



Best Practices for Governance and Administration of Aboriginal Service Delivery Organizations

Laura Mitchell and Jodi Bruhn

March 31, 2009



The Institute On Governance (IOG) is a Canadian, nonprofit think tank that provides an independent source of knowledge, research and advice on governance issues, both in Canada and internationally.

Governance is concerned with how decisions important to a society or an organization are taken. It helps define who should have power and why, who should have voice in decision-making, and how account should be rendered.

Using core principles of sound governance - direction and purpose; legitimacy and voice; accountability and transparency; effective performance; and ethical behaviour and fairness – the IOG explores what good governance means in different contexts.

We analyze questions of public policy and organizational leadership, and publish articles and papers related to the principles and practices of governance. We form partnerships and knowledge networks to explore high priority issues.

Linking the conceptual and theoretical principles of governance to the world of everyday practice, we provide advice to governments, communities, business and public organizations on how to assess the quality of their governance, and how to develop programs for improvement.

You will find additional information on our activities on the IOG website at www.iog.ca

© 2009, Institute On Governance

For further information, please contact:

Laura Mitchell, Jodi Bruhn
Institute On Governance
122 Clarence Street
Ottawa, Ontario
Canada K1N 5P6
tel: +1 (613) 562-0090
fax: +1 (613) 562-0097
info@iog.ca
www.iog.ca

[IOG 2009-1286]

Abstract

This literature review explores research dealing with the best practices of Aboriginal service delivery organizations. The review is based on literature from several fields, all dealing with aspects of governance. In addition, the review draws on real life experiences reflected in the literature or gathered through other projects and research undertaken by the Institute On Governance.

The review highlights five pillars of effective governance for Aboriginal service delivery organizations. These are: incorporation of Aboriginal values; a strong executive and board; formal processes and structures with flexible application; continual planning and evaluation, and; strategic sustainability. The five pillars are drawn in part from the IOG's work on governance—primarily the five principles of good governance—as well as from research on the practices of highly effective organizations

Table of Contents

| | |
|--|-----------|
| INTRODUCTION | 1 |
| WHAT IS GOVERNANCE? | 2 |
| WHAT IS GOOD GOVERNANCE? | 3 |
| THE IMPORTANCE OF GOOD GOVERNANCE FOR SERVICE DELIVERY ORGANIZATIONS | 5 |
| FIVE GOVERNANCE PILLARS FOR ABORIGINAL SERVICE DELIVERY ORGANIZATIONS | 5 |
| 1. INCORPORATION OF ABORIGINAL VALUES AND CULTURE | 6 |
| CHALLENGES..... | 6 |
| DEFINING ABORIGINAL VALUES AND CULTURE..... | 6 |
| THE IMPORTANCE OF INTERCULTURAL NAVIGATION | 7 |
| 2. STRONG EXECUTIVE AND BOARD | 8 |
| CHALLENGES..... | 8 |
| CHARACTERISTICS OF A STRONG EXECUTIVE AND BOARD..... | 8 |
| INCORPORATING ABORIGINAL VALUES | 10 |
| 3. FORMAL PROCESSES AND STRUCTURES WITH FLEXIBLE APPLICATION | 12 |
| CHALLENGES..... | 12 |
| CHARACTERISTICS OF FORMAL PROCESSES AND STRUCTURES WITH FLEXIBLE APPLICATION | 13 |
| INCORPORATING ABORIGINAL VALUES..... | 14 |
| 4. EFFECTIVE PLANNING AND EVALUATION | 15 |
| CHALLENGES..... | 15 |
| CHARACTERISTICS OF EFFECTIVE PLANNING AND EVALUATION..... | 15 |
| INCORPORATING ABORIGINAL VALUES | 18 |
| VI. STRATEGIC SUSTAINABILITY | 19 |
| CHALLENGES..... | 19 |
| CHARACTERISTICS OF STRATEGIC SUSTAINABILITY..... | 20 |
| INCORPORATING ABORIGINAL VALUES | 23 |
| CONCLUSION | 25 |

Introduction

Governance matters. Research has shown that strong governance systems are essential to ensuring successful communities and organizations.¹ The Harvard Project on American Indian Economic Development has cited good governance as one of the key factors necessary for economic success in First Nations communities. Well-governed systems are, in the view of the Harvard researchers, more important to positive outcomes even than access to financial resources or abundant natural resources.²

When we turn our focus to service delivery organizations we find that governance again has an important role to play.³ Governance for these organizations means everything from the structure and composition of the board, to sound human resources management practices, to solid relationships with partner organizations and funding bodies. This does not suggest that all cultures and groups will have the same understanding of governance; governance is a concept that varies considerably in different cultures. While both the Institute of Governance (IOG) and the United Nations Development Program (UNDP) have proposed models which represent good governance, neither model is so rigid that it cannot be adapted to reflect the values and needs of individual communities.

Aboriginal service delivery organizations can find themselves in a precarious position, straddling both the western world and the Aboriginal one. Governance for Aboriginal peoples has often been viewed as incongruent with “western” concepts of governance.⁴ Aboriginal organizations are forced to navigate an intercultural landscape in which they must reconcile the culturally influenced needs of their community with the expectations of the dominant cultures.⁵ David Martin, an Australian anthropologist, suggests it is

¹ J. Hunt and D. Smith, “Ten Key Messages from the Preliminary Findings of the Indigenous Community Project, 2005” Centre for Aboriginal Economic Policy Research; Letts, Ryan and Grossman, *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact* (New York: John Wiley & Sons, Inc, 1999); Thomas Wolf, *Managing a Nonprofit Organization in the Twenty First Century* (New York: Fireside, 1990); Fredric Laughlin and Robert Andringa, *Good Governance for Nonprofits: Developing Principles and Policies for an Effective Board* (New York: AMACOM, 2007); John Graham, Bruce Amos and Tim Plumpre, *Principles for Good Governance in the 21st Century* (Ottawa: Institute On Governance, 2003); John Graham and Jake Wilson, *Aboriginal Governance in the Decade Ahead: Toward a New Agenda for Change* (Ottawa: Institute on Governance, 2004); Dawn Smith et al. “The Influence of Governance on Organizations’ Experiences of Improving Care for Aboriginal People: Decolonizing Possibilities” in *Pimatisiwin: A Journal of Aboriginal and Indigenous Community Health* 6(1) 2008.

² Stephen Cornell and Joseph P. Kalt, “Two Approaches to the Development of Native Nations: One Works, the Other Doesn’t,” Miriam Jorgensen, ed. *Rebuilding Native Nations: Strategies for Governance and Development* (Tucson: The University of Arizona Press, 2007), 23.

³ Smith et al., “The Influence of Governance on Organizations,” 6-7.

⁴ Jon Altman, “Different Governance for Difference: the Bawinanga Aboriginal Corporation” in *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29 (2008). 177.

⁵ The term “dominant culture” is one Martin uses to distinguish between non-Aboriginal and Aboriginal cultures in Australia. It is fitting in the Canadian context as well and will be used to make that same distinction here. Although Canada is a heterogeneous culture with many varied minority populations it is still predominantly Anglo-Saxon in ethnicity. Statistics Canada, “Ethnic origins, 2006 counts, for Canada, provinces and territories” <http://www12.statcan.ca/english/census06/data/highlights/ethnic/>, accessed Jan 19, 2009.

perhaps more helpful to view Aboriginal organizations as intercultural. He argues that indigenous organizations “form important sites around which indigenous people’s values and practices are brought to bear, but where these values and practices are also contested, adapted and transformed.”⁶

The following literature review of best practices for governance and administration of Aboriginal service delivery organizations proposes to situate current understandings of best practices of governance for service delivery organizations within the context of Aboriginal organizations. The review will begin by outlining the five principles of good governance as the IOG has defined them. After highlighting the importance of good governance for effective organizations, it will identify five governance pillars for Aboriginal service delivery organizations. Although all but one of these governance pillars is applicable in both Aboriginal and non-Aboriginal contexts, the literature review will underline the ways these pillars can be adapted to showcase culturally responsive governance practices. The review will include examples of Aboriginal organization that are employing these pillars effectively in six broad service areas (employment and training, health, child and family, educational, cultural and infrastructure), as well as the ways these organizations integrate aspects of their own cultures into the pillars.

What is Governance?

