



2023

CO-OPS AND CREDIT UNIONS
REPORT FROM THE BOARD ROOM

ABSTRACT

What do co-operative governance practices look like? Theory predicts they should be different from investor-owned firms but are they? These are the kinds of questions that the second (2022) wave of the Canadian Centre for the Study of Co-operatives (CCSC) survey of co-operative governance aimed to answer. This report finds, among other things, that co-operative governance practices differ in some important respects from other types of businesses – co-operatives continue to say that members are key players in their governance practices, a clear differentiator from other business forms. Co-operatives also report much greater representation on their boards by women than other businesses. The survey findings also however point to some potentially worrying trends however, including infrequently contested elections, and very little diversity in terms of ethnicity, or people of different abilities.

ACKNOWLEDGEMENTS

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Table of Contents

1. Introduction	1
2. Co-op Demographics	2
2.1 Profile of Participating Organizations	3
3. Board Composition	4
3.1 Board Size	4
3.2 The Age of Board Members	5
3.3 Time Served as Board Member	5
3.4 Representation of Members of Different Equity-Seeking Groups on Boards	6
3.5 Diversity Targets	7
3.6 Chair Status	7
3.7 Board member Selection	7
3.8 CEO Selection and Succession	8
4. Board Practices	8
4.1 Recruitment and Onboarding of Directors	8
4.2 Training for Directors	9
4.3 Removal of Directors	10
5. Board Meetings	11
5.1 Characteristics of Board Meetings	11
5.2 In-Camera Meetings	11
6. Term Limits	12
7. Director Compensation	13
8. Election Processes	16
8.1 Ways Members Can Vote	16
8.2 Who Can Attend the AGMs	16
8.3 Promoting Member Participation	16
8.4 Who Elects the Board	17
8.5 Frequency of Elections and Contestations	17
8.6 Influence on Elections	17
8.7 Democratic Principles	18
9. Board Evaluation	18
10. Delegates	19
10.1 Statistics on Delegates	19
10.2 Compensation for Delegates	20
11. Conclusion	20
References	21
Appendix - List of Participating Co-operatives and Credit Unions	22

1. Introduction

At the core of every successful co-operative lies an effective governance structure that ensures democratic member control, equitable participation, representation, and expertise. However, governance is not a “one-size-fits-all” practice. The knowledge, skills, experiences, and composition of the directors, combined with specific governance practices such as succession plans, board evaluation processes, and board recruitment strategies, contribute to the effectiveness of governance in each organization. While there has been an increase in educational training opportunities and resources to support governance among co-operatives, research has shown that co-operatives continue to lack quality data to benchmark their governance practices (Berner and Schlachter 2022).

In 2019, in response to this need, the Canadian Centre for the Study of Co-operatives — with support from the United Farmers of Alberta Co-operative (UFA) — developed and launched the Canadian Co-operative Governance Survey. The goals of this survey were to gather data on governance practices among Canadian co-operatives and credit unions in order to develop a tool to benchmark their governance practices as compared to those of their peers. The project further aimed to collect comprehensive, robust, and longitudinal data on governance practices that would allow co-operatives to reflect over time on the governance practices of their organizations and those of their peers.

The first wave of data collection was launched in 2019. Twenty-six co-ops and credit unions shared information about many aspects of their corporate governance. A full report on these findings can be found [here](#).

After this successful initial pilot phase, the Canadian Centre for the Study of Co-operatives launched the second wave of the survey and collected responses from June to October 2022¹. This survey gathered responses

from many more organizations and expanded the study to explore additional dimensions of co-op governance, including director onboarding and recruitment practices.

Table 1 in the appendix lists the 114 co-operatives that shared information about aspects of their corporate governance practices.

In 2022, based on information gathered through this second survey, the Canadian Centre for the Study of Co-operatives developed and launched the Canadian Co-operative Governance Dashboard, where all survey participants can access and benchmark their governance practices with their peers at no cost. More information about this benchmarking tool can be found [here](#).

This report shares the findings from the second wave of data collection. In the United States, a similar effort has been undertaken by the University of Wisconsin-Madison’s Center for Cooperatives’ Cooperative Governance Research Initiative. Their 2021 report, *Findings from the Cooperative Governance Research Initiative*, can be found [here](#).

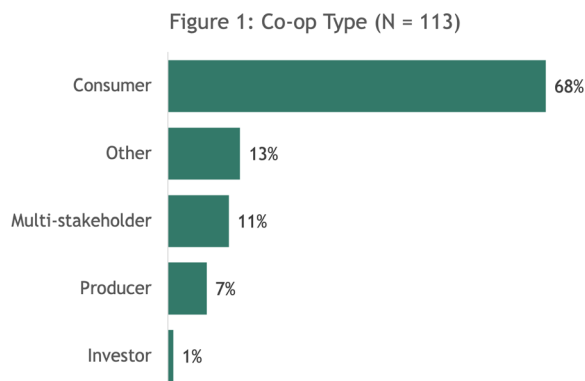
One final note: this report provides a broad perspective on the *overall* governance practices of the co-operative sector. As we heard from respondents to the Wave 1 survey, some of the findings may not be relevant or applicable to individual co-operatives that operate in specific sectors (e.g., credit unions may not find it helpful to compare their compensation practices with the co-operative sector as a whole because banking compensation practices tend to differ markedly from other sectors). In these instances, co-operatives and credit unions that have completed the survey will want to use our benchmarking tool, or contact the CCSC, to identify a more relevant set of peers, particularly, again, in the area of compensation. In the near future, we will be developing sector-specific reports to address this issue. We return to this point in the conclusion.

¹ We intend to re-administer the Canadian Co-operative Governance survey in 2025.

Nevertheless, many of the report’s findings *are* generally applicable – questions of board diversity, democratic practices, board tenure, are generally universal, cutting across organizations and board tenure by sector and type. On that count, as you will see, co-operatives have some reason to hold their heads high. Similarly, the report makes a valuable contribution by comparing co-operatives to non-co-operatives wherever possible, helping underline the sector’s unique – and sometimes similar – features. More broadly speaking, the report speaks to the potential of providing a snapshot of the co-operative sector’s evolving co-operative practices – we plan on releasing an ‘over-time’ report that contrasts our 2019 and 2022 findings.

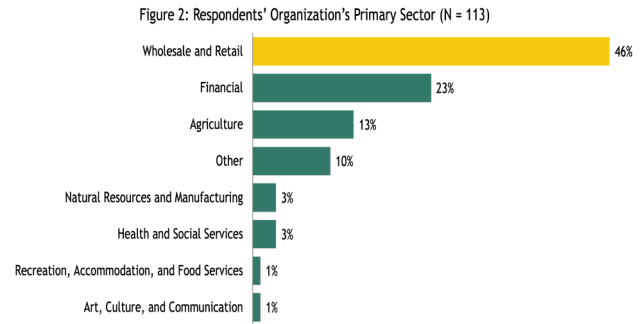
2. Co-op Demographics

Of the 114 co-operatives and credit unions that participated in the survey², most were consumer co-ops (68 percent, n=77), 11 percent were multi-stakeholder, and 9 percent were producer co-ops (see figure 1).



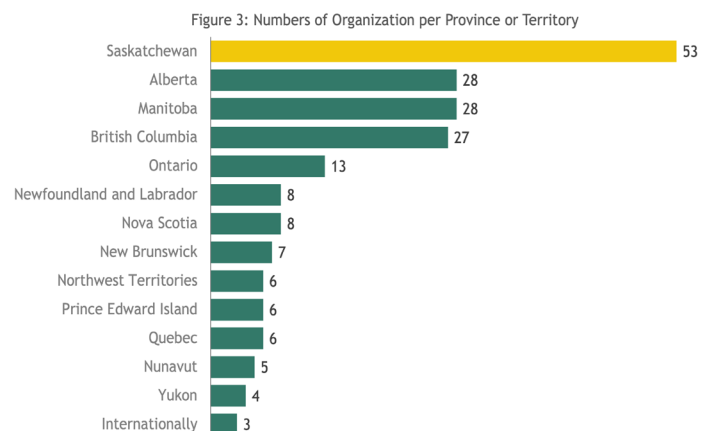
And as figure 2 shows, nearly half of the responding co-operatives primarily operated in the wholesale and retail sectors. Meanwhile, twenty three percent of respondents operated in the financial sector and thirteen percent operated in the agricultural sector.

