Is Your Association's Governance Ready for What's Next?



Watson
Board Advisors

The Impact of Associations in Canada

Professional associations and trade, industry, and business associations occupy a distinctive place in Canada's economic and institutional landscape. They vary widely in size, purpose, and structure, but share a defining feature: their legitimacy comes from the members they represent. Those members may be individual professionals, businesses, regional organizations, or other associations which all look to the organization to advance shared interests, provide services, and, in many cases, speak on their behalf.

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At Least

$3.7 Billion

Annual revenue captured in published financial data for small and mid-sized associations alone.

Canada has nearly 9,000 professional and business associations, directly employing tens of thousands of people. Published financial data capture at least $3.7 billion in annual revenue among small and mid-sized associations alone.

But these numbers tell only part of the story. An association's influence can extend far beyond its own staff or budget: individual national associations and association networks can represent hundreds of thousands of organizations or professionals. Even a relatively small organization can therefore carry significant responsibility for representing member interests, shaping a profession or industry, and stewarding the trust and reputation that come with that role.

That representational role is also what makes associations particularly interesting from a governance perspective. An association needs to reflect the needs and expectations of its members while also being capable of governing effectively. Those objectives should reinforce one another, but they do not always align neatly.

IN THIS PAPER

1 When to Review Governance

2 What a Governance Review Should Examine

3 How to Create Sustained Change

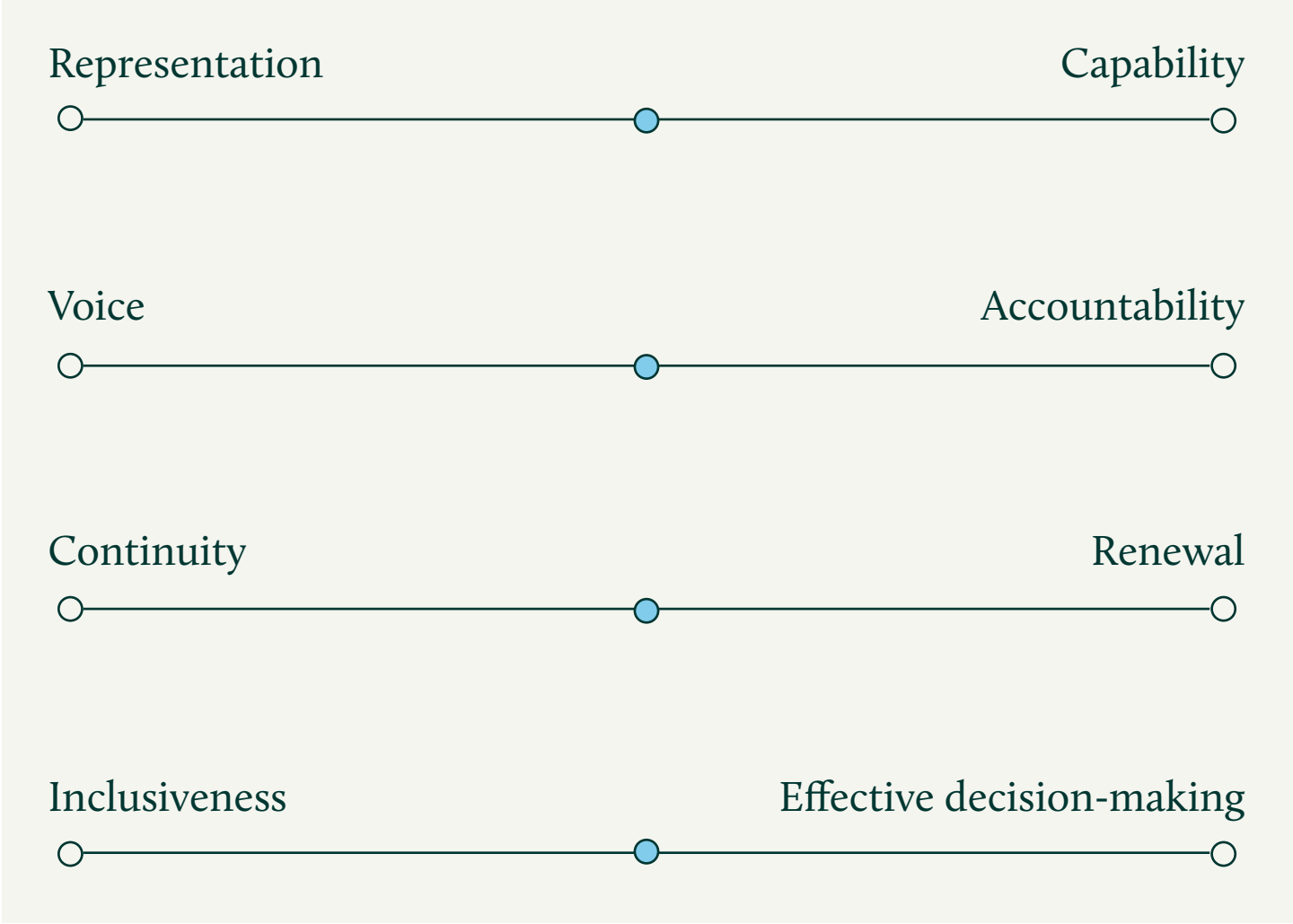
When Representation and Effective Governance Pull in Different Directions

