

**LEADING  
FOR THE  
FUTURE**

**A STRATEGY DOCUMENT DEVELOPED BY  
THE NATIONAL YOUNG LEADERS TASK FORCE**



**Credit Union  
Central of Canada**

## FORWARD

This strategy document was prepared by the National Young Leaders Task Force for the Canadian credit union system, and presented at the Canadian Conference for Credit Union Executives on May 1<sup>st</sup>, 2006.

Past nominees of the Canadian National Young Leaders Award approached Canadian Central last fall with an idea to increase capacity and mentoring opportunities for young leaders in our system. The result was the formation of a National Young Leaders Task Force to investigate strategies and tactics that credit unions in the system may find helpful. A group of 15 young leaders from all parts of the country have been working to develop this discussion paper. The Task Force is made up of nominees of the 2004 and 2005 National Young Leaders Award and other young credit union professionals who were recruited to ensure regional representation. The Task Force believes that we must begin to build leadership capacity now for future success.

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## THANK YOU

The Young Leaders Task Force would sincerely like to thank Credit Union Central of Canada for giving us the opportunity to help shape the future of the Canadian credit union system. We would especially like to thank Cheryl Byrne, Vice President of Knowledge Services for recognizing the importance of this issue and bringing this Task Force together. We would also like to thank Veronica Feldcamp, Director of Trade Association Services and June Sobkovich, Executive Assistant for all of their support and assistance throughout the project.



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## EXECUTIVE SUMMARY

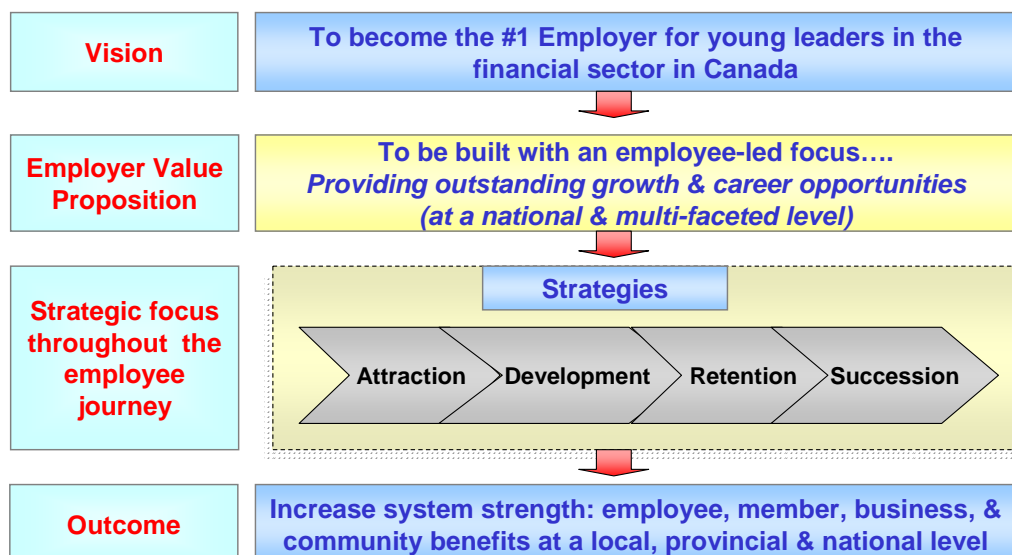
This discussion paper addresses the need to attract, develop and retain young leaders in the Canadian credit union system. The 'war for talent' is a critical reality facing the credit union system. As the first of the baby boomers retire within the next few years, the credit union system will see a strain to replace key leaders. We are beginning to see the overall labour market age, resulting in the talent pool for tomorrow's leaders to shrink. This is exacerbated by the fact that many young people are taking much longer to complete their education and begin a career, and many people are ending their careers earlier than age 60. As the financial services industry becomes more competitive, with vigorous change and business complexities, it is critical that the credit union system develop its leaders to lead the credit union system to continued growth and success.

Developing young leaders is going to be important for the system for many years to come. Small credit unions are going to require new leaders to assume senior positions and face the issues of consolidation. Larger credit unions will require young leaders to take on increasingly sophisticated challenges of the industry, competitive landscape, and consumer.

In a study done by Deloitte Consulting, Stephen Diotte states, "Failure to anticipate shortages will force companies into tough choices. They will either have to buy the necessary talent at a premium – or watch their strategies fail for lack of resources. In either case, the impact on shareholder value is clear". This global talent pulse survey clearly defines the magnitude of this problem, and outlines that attraction and retention of talent to be the two most critical issues facing Canadian organizations.<sup>(1)</sup> (Highlights of this report can be found in Appendix 1.)

The 2005 fall issue of the credit union Environmental Scan states that leadership continuity increases the probability of strengthening corporate values, culture, branding harmony, community building and business success.<sup>(2)</sup> These are the essential items for the longevity of the Canadian credit union environment within an ever-changing financial market. Building leadership capacity now, will secure the leadership continuity needed for the future.

In order to develop future leaders, and to meet these future needs, this Task Force believes that the credit union system should embrace the vision of becoming the number one employer for young leaders in the financial services sector in Canada. This paper describes strategies to achieve this goal. The key components of this strategy relate to the attraction, development and retention of talent, as well as succession planning.



## PART 1- CONTEXT

Developing young leaders is critical to the long-term success of the Canadian credit union system. All credit unions, regardless of size, will be faced with these challenges:

- A. Demographic changes
- B. Changes in the credit union system structure and size
- C. Skills required for future leaders
- D. Changing expectations of young employees
- E. System challenges

### A. Demographic Changes

Demographic trends are known throughout the industry. As the baby boomers get older and begin retiring, it is up to the following generations to fill the leadership void and ensure long term viability of the credit union system. Our study will offer insight into how we can effectively manage this challenge, bringing success to the credit union system as a whole.

There are three important shifts taking place which affect Canadian demographics. First, young people are taking much longer to complete their education and begin their career. Second, many people are retiring earlier than age 60. Third, due to aging demographics, the working age population is expected to become smaller in the coming decades. In fact, the Canadian labour force is projected to shrink in size after 2016. <sup>(3)</sup>

During the past 10 years, the Canadian population between the ages of 45 and 64 increased by 35.8%. The increase in this age group was due primarily to the entry of the oldest baby boomers, those individuals born between 1946 and 1965. The chart shown in Appendix 2, which is projected to 2026 (only 20 years away) indicates that the largest single segment of the population will be between 60 and 70 years old. These people have either recently retired or will be in the process of retiring. (See Appendix 2 for Canadian demographic projections).