² Please note that not every organization answered every survey question, so “N” numbers in the following pages are based on the number that answered the question, not necessarily on the total number of organizations that participated. Where percentages are not based on the total of 114, we will indicate the actual number of responses in the text, i.e., (N=53), which indicates 53 respondents who answered that particular question. Meanwhile, “n” refers to the frequency of organizations that responded a certain way. For instance, n = 10 indicates that ten co-operatives gave the same response to a particular question.



Of the 113 organizations that responded to this question on their primary sector activity, the majority of participants (86 percent, n=97) classified themselves as tier one, or primary, co-ops. Eleven percent were tier two co-ops, which are regional, district, or provincial co-ops, usually owned by tier one organizations. An additional 4 percent were tier three co-ops, which are national organizations, usually owned by tier two co-operatives.

In terms of operations, 34 percent of co-ops that took part in the survey operated locally (e.g. within a city, municipality, or small town; n=39), 57 percent regionally (across locations within a region, province, or territory), 8 percent nationally, and 1 percent internationally. Respondents were further asked to indicate where in Canada they operated. Many co-ops had operations in multiple provinces. Most had operations in Saskatchewan (n=53), Manitoba (n=28), Alberta (n=28), and British Columbia (n=27). See figure 3. Additionally, most participating organizations operated across urban and rural locations.



Co-operatives are long-lasting and stable organizations. The average co-op in the survey had been in business was 75 years, with the youngest and oldest being 4 and 123 years old, respectively. See table 2.

2.1 Profile of Participating Organizations

Data for assets, revenue, number of members, and number of employees are all positively skewed. In other words, there are extremely high values that pull up the averages. To account for this, the medians are also considered, as well as percentiles.

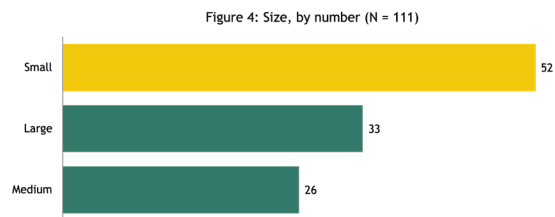
The median asset level of participating co-ops was \$49m (see table 3). Almost half of the surveyed organizations had asset levels between \$12m (the 25th percentile) and \$261m (the 75th percentile). There was a lot of variance in asset values among organizations, with assets spanning from a minimum of \$135k to a maximum of \$397b.

The median revenue for the co-ops surveyed was \$52.6m. Revenue levels, for the past fiscal year, ranged from a minimum of \$156k to a maximum of \$20b, with half of the surveyed co-ops reporting revenues

between \$8.5m and \$129m.

The median membership size was 8,500 members, with 50 percent of organizations having somewhere between 1,800 and 35,000 members. The median number of employees, including full-time, part-time, and casual, was 138, with half of the surveyed co-ops employing between 37 and 392 people.

To enable better comparison among surveyed co-operatives with similar-sized organizations, we grouped respondents by size, based on their revenue levels. We categorized organizations with revenues of \$45m or less as small (n=52), those with revenues of more than \$45m but less than \$110m (n=26) as medium, and those with \$110m and above (n=33) as large. See figure 4. Table 4, below that, summarizes key attributes of surveyed organizations by size.



³ N = 110

⁴ N = 111

⁵ N = 108

⁶ N = 110

Table 2: Years in business (N = 110)

Name	Average	Minimum	25%	Median	75%	Maximum
Years in Business	75	4	65	80	89	123

Table 3: Attributes of Participating Respondents

Name	Average	Minimum	25%	Median	75%	Maximum
Assets (thousands \$) ³	4,556,637	135	11,875	48,950	260,849	397,100,000
Revenue (thousands \$) ⁴	405,729	156	8,491	52,600	128,982	20,405,000
# of Members ⁵	72,633	11	1,866	8,500	35,000	4,000,000
# of Employees ⁶	893	1	37	138	392	54,000

Table 4: Attributes of participating co-ops by size

Name	Average			Median		
	Small	Medium	Large	Small	Medium	Large
Assets (thousands \$) ⁷	547,628	457,367	13,847,185	922	45,276	121,000
Revenue (thousands \$) ⁸	10,841	72,842	1,290,250	7,578	71,263	229,676
Number of members ⁹	20,974	17,081	192,987	3,076	8,500	31,465
Number of employees ¹⁰	141	193	2603	38	180	630

3. Board Composition

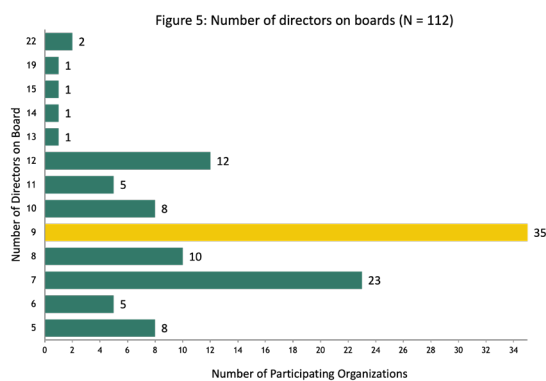
The survey also collected information about board size, age, director independence and experience, and board diversity.

3.1 Board Size

The average number of directors was nine, with half of the responding organizations having between seven and ten directors (see table 5). There was little difference in board size when comparing co-ops of different sizes. Most small, medium, and large co-ops have between seven and ten directors on their boards. Figure 5 shows the number of directors on the board of each participating co-op. In comparison, Canadian investor-owned firms (IOFs) average eleven directors on their boards (Stuart 2023).

The vast majority of participating organizations have a

mandate or set a minimum and/or a maximum number of directors for their boards (97 percent, n=108). In the organizations that set a minimum number of directors, the median was seven members (see table 6). For those that set a maximum, the median was nine. Only 3 percent of the co-ops (n=3) reported no set limit. This finding supports the observation that co-operative board sizes tend to range between seven and nine directors.



⁷ N = 110

⁸ N = 111

⁹ N = 110

¹⁰ N = 108

Table 5: Directors on the boards of participating co-ops by size (N = 112)

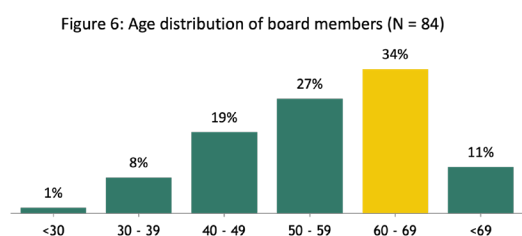
Name	Average	Minimum	25%	Median	75%	Maximum
Large	10	7	8	9	10	22
Medium	9	5	7	9	9	12
Small	9	5	7	9	10	14
All	9	5	7	9	10	22

Table 6: Board sizes for co-ops that set minimum/maximum limits (N = 111)

Name	Average	Minimum	25%	Median	75%	Maximum
Set minimum board members	7	3	5	7	9	22
Set maximum board members	11	5	9	9	12	30

3.2 The Age of Board Members

The average age of board members among participating co-operatives was fifty-six (see table 7). Seventy-two percent of directors were fifty years of age or older (see figure 6).