Board composition is one example of the unique reality of governing in a member-based organization. Directors are commonly elected or appointed through member-based processes designed to give different constituencies, regions, professions, or stakeholder groups a voice. That representation can be an important source of legitimacy. At the same time, an electoral or representative model does not automatically produce the mix of skills, experience, and behaviours the organization needs at a particular point in its development. Boards may face gaps in financial, strategic, sectoral, or governance expertise; wide variations in directors' experience; frequent turnover; or a size and structure that make cohesive decision-making more difficult. The governance challenge is therefore not simply to assemble a board that brings meaningful member representation, but to do so in a way that also creates an effective governing body.

A second tension concerns representation and accountability. Directors may be elected because of their connection to a particular region, profession, industry segment, or class of member, and members may reasonably expect them to understand and communicate those interests. They may also seek a board role to advocate for an issue or perspective they feel strongly about. Yet once directors join the board, their responsibilities extend beyond advocating for a particular constituency. They are expected to exercise judgment in the interests of the organization as a whole and to oversee its long-term sustainability. Where that distinction is poorly understood, directors can find themselves caught between constituency expectations and broader fiduciary responsibilities. Without clear mechanisms for member engagement, decision rights, and accountability, the result can be ambiguity about whose interests the board is there to serve and how competing interests should be reconciled.

The governance challenge is therefore not simply to assemble a board that brings meaningful member representation, but to do so in a way that also creates an effective governing body.

These tensions are not evidence of governance failure; they are inherent and even intentional features of many member-based models. But they do mean that governance arrangements that worked well at one stage of an organization's development may become less effective as the membership, operating environment, strategy, or risk profile changes. A periodic governance review can therefore be valuable not simply as an exercise in compliance or "best practice," but as a way to test whether the organization's structures still strike the right balance between representation and capability, voice and accountability, continuity and renewal, and inclusiveness and effective decision-making.



Governance problems rarely begin as crises. More often, they build gradually. Questions about who has authority go unresolved. Concerns about representation keep resurfacing. Decision-making becomes slower or more cumbersome. Tensions between the board, management, and members become harder to navigate. Any one of these issues may be manageable on its own. Left too long, however, governance friction can harden into a larger problem, one that affects trust, reputation, organizational effectiveness, and, in some cases, the organization's structure or future.

There are Canadian examples of what this can look like:

CPA CANADA AND PROVINCIAL BODIES

The breakdown in the relationship between CPA Canada, CPA Ontario, and the Ordre des CPA du Québec was explicitly about governance and accountability. CPA Ontario said the national Collaboration Accord did not provide the direct oversight, financial transparency, and accountability it believed were needed, while the Quebec Order said its decision followed more than five years of discussions about the respective roles and responsibilities of the national and provincial bodies. Ontario and Quebec ultimately left the agreement in December 2024.

The national model has since been substantially reworked, with a new governance and funding framework taking effect in April 2026 and membership in CPA Canada becoming voluntary.

ONTARIO MEDICAL ASSOCIATION

The Ontario Medical Association (OMA) offers another example. In 2017, its representative Council passed a motion expressing a lack of confidence in the leadership of the Board's Executive Committee. Those leaders subsequently resigned from those positions. In the years that followed, the OMA undertook a major governance transformation, replacing a 26-member Board with a smaller, skills-based Board and replacing its traditional Council with a new General Assembly.

