

Summary Report on VanCity's Community Consultation on the draft 2002-03 Accountability Report

Background

On May 5, 2004, a community consultation was held between VanCity and selected community leaders to provide feedback on the draft 2002-03 Accountability Report. Participants were divided into four facilitated breakout groups to discuss the following sections of the draft Accountability Report:

- A members group explored the following sections:
 - *"We will be responsible and effective financial managers so VanCity remains strong and prospers."*
 - *"We will provide you with outstanding service and help you achieve your financial goals."*
 - *"We will provide meaningful opportunities for you to have input in setting the direction of the credit union."*
- An employees group explored the section *"We will ensure that VanCity is a great place to work"*.
- Two groups, a community sustainability group and an environmental sustainability group, discussed the section *"We will lead by example and use our resources and expertise to effect positive change in our communities"*

A total of 27 community leaders participated in this community consultation.

The community consultation was designed to fulfill the following objectives:

- To provide readers of the 2002-03 Accountability Report with an additional level of assurance as to the report's credibility, completeness, and relevance.
- To help improve VanCity's future Accountability Reports

General findings

In a discussion of overall impressions of the draft report, participants were queried regarding their thoughts on: the draft report's credibility, what they liked about the draft report, their suggestions to improve the draft report, the document's readability, the "Spotlights on Performance", and the combination of hard copy and website appendices.

Summary of overall impressions of the draft report

Report is generally credible: In general, virtually all participants were complimentary of VanCity's efforts to be reliable, balanced, and fair in the draft report. They acknowledged VanCity's efforts to transparency, responsibility and accountability. Comments included suggestions that the draft report was "good and strong", demonstrating leadership in encouraging other organizations to follow suit, and that it was "good and honest" and looked at the right things.

Strengths of the report: Participants from the variety of breakout groups acknowledged strengths such as: the external verification process, the breadth of issues included in the report: "the good and the bad", the naming of individuals responsible for actions and targets, the extensive referencing throughout, the hardcopy/ website combination, and the "Spotlights on Performance".

Weaknesses of the report: Elements that detracted from the overall credibility and strength of the report included: a lack of clarity regarding the intended audience, the report's complexity, length, technical language, and "density" of information, as well as the lack of a clear rationale for organizational responses throughout the report.

Recommendations to improve the report

Improve readability and accessibility: Recommendations to improve the draft report were many and varied. Most groups addressed the need to improve the readability and accessibility of the report. Suggestions included: translating the document into languages found in VanCity's communities, and a greater use of quotes and "Spotlights" to provide more information and credibility, and humanize the report. As well, many recommendations were offered to provide structure and to simplify reading of the text: using reader-friendly formats, structures, headings, and graphics, as well as providing highlights at the beginning of the report and summaries at the beginning of each section.

Define an intended audience and tailor the readability accordingly: Several groups called for greater clarity regarding the intended audience of the report, suggesting that while the current level of detail is appropriate for an audited report, its density and complexity would deter a more general readership. Once an intended audience is identified, the report should be written at an appropriate readability level. Several groups identified a grade 7 or 8 level as appropriate for a general audience. One group suggested using a "Fog" index to test the current draft. Another group discussed using an "onion-skin approach" whereby the "top level" report is short and easy to read, with links to greater details elsewhere. Other suggestions to improve readability included preparing fold-out summaries, preparing a shorter companion

document, and writing different parts of the report for different audiences (e.g., main report for a more general audience with greater detail found on the website).

Highlight the external audit: Participants were virtually unanimous in their agreement that the external audit contributes to the report's credibility. To improve this area further, participants suggested that VanCity increase awareness of the external audit in general, highlight the external audit even more in the report, and provide more clarity regarding which elements are audited and why.

Other general recommendations for improvement:

- Develop an organizational policy for each of the 6 commitments;
- Provide a rationale for what data is used and why;
- Provide greater detail, clarifying the nature and purpose of action plans;
- Provide greater detail regarding the tools and processes used to involve staff (the survey method);
- Improve links to the website;
- VanCity should only claim to be "in accordance with GRI" if it develops a comparative index outlining where VanCity does and does not report out on.
- Ensure the wording used is as accurate as possible; and
- Communicate how VanCity has achieved its successes (e.g., what incentives were used to change behaviours).