The median age was fifty-eight, and less than 10 percent of the board members in the co-ops surveyed were under the age of forty. In comparison to IOFs, we found that co-op board members tend to be younger. Amongst the Canada Spencer Stuart Board Index, which comprises a representative sample of 100 of Canada’s largest publicly traded companies, Stuart (2023) found that the average age of board members in IOFs was sixty-three, and only 5 percent of board members were under the age of forty-nine. However, the lack of recruiting younger directors to boards of both co-operatives and IOFs needs to be considered to ensure long-term

Table 7: Age of board members (N = 84)

Name	Average	Minimum	25%	Median	75%	Maximum
Age	56	22	47	58	65	83

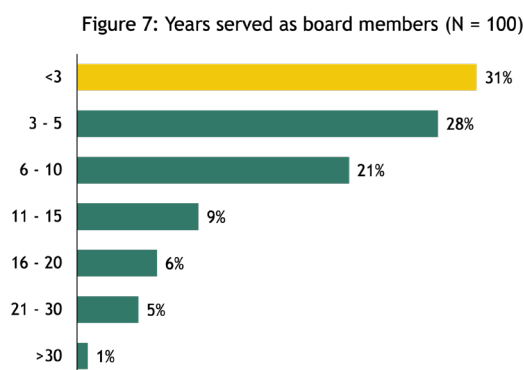
Table 8: Years served as board members (N = 100)

Name	Average	Minimum	25%	Median	75%	Maximum
Years served as board member	7	0	2	4	9	42

succession planning. Di Vito and Trottier (2022) suggest including more millennial (age thirty to thirty-nine) directors to address the changes caused by continuous digital transformation.

3.3 Time Served as Board Member

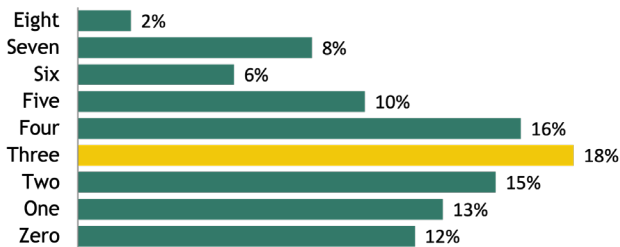
Directors of participating co-operatives served an average of seven years on their boards. We found that the median number of years served, however, was four. This suggests that the average was likely skewed by some directors having served as many as forty-two years on their board of directors. The number of years served by board members is summarized in figure 7 and table 8.



3.4 Representation of Members of Different Equity-Seeking Groups on Boards

Surveyed co-operatives had an average of three female members on their boards of directors (table 9). Taking the average board size of nine, this would equate to 33 percent, or one third of an average co-op board. This is higher than Canadian IOFs, where women comprised an average of 21.6 percent of a corporate board (Statistics Canada 2022). Of the organizations surveyed, 12 percent (n=13) reported no female directors, and 67 percent indicated that they had one to five female directors (see figure 8).

Figure 8: Female directors (N = 107)



In contrast to female representation, participating co-ops have much lower representation from other equity-deserving groups. Most respondents (77 percent) did not have directors who are part of a visible-minority group, and 19 percent reported only one director belonging to this group (see figure 9). Similar figures were reported for Indigenous directors, with 81 percent of respondents reporting

that none of their directors were Indigenous (see figure 10). In addition, 91 percent said that they do not have any persons with disabilities on their boards (see figure 11). Similarly, 81 percent reported that they do not have anyone on their board who identifies as lesbian, gay, bisexual, transgender, queer, nonbinary, or two-spirited (see figure 12).

Figure 9: Directors from visible minorities (N = 90)

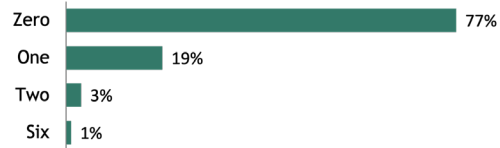


Figure 10: Indigenous directors (N = 89)



Figure 11: Directors with a disability (N = 57)



Figure 12: LGBTQ2+ directors (N = 51)



Table 9: Board size and number of female, visible-minority, Indigenous, persons with a disability, and LGBTQ2S+ directors of participating co-ops

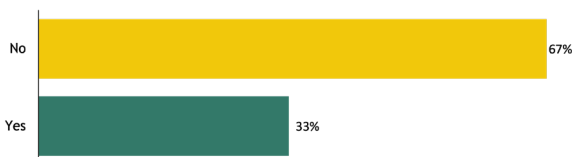
Name	Average	Minimum	25%	Median	75%	Maximum
Directors	9	5	7	9	10	22
Female directors	3	0	1	3	5	8
Visible-minority directors	0	0	0	0	0	6
Indigenous directors	0	0	0	0	0	2
Persons with disability directors	0	0	0	0	0	6
LGBTQ2S+ directors	0	0	0	0	0	2

3.5 Diversity Targets

Diversity can lead to creativity in problem solving and innovative solutions. A diverse board helps an organization better understand the issues and concerns of the members it serves, and it reflects the increasingly diverse communities in which co-operatives and credit unions operate. As Budney (2021, 2) wrote, “if a co-op’s directors do not adequately reflect the diversity of interests and standpoints of its members and customer base, the board will have blind spots, and these will negatively affect its strategic direction. The board’s decisions will suffer and, at a minimum, the legitimacy of those decisions will be called into question.” Diverse boards are cross-generational, multicultural, and gender-representative, and one way of achieving a truly diverse board is through setting diversity targets.

This survey found that only 33 percent of respondents had any diversity targets. However, several co-ops stated that they are working towards having a higher representation of different equity groups. One respondent stated, “This is a work in progress, our Nominations Committee is currently working on targets and strategies to attract more diversity (age, geographic, ethnic, etc.) to the Board.”

Figure 13: Set diversity targets (N = 112)



3.6 Chair Status

Most of the participating co-ops (97 percent, n=109) reported that the board chair position at their organization is part-time. Moreover, 99 percent of respondents reported that their board chair is not the CEO of the co-operative.

Figure 14: Board chair position part-time or full-time (N = 112)



A study conducted by Gouiaa and Zéghal (2015) in 192 Canadian companies suggests that there is higher transparency on boards where the CEO and board chair functions are separate. In the co-operative context, Cornforth (2015) also highlights the importance of separating these functions to balance the nature of co-operative business with co-op principles, while avoiding a concentration of power.

3.7 Board member Selection

While the literature does not conclusively determine whether an outside director improves the performance of a co-operative board, Franken and Cook (2017, 27) indicate that outside directors “are better positioned to reduce managerial opportunism.” When asked whether a regulating body had requested that the co-ops appoint non-members to the board, 95 percent of them (n=107) responded “no” (see figure 15), and only 7 percent (n = 8) of the respondents actually had non-member directors on their boards.

Figure 15: Has a regulator or governing body required (or suggested) that you appoint a nonmember director to your board? (N = 113)



The survey also finds that co-op boards tend to be dominated by lay people with little or no experience at the executive level of an organization in a like industry. The survey finds for example that on average, co-operatives had three board members with experience in the senior ranks of of an organization, or about a third of the board. The survey also found that of these three individuals, two had sector-relevant (i.e., same industry) experience.

3.8 CEO Selection and Succession

The participating co-ops had an average of three CEOs in the past twenty years and, on average, one of them was hired from outside the organization (see table 11). As well, more than half of them (n=58) had a CEO succession plan in place (see figure 16). Finally, 81 percent of the CEOs (n=91) had a written contract (see figure 17).



¹¹ N = 109

¹² N = 107

¹³ N = 105

¹⁴ N = 98

¹⁵ N = 77

¹⁶ N = 76

¹⁷ N = 77

4. Board Practices

4.1 Recruitment and Onboarding of Directors

Organizations can use a variety of tools and strategies to attract and retain talent on their board of directors.

This survey asked about participants' recruiting strategies. The most popular tool — using personal and professional networks to identify candidates — is used by 88 percent of respondents¹⁵. The second most popular strategy is to encourage members of specific groups to run for the board¹⁶; almost two-thirds of the respondents apply this approach. This is followed by the strategy to recruit candidates from committees or an associate board¹⁷; this is used by close to sixty percent of participating organizations (see Figure 18).

Once elected onto the board of directors, the most common process to onboard new directors — as reported by 97 percent of the respondents (n=76) — is for new board members to receive key documents pertaining to the co-operative, such as bylaws, policies, position descriptions, committee charters, calendars, etc. The second most popular procedure — used by 91 percent of the respondents — was to provide an oral briefing to new board members on the current issues

Table 10: How many directors have executive level and same-industry experience?