The redesign sought to address challenges in how authority was shared while preserving meaningful physician representation.

In both cases, governance was not the only factor at play. But they illustrate a common point: governance challenges that remain unresolved can compound over time and can become increasingly costly for both the organization and the members it represents. They can consume leadership attention, absorb significant time and resources, and distract from advancing other priorities. In a professional or industry association, a prolonged breakdown in confidence can also affect the reputation of the broader profession or sector, particularly when internal disputes become public.

Six Signs Governance May Be Falling Behind

Timing matters. A governance review does not need to wait until confidence has eroded or tensions have become difficult to contain. The six signs below are useful early indicators that it may be time to ask whether the organization's governance is still helping it make good decisions, maintain member confidence, and adapt to what comes next.

1. The organization has changed, but its governance has not.

Membership, strategy, or services have evolved, but the rules for representation and decision-making reflect an earlier organization.

2. The board does not have the mix it needs.

Seats are difficult to fill, important perspectives or expertise are missing, or directors lack the expertise to question management's plans.

3. Governance takes more effort without adding more value.

Committees, meetings, reports, and approval steps multiply, but decisions still take too long.

4. People disagree about who decides.

The board, management, members, or other bodies interpret their authority differently. Decisions are questioned or unresolved.

5. Members question how their voice counts.

Concerns about seats, voting rights, funding/fee models, or elections recur without a clear path to resolution, deepening divisions within the membership.

6. Disagreements become harder to resolve.

Difficult matters repeatedly stall, people question one another's motives, or groups become less willing to work together.

What Does a Governance Review Actually Examine?

A governance review can mean different things to different people. For some, it means reviewing bylaws and policies. For others, it means looking at board composition, committee structures, or decision rights. Those can all be important, but on their own they only tell part of the story.

At Watson, we see effective governance reviews as looking at three connected dimensions: Organizational Purpose, Governance Design, and Governance Effectiveness.

Organizational Purpose

Is governance supporting the organization we are becoming?

Start with purpose and strategy. How are member needs changing? What pressures could affect the organization's relevance, funding, or long-term sustainability? The answers help define what governance must enable in the years ahead.

Governance Design

Does the model put authority, voices, and capabilities in the right places?

Examine who holds decision rights and how members are represented while ensuring the skills and competencies for good governance are present. Board composition, elections, voting rights, committee mandates, and the roles of chapters, councils, or other bodies all matter here. The question is whether these arrangements give people a meaningful voice while allowing the organization to make sound and timely decisions.

Governance Effectiveness

Is governance working as intended in practice?

Look at how decisions move, what information the board receives, and how the board, board executive roles, management, and other governance bodies work together. Clear mandates will only take an organization so far if meetings, relationships, or limited resources make those mandates difficult to carry out.

All three dimensions are needed to undertake a governance review that has the potential to deliver sustained impact. Looking at any one in isolation can lead to changes that address symptoms rather than underlying needs. A strong governance review connects what the organization needs, how governance is designed, and how it works in practice.

The Current Model Must Redesign Itself

Governance change brings another inherent tension to member-based organizations: the people who hold authority under the current model are often the same people who must agree to change it. The board will typically have a central role in recommending or approving changes, and members may need to approve certain changes themselves. Yet the review may call into question existing seats, voting rights, representation models, or decision-making authority.

That can make governance change feel personal.

Directors may see themselves as elected to represent a region, profession, or member group and may see preserving that representation as part of their responsibility. Members and other governance bodies may have similar concerns. A proposal to rebalance seats, change voting rights, or shift authority can therefore be seen not simply as a better governance design, but as a loss of voice or influence. A proposal to ensure specialized skills and experience are available may be seen as disrespect for the value the broader base of members can bring to governance. Even when there is broad agreement that the organization needs to evolve, there may be much less agreement about what should change.

That is why engagement cannot be something that happens after the recommendations are developed. A strong review creates a credible process for people to understand why change is being considered, contribute their perspectives, and see how different interests have been weighed. An external advisor can bring independence and help challenge assumptions, but independence alone does not create trust. The process also needs a board willing to examine the model it currently leads, hear perspectives that may challenge its own, and make the case for change when change is warranted. It also requires early and thoughtful consideration of how members will be engaged.