### B. Changes in the Credit Union System Structure and Size

Appendix 3 highlights the growth of the Canadian credit union system. The anticipated growth demonstrates the need for the system to develop leaders, to replace the aging population and to meet the demands of tomorrow. If the growth/decline rates that we have seen between 2000 and 2005 are to continue for the next five years, the credit union system will see significant change. The number of credit unions in the system will shrink to 376 (-27%), while the total assets will accumulate to \$132,011,460,000 (+53%). The system needs to prepare tomorrow's leaders for these challenges. <sup>(4)</sup>

Our research found that there was ample information available on the size and structure of the credit union system and on member statistics, but very little data was found on the demographics of the credit union system work force. Strategically, we have recognized that it is a priority, but as a system we have not yet analyzed the current demographic state of the credit union system work force.

While some information was provided from credit union centrals across the country, consolidated information was not available. For example, in Ontario the average age of the executive group is 50.8 years old. In 2001, Saskatchewan credit union leaders estimated that 70% of the credit union managers in that province were to retire within 10 years. (See Appendix 4 for further details regarding information sources and the provincial data that was located.) <sup>(5)</sup>



### **C. Skills Required for Future Leaders**

Canadian credit unions, along with the entire business and consumer environment, are changing. The needs of both members and employees are shifting such that leaders of tomorrow will require different skills to recruit members and employees to the credit union system. This makes the issue of growing and developing leaders critical for credit unions and perhaps the most important issue now facing the Canadian credit union system.

Like today's leaders, future leaders will be passionate about their vision and will need to actively "enroll" their colleagues in their dream. Credit unions will need clear direction from leaders who are comfortable working in an increasingly competitive and rapidly changing environment. Leaders must be able to adapt to this change and be innovative, turning challenges into opportunities, and engaging employees to respond effectively to competitive advantages. The successful credit union leaders of tomorrow will rally people in the organization to a better future, creating a culture of innovation where the team collectively determines how the vision will be executed. Employees today are seeking organizations where their input is valued and where they have a stake in determining the fate of the organization. Therefore, leaders must be adept at collaborating with all levels of the credit union and securing the commitment of the entire team.

Current and future leaders must take an active role in the development of all employees so as to create more leadership candidates within their company. The goal of leaders should always be to develop more leaders. As former Alberta Premier Grant McEwen suggested, leaders should "always leave the vineyard better producing and more bountiful than when you found it."

### **D. Changing Expectations for Young Employees**

The expectations of employees are changing. Young employees are looking for an employer with a corporate culture that fits the lifestyle and work philosophy of youth today. They are more savvy and demanding. They want an open communication platform where their decisions, actions, and suggestions are taken seriously. Rewards and recognition are important. Responsibility and empowerment are critical, as young individuals have been described as thirsty, looking to understand as many aspects of the business as possible. Having a culture that embraces cross training, advancement opportunities, and exceptional training will be key.

More consideration must be given to the work/life balance. Young leaders will want job sharing and flexible work hours. Since community contribution ranks high on young people's social agenda, they will be looking for opportunities to get involved in the community. Allowing youth to participate in community events and activities will build employee loyalty. Youth want to have an impact on both the workplace and the community in which they live. The workplace must be cutting edge, challenging, fun and have an entrepreneurial spirit.

With changing sophistication comes the ability to offer a challenging work environment and the continuing opportunities that younger employees are looking for. Different generations have different qualities that define job satisfaction. The website, [www.jobquality.ca](http://www.jobquality.ca) shows that 90% believe the #1 characteristic of job quality is based on the fact that the job offers "interesting work".<sup>(6)</sup>



## **E. System Challenges**

The Canadian credit union system will be facing significant challenges in the years to come. These include legislative, regulatory, new and increased competition, diversification, security issues, and more. In order to build system consensus on any issue, credit unions will have to bridge the gap between small and large credit unions and the gap between provinces and markets.

Developing future leaders is important for both small and large credit unions. Smaller credit unions wishing to remain autonomous must develop future leaders who can handle the issues of consolidation and competitive differentiation. Larger credit unions must develop future young leaders to deal with the complex, sophisticated financial services system that continues to evolve. The larger a credit union (or group of credit unions) grows, the more sophisticated the leadership needs to be. Today, growing credit unions recognize that skill set requirements change with organizational size (particularly in leadership roles) and it is becoming more challenging to attract the talent needed to meet today's changing consumer expectations. Greater emphasis on the need to develop young leadership skills is required in order for credit unions to be prepared for the level of sophistication consumers are demanding. When the anticipated skill deficiency becomes a reality in the next few decades, we want to ensure that as a system we are prepared, and that we are not making decisions to consolidate based upon leadership issues.

Another contributing factor is the "urbanization" of Canada. Credit unions in rural locations have difficulty attracting talent in the current environment. As the country urbanizes and people choose more and more to live in larger centres, the "war for talent" will grow, with credit unions finding it cost prohibitive to attract the resources they require to lead their organizations.

Developing a Young Leadership Strategy is not something that can be done in isolation of other strategies being pursued, either by credit unions, or the credit union system as a whole. As one thinks through these realities, it becomes more obvious that regardless of size, developing young leaders is going to be important for the system for many years to come.