Name	Average	Minimum	25%	Median	75%	Maximum
Executive-level experience ¹¹	3	0	1	3	5	12
Same-industry experience ¹²	2	0	0	2	4	14

Table 11: Number of CEOs in the past twenty years and how many of them were hired from outside

Name	Average	Minimum	25%	Median	75%	Maximum
Number of CEOs ¹³	3	0	2	3	4	10
Hired from outside ¹⁴	1	0	0	1	2	8

facing the board. Eighty-five percent reported that new board members met with the board chair, CEO, and/or senior management during their onboarding process. Forty percent reported that new board members received training from a third party, and 31 percent said they matched new board members with a board mentor. For the full list of rankings see figure 19.

4.2 Training for Directors

Numerous factors affect board performance, including director expertise, group dynamics, and the quality of information provided by management. It is imperative, therefore, that directors receive top-quality training about the latest industry practices and best decision-making techniques. We asked participating co-operatives about the training they provide for directors and 83 percent of respondents (n=93) reported that their directors receive some kind of training (see figure 20).

Figure 18: Percentage of co-operatives that use the following strategies to recruit board members (N = 78)

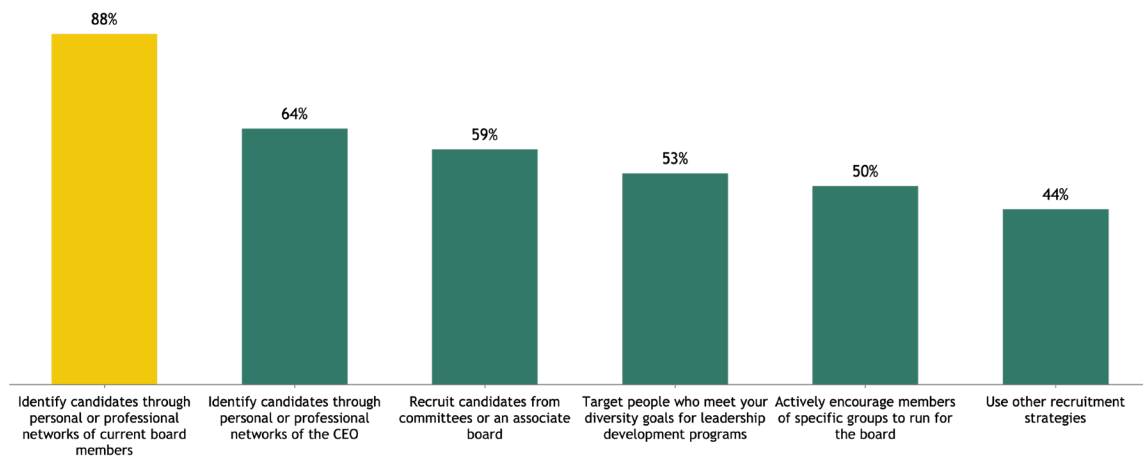


Figure 19: Percentage of onboarding processes for new board members (N = 76)

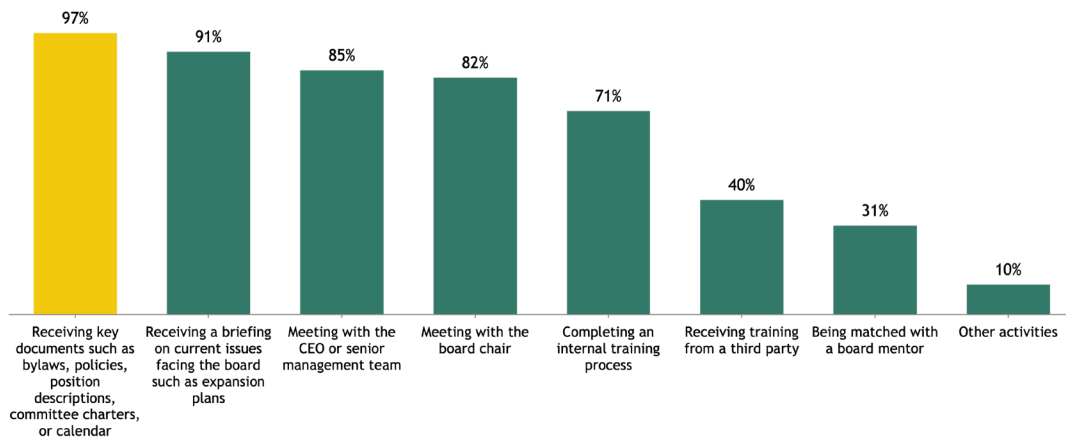
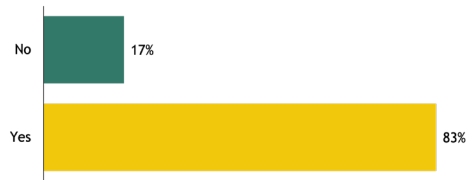


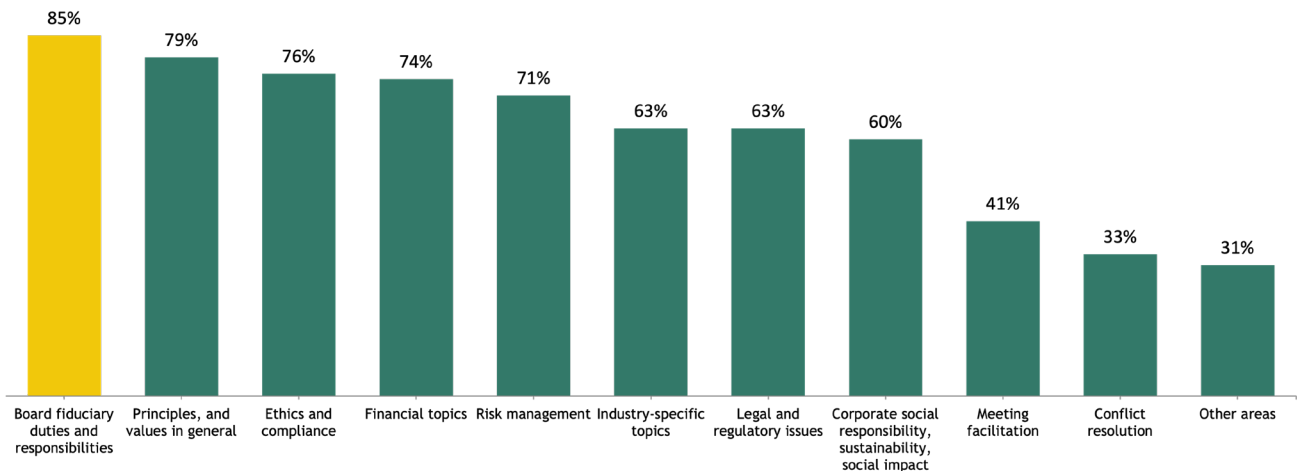
Figure 20: Are directors given any training? (N = 112)



One of the respondents, for example, reported that they provide “internal training specific to the organization, as well as customized external training for directors designed to address skill matrix gaps.”

The most widespread training topic provided to board members — as reported by 85 percent of participating organizations — was on board fiduciary duties and responsibilities. More than 70 percent reported that they provided directors with training on co-operative principles and values, ethics and compliance, financial topics, and risk management. Conflict resolution, at 33 percent, was the least common training respondents provided to board members. See figure 21 for the full list.

Figure 21: Percentage of co-op board members who receive training on the topics below (N = 78)



4.3 Removal of Directors

Sixty-two percent of participating organizations had a process to remove an ineffective director, while almost one-third (38 percent, n=43) reported that they do not, as shown in figure 22.

Relatedly, the survey found that only 12.5 percent of the surveyed co-ops (n=14) had actually removed a board member in the last ten years, while 88 percent of organizations stated they hadn't (see figure 23).