Design the right model *and* **Build support for change**

The goal is to arrive at recommendations that respond to the organization's future needs while giving those affected confidence that their interests are understood and the choices were considered fairly. This is important because a technically sound governance model is only useful if the organization can move toward it.

An effective review therefore has to do two things at once: develop the right governance model for the future and build enough understanding and support to make change possible.

Creating Sustained Change

A governance review creates value only if the organization can act on what it finds.

A sound recommendation matters, but it is rarely enough on its own. Governance change can affect representation, authority, decision rights, and long-standing ways of working. Moving from diagnosis to implementation requires more than getting the design right; it requires helping people understand the case for change and the trade-offs involved, building confidence in the process, and navigate the approvals and transition that follow.

In Watson's work helping organizations review and reshape their governance, we have seen that the strongest processes address these elements together. They connect governance to the organization's future, look beneath the presenting problem, test how the model works in practice, and make the choices and trade-offs clear. Just as importantly, they build the leadership, engagement, and implementation path needed to turn recommendations into lasting change.

Several factors consistently make that work more effective:

1. Start With the Future
2. Find the Causes Beneath the Symptoms
3. Examine How Governance Functions in Practice
4. Make the Trade-Offs Explicit
5. Build Committed Leadership
6. Plan for Engagement, Approval, and Implementation

1. Start With the Future

Begin with what the organization needs governance to enable. How are member needs changing? What decisions will the board face? What capabilities, perspectives, and ways of working will those demands require?

Bring board and member perspectives into a shared discussion about that future, then translate it into principles for assessing governance options. Those principles provide a consistent way to compare the strengths of different models. Constrains such as legal requirements and resources can also be identified and considered. They also help keep the discussion focused on what the organization needs next, rather than simply preserving what exists today.

2. Find the Causes Beneath the Symptoms

Slow decisions, unfilled board seats, or recurring tensions may prompt a governance review. Before recommending a change, understand what is causing the difficulty. Would a smaller board, a different election process, or clearer decision rights address the problem, or simply change its form?

IN PRACTICE

In one review we conducted with a client, a change in membership required the organization to revisit Board composition. Consultation revealed a deeper question: was the organization primarily there to serve its member organizations, or should its mandate extend to the people those organizations represented in turn? Participants shared a common sense of purpose but differed on where the organization's scope should begin and end.

Rather than force a permanent governance solution before that question was resolved, we recommended an interim structure to address the immediate need, together with work to clarify the organization's scope and resolve pressing operational issues. Longer-term governance options could then be assessed against those decisions. Understanding the underlying issues changed both the recommendation and the sequence of work.

That is why listening to directors, management, and members matters. Their experience can help distinguish between problems that governance design can solve and problems that require attention elsewhere.

3. Examine How Governance Functions in Practice

Formal structures tell only part of the story. Follow a decision through the organization. Who brings it forward? Who receives the information? Who contributes? Who decides? Where does it slow down, move sideways, or come back for reconsideration?

IN PRACTICE

In another review we led, responsibilities overlapped across central and regional bodies, executives, and joint committees.

The mandates themselves provided part of the answer, but the larger issue was how different bodies interpreted their roles and worked together. Unclear authority, inconsistent decision-making, and strained working relationships reinforced one another.

Reviewing bylaws, mandates, and delegations is important. So is hearing from the people who use them.

The gap between how governance is *supposed* to work and how it *actually* works is often where the most useful insights emerge.

4. Make the Trade-Offs Explicit

Most governance choices involve trade-offs. Give people more than one credible route forward and test each option against the organization's purpose, important principles, member needs, and future demands.

Governance Choice	Potential Benefit	Trade-Off to Consider
Smaller board	Create more room for discussion	Concentrated workload Changes to how member groups participate
Longer director terms	Preserve experience	Slower renewal
Independent directors	Broaden capability	Members' confidence that they are at the heart of governance

IN PRACTICE

In a recent review, we tested options against competing priorities: preserving member voice, broadening Board capability, and reducing the risk of stalled decisions. One model included independent directors.

Through the discussion, participants recognized the potential benefits but placed greater weight, at that stage, on maintaining a more direct connection between Board membership and the organization's constituencies. The resulting model used different voting arrangements to address some of the same concerns. Comparing options made those choices explicit, including what participants were prepared to change at that stage.