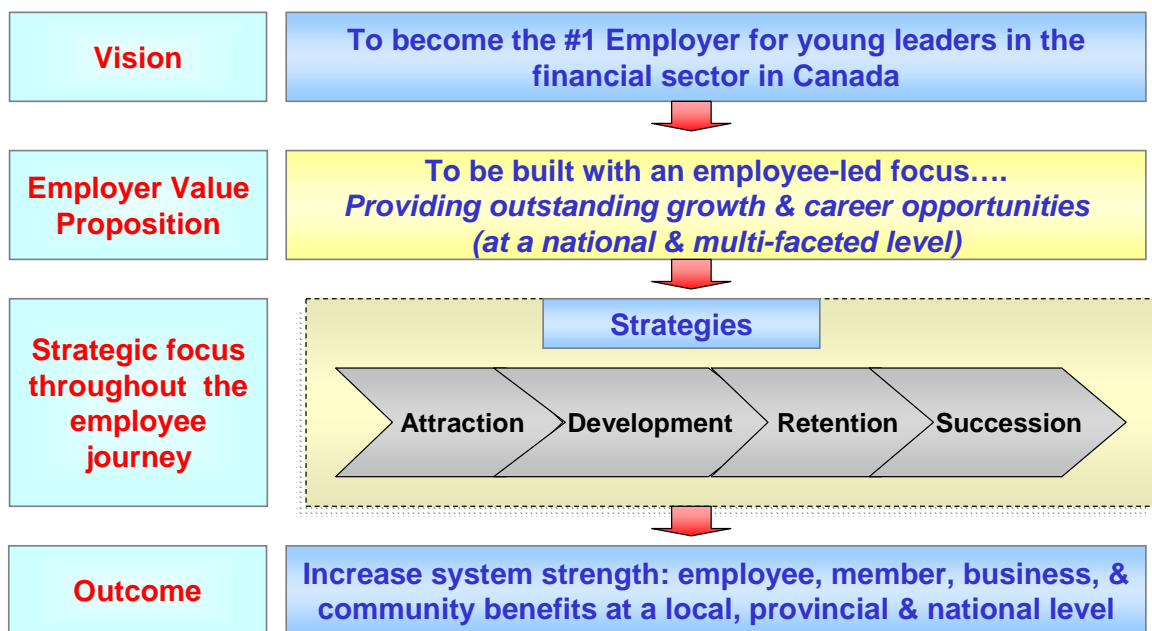


## PART 2 - VISION FOR YOUNG LEADER STRATEGY

Our vision is that the credit union system will become the **#1 Employer for young leaders, and top talent, in the financial services sector in Canada**. An ambitious goal, but one that we believe is highly achievable, and will reap huge benefits for the system.

Why is building this vision critical? It is critical due to the aggressive and increasing war for talent; because employee talent and employee retention is critical in order to deliver outstanding service, innovation, and competitive differentiation; and because strategic leadership will deliver real benefits for members, employees, the credit union system and our community.

To achieve our vision, we need to build a great employer value proposition for the young leaders of today and tomorrow. This value proposition cannot be just a marketing slogan. It must represent the totality of everything we promise and deliver to our employees, throughout their entire employee experience or 'journey' within the credit union system. As highlighted below, the employer value proposition we build needs to be framed by the overall vision to become the top employer for young leaders in the Canadian banking industry. It also needs to be on the expressed and latent employment and career development needs of prospective and existing young leaders of the system.



## YOUNG LEADERSHIP DEVELOPMENT STRATEGY SUMMARY



**With these combined strategies, we can become the #1 employer in the financial sector in Canada.**

**This will enable us to take our system to the next competitive level and deliver innovative solutions for our members & communities**



## YOUNG LEADERSHIP DEVELOPMENT STRATEGIES

### Strategic Goal #1:

<b>Attracting Talent</b>	<b>Attract young leaders to the system and build a national talent pool</b>
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### Strategic Recommendation:

We must build and deliver an exceptional employer value proposition that will promote the overall credit union image and attract young leaders to the system.

### Programs and Tactics to Support Attracting Talent:

#### A. We must understand the needs of young leaders of the future

- We need to research and understand current and future needs and interests of young leaders and determine what sort of environment we need to create to attract and retain top talent. As Baby Boomers reach the age of retirement, Generations X, Y and Cyber are preparing to be the leaders of our future. With each generation comes a new way of thinking. Their needs, views and interests are all different. For a credit union to attract talent from each generation, the differences must be clearly understood and the methods of attraction altered to ensure that top talent is obtained.

#### B. Build the credit union employer value proposition for young leaders

- This value proposition cannot be just a marketing slogan. It must represent the totality of everything we promise and deliver to our employees, throughout their entire employee experience or 'journey' within the credit union system.
- The value proposition must focus on the whole employee experience. A total package of employee benefits and career development opportunities needs to be developed to open the doors to potential leaders looking to join the credit union system, or for those who wish to grow within the system.
- Compensation and benefits should be competitive with other Financial Institutions, while emphasizing the greater benefits of working for the credit union system. These benefits will differentiate the credit union system, not only from other Financial Institutions, but other organizations as well. Examples of some of these benefits include working for a company that: <sup>(7)</sup>
  - has a positive work environment focused on achievement and innovation
  - has a culture which is customer owned
  - contributes to the well being of the community, and is respected by the community
  - provides opportunities for growth and training
  - offers opportunities for a balanced lifestyle (job sharing, flexible hours)
  - provides career opportunities within the provincial and national system
  - provides employees with an opportunity to get involved in the community
  - can respond quickly to the changing needs of members and community
  - is transparent



- This value proposition will need to be continually refined and enhanced to ensure that it meets the latent and expressed needs of young leaders, and enables the system to achieve its goal of being the #1 employer for young leaders in the Canadian financial sector.

**C. Package the full benefits of working for the system and sell the story**

- These benefits include inter-credit union, cross-functional, central, provincial and national opportunities. Although all credit unions are different, when it comes to attracting talent, we are very similar. We are all looking for the best, brightest talent available. We need to ‘package’ the opportunity to work for the credit union system similarly to how the CGA career opportunity has been marketed nationally. Being a CGA will mean something different in every organization, in every part of Canada, but the benefits of being a CGA are very similar throughout.

**D. Build innovative HR recruitment and attraction tools**

- By using the right methods of attraction, credit unions can effectively promote the benefits of working for a credit union. We must be innovative in our efforts to attract young talent. We need to begin looking for top talent in the early stages of a future young leader’s education and career. For example, attracting young leaders at the university level may be accomplished by provincial credit unions sponsoring credit union representatives to deliver messages at the Universities and/or Colleges.
- Building strong relationships with schools through presentations and greater participation in co-op programs would give credit unions the opportunity to ‘sell’ their organization while the young talent continues to seek out his/her career.
- Other examples of innovative approaches would include:
  - road shows with specific target groups
  - participation in university events
  - a national website
  - recruitment of top talent from talent agencies
  - innovative ads to position the system in terms of its unique benefits and opportunity
  - top talent referral programs for employees.

**E. Build a new employee experience for new young leaders joining the system**

- Similar to the best practice of focusing on developing strong relationships with new members in the first 90 days, it is important that we focus on developing similar bonds with new employees from day one. Early in their employee experience there is an opportunity to build strong relationships with new employees by identifying young leaders, committing to their development and retention, and building engagement.



## **Strategic Goal #2:**

**Developing Talent**

**Grow and develop young leaders to meet the current & future strategic needs of the system**

### **Strategic Recommendation:**

There is a critical need for credit unions to identify the existing young leaders in the system and to shape their future leadership roles to meet current and future strategic needs. Research indicates young people today change careers frequently, therefore early identification of potential leadership candidates is critical so that appropriate development plans can be initiated.

The system and individual credit unions should strategically invest in the leaders of tomorrow. Two-way accountability (for both the young leaders and the system) must be built for the development of these young leaders.

Building manager and executive accountability for the development of identified young leaders within individual credit unions, and within the credit union system as a whole (including centrals), will help bring focus to this important area. Building credit union Board/Executive commitment to the allocation of time, money, and resources to support the development of young leaders will also be critical.