Figure 22: Does the board have a process to remove ineffective directors? (N = 113)

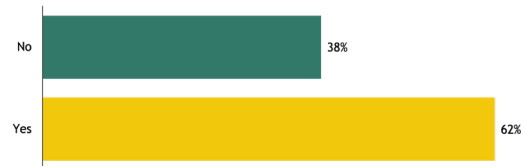


Figure 23: In the last ten years, has a board member been removed? (N = 112)



5. Board Meetings

5.1 Characteristics of Board Meetings

Respondents had an average of nine meetings per year, and the minimum and maximum number of annual board meetings per co-op were four and twenty-seven, respectively (see table 12).

The duration per board meeting ranged from one hour to twenty-five hours, with an average of four hours per meeting. However, the median duration of a board meeting was less than the average, suggesting that the longer meetings in the sample were skewing the average higher (table 12).

Respondents, on average, had four committees per board. The most common types of committee were audit/finance (n=74), nominating (n=65), and governance (n=63).

¹⁸ N = 111

¹⁹ N = 111

²⁰ N = 109

²¹ N = 78

Similar to the survey results, Stuart (2023) reported an average of four committees on IOF boards, and Gouiaa (2019) found that audit, nominating, and compensation were the three most common committees in corporate governance in Canada.

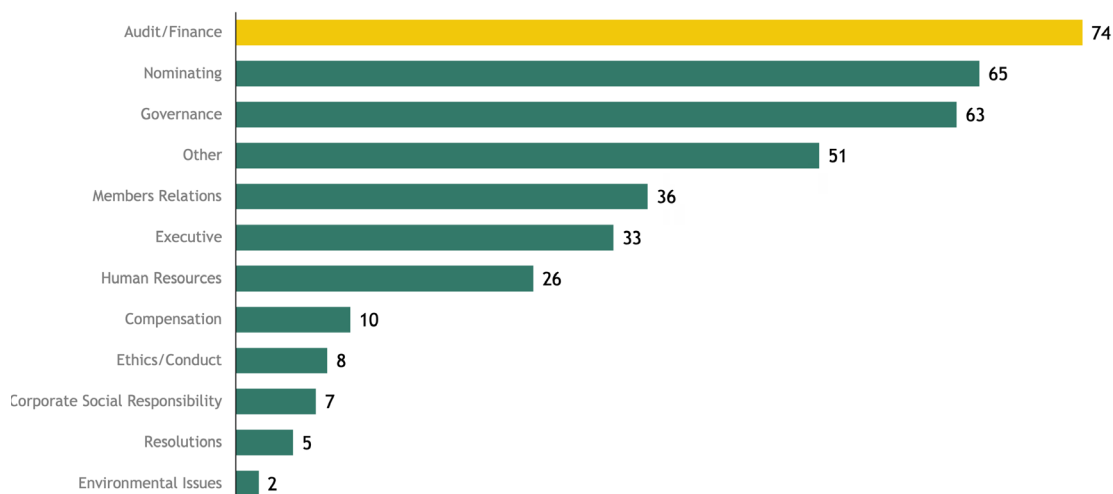
Ethics/conduct, corporate social responsibility, and environmental issues committees were less common among respondents (see figure 24).

5.2 In-Camera Meetings

Over the past twelve months, 55 percent of respondents (n=43) reported that their board of directors held in-camera sessions at all of their board meetings²¹. In-camera sessions can be defined as any block within an otherwise open meeting in which minutes are taken separately or not at all, only board members are present, and the contents of the discussion are treated as confidential. Another 13 percent stated that

Table 12: Attributes of board meetings

Name	Average	Minimum	25%	Median	75%	Maximum
Meetings per year ¹⁸	9	4	6	10	12	27
Meeting duration (in hours) ¹⁹	4	1	2	3	4	25
Committees per board ²⁰	4	0	2	4	5	12



most of their board meetings over the past twelve months had in-camera sessions, and 19 percent reported very few in-camera sessions.

Furthermore, 39 percent of respondents (n=30) indicated that their CEO did not participate in any of their in-camera meetings over the past twelve months, while 18 percent held all, and another 18 percent held most, of their in-camera meetings with the CEO present²².

6. Term Limits

Figure 25 shows that sixty percent of participating co-operatives have limits for the total number of years someone can serve on the board, while forty percent do not. Of those co-operatives that have term limits, forty seven percent also limit the number of years in total a director can serve before they must retire²³ but none has a mandatory retirement age for directors²⁴. By contrast, Corporations Canada (2022) found that only 17 percent of the 450 corporations it surveyed had term limits or other mechanisms of board renewal. Of these, 4 percent limited directors' age and 7 percent directors' tenure.

²² N = 74

²³ N = 53

²⁴ N = 53

Interestingly, 70 percent of participating organizations in the survey did not adopt a board renewal system.

The most cited reasons for this were:

- it forces valuable experienced and knowledgeable directors to leave;
- it reduces continuity or experience on the board;
- the corporation regularly assesses board members for effectiveness; and
- it is not in the best interest of the corporation or shareholders

The average number of years a director can stay on the board without running for re-election was four years, with the maximum being twelve years (see table 13).

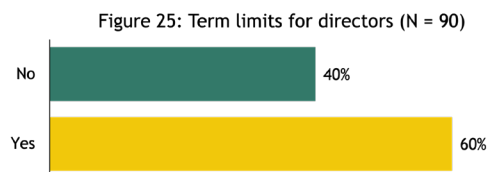
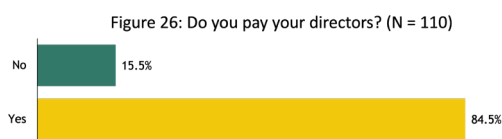


Table 13: Duration of director terms (N = 62)

Name	Average	Minimum	25%	Median	75%	Maximum
Number of years to serve before running for re-election	4	2	3	3	3	12

7. Director Compensation

Participating co-ops were asked about compensation for their directors. Almost eighty-five percent of the co-ops (n=93) surveyed in the study reported that they pay their directors (see figure 26).

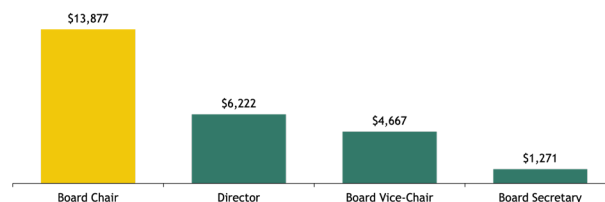


Overall, the average total board compensation was \$167,524. Table 14 shows compensation levels for participating organizations, but please note that this is only an approximation. Amounts in the table are based on the survey question, “What is the total amount of compensation received by your board as a whole?”

Table 14 also provides an indication of the range of compensation levels; the highest compensation received by the board was \$3m, while the lowest was zero. The median level of compensation was \$38,000.

Tables 15, 16, 17, and 18 show the different types of compensation and amounts paid to directors, board chair, board vice-chair, and board secretary, respectively. On average, they were compensated \$13,877, \$6,222, \$4,667, and \$1,271, respectively (see figure 27).

Figure 27: Average total compensation (sum of retainer, per-meeting fee, per-diem fee, and honorarium) for board chair, director, board vice-chair, and board secretary



These amounts were calculated through adding the different types of director compensation together, including retainer, per-meeting fee, per-diem fee, and honorarium.

Most organizations did not reimburse or provide an allowance for meeting preparations, orientation sessions, travel time, training, hourly pay to attend official events, computer equipment, Internet service, or office supplies. Most surveyed co-ops, however, did provide reimbursement for travel mileage. Table 19 shows mileage reimbursement rates and pay for travel, among other expenses. Of the co-ops surveyed, the average reimbursement rate was \$1.0 per kilometre.

Most organizations surveyed did not cover spousal or partner travel (87.5 percent, n=98). Nor did they provide directors with waved or reduced fees (91 percent, n=103), product/service discounts (89 percent, n=101), life insurance (81 percent, n=91), and medical or other insurance (90 percent, n=102). See figures 28 to 33.