Summary of Breakout Group Findings

Summary of Members Breakout Group

The member breakout group provided feedback on the report in general, and then on the sections relating to VanCity's commitments to "*be responsible and effective financial managers so VanCity remains strong and prospers*"; "*provide members with outstanding service and help them achieve their financial goals*"; "*provide meaningful opportunities for members to have input in setting the direction of the credit union*".

Credibility of the report

When asked whether the report is reliable, balanced, and fair, participants identified the following elements as contributing to the report's credibility: the transparency of shortcomings and problems (e.g. with member satisfaction at VanCity Insurance Services and Citizens Bank, and the mortgage fraud), and the rigorous nature of the external audit.

Participants were unanimous in questioning whom the report is for. For example, they suggested that credibility from a financial perspective is very different from the perspective of waste management. Participants felt that the report's credibility (of both content and as a public document) is diminished because of its complexity and length which limits readership, and because there is no clear rationale for the selection of each Organizational Response to findings.

Recommendations to improve credibility

Key recommendations identified by participants included creating and reporting on an organizational policy for each of the six commitments. These Board policies would need to specifically address key findings, and thus, provide a rationale for the choice of organizational responses. In addition, they suggested a section in the Introduction entitled, "Who the report is for?"

Overall impressions of the report

In general, participants found that the breadth of issues explored in the report is good, and the six commitments are well laid out. Criticisms included: the observations that the language is too technical for many in the low-income, immigrant and refugee communities which VanCity wants to service, the formatting of the pages and use of graphics need improvement, and linkages between sections could be improved.

Recommendations to improve the report

A key recommendation offered by participants was to reorganize the report using an "onion-skin" approach, whereby the "top level" report is short and easy to read, and provides links to go elsewhere for greater depth on substantive issues and statistical design. Participants suggested that this approach would help create a single document that could reach a wide variety of audiences. Other recommendations included:

- Translating the final report into constituents' languages;
- Making the report more personable by providing more "Spotlights on Performance" and quotations to provide context for a finding, policy, action plan or target;
- Using appealing section and sub section headings, like "What we will do for 2004 – 2005"; and

- Having sets of “fresh-eyes” read a penultimate version of the report to get their impression on a number of key points, such as logical linkages between sections of the report, layering of information according to detail, etc.

Completeness, relevancy, and adequacy of organizational response

We will be responsible and effective financial managers so VanCity remains strong and prospers.

Participants suggested that the relevance of information included in the draft report is sometimes lacking without a context to better understand the meaning and importance of a finding. As well, they felt that key achievements of VanCity are lost amongst the volume of findings.

Recommendations for improvement included:

- Providing a greater context for the presentation of information (e.g., comparisons with past performance, as well as other comparable institutions); and
- Highlighting findings where VanCity has performed well against its targets/organizational policies (e.g., purchasing of local goods and services).

We will provide you with outstanding service and help you achieve your financial goals.

Participants felt the statistical design needs attention in some cases (sample sizes), the specificity of questions needs to be improved especially when measuring “levels of satisfaction”, and the employee turnover and member dissatisfaction at VanCity Insurance Services needs greater explanation and an organizational response. They also suggested that the meaning of some key findings (data analysis) is not investigated.

Recommendations for improvement included:

- Improving the statistical design related to sample sizes;
- Designing questions pertaining to “levels of satisfaction” to take into account variability over time;
- Providing fuller explanations of VanCity’s shortcomings (like VanCity Insurance Services client satisfaction, and employee turnover rates, diminishing member satisfaction), and boost organizational response;
- Where possible, have summary tables that contain findings and the associated future actions plans and targets;
- Provide insight into key findings in appendix; and
- Use key findings to develop further questions to understand emerging trends in VanCity membership and clients.

We will provide meaningful opportunities for you to have input in setting the direction of the credit union.

A discussion of this section revealed that participants found the low level of members participating in Board elections to be troubling. In addition, they found VanCity's organizational response to low-level member participation in Board elections to be inadequate. Participants suggested that greater attention must be paid to VanCity's involvement in the community.

Recommendations for improvement in this area included:

- Provide context to explain the low level of members participating in Board elections.
- Investigate other cooperative institutions worldwide for ideas on improving member engagement (e.g., National Trade Union Cooperative in Singapore). This research will inform an effective organizational response.
- Highlight in "Spotlights on Performance", VanCity's involvement in various communities. Case studies need to cover both organizational and employee initiatives.