### **Programs and Tactics to Support Developing Young Leaders:**

#### **A. Leadership development program**

- Leadership training and support for young leaders.
- Build strategic people plans for young leaders, which will allow them to grow to meet the needs of the system in the future. Core competency identification and development will be an important component.
- Consider fast track/inter-Credit Union /inter-system Young Leadership Development and Leadership programs (e.g. potential to target Banff Leadership Program to young leaders).

#### **B. Foster networking mechanisms/supports**

- The ability to network with fellow young leaders is a key component of their development. This can be accomplished with the young leaders participating in a quarterly webinar (web seminar). This would provide an avenue for new ideas to be presented. Topics for discussion may vary, and would allow for the ability to express opinions in a non-threatening environment.



### **C. Mentoring and peer coaching opportunities**

- Build targeted development and learning opportunities for young leaders, including secondments, shadowing, mentoring, coaching, peer-coaching, etc. These could include development opportunities outside of financial services, or on community-based projects (e.g. with a non profit organization).
- Consider building mentorship programs which would be beneficial to career development and advancement of young leaders. This will ensure that the credit union system is cultivating young leaders for the future. Mentors provide support, guidance, friendship, role modeling, assistance and an attentive ear.
- Continue to foster the informal knowledge sharing and development already in play with young leaders in the system – taking it to a new level, and exposing other new leaders to the opportunities of making connections and creating opportunities within the system.

### **D. National young leaders' think tank**

- The ability for Young Leaders to debate critical issues and be provided a platform to be heard will be initiated through this tactic or via a development of new Provincial and National Task Forces from the National Young Leaders' Award program.

### **E. Strengthen young leaders' program**

- Strengthen the Young Leaders' Award Program to raise awareness of young leaders in the credit union system and the impact they have by enhancing the Program. Nominees selected for the Young Leaders' Award at the annual Canadian Credit Union Conference for Executives will be accountable for raising the awareness of young leaders. This two-year term commitment will be demonstrated by actively participating in the Young Leaders' Task Force.
- Build Provincial Young Leader Arms to deal with regional issues. This will provide greater efficiency due to commonality and an innate awareness of each province's unique circumstances and corporate challenges. The provincial arm would also provide an environment for Young Leaders, within specified geographic boundaries to establish a network of contacts and strategic partners.
- Young Leaders' Conferences/Knowledge Sharing Events could potentially provide a forum for which they can debate credit union matters of importance to the system. One could potentially add a Young Leaders day to the Credit Union Central of Canada (CUCC) and Provincial Conferences, or add a Young Leaders component to the main agenda of the CUCC and/or Provincial Conferences.



### **Strategic Goal # 3:**

**Retaining Talent**

**Proactively engage and retain young leaders**

### **Strategic Recommendation:**

It is recommended that young leaders with the skills, experience or potential that are critical for the current or future strategic needs of the system be managed and proactively retained through a national talent pool (and potentially in provincial pools as appropriate). Credit Union Central of Canada could also become actively involved in the exposure of potential young leaders to critical system issues as part of their development. We must shift focus from an individual credit union talent management process to a more strategic national and provincial talent management focus. We need to focus on keeping that talent within the credit union system rather than losing these employees to external opportunities.

### **Supporting Programs and Tactics for Retention:**

#### **A. National talent pool and talent management mechanisms**

- We need a system-wide method of sharing talent so that an employee who is relocating or looking for growth and challenge, could remain engaged in the system's success. In order to be successful, we must build national knowledge sharing and talent management mechanisms - tools and supports.
- Build a directory of young leaders in the system; national and provincial job postings; virtual talent pool; information exchanges; a streamlined process that allows leaders to see all opportunities in the system.

#### **B. Proactively build national, provincial and inter-credit union strategic alliances**

- Strategic alliances can offer further opportunities for growth, development and benefits for young leaders in terms of long term career opportunities within the system.
- Developing alliances with university co-op programs, working with learning centres to continue offering credit union focused courses (i.e. Banff School of Business), and developing mentorship programs between credit unions.



### **C. Build a young leaders' exchange system**

- The young leaders' exchange system would be a national system developed by CUCC to match talented young leaders looking for supplementary, on-the-job learning opportunities and knowledge, with the needs of credit unions across Canada. The opportunities that will arise out of a Young Leaders' Exchange system will help the credit union system engage and retain leaders, as the leaders will have access to new opportunities, experiences and challenges. The exchange system would establish formal processes around the exchange of knowledge and people through the internal CUCC web site and would deliver:
  - An exchange of people; for credit unions who have young leaders that require external job opportunities to grow, have operational needs for temporary duties/projects to be performed, and eager young professionals looking for learning opportunities.
  - An exchange of knowledge; through providing a venue to young leaders looking for opportunities to gain knowledge by telephone/internet, or in person interaction with knowledgeable experts within the national credit union system.

### **D. Strengthen young leaders' voice**

- Create opportunities for young leaders to work on national and provincial strategic projects – either with groups of young leaders and/or with 'mature' leaders.
- Encourage young leaders to participate in National Committees and Boards.
- Young leaders typically thrive on constant challenge and have a strong procurement for participation. The Provincial and National Task Forces will enable them to mentor and learn from those who have set the foundation of today's credit union system.



#### **Strategic Goal # 4:**

<b>Succession Planning</b>	<b>Strategically plan to ensure the future leaders and CEOs of the system are in place</b>
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#### **Strategic Recommendation:**

There is a need for the credit union system to engage in succession planning to ensure that the system is proactively nurturing the right internal talent to fill the most critical future leadership positions within the system, wherever possible.

#### **Supporting Programs and Tactics for Succession Planning:**

##### **A. Research talent and leadership needs**

- The credit union system must research the quantity of talent and the leadership skills required for the critical leadership positions that will be needed for the system to succeed in the future. The retirement of the baby boomer generation will bring on challenges that we have not experienced in the past. With greater understanding of the specific challenges being faced, individual credit unions, as well as the credit union system, will be able to prepare for talent shortages and implement succession planning strategies that will mitigate talent drain.

##### **B. Inter-credit union support**

- For the credit union system to have an effective succession plan in place, centrals and credit unions must be supportive of one another. Succession planning links attraction, development and retention (our first three strategic goals) to the goals and objectives of an organization. Employees are the credit unions' greatest investment. The significant dollars spent to attract, develop and retain our future leaders will be wasted if we do not take the time to link employee goals with the goals of the credit union system. Credit unions will require the resources and aid of other credit unions to individually achieve success in succession planning.

