Rethinking the Indigenous Corporate Governance Model

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Overview

• What is governance and corporate governance?
• Principles of good governance
• The traditional governance model
• Indigenous First Nations governance principles
• Fundamental challenges
• Building an Indigenous model & reconciling the governance differences
• Some practical suggestions
• Concluding comments
What is governance?

- **Governance** involves the more strategic aspects of steering and comprehends the *processes, rules, institutions and traditions* that guide decision making. (Jodi Bruhn, "In Search Of Common Ground", Policy Brief No.33: Institute On Governance, Ottawa, Canada, May 2009)

- **Corporate governance** broadly refers to the *mechanisms, processes and relations* by which corporations (and organisations) are controlled and directed. (Wikipedia)

- Governance is also about responding to the Community’s needs & aspirations as well as respect and relationships, as well as

- Thinking about the whole mob and doing the right thing
Principles of Sound Governance*

• Legitimacy and voice
• Direction
• Performance
• Accountability
• Fairness

*The Institute On Governance (IOG), Ottawa Canada
The Traditional Governance Model

RULES

GOVERNANCE MODEL

SYSTEMS

RELATIONSHIPS

PROCESSES

The Traditional Governance Model

Indigenous First Nations Principles*

- Attunement – community maintains a sense of fitting within the Whole, informal rules
- Responsive, responsible leadership – obligations to community & environment
- Harmony - consensus in decision making & reciprocal obligations
- “We Help Ourselves” – care of yourself & the land you live on
- Respect – for all leaders in & around communities and for the culture

Fundamental challenges

Pre colonisation:

“There are many people sitting in the shade of a large tree with all eyes at once focused on the food at hand. The pertinent questions would relate to how the food could be shared, how it could sustain everyone, ensuring that all could survive. It was a collective gathering whose motivation was centred on the common good. There were stories told, lessons learned and knowledge shared”.

Post colonisation:

“People sit around a table and the Chairperson of the organisation looks to see who contributes and who is unable to contribute. Only those who can offer something can stay to share the profits. Others are then more or less discarded, displaced and left to become destitute. The powerful take control of all that is on the table. The most powerful ensure that their stomachs are full, their credit cards available and that they are secure in their positions of power”.

Fundamental challenges

- Two different laws – Indigenous laws and Western laws
- Indigenous societies are based on less formal institutions & oral traditions with the important relationship between human and spirits, plants, rocks & animals
- IOG principles & traditional governance model assumes formal structures in place, i.e. records, political systems and judicial institutions
- Alignment of expectations and cultural respect
- Understanding of a more complex decision making process, need to time & flexibility
- Group and community focus vs individual focus
Building an Indigenous Governance Model

How do we reconcile the traditional governance model to the Indigenous governance environment?
Building an Indigenous Governance Model

Building an Indigenous Governance Model

ATTUNEMENT
RULES
FAIRNESS/LEGITMACY & VOICE

“WE HELP OURSELVES”
PROCESSSES
DIRECTION & PERFORMANCE

GOVERNANCE MODEL

RESPONSIVE, RESPONSIBLE LEADERSHIP
SYSTEMS
ACCOUNTABILITY

RESPECT & HARMONY
RELATIONSHIPS

LEGITIMACY & VOICE

Building a Indigenous Governance Model


DAE Strategic
Reconciling the differences through.....

• Having a sound foundation of cultural awareness and sensitivity
• Understanding the differences in governance principles
• Being flexible & adaptable in decision making processes
• Developing governance systems that incorporate the different principles
• Engaging in broad community consultation
• Provide time & flexibility
• Develop strong Indigenous leadership with understanding the principles of good governance
Some practical suggestions

- Elders committees or Elders boards, similar to the European two-tier board system
- Sub committees of the board for cultural matters
- Socialise big decisions broadly with communities, allow time
- Increase board transparency (within the confines of board confidentiality)
- Increase community consultation and engagement
- Anchor decisions to cultural aspects where possible
- Leadership training & development and succession planning
- Governance training, including decision making and dispute management
The Indigenous Board/Council

- Community Members
  - Elders Committee
  - Heritage & Culture Committee
  - Audit & Risk Committee
  - CEO/GM
  - Management & Staff

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Concluding comments

• Governance principles are different
• There are common or shared attributes of each
• “One size” (governance model) doesn’t fit all
• The differences can be reconciled through flexible and adaptable processes and systems
• Broad consultation and engagement is critical
• On going governance and leadership training is essential
Thank you