Summary of Employee Breakout Group

The employee breakout group provided feedback on the report in general, and then on the section relating to VanCity's commitment to "*ensure VanCity is a great place to work*".

Credibility of the report

All participants found the draft report to be reliable, balanced and fair. They felt that the draft report was credible as a result of the following: external verification, their own familiarity with the employee survey process and information base, and the fact that the draft report was inclusive of both "good and bad news". One participant, while finding the draft report credible, noted that they had been unaware that the report was externally audited. Another participant found that quotes in the draft report added to the credibility, and suggested that quotes should be used more often in the report.

Several participants raised concerns about the method used in the employee survey and offered suggestions including:

- Naming the organization that conducted the survey in the report,
- Relying more on behavioural information like employee turnover rather than employee surveys which are inherently biased, and
- Making the tools, timing and processes used to involve staff in generating this data more obvious.

Another method suggestion was to improve the transparency regarding what data was used and why, throughout the report.

Finally, one participant suggested that diligence be used to ensure that the wording in the draft report is fair, balanced and honest throughout. For example, this participant suggested that VanCity's commitment to "promote compliance" instead of "ensuring compliance" was "soft pedaling".

Recommendations to improve credibility

Participants suggested that the report's credibility would be enhanced through greater use of quotes in each section, highlighting further that the draft report has been externally verified, and making more obvious the tools and process used to involve staff in generating the data.

There was unanimous agreement that the external verification contributes significantly to the credibility of the report.

Overall impressions of report

In general, participants liked the section relating to employees. They appreciated the coverage of the many ways in which VanCity deals with its employees. Several participants acknowledged that the draft report was fair balanced, "showing both the good and the bad".

Participants felt that the readability of the draft report depended on whom the intended audience was. One individual suggested that the readability level was as they personally had expected, but questioned whether it was at a level appropriate for a more general readership.

Participants liked the combination of hard copy and website, and they liked the "Spotlights on Performance", suggesting that they provide more information, add credibility, and humanize the report.

Recommendations to improve the report

Participants suggested that the report could be improved by making it more accessible through highlights, summaries at the beginning of each section, and improved readability. Suggestions to address the readability issue included: writing different parts of the report for different audiences (e.g., targeting the website to a higher reading level than the main report), and providing foldout summaries in the report at a more accessible reading level.

Completeness, relevancy, and adequacy of organizational response

We will ensure that VanCity is a great place to work.

Is VanCity a great place to work?

Participants questioned the rationale for Inventure Solutions requiring a separate and different employee survey. They also noted the lack of discussion of the "nature of the work" which they felt was central to employee satisfaction. They suggested that VanCity provide a definition for their use of the term "employee engagement" in relation to Hewitt's specific meaning of this term.

In the website portion of this section, participants sought clarity regarding whether "permanent and temporary staff" includes management.

In relation to VanCity's organizational response in this area, participants noted they appreciated the employee turnover information. They suggested that a target be included for employee turnover. As well, they recommended that VanCity target the employee survey at specific jobs to differentiate employee satisfaction levels across the company. They felt this would be helpful in addressing turnover.

Participants made a general observation that the way in which VanCity's organizational response has been depicted is inconsistent throughout the draft report. They wondered why there is a KPI in some places and not in others, and requested an explanation for this in the report.

Is VanCity a great place to work for everyone?

Discussion of this section focused on the survey's reliance on self-identification of disabilities and other factors. Participants noted that employees might not want to identify themselves. This results in data that either doesn't reflect the true diversity, or is incomplete because individuals choose not to complete the survey for fear of being singled out. Participants suggested that the questioning method be revised to provide more results with greater confidence. They also suggested that VanCity not request diversity information until after an employee is hired, noting that individuals may want to know how this information will be used before providing it.

Do we provide employees with a healthy and safe working environment?

In their discussion of work and life balance, participants requested more information on flexible work arrangements and some examples of purchases under the Wellness 101 fund (in the website portion). They also suggested a wording revision to clarify that a "call" after a robbery involves an in-person visit by the executive team member. Finally, they requested numbers on sick leave in addition to the WCB numbers for stress leave that are already provided. Participants noted that the reference to a de-stressing massage is an example of how VanCity does things differently.

