfill these roles and do you have any suggestions for improvement?
7. What orientation do new Directors receive? How effective is it and what more could be done?

## Board Selection and Composition

8. Based on your experience at CPA and other relevant experience, are there ways the Board could improve the nomination and election process for new Board members?
9. Does the Board have the appropriate composition and size? Are there any gaps in expertise/skills, perspectives, other?

## Board Operations

10. How effectively are Board meetings run? (agenda, frequency & length, documentation)
11. What is the quality of the discussions around the board table? Is the Board able to make decisions effectively? Is the Board able to speak with a collective voice after making a decision?

**Committees**

CPA has 18 committees: (1) Administration & Finance; (2) Audit; (3) By-laws, Rules and Procedures; (4) Canadian National Committee for the International Union of Psychological Science; (5) Convention; (6) Education and Training; (7) Elections; (8) Ethics; (9) Fellows and Awards; (10) International Relations; (11) Membership; (12) Nominations; (13) Past Presidents; (14) Professional Affairs; (15) Public Policy; (16) Publications; (17) Scientific Affairs; (18) Sections

12. How effective is the overall current committee structure in supporting the work of the Board? Are there ways it could be improved?
13. Are the mandates / terms of reference of committees clear and appropriate?
14. How well do the committees function (composition, meetings, materials, participation, reporting to the Board)?  Do you have any suggestions for improving the functioning of committees?

**Board - Senior Staff Relations**

15. How would you describe the general state of Board-senior staff relations?
16. How would you describe the relationship between the CEO and the Board? Are annual CEO performance assessments and objective setting exercises completed? How well does it work?
17. Are there any changes you would suggest to further build Board-senior staff relations?

**Relationship with Members and other Stakeholders**

18. How does the Board engage and demonstrate accountability to its members? How could member accountability and engagement be improved?
19. How would you describe the relationship between the Board and the sections?
    • Are roles and responsibilities between each clear?
    • In your opinion, are the powers given to the sections under CPA bylaws appropriate?

    These are:
        • Initiate and undertake activities of relevance to its members
        • Draft position papers on topics of relevance to the Section
        • Initiate policy statements in areas of expertise
        • Organize meetings within CPA
        • Make specific representation to external agencies or organizations, if it has received the approval of the Board of Directors to do so
        • Recommend that CPA make specific representations to external organizations or agencies

    • Are there ways that members, and the CPA as a whole, could be better served by sections now and in the future? If so, how could this be accomplished?
    • Is there sufficient oversight between the sections and the board? Are there ways this could be improved?
20. How would you describe the relationship between CPA and the Practice Directorate Council? Between the CPA and CPAP?  Are roles, expectations and lines of accountability

clear? How could the relationships be clarified or improved? Would changes to the structure help to better support CPA's relationship with its provincial/territorial partners?

## **Other**

21. Are there any good governance practices that the organization has implemented, which have not been covered during the course of this interview that you wish to discuss, or any best practices you are aware of that you recommend the CPA consider? Are there any areas of concern that you'd like to raise?

## Annex C – Focus Group Guide

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**Canadian Psychological Association (CPA)**
**Governance Review**
**Focus Group Guide for Section Heads**

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1. As Section Heads, what are your most significant challenges in working as a section? In working with CPA Head Office? In working with CPA's Board? Are there ways that roles and responsibilities, and processes, could be clarified or streamlined and if so what and where?

2. CPA has committed resources to better support Sections by hiring a staff person responsible for sections. How well has this been functioning? Have you taken advantage of the resources? Are there further improvements or supports that could be helpful?

3. CPA has recognized that new Chairs require more guidance and support in transition, and have established some processes for onboarding new Section Chairs. This has included the development and circulation of a Section Orientation Manual as well as orientation teleconferences in early fall with all chairs.

   How well have they been working? What suggestions do you have to improve the onboarding process?

4. What, in your view, are the most significant needs of the CPA membership? Of these needs, which are best served through Sections and why? From your perspective, is it clear to members of your Section what services they receive for their membership fees?

5. Some sections are less active than others, and there have been some discussions around merging sections. In your view, is there a need for some type of consolidation? Is there a clear process to undertake this? Should there be? Are the policies defining a non-active section clear?

## Annex D – Duty of Loyalty on Constituency-based Boards

The Duty of Loyalty on Constituency-based Boards

Directors can be held liable for not meeting their fiduciary duty, which is the highest standard of duty that law imposes. The term "fiduciary duty" includes several distinct duties. First, a director must act honestly and in good faith. In addition, a director must act loyally, which requires acting in the interest of the corporation and not in the interest of any other party; in other words, a director cannot favour the interest of a particular person or group over the interests of the corporation as a whole. These concepts are generally referred to as the fiduciary 'duty of loyalty'. In addition, a director's fiduciary duty includes the duty of confidentiality and obedience to the valid decisions of the board of directors of the corporation.[2]

Non-profit boards are usually one of two types: competency-based or constituency-based. These are not exclusive models. For example, a constituency-based board can also recruit directors that have the right combination of competencies to fulfill their mandate. Similarly, a competency-based board can include directors with deep knowledge of a specific sector.

