

Best practices for improving gender diversity on boards and in senior management

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The underrepresentation of women at senior levels of Canadian business has been a long-standing political concern and is inconsistent with the mores of a society, like Canada's, which is founded on diversity and multiculturalism. Recent developments have increased the focus on the gender diversity of Canadian companies as a governance issue and the need for board leadership to elicit change.

Canadian issuers (other than TSX Venture Exchange issuers and investment funds) are now required to provide annual disclosure regarding the representation of women on boards and in executive officer positions. During the 2015 proxy season, Osler conducted a comprehensive survey of disclosure by TSX-listed issuers. The results were disappointing and included the following:

- significant areas of non-compliance
- low representation of women on boards and in executive officer positions
- few issuers with board policies or gender diversity goals
- virtually no issuers with targets for women in senior executive positions

However, our published report, [Women in Leadership Roles at TSX-Listed Companies: Diversity Disclosure Practices](#), also highlighted best practices disclosed by leading companies – practices other companies and boards could consider in assessing their own practices.

Building on our reported results, Osler convened a panel discussion in December 2015 to explore and share diversity practices and find out what is working for corporations (or not). Our panelists included diversity expert, **Vandana Juneja**, Senior Director, Catalyst, and three other corporate leaders with extensive board experience and insight: **Karen McCarthy**, Vice-President, Associate General Counsel and Secretary, Royal Bank of Canada; **Deborah Rosati**, Corporate Director, Sears Canada and NexJ Systems, and Co-founder, Women Get On Board; and **Sonia Baxendale**, Corporate Director, CI Financial and Foresters Insurance.

Listed below are some discussion takeaways, including tips and tools that can help organizations in developing initiatives that promote the advancement of women and further discussion surrounding diversity at the board level.

Takeaways – Best practices to enhance gender diversity

Establish goals and measurable targets

While setting targets regarding the percentage of women on boards is not required by [National Instrument 58-101](#), measurable goal setting was seen by some panelists as critical for creating organizational change. Not only does setting internal targets and tracking progress help keep diversity high on an organization's agenda, particularly when

measurement and accountability come into play, but it can also demonstrate to stakeholders that diversity is being addressed. Some companies have also chosen to communicate their commitment to boardroom diversity by becoming signatories of the [Catalyst Accord](#), a call to action for Canadian corporations to increase the overall proportion of FP500 board seats held by women to 25% by 2017, and members of the [30% Club](#), a global organization with a Canadian chapter that has a goal for organizations to increase the percentage of women on boards to 30% by 2019.

Focus on the business case for diversity

Research indicates that gender diversity can help improve organizational proficiency and a company's bottom line. One of the ways to overcome inertia in the boardroom is to lean in on its business advantages. Businesses with greater senior level diversity can benefit from: enhanced financial performance; better market reputation; enriched attraction of employee talent, retention and engagement; and improved performance and innovation as well as increased team collegiality. Moreover, diversity may be an important issue for customers, employees and other stakeholders, who may ask questions about company goals and practices.

Tap into resources to connect with board-ready women

Developing a diverse board can often involve examining current recruitment and board renewal processes and looking beyond traditional networks when recruiting candidates. There are a number of resources companies can use to connect with board-ready women. The [Catalyst Corporate Board Resource](#) is a premier directory of CEO-sponsored board-ready women that companies can consult when looking to fill board seats. [Women On Board Source](#) provides a list of exceptional women corporate director candidates. Other resources include the [ICD Directors Register](#), the Canadian Board Diversity Council's [Diversity 50](#) list and [CPA Canada's Directors Source](#). Some companies, such as RBC, incorporate their own internal measures to identify high-potential talent and connect them with boards.

Build your succession planning pipeline

Building the pipeline is an integral part of developing a pool of talented executive officers to be able to advance the diversity agenda internally and at the board level. For some organizations, discussion around diversity may be lacking at the middle management level, making the need to examine succession planning strategies all that more important. Integrating sponsorship into the talent management process, whether it's through a formal or informal process, can have a tremendous impact on employees' career development. A sponsor can have a strong and direct influence in increasing a candidate's profile by advocating on her behalf at the succession planning table. Along with sponsorship opportunities, organizations are also including networking, mentoring, training and affinity programs as part of their inclusion initiatives.

Set the tone from the top

As our panelists pointed out, setting the tone from the top is critical. Having women in leadership roles, who can serve as role models, not only helps attract but may also improve the retention of top-level female talent. Engaging men in the diversity discussion and having them involved as champions for change is necessary. Furthermore, looking at internal issues that may be influencing or impeding change within your organization, such as stereotypes and unconscious biases, and creating an action plan to address them is also essential when

working toward creating a more inclusive environment. Our panel also pointed out that while corporate policies and programs are extremely important in advancing diversity initiatives, individuals can also be catalysts for change – everyone has the ability to be an inclusive leader.