Do we treat all employees equally and recognize/ reward them fairly?

Participants felt that the performance results in this area were low given VanCity's vision and direction and they had expected higher results. In an effort to understand differences in performance, they requested that information on locations and staffing at branches be included.

In the website portion, participants requested more information and details on VanCity's recognition programs. They also questioned the appropriateness of using the low-income cut-off as a comparison point for entry-level support salaries, noting that this was akin to a comparison with the worst possible scenario.

In relation to VanCity's response in this area, participants requested an action plan to address the low results for employee recognition. They suggested that VanCity clarify its goal for employee recognition and set an appropriate target. In an effort to ensure that VanCity's actions are addressing the problem appropriately, participants suggested that the employee survey results be disaggregated to determine the sources of dissatisfaction. Finally, they found that the different reference points for entry-level salaries made interpretation of the numbers difficult.

Summary of Community Sustainability Breakout Group

The community sustainability breakout group provided feedback on the report in general, and then on the section relating to VanCity's commitment to "*lead by example and use our resources and expertise to effect positive change in our communities*".

Credibility of the report

Positive comments suggested that the report is good and strong, and that VanCity is playing a key role in encouraging social auditing in other organizations. Participants felt that VanCity's efforts to produce a more focused report could result in other companies choosing to carry out social reporting. One participant suggested that VanCity has demonstrated transparency, responsibility, and accountability by publicly identifying employees with responsibilities for targets or actions. This individual suggested that this also demonstrates that the report is being directly incorporated into VanCity's business.

Recommendations to improve credibility

Participants provided several general recommendations to improve the credibility of the report: provide more details on the survey methodology, explain the GRI process in great detail and only state it is "in accordance" if it produces an index outlining what VanCity does and does not report out on, and provide more clarity regarding the external audit process (e.g., what is audited, and what isn't).

Overall impressions of report

When asked about their overall impressions of the draft report, participants were generally positive, while providing suggestions for improvement.

In relation to readability, most of the participants felt that the draft report was too long and difficult to read. Some suggested that the draft report was appropriate for a CSR audience, but less so for a more general audience.

Recommendations to improve the report

Participants suggested that the report could be made more readable and accessible by producing a shorter version for a more general audience, translating the report into other languages (e.g., on the website), and using more graphics.

Other suggestions to improve the draft report included:

- Provide a stronger connection between the report information and the SOVAC,
- Provide URLs in hardcopy to improve access to the website information,
- Use more case studies to tell the story
- Clarify the nature and purpose of action items (e.g., what does 'redesign and relaunch' mean in the introduction)
- Introduce report sections with open-ended rather than close-ended questions to better engage respondents (e.g., "To what extent does VanCity model social and environmental responsibility in the way it does business?" rather than "Does VanCity model social and environmental responsibility in the way it does business?"), and
- Re-evaluate progress and what is needed over time in light of our changing understanding of sustainability

Completeness, relevancy, and adequacy of organizational response

We will lead by example and use our resources and expertise to effect positive change in our communities.

General Comments

Participants in the community sustainability group discussed at some length the need for VanCity to develop indicators to evaluate their impact on broader community sustainability. They also observed that not all issues included targets or actions plans, and suggested that VanCity provide a rationale for including or excluding targets in certain areas. Finally, participants suggested that VanCity demonstrate how its services reflect the diverse needs of the communities it serves.

Does VanCity model social and environmental responsibility in the way it does business?

In relation to engaging members and employees, participants were uncertain about what VanCity means by "making them feel good", and suggested that VanCity include example of things it "does for the environment and community". In addition, one participant suggested that VanCity's organizational response could be strengthened by using the VanCity Award as a tool for evaluating community sustainability by breaking the award into smaller grants. They also requested more details on the VanCity Award in the report. Another participant suggested that VanCity report on branch activities in communities.

Most participants felt that VanCity's Baseline Ethical Policy was too vague. With a lack of clarity about the intent of the policy, participants found it difficult judge VanCity's report on performance in this area. Participants also sought clarity regarding what is meant by "may decline to do business with". Participants found some of the action to be vague and requested that the intention of action plans be made more clear, by tying back into VanCity's impact on the community.