##### **C. Executive support**

- Succession planning must be driven by today's Executives and Management. For the system to achieve long term growth goals and business objectives, top managers must ensure that their organization has talent management and career mapping strategies in place that allow for the growth of quality young leaders. Succession planning is a proactive look at the talent needs of the credit union. With effective succession planning, voluntary turnover should be limited in the system. As executives retire, what better contribution could they make than to leave their credit union a successor that they had mentored and supported throughout their career to carry out the strategic vision of the credit union?



## PART 3 - CONCLUSION

Why is talent management of young leaders so important? Responding to and retaining our credit union young leaders will be a key strategic priority for the system if we wish to be seen as an employer of choice in the future. As a system, we have not paid enough attention to succession planning for future leadership. The result of this is about to become evident over the next decade. As many of today's senior executives approach retirement, the system will face a dearth of talented leaders ready to lead the system in what will become an increasingly competitive landscape. The 'war for talent' is already heating up across the country. Many industries have started to recognize that attracting and retaining leaders in the future will be challenging but nonetheless, essential if they are to remain strong and competitive. The vision guiding the strategies proposed by the Task Force is for credit unions to become the number one employer of choice for young leaders in the financial services sector. This paper describes the four key strategic focuses: attraction, development, retention of talent, and succession planning – all of which will help ensure this goal is achieved.

Where to start? It is recommended that the system and/or individual credit unions consider pacing talent management strategy development, investment and implementation over the next five years, and also focus on some potential 'quick wins' that could deliver immediate value. In this regard, we have some suggestions pertaining to what could be done in the short run nationally, provincially, and at individual credit unions to embrace the concept of building leadership capacity within the system.

**Nationally**, we believe that Credit Union Central of Canada plays a key role in doing some primary research around the demographics of the work force of the system, and understanding the future needs of young leaders. We also believe that there is an opportunity for the system to begin to build and package a credit union employer value proposition to support the objective to become the employer of choice in the financial services sector in Canada. The development of a national warehouse for job postings across the system would be an effective method of retaining young leaders. From an educational perspective, CUSOURCE plans to develop further leadership programs, and a leadership accreditation program targeting middle management will certainly help build leadership capacity.

**Provincially**, we feel that each central has a tremendous opportunity to foster networking mechanisms for young leaders within their province, and that developing a Young Leader exchange system can be done with little resources or investment. The Task Force also recommends that each central develop a provincial arm for the Canadian National Young Leaders Award program to foster and inspire more young leaders within each province.

**Individual credit unions** play the most important role in this strategy. First and foremost, both large and small credit unions must recognize the need for building leadership capacity within their own credit union and the system, and make it a priority. Building and implementing talent management strategies for current and prospective young leaders could be the single most important issue credit unions address over the next five years. There are a number of leadership programs, including those offered by CUSOURCE, which support leadership development that credit unions can access.

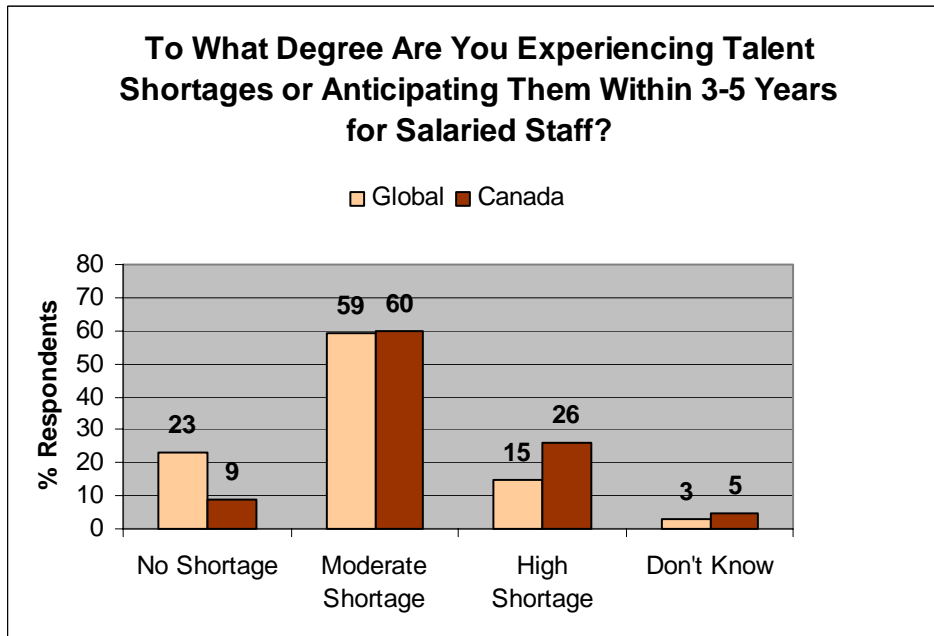
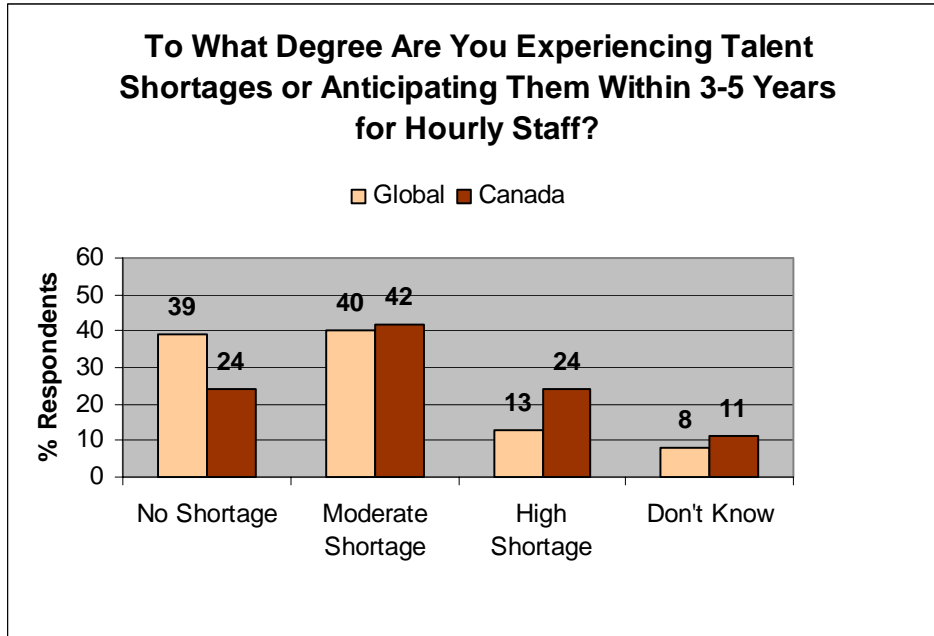
It is the belief of the National Young Leaders Task Force that the Canadian credit union system has the potential to become the **employer of choice for young leaders in the financial services sector** in the future. The attraction, development and retention of leaders will be critical for the system's short and long term success. The continued engagement of young leaders at all levels in the system will not only help build future leaders, but allow for the transfer of knowledge from one generation of leaders to the next. There are tremendous benefits to engaging, challenging, and nurturing the leaders of tomorrow. Talent management is a key strategic imperative for the system. Let us recognize the challenge and opportunity we face, and build leadership capacity for tomorrow.