The notion of intercultural navigation proposed in the previous section is especially important when exploring notions of governance for Aboriginal organizations. Many of the structures and benchmarks that help define good governance reflect aspects and values of western culture. However, Aboriginal organizations continually adopt and transform those in ways that make them more culturally relevant. In so doing, Aboriginal organizations can manage the expectations of the dominant culture—which can be influential in the organization through funding arrangements and partnerships—but still maintain elements of cultural sovereignty. The origin of the *word* governance may be western, in other words, but the *practice* of governance is by no means foreign to Aboriginal societies and organizations.

Summing up the work of Tim Plumptre and John Graham, Martin states of governance:

[I]t can be seen as encompassing both formal and informal structures and processes through which a group, organization, community or society conducts and regulates its internal affairs as well as its relations with others.⁷

⁶ D.F. Martin, “Rethinking the Design of Indigenous Organizations: The need for strategic engagement,” *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29 (2008), 1-2.

⁷ Martin, “Rethinking the Design of Indigenous Organizations,” 7; T. Plumptre and J. Graham, “Governance and Good Governance: International and Aboriginal Perspectives,” 3.

At its core, governance is about power, relationships and accountability: who has influence, who decides, and how decision makers are held accountable.”⁸ Notably, governance is not the same thing as government. It is rather about how power is exercised in an organization or society. Governance is about how an organization makes its important decisions, about what players will be involved in that process, and about what tools will be used to guide or document that process.⁹ Beyond this, governance involves less tangible, yet nonetheless strong, influences like an organization or society’s culture, history or technological level. These factors can help inform how the governance of an organization will evolve.¹⁰

When framed in this way, governance ceases to be such a western or even a foreign concept. It is more about a way of being and acting in the world. By this definition, governance structures and practices are inherent to a community or organization—not imposed by outside influences. Ultimately, this definition emphasizes the crucial role that governance plays in shaping the health and wellbeing of any community, organization or group.

What is Good Governance?

Further to the definition offered in the previous section, the IOG has compiled a list of five principles that it sees to be core characteristics of good governance. These five principles represent, not an attainment, but an ideal that no society has yet achieved. The following five principles help us understand not merely governance but *good* governance as it applies to an organization, community or society. The principles are:

- Legitimacy and Voice
- Direction
- Performance
- Accountability
- Fairness

The five principles of good governance are not original to the IOG but are based on nine “core characteristics” of good governance as articulated by the United Nations Development Program (UNDP). Box 1 illustrates the derivation of the IOG principles from the UNDP core characteristics of good governance.

⁸ Plumptre and Graham, “Governance and Good Governance,” 3.

⁹ Graham “Aboriginal Governance in the Decade Ahead,” ii.

¹⁰ Ibid, 5.

Box 1: Five Principles of Good Governance

| The IOG Good Governance Principles | The UNDP principles and related UNDP text on which they are based |
|------------------------------------|---|
| 1. Legitimacy and Voice | <p>Participation – All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.</p> <p>Consensus orientation – Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.</p> |
| 2. Direction | <p>Strategic vision – Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.</p> |
| 3. Performance | <p>Responsiveness – Institutions and processes try to serve all stakeholders.</p> <p>Effectiveness and efficiency – Processes and institutions produce results that meet needs while making the best use of resources.</p> |
| 4. Accountability | <p>Accountability – decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external.</p> <p>Transparency – transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.</p> |
| 5. Fairness | <p>Equity – all men and women have opportunities to improve or maintain their wellbeing.</p> <p>Rule of Law – legal frameworks should be fair and enforced impartially, particularly the laws on human rights.</p> |

These principles are not impermeable. In many cases they overlap; at times, they may appear to contradict one another. The principle of performance is sometimes at odds with the requirements of the accountability principle, for example. The direction principle sometimes conflicts with the goal of promoting voice for all community members. Taken

together, the principles are meant to act as sign posts that guide an organization toward the realization of better and well-balanced governance.

The Importance of Good Governance for Service Delivery Organizations

Aboriginal service delivery organizations in Canada offer a wide range of services and exist in communities across Canada, whether at the local, regional or national level. When we discuss service delivery in an Aboriginal context we generally speak about six areas: employment and training, health, child and family, cultural services, education and infrastructure services. Despite the varied program and service focus of the organizations, there can be considerable overlap in how they govern and administer themselves. This allows us to speak of “best practices” for service delivery organizations as such.

Increasingly, research has begun to recognize the importance of good governance for “effective organizational performance.”¹¹ For an organization to be healthy and for it to function well, it must have practices in place to help it decide how important decisions will be made and who will make them. The governance of service delivery organizations encompasses a wide range of actions. An organization must decide how its board will be elected or appointed, how the board will govern itself, and how it will direct the organization. An organization must plan strategically in order to have clearly defined organizational goals. It must have well-defined roles and responsibilities—for staff at all levels, for the board and, where relevant, for volunteers. It should have policies and procedures in place to address everything from human resource management through to defining conflicts of interest and how such conflicts will be mitigated. Boards, visions and missions, policies and procedures, and role descriptions are the structures on which solid organizations are built. And these structures all deal with aspects of governance.

Five Governance Pillars for Aboriginal Service Delivery Organizations

Based on the literature regarding governance for service delivery organizations—both Aboriginal and non-Aboriginal—we have identified five governance pillars that underpin all strong Aboriginal service delivery organizations. The five pillars are:

1. Incorporation of Aboriginal Values and Culture
2. Strong Executive and Board
3. Formal Processes and Structure with Flexible Application
4. Continual Planning and Evaluation
5. Strategic Sustainability

The following sections address each pillar in detail. Each section addresses the challenges associated with each pillar. Each then provides a definition and further development of the pillar as well as examples of how it can be shaped to reflect Aboriginal values and cultures.

¹¹ Mel Gill, “Governance DO’s and DONT’s: Lessons from Case Studies on Twenty Canadian Nonprofits, Final report” (Ottawa: Institute on Governance, 2001), 6.

1. Incorporation of Aboriginal Values and Culture

Challenges

The very notion of defining an Aboriginal value appears to be challenging. While it is important to recognize the role that Aboriginal values can and should play in the design of governance of service delivery by Aboriginal organizations, it is important that the organizations go further than to state simply that an organization employs Aboriginal values or culture—the organization should elaborate on what those values might be.¹² The challenge of defining Aboriginal values becomes difficult once we accept that the term “Aboriginal,” while commonly used, is perhaps no more descriptive than the term “Canadian.” The term “Aboriginal” encompasses Canada’s numerous First Nations, Inuit and Métis peoples—all of whom have differing cultures and values.

Incorporating Aboriginal values or principles into an organization can be challenging. It requires an ability to define concretely what the Aboriginal value is for the specific people it represents. Then, it requires an ability to translate that value or principle into a governance practice while maintaining its integrity and spirit.

Defining Aboriginal Values and Culture

Although it may be difficult to define what precisely an Aboriginal value is, there is at least an implicit understanding in the literature that Aboriginal values differ from those of the dominant Canadian society. For example, the Royal Commission on Aboriginal Peoples (RCAP) identified nine key aspects of Aboriginal traditions of governance. They are: the centrality of the land; individual autonomy and responsibility; the rule of law; the role of women; the role of elders; the role of the family and clan; leadership; consensus in decision making; and the restoration of traditional institutions.¹³

The IOG has proposed a model of Aboriginal governance based in the traditions of First Nations people prior to contact with western peoples. In a recent paper, Bruhn and Graham argue that these values and traditions inform a notion of governance that is distinct from, but also overlapping with, the five principles offered by the IOG. They suggest that Aboriginal governance prior to contact could be captured in the following five principles: attunement, responsive leadership, harmony, respect and self-sufficiency (conveyed in the phrase “we help ourselves”).¹⁴ Overlap in the principles can be seen in the following:

The IOG principles, in keeping with a more linear understanding of historical time, emphasize purpose and moving forward, whereas the First Nations principles emphasize attunement. Both sets strongly emphasize fair play and reciprocity. Both require a basic respect for others—the one through informal checks and custom and the other

¹² Gordon Gibson, *A New Look at Canadian Indian Policy: Respect the Collective – Promote the Individual*. Fraser Institute, 2009.

¹³ Royal Commission on Aboriginal Peoples, Vol. 2, Part 3.

¹⁴ Jodi Bruhn and John Graham, “In Search of Common Ground: Reconciling the IOG Governance Principles and First Nations Traditions,” (Ottawa: Institute on Governance, 2009) 25.

through an elaborate written and institutional system of checks and balances. Both, finally, emphasize the central role of service and of prudent, responsible leadership.¹⁵

The IOG also discovered some weighty distinctions between pre-contact Aboriginal and its UNDP-based governance principles: for example, the increased emphasis on ties with kin, the Creator, and the land and its creatures or the more holistic sense of government as meaning “our life.” The paper made it apparent that the IOG principles can be applied to Aboriginal service delivery organizations. Yet it also made it clear that these principles, to apply in an Aboriginal context, may well require some reformulating.