Table 14: Board compensation, in Canadian dollars (N = 100)

Name	Average	Minimum	25%	Median	75%	Maximum
Total board compensation	167,524	0	7,250	38,000	100,500	3,000,000

Table 15: Director compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer ²⁵	3,555	-	-	-	122	65,000
Per-meeting fee ²⁶	167	-	-	105	269	1,375
Per- diem fee ²⁷	113	-	-	-	211	900
Honorarium ²⁸	2,387	-	-	-	15	40,530

Table 16: Board chair compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer ²⁹	5,009	-	-	-	546	140,000
Per-meeting fee ³⁰	160	-	-	120	273	785
Per- diem fee ³¹	106	-	-	-	160	900
Honorarium ³²	8,601	-	-	-	775	450,000

Table 17: Board vice-chair compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer ³³	1,897	-	-	-	-	35,547
Per-meeting fee ³⁴	148	-	-	60	269	1,000
Per- diem fee ³⁵	89	-	-	-	120	900
Honorarium ³⁶	2,533	-	-	-	-	120,000

Table 18: Board secretary compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer ³⁷	576	-	-	-	-	32,000
Per-meeting fee ³⁸	95	-	-	-	151	680
Per- diem fee ³⁹	53	-	-	-	8	538
Honorarium ⁴⁰	547	-	-	-	-	14,300

²⁵ N = 100

²⁶ N = 104

²⁷ N = 100

²⁸ N = 100

²⁹ N = 99

³⁰ N = 99

³¹ N = 95

³² N = 96

³³ N = 96

³⁴ N = 99

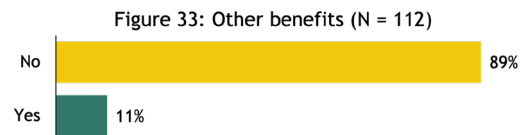
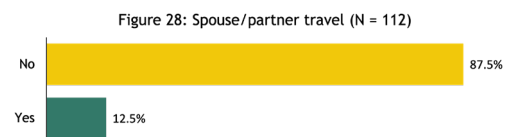
³⁵ N = 96

³⁷ N = 95

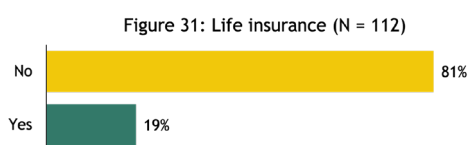
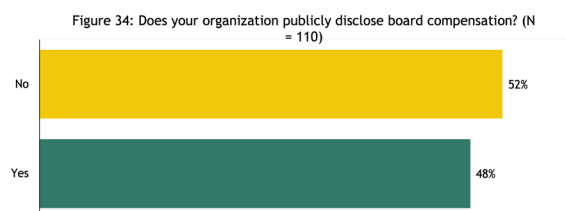
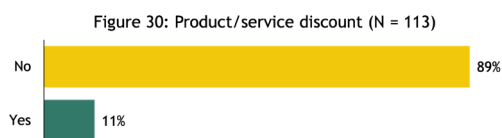
³⁸ N = 97

³⁹ N = 94

⁴⁰ N = 96



Fifty-two percent of surveyed co-ops (n=57) reported that their organization does not disclose board compensation to the public (figure 34).



Moreover, 95 percent of the co-ops (n=106) responded that they do not have a maximum limit for board compensation (see figure 35).

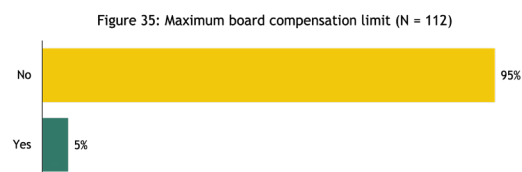
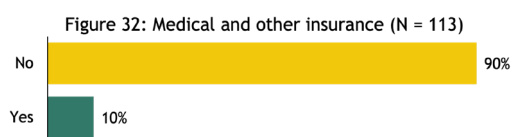


Table 19: Directors' reimbursement and allowances, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Meeting preparation ⁴¹	9	-	-	-	-	500
Orientation for directors ⁴²	136	-	-	-	203	1,000
Mileage for travel (\$/km) ⁴³	1.0	-	0.4	0.5	0.6	50
Pay for travel time ⁴⁴	59	-	-	-	0	900
Training allowance for directors ⁴⁵	1,375	-	-	-	1,000	15,000
Hourly pay to attend official events ⁴⁶	17	-	-	-	-	225
Computer equipment allowance ⁴⁷	196	-	-	-	-	3,050
Internet allowance ⁴⁸	45	-	-	-	-	2,000
Office supplies ⁴⁹	2	-	-	-	-	200

⁴¹ N = 89

⁴⁶ N = 87

⁴² N = 89

⁴⁷ N = 89

⁴³ N = 87

⁴⁸ N = 89

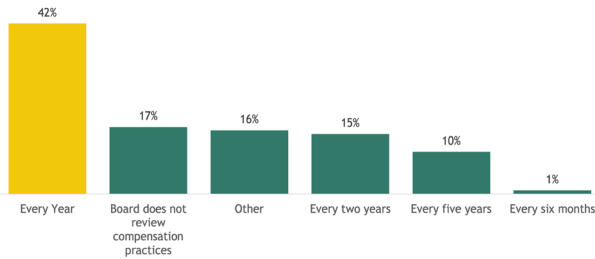
⁴⁴ N = 87

⁴⁹ N = 89

⁴⁵ N = 89

About 42 percent of participating organizations reported that they review their compensation practices every year, while 16.5 percent said that they do not review their compensation practices at all. We do note, however, that a board review of compensation practices every year or every six months appears to be too frequent. As the survey question did not specify whether this review was a “comprehensive review” or just a short cursory review by the board, it is likely that this finding is more reflective of cursory reviews but not comprehensive compensation reviews. Our future survey question will be amended to draw out this distinction as most co-operatives likely have an annual compensation review process but only review compensation practices comprehensively every few years.

Figure 36: Frequency of reviewing compensation practices (N = 110)

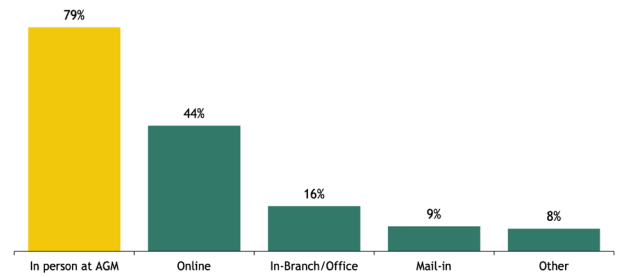


8. Election Processes

8.1 Ways Members Can Vote

In this post-COVID world, most organizations have had to adapt to employees working remotely. Elections at annual general meetings (AGM) appear to be no exception. While voting in person at the AGM continues to be the most common method for members to vote in elections, almost half of the respondents reported that their members can vote online (see figure 37). Moreover, of the 56 co-operatives that offered online attendance at their AGM, 52 percent of those organizations’ reported that online participation accounted for 100 percent of their attendance.

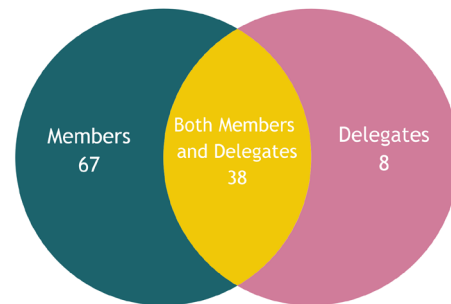
Figure 37: How many ways can the members vote in elections?



8.2 Who Can Attend the AGMs

Fifty-nine percent of the respondents (n=67) had only members attending their AGMs; 7 percent (n=8) had only delegates attending their AGMs; and 34 percent (n=38) had both members and delegates attending their AGMs.