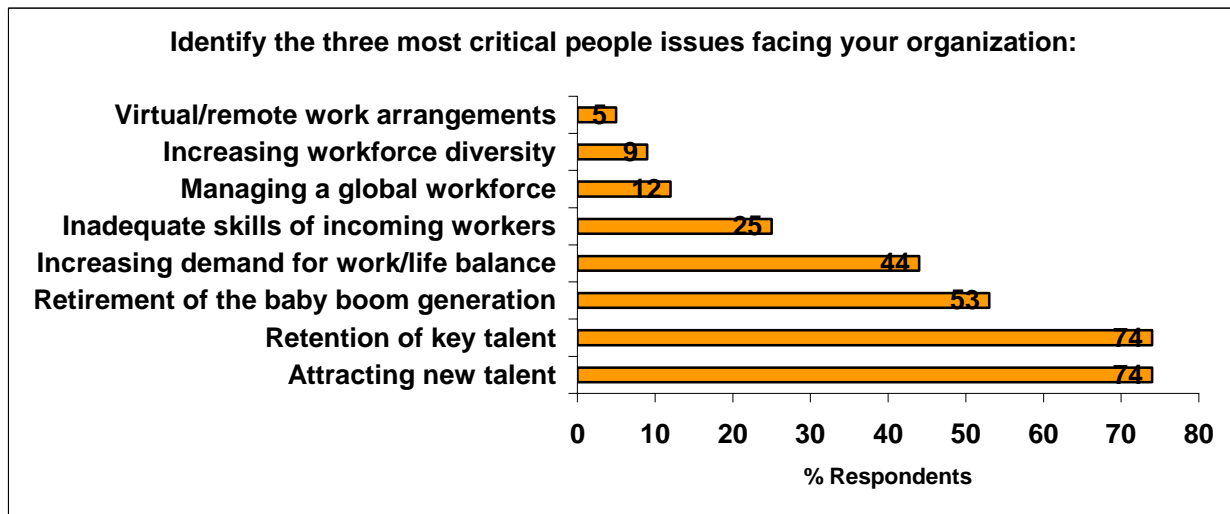
## PART 4 - APPENDIX

### Appendix 1

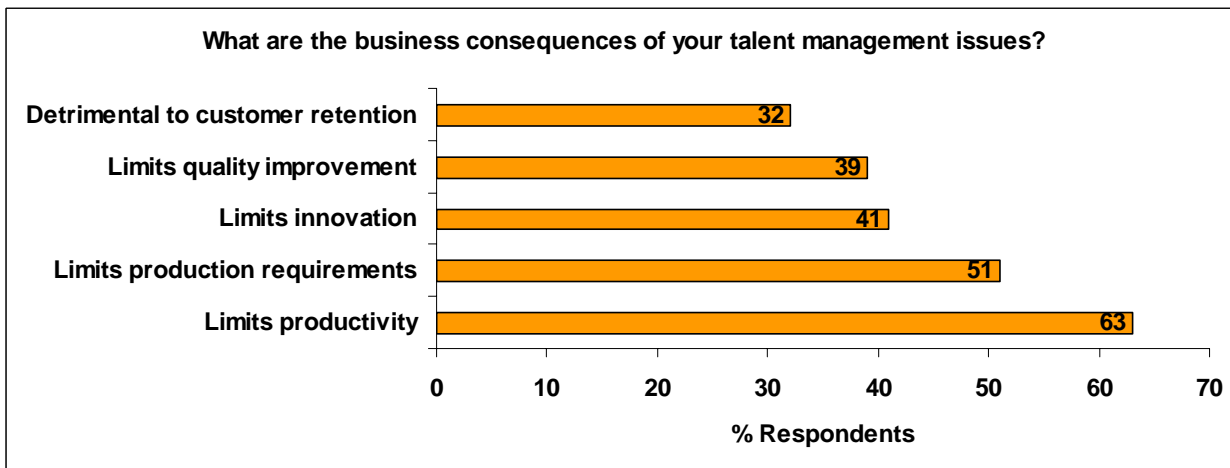
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 “Becoming a Magnet for Talent” - Deloitte Consulting.



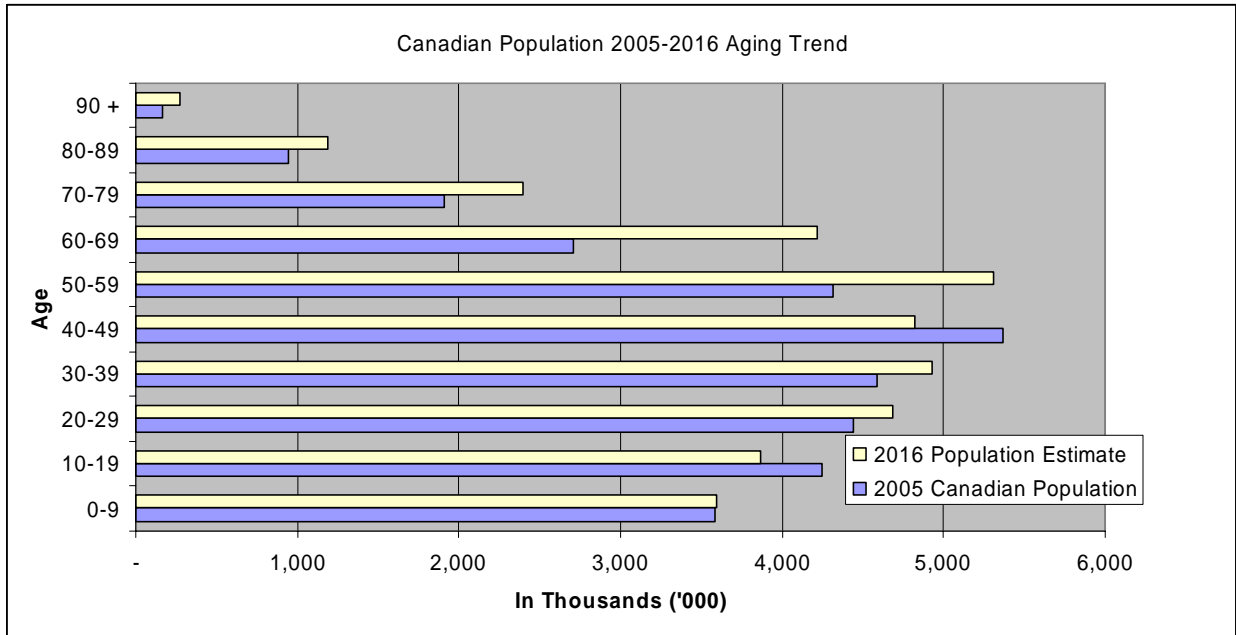
Key Findings: The Canadian results indicated that a greater number of organizations are affected by these changes, compared to global respondents. In addition to experiencing a stronger degree of talent shortages a greater number of Canadian organizations perceived the attraction and retention of key talent as critical issues which their organizations were currently facing. The results imply that the Canadian concern over talent shortages is greater because of the pending retirement of the baby boom generation is perceived to be impacting Canada to a greater degree.  
**Source: Becoming a Magnet for Talent. Global Talent Pulse Survey Results, 2005.**