The point is not to eliminate trade-offs; it is to make them visible.

Comparators and leading practices can broaden the possibilities, but the organization still has to decide which balance is right for its circumstances. Clear reasoning helps people understand a recommendation even when it is not their preferred option.

5. Build Committed Leadership

The chair, CEO, and others with influence need to do more than authorize the review. They need to explain why it matters, listen to concerns, and remain open to findings that challenge their assumptions or affect the roles and structures they currently work within.

If members worry a proposal will reduce their representation, the chair needs to help them understand the options and ensure their concerns are heard. If directors and management interpret their roles differently, the chair and CEO need to work through those differences together. How leaders respond signals whether the organization is prepared to listen and change.

Commitment also means following through: assigning responsibility for agreed changes, making time for the work, and keeping the board and members informed of progress. Often, a governance review benefits from early engagement of a working group or active committee to shape the work, share the load, and support trust in the process.

> Recommendations from a governance review are only the beginning. Lasting change comes when the organization has built both a governance model that fits its future and a credible path for moving from the current model to the new one.

6. Plan for Engagement, Approval, and Implementation

Engagement

Engagement should begin before recommendations are settled. Ask members and other affected groups how they experience the current model, bring options back while their input can still shape the outcome, and explain how that input influenced the recommendation. Help them also understand and empathize with the trade-offs, to prepare the ground for shared solutions. Before asking people to approve a change, give them a clear account of what it would mean for their representation, rights, and responsibilities.

Approval

Plan the approval process early as well. Who has authority to approve each change? Does it require a member vote, a board decision, or a bylaw amendment? What notice, insights, and discussion will people need before making a decision?

Implementation

Map the transition. Changes to elections, committee mandates, or delegated authority may need to happen in a particular sequence, with an overlay of communication and engagement. Responsibilities need to be clear, timelines realistic, and communication sustained throughout the change.

The Best Time to Review Governance Is Before You Have To

For member-based organizations, governance must evolve alongside the organization while preserving the legitimacy and member voice that make the model distinctive and the organization relevant.

The best time to do this is before relationships are strained, positions are entrenched, or an external event forces change. Once those pressures rise, boards and CEOs have less readiness to step back, consider what the organization will need from governance next, and weigh the options thoughtfully.

The goal is not change for its own sake, nor is it to import a governance model from somewhere else. It is to make sure the organization's governance remains fit for its purpose, its members, and the decisions ahead.

CANADIAN MEDICAL PROTECTIVE ASSOCIATION

The Canadian Medical Protective Association (CMPA) offers an example of taking a more proactive approach. In 2022, while operating from a position of strength, the CMPA began a comprehensive review to modernize its governance for the future. Working with Watson, the review considered what the organization would need from governance, how its model should be designed to meet those needs, and how governance could work more effectively in practice.

The resulting recommendations sought to make the Board more agile and responsive while maintaining meaningful geographic representation and strengthening the mix of skills and perspectives around the table. Members approved the recommendations in 2024 and related bylaw changes in 2025.

Is your governance model designed for—and working for—the organization you expect to be in three to five years?

Answering that question means connecting what your organization will need from governance with how it is designed and how it works in practice. Starting early gives you room to understand the challenges, weigh the choices, and build support for change.

A Conversation for the Board Chair and CEO

You don't need to wait for a contested election or a stalled decision to examine your governance model. Answer these questions separately. Then compare where your perspectives align—and where they differ.

1. What has changed since our governance model was last examined?
2. Where does governance help the organization move forward?
3. Where does it create delay, duplication, or tension?
4. Do the board, management, and members understand their respective roles and authority?
5. Is the model preparing us for the decisions ahead?
6. If change is needed, do we have the resources and trust to approach it well?

If these questions produce uncertainty—or sharply different answers—it may be time for a more deliberate governance review. Starting while people still have room to consider options can help the organization make better choices and build the support to carry them through.

Bring us your questions. We'll help you work through what's next.
watsoninc.ca/connect



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Rachel advises a wide range of clients, including a number of associations across Canada. At the heart of her work is a commitment to trusted partnership: bringing clarity to complex issues and helping clients make decisions to strengthen their organizations.