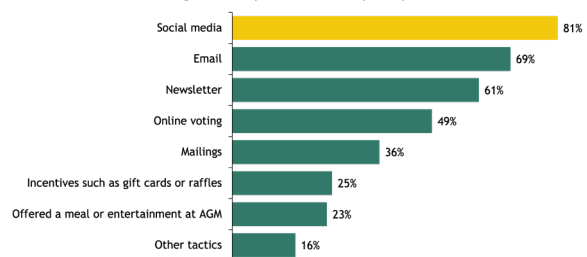
Figure 38: Numbers of members and delegates who attend AGMs (N = 113)



8.3 Promoting Member Participation

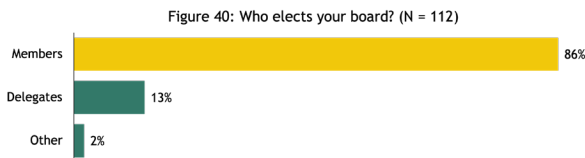
Social media and email are most commonly used among participating organizations to promote member participation in elections (see figure 39). Less used were incentives such as gift cards and offering a meal or entertainment at the AGM.

Figure 39: In the past twelve months, has your co-operative used any of the following tactics to promote member participation in elections?



8.4 Who Elects the Board

Most of the surveyed co-operatives (86 percent, n=96) reported that their members elect their boards, while 13 percent of respondents (n=14) stated that their organization's delegates elect their boards (figure 40).



8.5 Frequency of Elections and Contestations

In the last ten years, respondents held, on average, seven elections during their AGMs (see table 20). And during the same time period, respondents had, on average, three elections with seats contested (see table 21). Finally, 97 percent of the respondents (n=108) reported that their board elections are staggered⁵⁰.

⁵⁰ N = 111

8.6 Influence on Elections

Different groups within the organization affect board elections in different ways. Among the surveyed co-ops, most believe that members have the most influence on the board elections, followed by the board as a whole (see figure 41). This is followed by the governance/nominating committee then the board chair or management. Most respondents believe that management is the least important when it comes to influencing the election of the board.

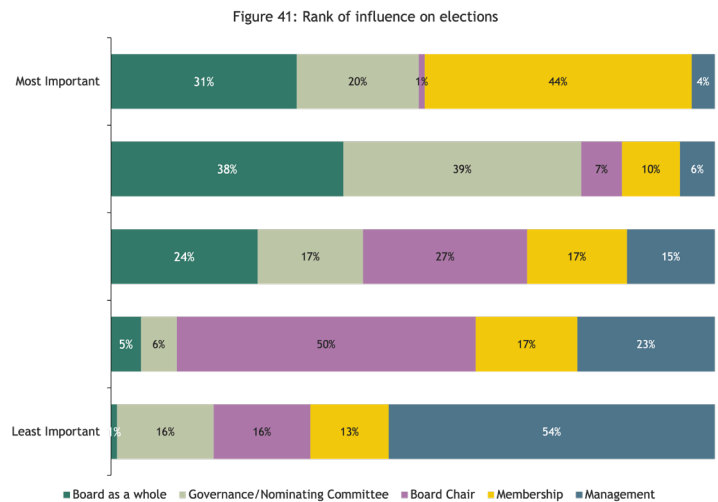


Table 20: In last ten years, how many elections did you have? (N = 109)

Name	Average	Minimum	25%	Median	75%	Maximum
Number of elections	7	0	4	10	10	12

Table 21: In last ten years, how many seats have been contested rather than acclaimed? (N = 106)

Name	Average	Minimum	25%	Median	75%	Maximum
Contested seats	3	0	0	2	6	14

8.7 Democratic Principles

Ninety-five percent of participating organizations reported that, at their co-operative, one membership means one vote. Eighty-nine percent of the respondents reported that they do not use other techniques such as ranked ballots or quadratic voting.

Figure 42: Does your co-op maintain the democratic principle of “one membership, one vote”? (N = 114)



Figure 43: Has your co-op considered other democratic practices, such as weighted or proportional voting based on value or volume of business, ranked ballots, or quadratic voting? (N = 113)



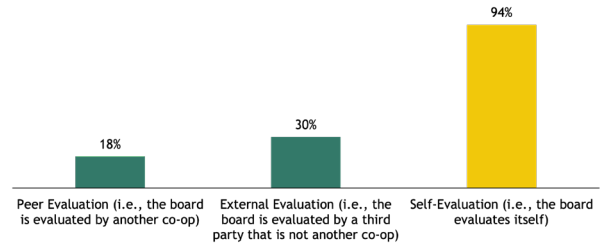
9. Board Evaluation

Sixty-four percent of the respondents (n=71) reported that they have an evaluation process embedded within their board practice (figure 44). Of those that maintain an evaluation board, 94 percent perform self-evaluation. Thirty percent and 18 percent, respectively, also have external and peer evaluation (figure 45).

Figure 44: Do you have an evaluation process? (N = 111)

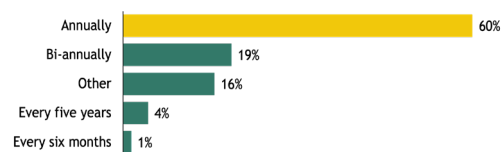


Figure 45: Type of evaluation conducted (N = 71)



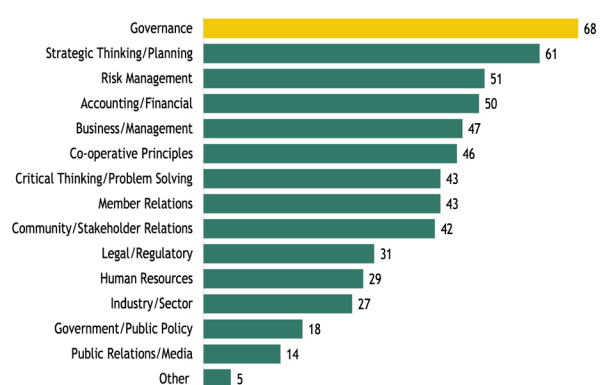
Sixty percent said the evaluations are done annually, 19 percent bi-annually, 4 percent every five years, 1 percent every six months, and 16 percent stated “other” (see figure 46).

Figure 46: How often is the evaluation conducted? (N = 70)

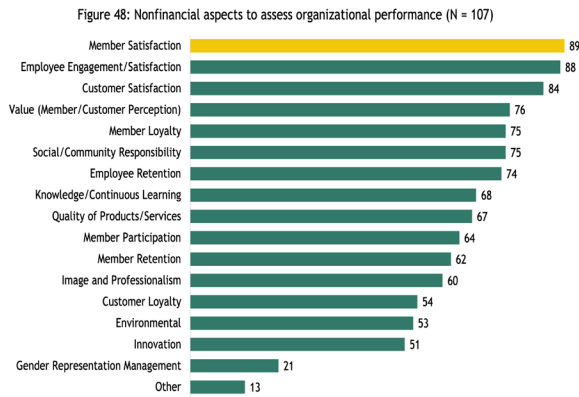


When asked, governance was the most common aspect of the board that was evaluated among the surveyed co-ops (n = 68), followed by strategic thinking/planning (n = 61), risk management (n = 51), and accounting/financial (n = 50). The board was less likely to evaluate government or public policy, industry or sector matters, and public relations and media (figure 47).

Figure 47: Aspects of board evaluation (N = 71)

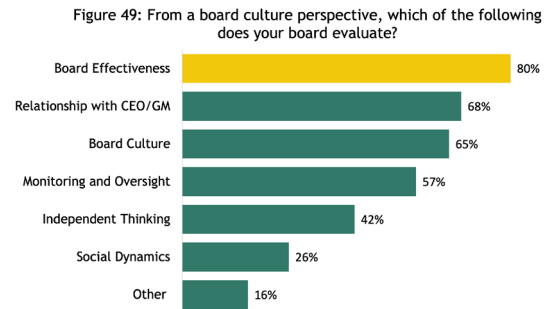


Member satisfaction was the most common nonfinancial aspect evaluated by participating organizations, followed closely by employee engagement/satisfaction and customer satisfaction. Innovation and gender representation management were less commonly evaluated (see figure 48).



that they evaluate the board’s relationship with the CEO/GM.