Participants questioned the rationale for devoting 2 full pages to VanCity's socially responsible investing options representing 6% of assets versus the other 94% of assets. They also questioned whether the Community Investment Products is VanCity's only response to integrating social responsibility into investments, or whether other investment portfolios also contributed in this area.

Participants sought greater clarity on the extent of screening of funds and suggested revisiting wording for "social investments". They recommended that a third party testimonial from the community explaining how VanCity has made a difference would provide greater credibility. Participants suggested that the point of comparison for member investment in socially responsible options is confusing and a case of comparing apples and oranges. Participants appreciated VanCity's communication of special investment plans, and requested greater details on fees for ethical investments. Other recommendations included incorporating measures and targets for both the percentage of socially responsible investments available and staff expertise on socially responsible investment, and highlighting how VanCity is being proactive with its socially responsible investment strategy (that it's not limited to screening).

In relation to VanCity's environmental performance, participants appreciated the targets for climate change, and questioned whether there are future plans or targets for green buildings and retrofits. Suggestions for improvement included providing examples of ways in which VanCity influences the community as a whole, identifying indicators to measure VanCity's influence on communities and on community sustainability, and providing greater explanation for the importance of social reporting

Do we use our resources and expertise to effect positive change in our communities?

Suggestions to improve this section included the identification of opportunities for future expansion of programs such as the community partnership program, and highlighting the soundness of VanCity's business decision to spend 14% of tax earnings in their communities.

At the end of the session, discussion turned to the following question: What are some material things that would influence someone to become an employee or member? Participants responded that an individual's decision to seek employment or become a member of VanCity could be influenced by the following: VanCity's choice of issues to be addressed in a community, volunteer activities by employees, VanCity's community orientation and personal service in branches, and its success at communicating the differences between Credit Unions and banks in terms of services and products.

Summary of Environmental Sustainability Breakout Group

The environmental sustainability breakout group provided feedback on the report in general, and then on the section relating to VanCity's commitment to "lead by example and use our resources and expertise to effect positive change in our communities".

Credibility of the report

Overall, all participants thought that the draft report was reliable, balanced and fair. To make it more credible however, some felt that more information could be provided about the action plans that were created to address the issues raised. One participant suggested that information should be provided on when action plans were created and what the results were to place it in context and time. All participants felt that it was important that the report was externally verified as this provided reliability. Several people emphasized that the fact that the draft report was well referenced which made it even more credible. A final suggestion was for VanCity to tell others how they have achieved their successes. For example, participants were curious about the nature of incentives to change behaviour.

Recommendations to improve credibility

Suggestions for improvement included: being more clear with the meaning of some measures, such as "fuel consumption," or "employee transportation." Several participants were not sure what these measures included (e.g., business trips, travel from branch to branch during the day, or to work?). In another instance better terminology could be used for clarity, such as "shredded" instead of "fibre" (under "Waste Management").

Overall impressions of report

All participants in the environmental group liked the draft report overall, and especially in comparison to an oil company's accountability report, it was considered excellent. They felt it was "good and honest" and no one felt that anything important was missing. One participant noted that many other companies focus only on the smaller issues and ignore the bigger issues (e.g., a company emphasizing that it provides daycare services but ignores the fact that they produce poison). Everyone felt that "VanCity is looking at all the right things." The participants felt that VanCity was basing its discussion on data and not just talking "PR." Everyone in the group liked the "Spotlights on Performance" but agreed it needed structuring (with boxes, shaded areas, quotes and photos).

All participants considered the level of English in the draft report to be good. However, several participants noted that the level of detail in the draft report was somewhat problematic, especially if it were to be read by a layperson. All participants agreed that the text was dense and complex, and sometimes hard to read as a result. However, as a formal audit report, the level of detail was considered highly appropriate. Website references were always considered helpful as a "place you could go to, if you wanted extra information."

Recommendations to improve report

Suggestions for improvement to the draft report included: (in terms of content) more candid comments, more information explaining data in side boxes, more comparison with conventional banks, and a clearer linkage to the website where policies are further explained, and more structuring to simplify the reading of the dense text, through boxes, shading, bullet lists.