While issues surrounding the duty of loyalty and conflict of interest can be found in all types of boards, the duty of loyalty is typically more of a challenge for constituency-based boards. While legally the obligations of directors are clear, the practice is much more difficult. That said, effectively addressing these issues, and ensuring that directors can effectively engage in discussion and decision-making on the board, is essential for both the organization and its membership (who will typically have a vested interest in the success of the organization).

Under the duty of loyalty fall the responsibilities to recognize real or potential conflicts (personal or professional) and deal with them appropriately, not divulge confidential information or use information for personal or professional advantage that was received in a director's capacity, and not divert any opportunities for personal or professional benefit or the benefit of another business if they could be of interest to the corporation.

The duty of loyalty, when taken from a negative perspective, is called conflict of role or of loyalty, and is generally linked to competing fiduciary interests at a corporate level. In contrast, conflict of interest typically refers to personal interests (financial or other) that may undermine loyalty. While many consider conflict of role or loyalty as a subset of conflict of interest, it is distinct in that the source of conflict is a corporate or professional obligation on the part of a director, which may cause him or her to favour an outside organizational or constituency interest over his or her duty to the organization he or she is governing.

From a practical point of view, directors sitting on constituency-based boards can and should be in touch with their constituencies in order to understand their needs and desires, should communicate this information to the board, and should communicate back to their constituencies about board decisions and other corporate non-confidential information of interest.

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[2] "Not-for-Profit Law Alert", Borden Ladner Gervais, 2007

It is important to recognize, that directors, even if nominated by a member group or organization, are elected as individuals, and owe their fiduciary duty to the corporation on whose board they serve. Decision-making must therefore be driven by the best interests of that corporation. For this reason it is generally in the best interests of both the member group / organization and the corporation on which the director will serve that the nominated director does not have competing fiduciary duties (conflicts in 'duty of duty') that cannot be reconciled or that could limit their ability to effectively contribute to the board and corporation they serve. Competing fiduciary duties may include serving on boards of directors of more than one corporation where the corporations may have competing and/or potentially conflicting interests, or where other business relationships may be at play.

The *Canada Not-for-Profit Act* defines conflicts broadly, including both personal and professional interests. It also includes the key word "material" which gives boards discretion to not have to react to very minor issues. The Act also emphasizes not accepting an appointment as director if material conflicts of interest exist. This encourages potential boards and directors to try to avoid conflicts in the first place, and should be a consideration for any member group / organization putting forward potential directors for a board. In addition, if a director serving on a board a directors regularly declares a conflict of interest on certain types of decisions before the board and/or is unable to engage on key corporate issues because of regular, competing interests, it may be a sign that the director is not a good fit to serve the best interests of the corporation.

In practice, organizations will have a conflict of interest policy in place that both defines what conflict of interest means to the organization and the process for addressing conflicts if they arise.  Best practices in addressing conflict of interest include having directors declare real or potential conflicts on an annual declaration, and, if a conflict arises during a particular discussion / decision, having the director declare the conflict of interest and remove him/herself from both the discussion and decision. The declaration and process followed (i.e. when the director left and returned to the discussion) should be noted in the board's meeting minutes. If conflicts arise regularly, resignation of the director may become appropriate.

**Annex E – The Value of An Advisory Body**

Skills-based boards are typically becoming smaller in size with a greater fiduciary and strategic focus. This has sometimes meant a shift in constituency-focused boards to directors being selected to govern with interests of all stakeholders in mind. Transition to a new type of board requires careful consideration. Stakeholders who were once board members can play critical roles in shaping the organization without bearing fiduciary duty.

An advisory body – be it a called a council, board or committee - can help bring together organizational stakeholders to give non-binding advice and expertise onto an organization on specific initiatives, projects or key priority areas. While the advisory body does not have voting privileges, an effective advisory board, properly structured, can help give non-binding, but informed guidance. It offers a forum for stakeholders to discuss issues amongst themselves as well as bring issues to the attention of the organization, without fiduciary duty to the organization. The advisory body could report formally to either the Board or the CEO depending on the area of focus.

If used effectively, an advisory board can bring a number of important benefits, including:
- Contacts
- Expertise
- Perspective
- Prestige
- Strategic input

Key for the success of an advisory board is to develop a clear description of responsibilities, activities and limits on authority that the advisory board can have.