By contrast, 74 percent of the respondents said that they do not evaluate social dynamics and 58 percent stated that they do not evaluate independent thinking within board culture (see figure 49).



Of those who responded to the question about what the board evaluates in terms of its culture, 80 percent (n=70) said that they look at the board’s effectiveness, followed by 68 percent who stated

⁵¹ N = 17
⁵² N = 17
⁵³ N = 16
⁵⁴ N = 17

10. Delegates

10.1 Statistics on Delegates

Of the 114 participating organizations, 38 (33 percent) indicated they had delegates. For those organizations, the median number of delegates per co-op was eight. According to the majority

Table 22: Delegates

Name	Average	Minimum	25%	Median	75%	Maximum
Number of delegates	67	0	3	8	61	1,107
Delegates who are members	52	0	0	3	24	1,107
Delegates who are employees	0	0	0	0	0	12
Delegates who are non-elected	13	0	0	0	1	212

Table 23: Delegate compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer ⁵¹	16	0	0	0	0	269
Per-meeting fee ⁵²	113	0	0	60	195	538
Per-diem fee ⁵³	141	0	0	60	248	538
Honorarium ⁵⁴	122	0	0	0	0	1,800

of these co-operatives, these delegates are not employees of the organizations and not individuals who were non-elected.

10.2 Compensation for Delegates

Forty-five percent (n=18) of organizations with delegates said that they pay these representatives. Table 23 shows the breakdown of fees. The median per-meeting and per-diem fee is \$60, while the median retainer and honorarium is zero.

11. Conclusion

As we noted in the introduction, this report provides a broad perspective on the governance practices of the co-operative sector as a whole. It cannot answer every question a co-operative may have about how its practices compare with those of a relevant set of peers. This is especially true in areas like compensation practices or practices-related to delegates. We encourage co-operatives that want to explore these kinds of questions to make use of our benchmarking tool or contact us for a customized report.

That said, the report offers some important findings. We highlight just a handful of diversity and democratic governance findings given their more universal nature:

- From a board diversity perspective, co-operatives are outperforming their non-co-operative counterparts in terms of male/female representation, with female directors representing about a third of all board members compared with just under 22% for corporate boards;
- On the other hand, co-operatives generally have much lower representation (relative to the representation from women) from other groups like visible minorities, Indigenous peoples, or people with disability. We do not have good data to compare the co-operative sector's performance with other corporate boards but there does appear to be room for

improvement along this dimension, as we discuss next.

- About one third of co-operatives have set diversity targets. While we do not have easy access to data on the rest of the corporate sector, we do know that federal legislation requires corporations to 'comply or explain' their attempts at greater board diversity. Encouragingly, a number of co-operative respondents told us that they are looking at addressing this issue.
- In terms of democratic governance, the survey suggests that board positions are infrequently contested, a potentially worrying sign in the context of a broader-based societal concerns about the health of democratic practices. Our survey found that on average, over a ten year period, the average number of contested elections was three and the median number was two.
- On the other hand, the survey finds that members continue to exert the most influence on board elections, a somewhat perplexing finding given the low number of contested elections.

Like all good research, our findings spark some important questions. Has board diversity in co-operatives increased, stayed the same, or gone backwards since 2019? How have co-operative diversity practices evolved since 2019? How do we reconcile the fact that very few elections appear to be contested with the claim that members continue to exert the greatest influence over elections? While we cannot answer all of these questions just yet, we can start to address the 'over time' questions by comparing the 2019 and 2022 results. We plan on releasing this kind of report in the near future. In the meantime, we encourage our readers to ask their own questions, play with the benchmarking tool, and wherever possible, share what they learn with others.

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Appendix - List of Participating Co-operatives and Credit Unions

Access Communications Co-operative	Cooperatives and Mutuals Canada	Lakeland Petroleum Services Co-operative Ltd.	Prince Albert Co-operative Health Centre
Affinity Credit Union	Cornerstone Co-op	Leaf Rapids Consumers Co-operative Ltd.	Red River Cooperative Ltd.
Agrifoods Cooperative	Cornerstone Credit Union	Legacy Co-operative Association Ltd.	Regina Community Clinic
Agropur Dairy Cooperative	Dawson Co-operative Union	Liberty Co-operative Association Limited	Riverbend Co-operative Ltd.
Alberni Co-op	Delisle Agricultural Co-operative Association Limited	Libro Credit Union	Rocky Credit Union
Alberta Central	Desjardins	Lloydminster and District Co-operative Limited	Saskatchewan Co-operative Association
Alberta Community & Co-operative Association	Discovery Co-operative Ltd.	Manitoba Central	Saskatoon Co-operative Association Limited
Alterna Savings	Doddsland Credit Union	Manitoba Cooperative Association	Saskatoon Community Clinic
Armstrong Co-operative Association	Domain Co-operative Oil Company Limited	Meadow Lake Co-operative Association Limited	Sherwood Co-operative Association Limited
Atlantic Central	East Coast Credit Union	Meridian Credit Union	Slocan Valley Co-operative Association
Atlantic Edge Credit Union	Evergreen Co-operative Association	Mid Island Consumer Services Co-operative	Sointula Co-operative Store Association
Avantis Coopérative	First West Credit Union	Modo Co-operative	South Country Co-op Limited
Bankend Co-operative Association Limited	Foam Lake Co-operative Association Limited	Monashee Community Co-op	Southern Plains Co-operative Limited
BC Co-op Association	Fort St. John Co-operative Association	Moose Jaw Co-operative Association Limited	Southland Co-operative Ltd.
BC Libraries Cooperative	Four Rivers Co-operative	Moosehorn Consumers Cooperative Ltd.	Stride Credit Union
BC Tree Fruit Cooperative	Gateway Co-operative Ltd.	Neerlandia Co-operative Association Limited	Swan Valley Consumers Cooperative Limited
Beaubear Credit Union	Gay Lea Foods Co-operative	Newfoundland-Labrador Federation of Co-operatives	Swan Valley Credit Union
Beausejour Consumers Co-operative	Gilbert Plains Consumers Cooperative Limited	Norquay Co-operative Association Limited	Synergy Credit Union
Beeland Co-operative Association Limited	Girouxville General Co-operative Limited	North Central Co-operative Association Ltd.	TCU Financial Group
BeeMaid Honey Limited	Glenboro Consumers Cooperative Limited	North Country Co-op	Twin Valley Co-op Ltd.
Boundary Consumers Co-operative Ltd.	Heritage Co-op 1997 Ltd.	Ontario Co-operative Association	Ucluelet Consumers Co-operative Association
Calgary Co-op	Homestead Consumers Co-op Ltd.	Otter Farm & Home Co-operative	UFA
Central 1	Humboldt Co-operative Association Limited	Pembina Consumers Co-op (2000) Ltd.	Valleyview Consumers Co-op Ltd.
Central Alberta Co-op Ltd.	Imperial Co-operative Association Limited	Pembina West Co-op	Vanguard Consumers Co-operative Limited
Central Plains Co-operative Ltd.	Innovation Credit Union	Peninsula Consumer Services Co-operative	Viceroy Co-operative Association Limited
Clearview Co-op	Interior Savings Credit Union	Pioneer Co-operative Association Limited	Wadena Co-operative Association Limited
Co-operative Superannuation Society	Kindersley and District Co-operative Limited	Ponoka Co-op Oils Ltd.	Westview Co-operative Association Limited
Co-operators	Kingston Community Credit Union	Prairie North Co-operative Ltd.	Wynyard Community Clinic
Conexus Credit Union	Lake Country Co-operative Association Limited		

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The Canadian Centre for the Study of Co-operatives (CCSC) is an interdisciplinary research and teaching centre located on the University of Saskatchewan campus. Established in 1984, the CCSC is supported financially by major co-operatives and credit unions from across Canada and the University of Saskatchewan. Our goal is to provide practitioners and policymakers with information and conceptual tools to understand co-operatives and to develop them as solutions to the complex challenges facing communities worldwide.

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