The Importance of Intercultural Navigation

David Martin highlights this same tension for indigenous organizations operating within the dominant culture. In his view, it is nearly impossible to posit a singularly indigenous approach to governance in a contemporary setting, since so much of the discourse and action of governance for indigenous peoples has occurred through interaction with the dominant culture.¹⁶ Speaking of the Australian context, Martin argues that indigenous organizations should embrace some elements of a western notion of governance:

If more effective governance is a core component of an increased capacity for strategic engagement by indigenous people with the dominant society, then it must draw not only from the values and practices of indigenous people, but also from those of the general Australian society—and indeed from relevant international experience.¹⁷

In striving to be culturally appropriate, then, Aboriginal organizations cannot completely divorce themselves from Western notions of governance. This is impossible in practical terms in that so much of these organizations’ funding is derived from government contracts and grants. Yet it is also not warranted at the level of principles. Western notions of governance, if appropriately tailored, can offer useful tools for success for Aboriginal organizations.

That said, reflection of Aboriginal values and principles in Western governance structures appears to be critical to the success of Aboriginal service institutions. Mike DeGagné, Executive Director of the Aboriginal Healing Foundation (AHF), suggests that: “a principal means by which institutions develop legitimacy is by achieving a good match between institutions and the society’s culture.”¹⁸ As a key component of an organization’s legitimacy among its service recipients, the Aboriginal values pillar is the foundation on which the other four pillars rest. Each of the following four are important, but the pillars of Aboriginal organizations can be strong only if they adapt—to the extent

¹⁵ Ibid, 26

¹⁶ Martin, “Rethinking the Design”, 8

¹⁷ Ibid, 9

¹⁸ Mike DeGagné, “Administration in a National Aboriginal Organization: Impacts of Cultural Adaptation,” *Canadian Public Administration* 51:4, 671.

required by a given situation—to incorporate Aboriginal values and culture. The particular adaptations an organization will make and the balance between Aboriginal and western forms and principles it will strike will differ from case to case. What will remain the same, however, is the need to navigate this challenge in order to provide a strong foundation of legitimacy for the service organization.

2. Strong Executive and Board

Challenges

The literature that examines governance for organizations emphasizes the role of the board. The board is responsible for guiding the organization. A strong board can help with everything from networking and fundraising through to strategic planning and policy creation. However, a weak board—or a board that is not fully aware of its appropriate role—can be damaging to an organization.¹⁹

One of the major challenges facing boards today is to ensure that the right set of people sits around the board table. The strength of a board is almost completely defined by the capacity of its members. Strong, skilled members with varied talents and experiences will help to increase the vitality and ability of the board. Scholars have noted that finding a diverse, highly skilled board can be more challenging in Aboriginal communities, which have a smaller pool of qualified candidates from which to draw.²⁰ A report commissioned by the First Nations Police Chiefs Association specifically identified this lack of qualified candidates as a barrier to developing effective board governance practices in some of its communities.²¹ Instead of acting as a guide for the organization, boards that lack the appropriate training and skills are more likely to take direction from staff. This negates the advisory and decision-making capacity many boards are meant to employ.

Characteristics of a Strong Executive and Board.

The success of a board and the success of an organization are often inextricably linked. The board is involved with all of the other pillars of governance identified in this paper: whereas an effective board will make the other pillars more effective, an ineffective board may cause the others to falter. Plumtre and Laskin have identified several ways a board contributes to the health of an organization. Boards that are functioning well will:

- **Ensure the organization’s financial health.** This means ensuring that money is spent in a prudent way and that the organization has and follows a budget. The

¹⁹ John Graham, “Managing the Relationship of First Nations Political Leaders and Their Staff,” (Ottawa: Institute On Governance, 2006), 19-21.

²⁰ N. Westerbury and A. Saunders, “Governance and Service Delivery for Remote Aboriginal Communities in the Northern Territory: challenges and opportunities,” *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29, 2008. 4; Jon Altman, “Different Governance for Difference: the Bawinanga Aboriginal Corporation,” *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29, 2008, 188

²¹ Sixdion Inc., “First Nations Policing Sector Study,” 2000. 16-7
<http://www.fncpa.ca/Publications/RepMod2-3.pdf>

board will help put in place sound financial and accounting systems if these do not already exist.

- **Ensure sound relationships with stakeholders.** The board will foster key relationships and seek out new partnerships. Board members may also be involved in the more tangible side of relationship development by helping create new communications and marketing strategies and by serving as representatives at speaking engagements.
- **Ensure high performance.** An effective board will understand how an organization is performing—not just through information from formal staff reports but also through informal channels and ongoing evaluation. An effective board will not get caught up in day-to-day actions within the organization. Rather, it should be focused on overall performance and achievement of long term goals.
- **Communicate or advocate effectively.** The board will be responsible for representing and promoting the organization’s mission in the wider community. Often board members will be more involved than the staff of the organization in this kind of work.
- **Develop and update a longer-term plan.** Board members are charged with taking a more strategic and holistic view of an organization. Because they are not involved in the day-to-day operations of the organization, they can dedicate more time to asking questions about future direction and create plans to help them take that direction.
- **Ensure the existence of a sound governance framework.** The governance framework includes all of the core documents that define how the governance of the organization should work. These documents include the bylaws and articles of incorporation as well as the policies, practices and conventions that dictate which actors will make decisions.²²

These six categories offer a structure reflecting best practices for boards. Due to the wide range of tasks a board is responsible for, organizations should give careful consideration to the people it seeks to sit at the board table. They should have policies that identify both the appointment process and the criteria by which appointees will be measured. A set of criteria can help ensure that an organization’s board reflects not only the skills required to support the organization but also the culture and values of the organization.

Another factor that can dictate how effective a board will be is the strength of the board chair. An effective chair can have considerable power. Plumptre has identified several areas where a chair can have either direct authority or considerable influence: in setting board priorities and shaping board culture, in board evaluation, in organizing the board’s calendar, agenda and the direction of meetings, and in overseeing appointments to committees as well as bringing on new blood and reviewing the performance of the CEO or Executive Director.²³ Because the role of the chair carries both considerable responsibility and power, the decision of who should fill that role is an important one.

²² Tim Plumptre and Barbara Laskin, “From Jeans to Jackets: Navigating the Transition to More Systematic Governance in the Voluntary Sector,” (Ottawa: Institute on Governance, 2003), 3-5.

²³ Tim Plumptre, “Not a Rocking Chair! How board chairs can provide strategic leadership to public purpose organizations,” (Ottawa: Institute on Governance, 2007), 3-4.

Plumptre argues that “organizations must give careful thought to the criteria used to select their chair, and the process used to appoint the incumbent.”²⁴

The executive leadership of an organization, particularly the role of the executive director, is also of critical importance. Thomas Wolf has identified four key criteria that an effective leader possesses. An effective leader has a vision for the organization, is engaged in the community, has strong organizational management skills (including the ability to lead and inspire both the staff and the board), and personal attributes like self-awareness, comfort with change and ambiguity, inquisitiveness and creativity.²⁵ Crutchfield and Grant take those attributes a step further and argue that truly effective leaders are adept at power sharing. Instead of trying to “go it alone” effective leaders will adopt a “collective leadership” strategy where a leader will build and inspire a team of support within senior management at the organization.²⁶ While this does not overshadow the importance of a strong individual leader at the head of the team, it suggests that effective power sharing and staff engagement is an important aspect of organizational success.

Incorporating Aboriginal Values

Many Aboriginal organizations seek to tailor the composition of their boards in a way that reflects their culture. Often, this means that boards will develop certain policies and procedures to determine the characteristics of people who should be involved at the board level. While such policies are not exclusive to Aboriginal organizations, Aboriginal organizations can create criteria to ensure that a certain number of board members are also members of the Aboriginal group the organization serves. These criteria ensure that Aboriginal voices and perspectives will be reflected at the decision-making level. Some organizations go a step further to require not only that the board members are Aboriginal, but that certain demographics and valued roles within the Aboriginal community are represented. This may mean including youth representatives or Elders on the board.

Research has indicated that it is important, especially in service delivery organizations, that the community the organization serves also has a say in decision making.²⁷ Involving individuals who understand the community’s values and cultures will help ensure that the organization reflects them in as effective a way as possible. This view can be reflected beginning with foundational documents like the mission and vision of an organization through to ongoing strategic planning and a forward direction. Because the board plays such an important role in all these processes, it is essential that the board understand and reflect those same principles.

