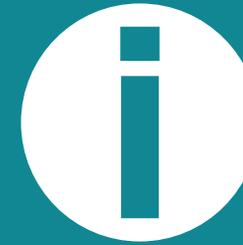


Succession Planning



What is Succession Planning?

Succession planning is the process of identifying and preparing suitable employees through mentoring, training, job rotation and organizational involvement to replace key players, while supporting the continuation of organizational knowledge and culture as older employees retire and leave the organization.

Without proper succession planning, the future success of the business is left to chance. For example, it may cease to be competitive or attract new talented and qualified individuals. This FACTSheet will provide suggestions and examples that move succession planning from a “buzz-word” term into implementation through action. The key thing to remember about succession planning is that it is most useful (and will provide the best results to your co-op) if it is an ongoing and active process that the board has made a commitment to develop.

Succession planning is particularly critical to the co-operative sector because in addition to identifying and developing future employees, the culture of co-operation, the

history of the co-operative movement and the co-operative advantage must all be shared and passed along.

Meaningful Involvement for Youth through...

The Board of Directors

Boards of Directors are an integral part of every co-operative and serving on the board offers an incredible learning opportunity for both youth and for the co-operative organization. Having a youth directorship on the Board of your co-operative provides a great mentoring and experiential learning environment for a young person to become integrated into the co-operative model. It also provides a great opportunity for the Board to gain a youth perspective and to integrate this perspective into the operations of the co-operative. Any young person over the age of 18 is eligible to become a board member of a co-operative, provided they are a member or represent a member of the co-op.

The biggest factor to consider when looking at the possibility of having a youth

directorship is that this director should have the same rights and responsibilities that any other director would have, including the right to vote. The youth term may have to be different from the term of other Board members according to age and mobility variations that are common amongst youth (for example, a one year term, rather than the other directors’ three-year terms). Without voting rights, the youth position becomes a token position that lacks meaning. The position looks good on the surface but no one really benefits. It can also be difficult to find youth to run for and to hold the position.

The following are examples of organizations that are integrating youth into their boards. The Ontario Co-operative Association has a Youth Director position on its Board. This is a one-year term for a young person between the ages of 18 and 25. The youth must be a member of a co-operative or credit union that has membership with the Ontario Co-operative Association. The Canadian Worker Co-op Federation is another example of an organization with a youth directorship. This individual must be a member of a worker co-operative and be

- There are over 1,300 co-operatives, credit unions and caisse populaires incorporated and operating in Ontario, with 1,900 locations in 400 communities.
- In 2012 alone, 73 new co-ops incorporated in Ontario.
- Housing is Ontario’s largest co-op sector (45%), followed by Financial Services (17%), Child care (17%) and Agriculture (6%).
- The co-operative sector in Ontario represents a very conservative \$30 billion in assets (2007).

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between the ages of 18 and 30. For CWCF, the youth director serves a two-year term.

Connecting through Technology

The majority of young people are very comfortable with technology and use technology daily to communicate with family and friends. Consider creating a blog, Facebook page or Twitter feed where young people that are interested in similar issues or have membership in the same co-op can come together and talk with one another. The Commonwealth Credit Union in Alberta hosts a blog and website, at youngfreealberta.com, which are great examples of the passion that young members can bring to your co-operative.

Employment

Youth employment is the first thing that most people think about when looking at succession planning. While employment is an ideal outcome for youth and for the future growth and success of the co-operative organization, it should not be the only item that makes up a succession plan. There are a variety of ways to engage youth in the co-operative movement and employment is but one of the ways.

While it is likely that the majority of youth will be hired into introductory level positions, there are practices that can be considered to help to integrate young people into the co-operative culture. For

example, participation in an internship program provides a young person with exposure to the sector and to your specific organization.

Another entry level employment strategy is to allow for job shadowing so that youth can see the diversity of roles and responsibilities within the co-operative. Other options include encouraging a young person to sit on committees within the organization, perhaps event planning or coordination of an area that may be of interest to the individual but is not usually part of their position, such as a government relations or marketing committee. All of these possibilities provide benefit to the youth employee and the co-operative as both gain from the experience.

The Importance of Education...

Education can be both a long-term and a short-term strategy of succession planning, but it needs to be a greater priority for the entire co-operative sector. Why? Education is not only a way to provide co-op knowledge and history across generations but it is another tool for meaningful engagement, regardless of current involvement in a co-operative. Education can be formal, or informal; it can be for large, diverse groups or small and very specific groups. Education can be directed at the general public, young

people, employees and members. Simply put, education is succession planning.

Education brings awareness, builds reputations and highlights areas of interest or growth, thereby making it easier for co-operatives to attract talented individuals that share the same values and ideals as co-operatives. When people, of any age, have a better understanding of what a co-operative is and what the foundational elements of co-operatives are, they are able to make better-informed decisions about the organizations they look to for goods, services or employment.

In the Workplace

It is important for education to take place within the co-operative to assist new employees in learning about where they work so they can be better prepared to move into leadership roles. Some key questions for co-operatives to consider are: Do employees know that they work for a co-operative? Do they know what a co-operative is and how a co-operative differs from other types of businesses and other organizations, such as charities and not-for-profits? Does your co-operative have an orientation program that introduces these concepts to new employees? Is this material ever repeated or built on as the employee moves through your organization?