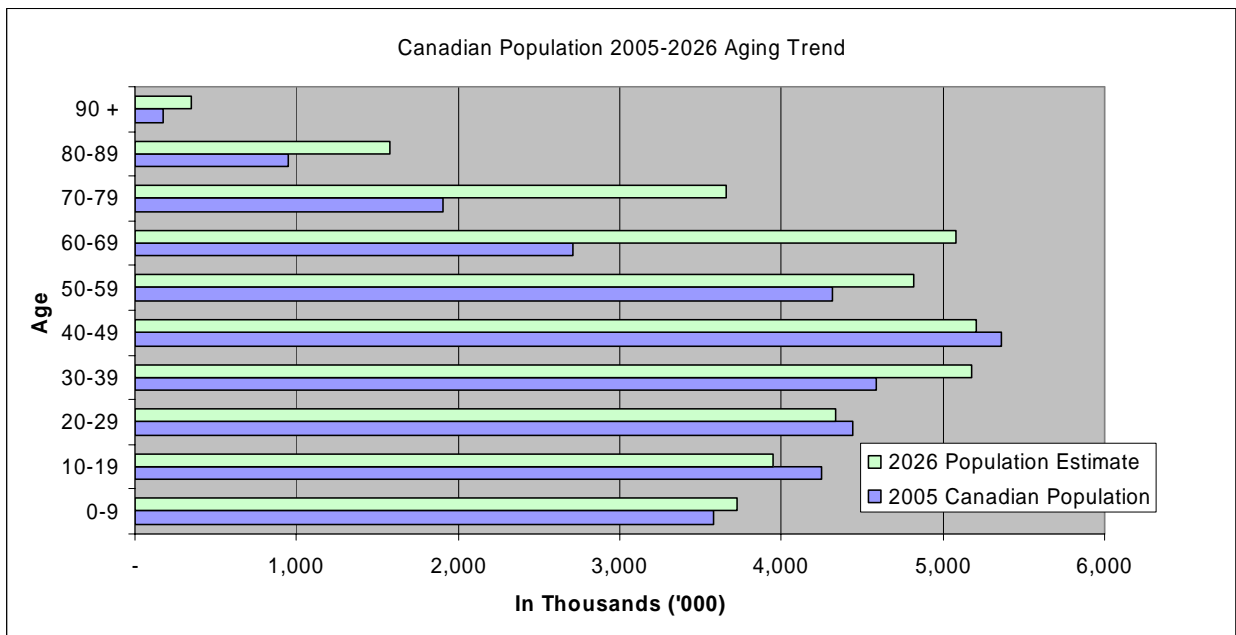
## Appendix 2 – Canadian Demographics

Source: Statistics Canada

The following tables demonstrate current and projected population figures for Canada:

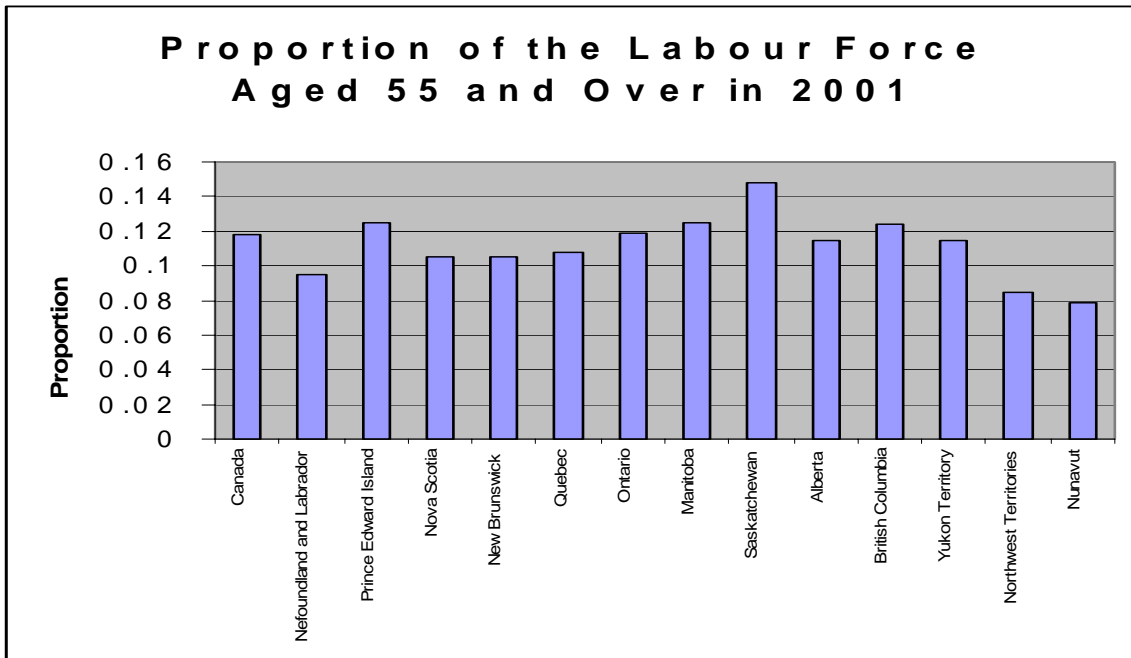


This is further exacerbated by year 2026:



**Every Province will have a Challenge:**

The diagram below illustrates the provincial proportions of the labour force over age 55. Provinces like Saskatchewan and Manitoba should act sooner rather than later in dealing with succession planning.