The Aboriginal Healing Foundation (AHF) is an organization dedicated to assisting Aboriginal people in Canada help themselves deal with the legacies and harmful effects

²⁴ Ibid, 11.

²⁵ Wolf, Thomas, *Managing a Nonprofit Organization in the 21st Century*, (New York: Fireside, 1999), 335-337.

²⁶ Leslie Crutchfield and Heather McLeod Grant, *Forces for Good: The Six Practices of High-Impact Nonprofits* (San Francisco: Jossey-Bass, 2008), 155-6.

²⁷ Smith, “The Influence of Governance on Organizations,” 14.

of the residential school system. The organization has integrated and employs many of the governance pillars effectively. Specific to its board, the AHF has a highly successful record in financial management as well as in its capacity to construct and maintain strong foundational documents to guide the organization. The board routinely goes out to the community to ensure that the organization performs in ways that are appropriate to the people it serves. Further, the board has three Elder representatives. Although they are not voting members, they are present in an advisory capacity at all meetings of the Board of Directors, at Program Merit Review meetings, as well as on the Sexual Harassment Committee.²⁸ The AHF is so committed to incorporating the knowledge of Elders—their advice and guidance on traditions and ceremonies as well as their ability to act as mediators—that it has developed a policy dealing expressly with the appointment and role of Elders.

Like many Aboriginal service delivery organizations, the AHF designed the cultural composition of the board through its bylaws at its inception. Aboriginal persons must at all times constitute the majority of the board. Further, First Nations, Métis and Inuk peoples must all be represented on the board. Non-Aboriginal people may sit on the board provided they meet several of the other criteria outlined in the organizations bylaws. However, preference will be given whenever possible to Aboriginal candidates.

The United Native Friendship Centre (UNFC) in Fort Frances is one of many friendship centres in Canada that are dedicated to improving the quality of life for Aboriginal people in urban centres and to helping people to remain connected to their culture. Like the AHF, the UNFC has also incorporated Elders into its governance practices. At UNFC, Elders work with both staff and the management team to ensure that all internal practices align with traditional ways.²⁹ These Elders are directly involved with the executive of the organization and help shape decision-making in the Centre, representing a version of the power-sharing that Crutchfield and Grant identify as an important trait of any effective leader. This form of power-sharing also honours the traditional place of respect for Elders in Aboriginal cultures. Relationships like this represent a strong integration of western and Aboriginal values within the context of board governance.

The Nihsnawbe-Aski Police Services (NAPS) has also adapted its board governance structure to be more reflective of the values of the community it serves. Well-governed police forces will have a board to oversee the role of the Chief of Police for a department, as is the case with NAPS. The police force board seats a representative of each of the communities served by the force. The board and senior management have worked to maintain relationships with community members and with others stakeholders by inviting them to consultations regarding the goals for the police force. The force has also tailored the structure of the board. In addition to the NAPS board, there is a Citizens Review Board—intended as a secondary oversight body responsible for representing all the

²⁸ Aboriginal Healing Foundation, “Protocols and Procedures Respecting Elders,” 1.05, 2.03

²⁹ John Graham and Mackenzie Kinmond, “Friendship Centre Movement Best Practices in Governance and Management” (Ottawa: Institute on Governance, 2008),15.

citizens of each nation in cases of complaints about the NAPS or the NAPS board.³⁰ This structure is more complex than one finds in non-Aboriginal policing organizations, but it is one adapted by the people of the Nishnawbe-Aski Nation because it suits their needs.

Another practice that the AHF has adopted was suggested by an Elder at the organization. Each meeting of the board begins with a sharing circle in which each board member takes his or her turn relating something important that is happening in their personal life. It could be the death of a close friend or it could be something positive like one of their children graduating from university. According to the Chair, this practice has enhanced board solidarity, as each member shows a human face to which the others can relate and show empathy. Boards, as well as having capable members, must work together as a unit. The practice of beginning each session with such open sharing has greatly helped build such solidarity.³¹

Finally, many boards of Aboriginal organizations make decisions based on consensus rather than majority rule. While this is not exclusive to the Aboriginal world, it is one way Aboriginal boards reflect traditional ways of decision-making.

3. Formal Processes and Structures with Flexible Application

Challenges

A third governance pillar for effective service delivery organizations is formal processes and structures on the one hand, with flexible application on the other. When we refer to formal processes and structures of an organization, we discuss the following: the organizational structure, roles and responsibilities of individuals within that structure, policies and procedures informing how a structure should be built and maintained, as well as the mission and mandates that help to guide the focus of these organizations. None of these aspects lends itself particularly well to notions of flexibility and adaptability.

Each of the formal processes outlined above serves a specific purpose. If that process is overly vague or flexible, it undermines the value that it can bring. If an organization employs roles and responsibilities that do not define who is meant to do what, it negates the purpose of establishing roles and responsibilities. By its very nature, structure implies a certain degree of rigidity.

Yet an organization that is unable to be flexible or to adapt to a changing environment because it is too closely tethered to processes and structures will not have much success. In *Forces for Good: the six practices of high-impact nonprofits*, the authors identify an organization's capacity to adapt as one of the six most important things it can do to be successful.³² The challenge is finding the balance between the two extremes.

³⁰ Nishnawbe-Aski Nation, "8th Draft Renewal of the Nishnawbe-Aski Nation Citizens Review Board," 5-5.6. http://www.naps-net.org/CRB_Renewal_Document.pdf

³¹ Interview with AHF Board Chair Georges Erasmus as part of research for an upcoming IOG paper.

³² Crutchfield and Grant, *Forces for Good*, 131.

Characteristics of Formal Processes and Structures with Flexible Application

An organization's structure and processes will determine much of its governance and, ultimately, its effectiveness. Certainly, the board or staff of an organization can only be as strong as the individuals who make up that contingent. Yet without the support of a defined organizational structure, strong bylaws, clear policies and procedures, effective roles and responsibilities and a clear mission and vision, the organization is bound to falter.³³ These structures are the bedrock without which no organization can hope to achieve effective governance.

Additionally, the existence of well-defined processes and expectations help situate an organization in a position to be "more favourably regarded by government enforcing agencies, prospective trustees, employees, and funders."³⁴ Not only do these structures and processes help an organization to be effective, they can also be influential tools in engaging strong networks of support. The networks can be very important in terms of sustainability and they may help the organization secure funding from varied sources or through multi-year agreements.

Each of these tools helps individual staff and board members to understand their role within the organization. A strong, clear mission statement is important. This statement will guide the actions of all staff and board members, helping them to understand not only their role in the organization but the organization's role in the broader community. A good mission statement tells people not only what the organization does but what their ultimate goal is in doing it.³⁵ When staff members are aware of the expectations for them and the processes they should follow for doing their job, they are more likely to succeed. However, scholars have pointed out that it is also critical that staff feel that they have the opportunity to be involved in defining these rules and expectations. Organizations that retain passionate employees do so by embracing the contribution employees can make to the structures that support an organization.³⁶

In a recent review of best practices of Friendship Centres in Canada, the IOG concluded the following:

[E]ffective Friendship Centres have well defined job descriptions and clearly communicated roles and responsibilities. At the same time, their structures are flexible enough to allow for adaptation to changing circumstances. Regular and open communication enables both clearly understood formal roles and adaptation to changing circumstances. Many of the Friendship Centres demonstrate an ability to quickly adapt programs, staffing structures and organizational processes according to changing circumstances. This flexibility allows them to remain relevant to client needs.³⁷

³³ Wolf, *Managing a Nonprofit Organization in the Twenty-First Century*, 91-123.

³⁴ *Ibid*, 123.

³⁵ Laughlin and Andringa, *Good Governance for Nonprofits*, 74.

³⁶ Letts, Christine, William Ryan and Allen Grossman, *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact*, 43.

³⁷ Graham and Kinmond, "Friendship Centre Movement Best Practices," 67.

These centres have found a way to balance the “bedrock” aspects of the organization with a capacity to recognize the changing needs of the communities they serve. For service delivery organizations working in an ever-shifting environment, this kind of balance is exceptionally important.

Incorporating Aboriginal Values

Structures, policies and processes often contain the same principle elements regardless of whether an organization is Aboriginal or non-Aboriginal. Yet these documents can also be tailored to reflect aspects of Aboriginal culture. For instance, the AHF has a policy for respecting Elders—not a policy a non-Aboriginal organization would be likely to include in its foundational documents. Other aspects of Aboriginality may be reflected more in informal processes and practices. Traditional ceremonies or gift-giving practices may be incorporated into meetings informally, or codified more formally in procedures. It is also common that a meeting or planning session be opened with a prayer.