- **Three recent studies demonstrate that co-operative enterprises have significantly higher survival rates than other business corporations. In fact, a co-operative is twice as likely to be in operation after 10 years.**
- **Ontario co-ops employ and provide benefits to 15,500 people (greater than the total number of Ontarians employed in production of goods).**
- **1.4 million Ontarians are members of a co-operative, credit union or caisse populaire (more than 10% of the population).**

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As an example of workplace education, co-op informational sessions are part of the new-hire training program at Gay Lea Foods Co-operative. New employees are shown a video illustrating how the co-operative principles are integrated into Gay Lea's business operations. New employees are also taught about the stakeholders and the governance model of the organization which helps them to understand how Gay Lea differs from a publicly traded company.

To the General Public

At the broadest and most general level, the public needs to be educated about co-operatives: What are they? How are they different from other forms of business? What are the advantages of membership? With co-operatives operating in nearly every sector and products and services being provided to people at all stages of their life, it is never too soon to educate people about co-operatives.

Within your co-operative evaluate the education that you provide to new members. For example what is the process that new members go through upon joining the co-op? Some ways to make new and existing members more aware of their co-op membership is by dedicating some space in company literature or making a point to talk about the co-operative in promotional materials.

There are a number of “Co-ops 101” resources available through OCA, other co-operatives, and online from YouTube and other sites.

To Youth

Up until very recently, there was little co-operative education taking place in any level of curriculum in Ontario schools. Elementary, high school and university and college students learned almost nothing about co-operatives.

However, small actions can make a big difference in this area and this is slowly – very slowly – starting to change. Beginning in 2011, OCA launched *All 4 Each*, a lesson series that can be easily presented by high school teachers in civics, business and world studies classes.

Developed with the support of other provincial associations, the *All 4 Each* curriculum can be presented at high schools across the country. Education takes place inside and outside of classrooms and does not always have to be delivered through traditional means, like textbooks.

A great way to educate youth about the co-operative sector is to sponsor young members of your co-operative or employee's children to attend the Co-operative Young Leaders Program. CYL is a week-long multi-tiered summer camp program for a youth between the

ages of 14 and 18, who are a direct or indirect member of a co-op or credit union. The program provides opportunities for personal growth, using the co-operative way of getting things done – all while having fun! The CYL program is a great start or complement to your co-op's youth involvement strategy.

Other types of education that can be done include going into schools and meeting with youth to introduce your co-operative and the overall co-operative model. For example in 2011 *Caisse populaire des Voyageurs*, a partner of the Desjardins Group, gave away bicycles to students as part of a program to encourage saving habits at a young age. They also run several post-secondary scholarship contests annually. A housing co-op, worker co-op or consumer co-op may want to go into an entrepreneurship or leadership class to speak about the ways co-ops meet community needs. All of these education initiatives can be done to scale in accordance with the resources that are available.

Through Mentorship

A youth integration strategy to complement employment includes developing a mentorship program within your co-operative or amongst other co-operatives in your sector or community. Mentorship is not meant to be a burden on the time and energy of experienced

- There are some **49,000 co-operative volunteers across Ontario, including over 10,000 board members who are actively involved in governing and leading co-ops, credit unions and caisse populaires in Ontario.**
- **World-wide, co-operatives operate in over 90 countries, employ over 100 million people and are supported by over 1 billion members.**

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staff people but a casual relationship that provides mutual benefit to both the mentor and mentee.

Overall, a mentorship program works to provide a space for generational sharing. As an experienced staff person it can be hard to remember what it was like when you first began a career and didn't know all that you know now. It is easy to forget the process one has gone through to acquire the knowledge and the skill set that they currently have. As a mentor it can also be a really positive experience to see someone else take pride in something that you yourself are already proud of. Both the mentor and mentee can learn from this experience, making it fulfilling for both parties.

The mentorship program can have a formal beginning and ending or it can be left to the mentor and mentee to determine the relationship.

Overcoming Barriers to Entry and Involvement

There are several barriers that need to be overcome when developing and implementing a succession plan in your co-operative. Differing communication styles and stereotypes about behaviour can

lead to conflict or misunderstanding along generational lines in the workplace, which can in turn hinder the ability of a co-op to effectively recruit and train youth to succeed the retiring generation.

For a co-operative to be sustainable now and through the retirement of the baby-boomer generation, organizations must have an understanding of generational diversity and how those dynamics impact all generations working in an organization.

Many young people of Generation Y and those that follow it have been taught to share their opinions and suggestions in their work environment in an assertive and confident manner. This can be threatening to older employees who may feel that a younger employee is after their job or brashly communicating their viewpoint without the proper respect or experience. Open communication and opportunities for collaborating and sharing opinions can help to ease this tension. Many young people have a desire to learn and are eager to learn from those with experience.

Overall, youth—like any other employee or volunteer involved with an organization—want to make meaningful contributions to the co-operative. The values and focus of the co-op model are well aligned with the

personal values of many of today's youth, which means the potential and opportunities for all parties are significant.

A great frustration and barrier that many youth face are the limitations that emerge from the saying, "Youth are the leaders of tomorrow." The reality is that youth make significant contributions to today's leadership. Perpetuating the viewpoint that their contributions will be made in the future will only inhibit the success of the co-operatives succession plan.

Another barrier is the often stereotypical perception that youth have about adults. Many youth have the perception that adults are rigid, set in their ways and unwilling to teach young people about the organization and its culture. Related to that is the perception that many adults do not want to change and as a result the thoughts and opinions of young people involved in the organization are not shared or considered.

Being aware of perceptions, realities, opportunities and challenges are all things that will contribute to the development of a succession plan that works for your co-operative and achieves your desired goals. Succession planning has the potential to not only bring great talent into your organization but also to create an environment for great opportunities.

FOR MORE INFORMATION, CONTACT

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More resources are available at:
CoopZone Network
coopzone.coop

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