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CONSULTANT ON GOVERNANCE

November 1, 2017

Dr. Karen Cohen  
Chief Executive Officer  
Canadian Psychological Association

Dear Karen

I am pleased to respond to your request for my views on how the board of the CPA can effectively deal with its relations with its external stakeholders. My views are based on the discussion I led on governance renewal at the board retreat on November 11, 2016

The bullets below follow the material covered in my slide presentation to the Board at that time:

- **Key Governance Principles.** Two key governance principles are duty of loyalty and duty of care. Duty of loyalty involves the board member acting honestly, in good faith and in the best interests of the organization. I stated that having individuals on the board who are not elected by the membership, but who represent another organization, runs the risk of a conflict of interest for the non-elected board member.
- **Fiduciary Responsibilities of the Board.** I view the board's relationship with its key stakeholders as one of 6 key fiduciary responsibilities. In brief, the board is responsible for the performance of its relationships with its key stakeholders.
- **Stakeholder Responsibilities.** The board's responsibilities are to identify the key stakeholders, specify the nature of the relationship and how the two entities should work together, assess the effectiveness of the relationship on a periodic basis, and ensure that CPA and its partners discuss the ongoing effectiveness of their relationships.
- **Structural Considerations.** This topic deals with how the board structures itself including board size and the pros and cons of non-elected members of the board. At the time of the retreat, the board consisted of 14 members; 9 who were elected by the membership (including 1 seat for a francophone and 1 seat for a master's level psychologist), 1 seat designated for a representative of the Student Section and 4 members who were appointed by designated external stakeholders.

We had a long discussion on the current board composition. Having external organizations represented on the board can work but the external member must serve in the best interests of the CPA board and not in any other capacity. This can be challenging, however, and can lead to potential conflict situations and sub-optimal board performance. I suggested that there are other ways to get input from external organizations, specifically through the management of

stakeholder relationships and/or through some sort of advisory committee structure. As I recall our retreat discussion, I felt that there was general support for this structural re-arrangement.

Having 13 (assuming the reserved student seat) of the 14 board members elected at large has the important benefit of proposing a slate of directors who meet one or more of the competencies the board feels it needs to represent its membership and become a high-performance board. Also reviewed with the board was the suggestion that it consider the development of a matrix of desired board competencies.

I trust this summary is helpful.

Sincerely

Signed

James R Nininger