Diane Smith has looked extensively at the application of indigenous governance structures in the Australian context. In one instance, she explores the way Bininj (meaning Indigenous Australian in the local language of the Northern Territory) have worked to set up representative structures within their organization.³⁸ These structures merge Western concepts with their own.³⁹ The Bininj leaders chose to represent each community, regardless of population size, with the same number of people holding decision-making power within the organization. Although this position went against Western notions of equal representation, Bininj people maintained that their form of representation more accurately reflected their cultural understanding of equality.⁴⁰

In the same paper, Smith also examined how, during a training session on governance issues, Bininj people adapted the structures to more effectively represent their culture in the areas of:

- governing roles and responsibilities
- the concept of separation of powers
- systems of representation
- organizational models to support regionalization
- policies for codes of conduct and conflict of interest
- meeting procedures
- human resource management and employment contract conditions
- communication with community residents⁴¹

³⁸ A regional authority charged with service delivery to residents.

³⁹ At the time of the publication of Smith’s paper, the Bininj were still in negotiations with the Australian government over this form of representation. However, the case has merit because it illustrates the way a Western structure can be modified to adapt to more accurately reflect a Bininj value system. This also speaks to the reality of the intercultural position most indigenous organizations find themselves in.

⁴⁰ Smith, “Influence of Governance,” 97.

⁴¹ Ibid, 102.

Following the discussion of each point and the creation of a new culturally reflective governance tool, the committee drafted a new institution, “in the form of written policies, agreed procedures and resolutions.”⁴²

Mnaamodzawin Health Services, a First Nations health organization, provides another example of such adaptation. It incorporates the Seven Grandfather teaching into the Board’s Code of Ethics. The Code of Ethics looks quite different from what might be found in a non-Aboriginal organization: it states the seven teachings and elaborates on how each teaching informs the practices of the organization. Although it is quite brief, the Code offers a culturally meaningful policy touchstone to guide conduct within the organization.

4. Effective Planning and Evaluation

Challenges

We now turn to the fourth pillar of well-governed service delivery organizations: planning and evaluation. In *Managing a Nonprofit*, Thomas Wolf outlines some of the reasons organizations forgo or overlook the importance of strategic planning. Planning takes a lot of time and effort, especially for organizations that have staff who are already overburdened. Planning can be expensive. Organizations may need to hire a consultant or may not have budgeted the necessary time and resources. And planning, especially if executed poorly, can sap organizational initiative and creativity by making employees feel that an organization is no longer free to innovate.⁴³ In organizations where measures of success are harder to measure, such planning can also pose problems.⁴⁴ Because evaluation is harder to undertake in these cases, it becomes more difficult to assess the impact of planning strategies and actions.

Evaluation, an important part of effective planning, can pose similar challenges. It can be costly, can sap morale, and may involve resources an organization has not set aside for such a purpose. However, to overlook such a necessary step in the planning process places an organization in a position where it is unable fully to assess the strengths and weaknesses of its current course.

Characteristics of Effective Planning and Evaluation

John Bryson sums up strategic planning as being about “where you are, where you want to be, and how to get there.”⁴⁵ Thomas Wolf proposes two models for strategic planning: a linear model and an integrated model. The linear model is comprehensive and focused, following a series of steps along a timeline that will help direct the organization’s future.⁴⁶ It is generally conducted outside of the organization’s regular scope of

⁴² Ibid.

⁴³ Wolf, *Managing a Nonprofit*, 281.

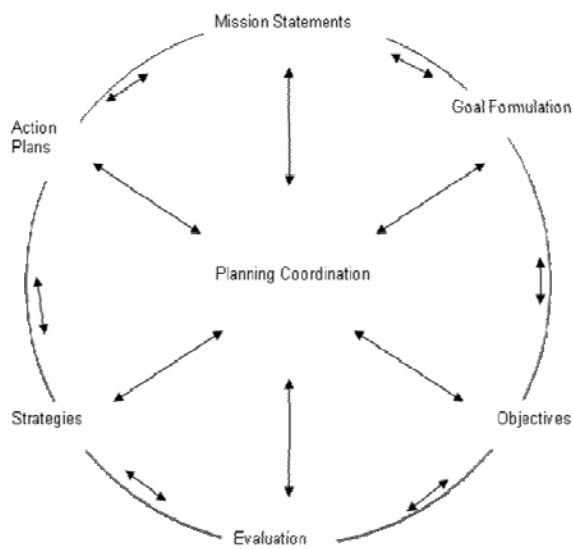
⁴⁴ Ibid, 280.

⁴⁵ John Bryson, *Strategic Planning for Public and Nonprofit Organizations*. (San Francisco: Jossey-Bass, 2004), 30.

⁴⁶ Wolf, 292.

activities—typically once every three years. Linear planning can be a time-consuming, intensive process but it has the benefit of being very systematic and thorough. The integrated model, by contrast, incorporates planning as an ongoing activity of the organization. The visual representation of such a plan is much more circular, with a centralized planning committee that shares information with all parties and tasks them with contributing in various areas of expertise or knowledge⁴⁷ (see Figure 1). This model has the benefit of ensuring that planning is an ongoing focus of the organization and that multiple stakeholders are incorporated in that process. One of the strengths of this model is its ability to cope with a changing environment because it is continually re-evaluating aspects of the overall plan as changes occur within or outside of the organization.

Figure 1: Integrated Strategic Planning Model⁴⁸



Strategic plans—regardless of the model employed to develop and maintain them—have some common features. Bryson outlines those features in his book, *Strategic Planning for Public and Nonprofit Organizations*. Strategic plans should:

- Identify and develop a strategy to respond to the most pressing needs of the organization. This requires candid evaluation of critical issues facing the organization by all participants to ensure commitment to the new plan
- Re-examine the mission and values of the organization, taking account of any competing values which may shape organizational purpose
- Examine the concerns of internal and external stakeholders to ensure that decisions and strategies have broad support
- Involve staff from all levels, relying most heavily on senior staff and management

⁴⁷ Ibid, 299.

⁴⁸ Ibid.

- Ensure that the plan is action-oriented; develop strategies for implementing the plan
- Focus on what can be done to help positively shape the future position of the organization⁴⁹

While it is critical that strategic plans focus on the big picture of an organization, it is equally critical that the plan not become divorced from day-to-day operations.⁵⁰ This is a potential pitfall due to the somewhat removed role of the board: although boards are one of the primary mechanisms through which strategic plans are created, they may not be as familiar with the daily operations.⁵¹ A disconnect between the planning and the daily reality of the organization undermines the capacity of the plan to succeed. If the plan is unrealistic in the actions it proposes, staff support could suffer.

Evaluation should be a component integrated into any strategic plan. Strategic planning is a cyclical process: toward the end of each cycle it is important to examine aspects of the plan that were successful and to reassess those which will require more work or even a new approach. Thomas Wolf offers a five-step process that would help organizations to undertake evaluations. Organizations should:

- Accurately diagnose their current situation and identify areas of opportunities for positive change
- Separate the problems into those that need immediate attention and those that might be dealt with later
- Build board and staff consensus so that identified problems can be dealt with honestly, forthrightly and in a timely manner
- Develop a realistic, affordable, multi-year schedule for implementing change
- Continue the diagnostic, evaluation and self-improvement process year after year⁵²

One form of evaluation that has received considerable coverage in research on planning and evaluation for nonprofit and for-profit organizations is the notion of benchmarking. Benchmarking is a form of evaluative comparison by which:

an organization that has defined an opportunity for improved performance identifies another organization (or unit within its own organization) that has achieved better results and conducts a systematic study of the other organization's achievements, practices, and processes.⁵³

⁴⁹ Bryson, 30-31.

⁵⁰ Courtney, *Strategic Management for Voluntary Nonprofit Organizations*, (New York: Routledge, 2002), 96.

⁵¹ A study in nonprofit governance found that 87% of boards were actively involved in establishing organizational objectives and 93% were involved in creating the mission statement. See Lester M. Salamon and Stephanie L. Geller, "Nonprofit Governance and Accountability," *Communiqué No. 4*. Baltimore: John Hopkins University Centre for Civil Society Studies, 2005, 2.

⁵² Wolf, *Managing a Nonprofit*, 346.

⁵³ Letts, Ryan and Grossman, *High Performance Nonprofit Organizations*, 86.