Participants suggested that a companion report be prepared for a wider audience. Such a document would permit the general public and other institutions (banks, corporations, etc) to learn about VanCity's achievements as a community and environmental leader, and perhaps prompt them to try to emulate VanCity. All participants agreed that VanCity needs to consider the array of different audiences and design the next document accordingly. A suggestion was made to target the readability level at a grade seven or eight level. Other suggestions for content of a document that could be more widely distributed included: post cards or brochures with graphs that compare year-to-year and between banks, and website references for further information.

Completeness, relevancy, and adequacy of organizational response

We will lead by example and use our resources and expertise to effect positive change in our communities.

Engaging our members and our employees

All participants agreed that there was enough information to judge VanCity's performance. While all participants felt that VanCity is measuring the right things, they also acknowledged that there is room for improvement. For example, one participant noted that VanCity could be measuring the number of days spent by employees volunteering in the community.

General suggestions for improvement included clarifying the sub-heading because it is somewhat misleading. Participants felt that VanCity was not measuring engagement, but rather how the organization is perceived to be engaged in the community.

Several suggestions were made about improving the adequacy of the organizational response regarding member and employee engagement. For example, participants identified a poor linkage between the text and the tables, and suggested that this be reviewed. One participant emphasized that the table (which shows increasing arrows) illustrates the opposite of what is being claimed in the text (that expectations are not being met).

VanCity's Baseline Ethical Policy

Generally all participants appreciated the quality of the information in this section that allowed them to judge VanCity's performance at living up to its leadership commitments. One person however, felt that this section was too high level and could have been more detailed. Several participants felt that the *Strategic Suppliers* section was very important as it speaks to the power of purchasing and that this should be emphasized more. For example, it was suggested that VanCity suppliers could be identified and perhaps a list could be provided of what types of items fall into the ethical purchasing policy.

In terms of VanCity's response in this sub-section, no one could identify other appropriate responses and felt that VanCity had provided adequate responses to the issues raised. However, one person felt that the procurement policy could be described more along with a story to place the policy in context.

Socially responsible investing options

Participants were confused about the purpose of this section. They felt that they could not assess whether this subsection had enough information to judge performance because they understood neither VanCity's intent nor the "story" being told. Suggestions for improvement included ensuring the purpose of all subsections is clearly described along with the measures being used. Further clarification was also requested regarding the community investment product "re-launch".

Environmental Performance

Overall participants felt that VanCity's recognition of staff transportation as an issue shows that VanCity is dealing with one of the biggest problems. Generally, the information was considered adequate, but the group had some suggestions for improvement. It was suggested that the CO₂ emissions table did not distinguish between transportation and operations. Participants noted that there is a difference between employee commuter travel versus operations energy use. Suggestions included additional measures such as: air travel for business trips, transportation during work hours, water use, and distances from branches and ATMs to transit. Some participants would have liked more information about the enhanced staff transportation program in order to know if VanCity responded adequately to the issues.

High Impact Community Financing

Participants were more critical of this section. Suggestions for improvement included a Spotlight on Performance regarding the "Access to Capital" program to place it in context. One person noted that they would have liked to know more about the projects that were on a caution list. Another person suggested the Silva high-rise project be included as a story because it is a good

example of environmental lending practices and these stories should be shared with the community. Again, the issue regarding limited information on action plans was raised. In this instance, one person wanted to know what factors are used to decide when an action plan is developed.

Community Contributions

All participants agreed that this is a very powerful and great section. Participants were pleased with the information and the tables were simple and easy to understand. They were able to judge that VanCity's performance has been very strong. Several people noted that there were no performance targets because there were no issues. However, one person suggested that VanCity could still challenge itself and identify new targets or action plans that go beyond its current achievements and also consider what could be done for 2005 and beyond.

Take Home Messages

Participants agreed that VanCity needs to keep up the great work. Suggestions for improvement included the use of more stories and more "Spotlights" sections to relay technical, complex information in an effective, more concrete and understandable way. Participants also wanted to make sure that each sub-section "tells a story" so that its purpose is clear. All participants felt that VanCity needs to tell this story to a wider audience, in simpler terms (Brag!). One participant emphasized that VanCity should not forget to advertise to university students. The group agreed that the action plans need more explanation and description, with side text-boxes or web-references nearby. Suggestions for new measures included water issues and indoor environmental quality.