Guidelines for Having Advisory Boards

1. Develop a written description of the responsibilities, activities, and limits on authority of the Advisory Board. Include info on items such as the number of meetings to be held and the length of terms.
2. Establish a formal relationship between the Advisory Board and the governing Board, and distinguish between the roles of the two.
3. Don't establish an Advisory Board if you can't commit time to prepare for effective meetings, and to making the experience meaningful and rewarding for Advisory Board members. Some organizations have erred by creating Advisory Boards whose members felt ignored or unnecessary.
4. Some Advisory Boards never meet, but are vehicles for recognizing individuals who advise the staff and/or the Board of Directors. In this instance, make it clear to nominees what their responsibilities are.
5. Consider how to highlight Advisory Board members in communications (such as having biographies on organization website, etc.)
6. Ensure Advisory Boards receives feedback from the Board on the advice considered.

## Annex F – Suggested Committee Changes

| Board Committees | | |
|---|---|---|
| Name | Rationale | Staff Liaison |
| Governance (formerly Bylaws, Rules and Procedures; Nominations; Elections) | The three committees had, to some extent, overlapping membership, but more importantly shared tasks, which have to do with helping shape the corporate governance of the association. In many organizations, these tasks fall under one committee. Efficiencies can be gained from the merger of the 3 committees into one Governance committee. | Dr. Karen Cohen |
| Administration and Finance | As the committee that assists to ensure the stable financial and administrative management of the Association, it is an important board committee. | Phil Bolger |
| Audit | Made up of non-Presidential members, it offers an impartial external review of the organization's finances. It should remain its own committee. | Phil Bolger |
| Sections | As one the primary agents through which needs of members are met, sections play an important role. Some guidance and engagement with the Board is beneficial to shape CPA as a whole. | Cara Bernard |
| Public Policy | The Public Policy committee plays a strategic role in recommending policy priorities to the CPA Board and as such should remain a committee of the board. | Dr. Karen Cohen |
| Membership | Members make the CPA. As such, it is important that attention be given to strategies on how to create and retain members across the domains of science, education and training and practice. | Tyler Stacey-Holmes |

| Management Committees | | |
|---|---|---|
| Name | Rationale | Staff Liaison |
| Convention | The Convention is where all psychologists, psychology students and others interested in psychology meet. Some elements, which are strategic in nature, should be discussed with, and decided by the broader board but the majority of the work around the convention is operational in nature. The President Elect should serve on this committee. | Kathy Lachapelle Petrin/Dr. Lisa Votta Bleeker |
| Scientific Affairs | This committee's work is to advance psychological science. Its membership is already largely composed of members. The committee supports the work of staff rather than that of the board. | Dr. Lisa Votta-Bleeker |
| Education and Training | This committee promotes excellence in undergraduate and graduate university and college | Either the Registrar |

| | education in psychology as well as career development in psychology. Its membership is already largely composed of members. The committee supports the work of staff rather than that of the board. | Accreditation or the to be appointed senior staff person responsible for Education and Training. |
|---|---|---|
| Professional Affairs | This committee's work is to support the practice of psychology across all applied domains. The Board could opt to make this the committee that leads the Practice Directorate with a certain number of seats reserved for representatives from stakeholder organizations inclusive of the provincial/territorial associations. Its membership is already largely composed of members. The committee supports the work of staff rather than that of the board. | Dr. Karen Cohen/Amy Barnard |
| Ethics | Part of the work of the Committee is to formulate ethical principles and standards for approval to the Board. But, to a large extent, it responds to requests and queries, negotiates informal resolutions of complaints and conducts investigations into complaints on behalf of the President, all of which are operational in nature. | Incumbent staff who will serve as our Registrar and Ethics Officer/ Dr. Karen Cohen |
| Fellows and Awards | The focus of the Committee is to determine procedures to select fellows and awardees. This Committee should be composed of members or peers as is currently the case rather than the Board per se. | Dr. Karen Cohen |
| Publications | The Committee is in charge of developing and maintaining policies and practices of journal publication by the CPA, and as such does not play a role in the overall strategic direction of CPA. | Dr. Lisa Votta-Bleeker |
| Canadian National Committee for the International Union of Psychological Science | A partnership between CPA and the National Research Council, it works to promote the development, representation and advancement of psychology as a basic and applied science nationally, regionally and internationally. Its scope of work goes beyond CPA and does not directly influence the direction CPA takes. | Dr. Lisa Votta-Bleeker |

| Committee to consider deleting | |
|---|---|
| Name | Rationale |
| Past Presidents | This committee does not appear to meet other once annually at the convention.  CPA can continue to support their breakfast meeting and the Board can continue to consult them (as was the case for the governance review) without necessarily leaving them as a **standing committee.** |
| International Relations | International outreach is not part of CPA's current strategic plan.  The Board may want to revisit whether it wants to revise its strategic plan to include its international relations as an organizational goal.  The Board may want to consider whether this Committee is a value-add over and above what is done via the CNC. |

Other considerations:
- merge Publications with Scientific Affairs;
- merge Membership and Sections;
- make Membership an operational rather than Board committee.