Although benchmarking has often been associated with for-profit corporations, its lessons apply in nonprofit organizations as well. Benchmarking is a best practices study. It goes further than simple comparisons by including analysis of successful development and implementation strategies. An organization using benchmarking seeks out relevant best practices in other sectors or organizations and implements them in its own structure.⁵⁴

Another form of evaluation is financial in nature. Salamon and Geller have identified audits as one of the most important evaluative tools for an organization.⁵⁵ The majority of the organizations they reviewed for their survey (97 percent) undertook independent audits. Acting on information provided by those audits is also a factor for success. Many boards will dedicate a committee expressly for this function.⁵⁶

Incorporating Aboriginal Values

Among Aboriginal service delivery organizations, many use traditional symbols and practices to help with their planning. By doing this, organizations help to bridge western concepts of governance with their own traditional conceptions. Some Aboriginal organizations use a medicine wheel as a framework for guiding strategic plans to help ensure that the plan is centred on traditional values. The medicine wheel also acts a visual guide for planning that may resonate more with people involved in the process because of its cultural significance.

The Gabriel Dumont Institute (GDI) is a Métis organization dedicated to the promotion, renewal and development of Métis culture through research and educational programs. The organization undertakes regular planning and evaluation. Conducted in early 2008, the most recent evaluation of the organization was undertaken by an external research firm. The general sense from the evaluation was that the Board of Governors was “strong and operating effectively.”⁵⁷ The evaluation also highlighted feelings within faculty and staff that GDI has strong leadership and a strong strategic planning process. When the Institute began its strategic planning for the period of 2008-2011, it started with a much broader pool of participants than one would normally find. Initial stages included not only the Board but also an Elder, staff members, community representatives, political representatives and student representatives. A group of thirty people met for two days to discuss areas of interest and focus.⁵⁸ Although uncommonly broad, this kind of inclusion ensures that the people GDI serves and represents as a cultural and educational institution are involved in helping shape its future vision. Having an Elder represented as well as members from the community and student body (who are primarily Métis) ensures that the planning arises from an Aboriginal perspective.

⁵⁴ Ibid.

⁵⁵ Salamon and Geller, “Nonprofit Governance and Accountability,” *John Hopkins University Centre for Civil Society Studies: Institute for Policy Studies*, 2005, 5.

⁵⁶ Ibid, 6.

⁵⁷ EKOS, *Evaluation of the Gabriel Dumont Institute on Native Studies and Applied Research Final Report*, May 6, 2008, 36.

⁵⁸ Gabriel Dumont Institute, “Strategic Plan,” 1. <http://www.gdins.org/documents/GDIstrategicPlan2008-2011.pdf>

Following the initial session the board and senior management of GDI met again to distil the results of the discussion and establish new goals for the strategic plan. Once it was completed, the plan was submitted to Métis regions, Métis locals and the Métis Nation of Saskatchewan executive. All regions were consulted to ensure feedback. The GDI board was then able to finalize the plan,⁵⁹ which addressed areas of concern for GDI—including a need to increase awareness of the institute and expand marketing of the organization.⁶⁰ The ability of the organization to identify an area of need and then tailor strategic plans to address it demonstrates its capacity in planning and evaluation.

The Ontario Federation of Indian Friendship Centres (OFIFC) offered a different way of incorporating Aboriginal traditions and values into its strategic plan. With a history of strong planning, the organization plans for the very long term. Instead of creating a plan for a three year period, the OFIFC's first strategic plan was a twenty year plan, conceived of to respect the tradition of not simply focusing on the needs of the present but planning for the needs of seven generations to come.⁶¹ The strategic plan remained in place, but was flexible enough to adapt to changes within those twenty years—in part because the organization undertook regular reviews of the plan. After seventeen years, the OFIFC felt its goals had been met. It opened up a new phase of planning. Again, the organization turned to tradition by offering tobacco and holding a feast and ceremony to help those involved focus—on who they were as a people, where they had come from and where they were going.⁶² The organization was careful to ensure that it included input from a number of sources, including staff at the centres it supports throughout the province as well as staff of the OFIFC and attendees of the Annual General Meeting, in the planning process. OFIFC is also mindful of the need for the plan to be action-oriented. Planning is always taken in conjunction with defined, overarching goals in mind.⁶³

VI. Strategic Sustainability

Challenges

The discussion turns finally to the fifth pillar of governance for an effective service delivery organization: strategic sustainability. Sustainability is an ongoing challenge for any organization that is dependent on external funding. In Canada, funding for nonprofit and voluntary organizations comes from three sources: government grants, agreements or contracts (51 percent), membership fees (39 percent) and private donations (9 percent).⁶⁴ Nonprofit organizations—Aboriginal and non-Aboriginal alike—are constrained by their ability to maintain and cultivate resources in an increasingly competitive funding market.

⁵⁹ Ibid, 1-2.

⁶⁰ EKOS, "Evaluation of GDI," 62

⁶¹ Graham and Kinmond, "Friendship Centre Movement," 27.

⁶² Ibid, 28.

⁶³ Ibid.

⁶⁴ Michael Hall et al, *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective*, (Toronto: Imagine Canada, 2005), 15.

This external funding relationship also raises questions about accountability. Where the funding agreements or grants are tied to specific outcomes and program practices as defined by the funding authority, the accountability of the organization is no longer directed toward the membership. Instead, accountability shifts toward the funder. Crutchfield and Grant have cited examples of organizations that have pursued lucrative government funding but have given up substantial control over decision-making and networks to secure the funding.⁶⁵ This tendency also poses a serious challenge for Aboriginal service delivery organizations, which must strive to be responsive to the people they serve while ensuring that the expectations of the funding relationships are met. When these two expectations are in agreement this task is manageable; however, when they diverge, it represents a significant political and operational challenge.

Another challenge for both the Aboriginal and non-Aboriginal service delivery sector is maintaining human resource capacity. Organizations often struggle with maintaining staff in the face of such barriers as “low pay, short career ladders, and the overwork that contributes to burnout.”⁶⁶ Strategic human resources practices are important to help offset these challenges.

Characteristics of Strategic Sustainability

For the purposes of this paper, we have defined strategic sustainability to include not only funding relationships but also human resources (HR) practices, relationships with political bodies and relationships with other stakeholders. Each element will be treated separately.

Diversified Funding

For many Aboriginal service delivery organizations, funding flows from government sources. This corresponds to the situation of non-Aboriginal nonprofit organizations. According to Crutchfield and Grant, “government grants or contracts...are often substantially larger than any other single funding source.”⁶⁷ Being overly reliant on a single funding source is a risky position for any organization. For one, it impinges on the organization’s ability to be accountable to those it serves rather than to its government funders. For another, changes in administration or budget adjustments may endanger funding.⁶⁸ Diversifying the funding base is one way to mitigate an organization’s risk.⁶⁹

HR Practices

Letts, Ryan and Grossman suggest that employing strategic HR practices are one of the most important things an organization can do for its health.⁷⁰ The research acknowledges

⁶⁵ Crutchfield and Grant, *Forces for Good*, 195

⁶⁶ Letts, Ryan and Grossman, *High Performance Nonprofits*, 108.

⁶⁷ Ibid, 195.

⁶⁸ Ibid.

⁶⁹ Crutchfield and Grant, *Forces for Good*, 186.

⁷⁰ Letts, Ryan and Grossman, *High Performance Nonprofit*, 108.

that nonprofit organizations struggle to meet the salary expectations of their employees and are not competitive with for-profit organizations. While nonprofit organizations may not be able to match the salaries of for-profit companies, “successful groups are willing to compensate generously to attract and retain top talent.”⁷¹ High impact organizations will make an effort to offer highly competitive salaries.⁷²

Finding ways to show value and appreciation to employees in a non-monetary capacity can be another very helpful means to reduce staff turnover. Most nonprofit organizations acknowledge that a high turnover rate can have an incredibly detrimental effect on the organization. Hiring and training requires time and resources, diverting those resources away from services and reducing the capacity of the organization while that individual is learning. Even in situations where there is not a lot of opportunity for advancement, organizations can create opportunities for employees to take on new roles, learn new skills and take training courses to become more effective in their current or future jobs.⁷³

Relationships with Political Bodies

Two Australian scholars have suggested that “self-government, local government and service delivery are inextricably intertwined both conceptually, and in practice.”⁷⁴ While this statement is modeled on the Australian experience, it is relevant in Canada as well. In many reserve communities, First Nations governments are the sole providers of services. In these cases, the service delivery organization and the political body are one and the same. The relationship between staff and board members in the service delivery organization and political representatives of the Aboriginal community is incredibly important. On the one hand, having a unified and cohesive vision within the two groups is essential. On the other hand, it is crucial for a high performing service delivery organization to attempt to keep its day-to-day activities free of any political influence that would undermine its effectiveness and fairness as a non-political organization.⁷⁵

If the two are separate bodies, the relationship is less complex but it is still very important. Many Aboriginal service delivery organizations arose as branches or departments within their “parent” political representative organizations. Some of them still invite high profile members of political organizations to sit as members or as special advisors on their boards. The Centre for Indigenous Environmental Resources, a non-partisan body, counts among its board two Chiefs as well as the National Chief of the Assembly of First Nations, Phil Fontaine. Here too, it is important to maintain solid relationships with political partners on the one hand, but also to ensure that political influences do not impinge on the stability and the service-delivery orientation of the organization.