Source: Statistics Canada

**We are Retiring Younger (“Freedom 55”):**

Between 1997 and 2001, several NAICS (North American Industry Classifications System) industrial groupings had median retirement ages that were below the median retirement age for Canadians as a whole. These industrial groupings included finance, insurance, real estate and leasing at an average retirement age of 60 years. In addition, those same surveys indicated that occupations in finance had an over-representation of workers over the age of 35 relative to the total labour force. If more of the financial services sector retires at 55, this will only amplify the problem.



### Appendix 3 - Credit Union System Information:

Source: Canadian Central System Results 4th Quarter 2000, 4th Quarter 2005

As can be seen in the credit union system Information data below, the Canadian credit union has grown substantially in assets, (by 53%), while the number of credit unions in the system has shrunk significantly in the last 5 years, (by 27%). The number of branches has stayed relatively the same, while the number of members has grown by 7%.

Province	2000 Credit Unions	2005 Credit Unions	% +/-	2000 Total # Branches	2005 Total # Branches	% +/-	2000 Total Members ('000)	2005 Total Members ('000)	% +/-	2000 Total Assets (\$ Millions)	2005 Total Assets (\$ Millions)	% +/-
BC	72	52	-28%	335	352	5%	1,445	1,539	6%	\$ 23,387	\$ 36,026	54%
AB	78	53	-32%	196	208	6%	507	592	17%	\$ 6,571	\$ 10,918	66%
SK	143	100	-30%	333	330	-1%	672	527	-22%	\$ 7,297	\$ 9,403	29%
MB	66	57	-14%	182	177	-3%	436	514	18%	\$ 5,929	\$ 10,170	72%
ON	248	172	-31%	532	524	-2%	1,061	1,226	16%	\$ 10,688	\$ 16,335	53%
NB	25	23	-8%	34	44	29%	93	123	33%	\$ 630	\$ 890	41%
NS	51	34	-33%	83	83	0%	161	170	5%	\$ 970	\$ 1,389	43%
PEI	10	10	0%	13	15	15%	55	63	15%	\$ 419	\$ 613	46%
NFLD	15	14	-7%	37	43	16%	37	44	18%	\$ 361	\$ 538	49%
<b>Total</b>	<b>708</b>	<b>515</b>	<b>-27%</b>	<b>1745</b>	<b>1776</b>	<b>2%</b>	<b>4467</b>	<b>4798</b>	<b>7%</b>	<b>\$ 56,252</b>	<b>\$ 86,282</b>	<b>53%</b>

### 5 Year projected growth based upon previous 5 years rates:

If the growth/decline rates between 2000 and 2005 were to continue for the next five years, the credit union system will see significant change. The number of credit unions in the system could shrink to 376 (-27%), while the total assets could accumulate to \$132,011,460,000 (+53%). The system needs to prepare tomorrow's leaders for managing \$132 billion dollars in assets by the year 2010.

Number of Credit Unions			Number of Branches			Number of Members ('000)			Total Assets (\$ Millions)		
2005	Last 5 Yr Change	Projected 2010	2005	Last 5 Yr Change	Projected 2010	2005	Last 5 Yr Change	Projected 2010	2005	Last 5 Yr Change	Projected 2010
515	-27 %	376	1,776	2 %	1812	4,797	7 %	5,132	\$ 86,282	53 %	\$ 132,011



## Appendix 4 – Credit Union System Work Force Research

Statistics regarding the average age of credit union employees or CEO's across Canada are not available at this time. Canadian Central requested this information from the provincial centrals on behalf of the Young Leaders Task Force. Some information was found, but nothing consolidated. Canadian Central did provide that there is an estimated 25,000 employees in the entire affiliated CU system. (This number includes Credential and Concentra employees).

Credit union System Age Statistics

1. **Credit Union Central of Ontario** provided the following information for December 2005:

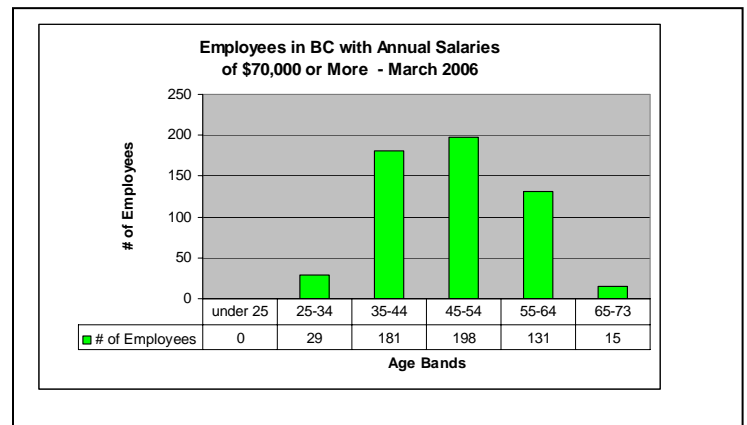
AGE	
AVERAGE AGE (MGR)	42.00
AVERAGE AGE (SUPV)	42.29
AVERAGE AGE (DIR)	48.71
AVERAGE AGE (EXEC GROUP)	50.80

2. **Credit Union Managers Association of Manitoba** provided the following for 2004:

Age	% of respondents
20-29	1.9%
30-39	13%
40-49	46.3%
50-59	33.3%
60+	3.7%

3. **Credit Union Central of BC** provided:

The number of employees earning over \$70,000 in BC at March 2006 is 554. The average age of these employees is 47.89.



4: A 2001 report entitled, **Saskatchewan Credit Union Leadership for the Future** provided the following information regarding leaders within Saskatchewan:

- 27.85 % of managers indicated they expected to retire in 0-5 years
- 43.04% of managers indicated they expect to retire in 6-10 years
- 27.85% of managers indicated they have no immediate retirement plans



## PART 5 – END NOTES

- <sup>1</sup> Deloitte Consulting, “Becoming a Magnet for Talent” Canadian Edition. 2005.
- <sup>2</sup> Credit Union Central of Canada, “Credit Union Environmental Scan” 2005.
- <sup>3</sup> Statistics Canada. “Populations Characteristics” 2005.  
NAICS, “North American Industry Classifications System” 1997 to 2001.
- <sup>4</sup> Credit Union Central of Canada, “Canadian Credit Union System Results”. Fourth Quarter 2004 & Fourth Quarter 2005.
- <sup>5</sup> Credit Union Central of Ontario, “Age Statistics” December 2005  
Credit Union Managers Association of Manitoba. 2004  
Credit Union Central of BC. March 2006  
Saskatchewan Central, “Saskatchewan Credit Union Leadership for the Future” 2001.
- <sup>6</sup> “www.jobquality.ca” 2006.
- <sup>7</sup> Credit Union Central of Nova Scotia, “Initiative 6 Youth Strategy Summary Paper” 2004.

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