⁷¹ Crutchfield and Grant, *Forces for Good*, 188.

⁷² *Ibid*, 189.

⁷³ DeGagné, “Administration in Aboriginal Organization,” 667.

⁷⁴ Westbury and Sanders, *Governance and Service Delivery*, 1.

⁷⁵ John Graham, “Clarifying Roles of Aboriginal Leaders and Their Staff: A Model Governance Policy,” (Ottawa: Institute on Governance, 2007).

Relationships with Other Stakeholders

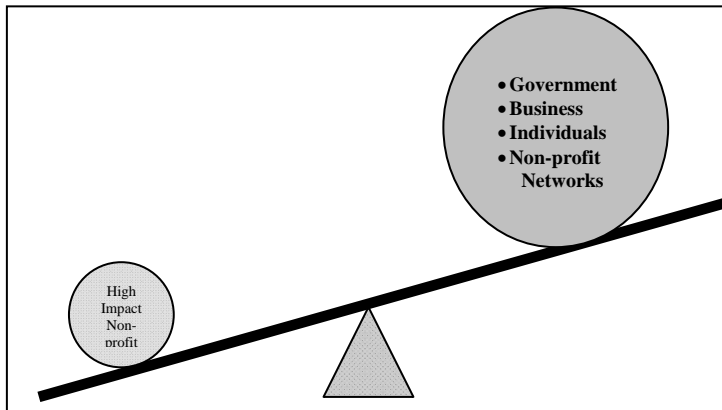
There is considerable agreement in the literature on the importance of networks for organizations. Positive outcomes include “enhanced learning, more efficient use of resources, increased capacity to plan for and address complex problems, greater competitiveness, and better services for clients and customers.”⁷⁶ Crutchfield and Grant identify networks as another one of the six most important things that an organization can focus on to be successful. They identify a strategy of leveraging, of acting as “catalysts that work within” in order to change entire systems:

The most effective of these groups employ a strategy of leverage, using government, business, and public, and other nonprofits as forces for good, helping them deliver even greater social change than they could possibly achieve alone.⁷⁷

Successful organizations are not only internally well run; they also find ways to work “with and through” other organizations to maximize their impact through networks.⁷⁸ Networks of this nature are sometimes classified as goal-driven.⁷⁹ They exist to pursue a defined outcome or goal that would be impossible for any organization to achieve individually.⁸⁰ Organizations in these networks focus not solely on building their own strength and capacity, but on maximizing the ability of the network as a whole (and therefore of the individual organizations) to bring about change.

To illustrate such leveraging to increase impact, Crutchfield and Grant created the diagram displayed in Figure 2.

Figure 2 - Leverage Increases Impacts⁸¹



⁷⁶ Keith Provan and Patrick Kenis, “Models of Network Governance: Structure, Management, and Effectiveness” in *Journal of Public Administration Research and Theory* 18 (2007), 229.

⁷⁷ Crutchfield and Grant, *Forces for Good*, 5-6.

⁷⁸ *Ibid.*, 107.

⁷⁹ Provan, “Models of Network Governance,” 231.

⁸⁰ *Ibid.*

⁸¹ Crutchfield and Grant, *Forces for Good*, 20.

The authors also present four tactics which they have observed among organizations that have built effective networks. The four tactics are:

- **Grow the pie.** Organizations that focus more on the collective financial health of the network, rather than on ensuring their own slice of the pie, will generally have more effective networks. The network will therefore have more capacity to bring about change.
- **Share knowledge.** Nonprofits actively share the knowledge and expertise with other organizations to increase the overall effectiveness of the network.
- **Develop leadership.** Organizations nurture talent within the network and seek out the next generation of leadership. By strengthening leadership within the network itself each organization increases its personnel capacity and establishes social connections with other strong leaders.
- **Work in coalitions.** Once networks have been established, either formally or informally, the groups will go beyond the network boundary to form larger coalitions.⁸²

The overarching message of the four tactics outlined above is that organizations engaged in service delivery that are looking to affect change on a large scale will be more likely to have greater, sustainable success when they conduct their work in tandem with other like-minded organizations.

Incorporating Aboriginal Values

There are many ways that Aboriginal organizations integrate aspects of their culture into sustainability practices. In the following sections, we examine example organizations in all of the categories outlined above.

Diversified Funding

The Wunan Foundation, an organization that targets young people in the Indigenous community in Australia by providing training and mentoring, was recognized for its governance practices at the Indigenous Governance Awards in Australia. The organization was commended for its ability to realize its strategic focus, support community initiatives through strong networking and deliver sustainable and measurable outcomes in its services. With respect to diversified funding, the organization was praised for its willingness to look at a wide variety of options for sustainable funding. Wunan's board has been influential in establishing an organization that runs on a business model that has helped make the organization less reliant on recurrent funding.⁸³ The annual report for the organization recognizes partnerships with 19 different organizations, many of them foundations.⁸⁴

⁸² Crutchfield and Grant, 110-11.

⁸³ Indigenous Governance Awards, 2006. <http://www.reconciliation.org.au/igawards/pages/previous-years/2006-winners.php> Accessed January 30, 2009.

⁸⁴ The Wunan Foundation, "Annual Report 2008." <http://www.wunan.org.au/anreps/2007-2008.pdf>

HR Practices

One of the ways that cultural differences are acknowledged with respect to HR practices is in policies on bereavement. Aboriginal communities often grieve and deal with the loss of a community member in a different way than in the surrounding society. This difference often requires that employees gain access to more time for bereavement leave than a non-Aboriginal organization would consider adequate. Or, the bereavement leave may be taken in a different way. For example, in many First Nations cultures, it is customary to have a ceremony on the first anniversary of a loved one or community members passing. Aboriginal organizations often make allowance for such leave within their policies, demonstrating a respect for and willingness to accommodate cultures and a means to help encourage loyalty among staff.

The Cariboo Friendship Society located in Williams Lake, BC is an example of an organization that has made such changes to its HR policies. In cases of bereavement, staff can take as much leave as they feel they need to accommodate the individual's and the community's needs.⁸⁵ These kinds of policies translate into high employee support. In a 2006 survey, the Society was ranked as the fifth best business employer in the province and had a great deal of staff support. Staff interviewed consistently stated that they felt the organization was adding value to the community.⁸⁶

The Aboriginal Healing Foundation has also demonstrated a great deal of creativity in its approach to dealing with human resources. The Foundation, having only a limited term mandate, knew that it could not depend on the possibility of career advancement to inspire people to remain with the organization. The AHF intentionally “encouraged skill development and training that would be valuable in subsequent employment.”⁸⁷ The Foundation also worked to create a positive work culture, encouraged social activities and community building with staff, and instituted a mentoring approach in relations between staff and management.⁸⁸ In this case, the approach was extremely successful. The organization has a high degree of staff stability.⁸⁹

Relationships with Political Bodies

The Aboriginal Human Resources Council, an organization with the mandate of helping Aboriginal people participate fully in the Canadian economy, has done a good job of adapting its governance structures at the board level to deal with both policy direction and political networking. The structure is two-tiered. A traditional board still works on behalf of the organization to direct policy and to work with and support the CEO and the president. There is also a Champion's council—in other words, a group of people responsible for cultivating external relationships with individuals in government, industry and among influential Aboriginal organizations. The Champions are themselves influential in both the Aboriginal and non-Aboriginal worlds. Such a structure integrates

⁸⁵ Graham and Kinmond, “FCM”, 19.

⁸⁶ Ibid, 18.

⁸⁷ DeGagné, “Administration in Aboriginal Organizations,” 667.

⁸⁸ Ibid.

⁸⁹ Ibid.

important political and stakeholder networks into the body of the organization, then uses those networks to continue building the reputation and capacity of the organization.⁹⁰

Relationships with Other Stakeholders

In Alberta, the First Nations (AB) Technical Services Advisory Group works to support First Nation Technical Services staff in Alberta with their work with Alberta Chiefs. This group has effectively integrated networking practices similar to those proposed by Crutchfield and Grant as well as Provan. The advisory group works to play a central role for First Nations organizations in the region who work in the technology sector. The organization regularly coordinates large scale gatherings where individuals can come together to gain information, share best practices, and meet other organizations undertaking the same work. The organization has other successful governance best practices which aid it when undertaking relationship building. The structure of the organization is clearly defined and accessible, as is the scope of the organization's work.

Conclusion

The foregoing literature has presented five pillars representing a strong foundation on which the governance of any organization should be built. Each pillar provides a framework for organizations to build on, yet without being prescriptive. In speaking of good governance for effective service delivery organizations, the goal is not to create "cookie cutter" organizations but to allow the principles and practices of effective governance to inform the decisions, structures and processes of the organizations.

The five governance pillars for service delivery organizations tie in directly to the five principles of good governance identified by the IOG, building on the work of the UNDP. Although each pillar encompasses more than one principle, the link between the pillars and the principles is clear. For example, the incorporation of Aboriginal values relates to legitimacy and voice as well as to accountability. Organizations that serve Aboriginal people but do not reflect their voice or have legitimacy within the community will not succeed. Further, such organizations cannot be accountable to the people they serve if they cannot represent and respect their values.

The pillar relating to the executive and the board speaks to all the principles of good governance. Many of the organizations presented take great pains to ensure that their boards are representative and therefore legitimate in the eyes of their constituents. The board and the executive will also be the driving force behind the organization's direction and performance.

Formal process and structures are the basis of an organization's activities. This pillar relates to performance, as well as to accountability and fairness. Without the appropriate structures in place, an organization will not have the stability to be able to perform well.

⁹⁰ Aboriginal Human Resources Canada website. <http://www.aboriginalhr.ca/en/about/leadership>. Accessed Jan 28, 2009.

Transparent policies, practices and bylaws help to ensure that the organization is run in a way that is accountable. Finally, solid processes and structures help organizations operate in a way that is consistent, equitable and fair. They also help individuals and clients put forward issues of concern—once again contributing to the performance and ultimately to the legitimacy of the organization.

The fourth pillar of strategic planning and evaluation speaks directly to the governance principles of performance, direction and accountability. No organization can hope to perform well or have a clear direction if it does not have a strong plan. To ensure that the organization achieves its strategic mission and goals, continual evaluation is a necessary component of the process. Finally, the fifth pillar of strategic sustainability speaks to the principles of accountability, performance and direction. Briefly put, the pillar of strategic sustainability involves the capacity of the organization to ensure that it continues to do its good work—and this in the sense not merely of subsisting as an organization but of responding to and serving its clients. For Aboriginal service delivery organizations, attention to building and fortifying the five pillars of effective governance will help serve their greater and ultimate purpose of ensuring the health, safety, well-being and general flourishing of the Aboriginal people they serve.

Works Cited

- Aboriginal Healing Foundation, "Protocols and Procedures Respecting Elders," 1.05, 2.03
- Aboriginal Human Resources Canada website.
<http://www.aboriginalhr.ca/en/about/leadership>. Accessed Jan 28, 2009.
- Altman, Jon. 2008. "Different Governance for Difference: the Bawinanga Aboriginal Corporation" in *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29.
- Bruhn, Jodi and John Graham. 2009. "In Search of Common Ground: Reconciling the IOG Governance Principles and First Nations Traditions," Ottawa: Institute on Governance
- Bryson, John. 2004. *Strategic Planning for Public and Nonprofit Organizations*. San Francisco: Jossey-Bass.
- Courtney, Roger. 2002. *Strategic Management for Voluntary Nonprofit Organizations*. New York: Routledge.
- Crutchfield, Leslie and Heather McLeod Grant, 2008. *Forces for Good: The Six Practices of High-Impact Nonprofits*. San Francisco: Jossey-Bass.
- DeGagné, Mike. 2008. "Administration in a National Aboriginal Organization: Impacts of Cultural Adaptation." *Canadian Public Administration* 51:4
- EKOS. 2008. *Evaluation of the Gabriel Dumont Institute on Native Studies and Applied Research Final Report*.
- Gabriel Dumont Institute. 2008. "Strategic Plan."
<http://www.gdins.org/documents/GDIStrategicPlan2008-2011.pdf>
- Gibson, Gordon. 2009. *A New Look at Canadian Indian Policy: Respect the Collective – Promote the Individual*. Fraser Institute
- Gill, Mel. 2001. "Governance DO's and DONT's: Lessons from Case Studies on Twenty Canadian Nonprofits, Final Report." Ottawa: Institute On Governance.
- Graham, John. 2006. "Managing the Relationship of First Nations Political Leaders and Their Staff." Ottawa: Institute On Governance.
- . 2007. "Clarifying Roles of Aboriginal Leaders and Their Staff: A Model Governance Policy." Ottawa: Institute On Governance.

- Graham, John, Bruce Amos and Tim Plumptre. 2003. *Principles for Good Governance in the 21st Century*. Ottawa: Institute On Governance.
- Graham, John and Jake Wilson. 2004. *Aboriginal Governance in the Decade Ahead: Toward a New Agenda for Change*. Ottawa: Institute On Governance
- Graham John and Mackenzie Kinmond. 2008. "Friendship Centre Movement Best Practices in Governance and Management." Ottawa: Institute on Governance.
- Hall, Michael et al. 2005. *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective*. Toronto: Imagine Canada.
- Hunt J. and D. Smith. 2005. "Ten Key Messages from the Preliminary Findings of the Indigenous Community Project." Centre for Aboriginal Economic Policy Research.
- Indigenous Governance Awards. 2006.
<http://www.reconciliation.org.au/igawards/pages/previous-years/2006-winners.php> Accessed January 30, 2009.
- Laughlin, Fredric and Robert Andringa. 2007. *Good Governance for Nonprofits: Developing Principles and Policies for an Effective Board*. New York: AMACOM.
- Letts, Ryan and Grossman. 1999. *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact*. New York: John Wiley & Sons, Inc.
- Martin, D.F. 2008. "Rethinking the Design of Indigenous Organizations: The need for strategic engagement." in *Contested Governance: Culture, power and institutions in Indigenous Australia*. CAPER Monograph no. 29.
- Nishnawbe-Aski Nation. "8th Draft Renewal of the Nishnawbe-Aski Nation Citizens Review Board." http://www.naps-net.org/CRB_Renewal_Document.pdf
- Plumptre, Tim. 2007. "Not a Rocking Chair! How board chairs can provide strategic leadership to public purpose organizations." Ottawa: Institute on Governance.
- Plumptre, Tim and Barbara Laskin. 2003. "From Jeans to Jackets: Navigating the Transition to More Systematic Governance in the Voluntary Sector." Ottawa: Institute on Governance.
- Plumptre, T. and J. Graham. 1999. "Governance and Good Governance: International and Aboriginal Perspectives." Ottawa: Institute on Governance.

- Provan, Keith and Patrick Kenis. 2007. "Models of Network Governance: Structure, Management, and Effectiveness." *Journal of Public Administration Research and Theory* 18.
- Royal Commission on Aboriginal Peoples, Vol. 2, Part 3, (Ottawa, 1996).
- Salamon, Lester M. and Stephanie L. Geller. 2005. "Nonprofit Governance and Accountability." *Communiqué No. 4*. Baltimore: John Hopkins University Centre for Civil Society Studies.
- Sixdion Inc. 2000. "First Nations Policing Sector Study."
<http://www.fnepa.ca/Publications/RepMod2-3.pdf>
- Smith, Dawn et al. 2008. "The Influence of Governance on Organizations' Experiences of Improving Care for Aboriginal People: Decolonizing Possibilities."
Pimatisiwin: A Journal of Aboriginal and Indigenous Community Health. 6(1) .
- Westerbury, N. and A. Saunders. 2008. "Governance and Service Delivery for Remote Aboriginal Communities in the Northern Territory: challenges and opportunities."
Contested Governance: Culture, power and institutions in Indigenous Australia. CAPER Monograph no. 29.
- Wolf, Thomas. 1990. *Managing a Nonprofit Organization in the Twenty First Century*. New York: Fireside.
- The Wunan Foundation. 2008. "Annual Report 2008."
<http://www.wunan.org.au/anreps/2007-2008.pdf>