

Small Steps, Big Change

By Stephanie MacKendrick

I don't know whether to laugh or cry. And it's not because I've been inundated recently with spam asking me if I've got enough viagra on hand.

No, it's because of the mixed messages I'm getting on the issue of women on boards. I'm alternating between cheerful optimism and dark pessimism in the wake of recent discussions, speeches, articles and research on the topic.

On the positive, I'd say the majority of business leaders agree that putting more women in boardrooms is generally a good notion as few these days will argue that women don't have a lot to contribute. Cause for optimism. But then there's what's actually happening in the boardrooms. Cause for pessimism.

The Catalyst bi-annual census released in February shows painfully slow progress (less than 1% per year) with women representing 11.2% of Canada's Financial Post 500 board directors in 2003, compared with 9.8% in 2001. The percentage of companies with no women board directors hasn't budged at 51.4%. At this rate, it will be more than 50 years before things even up.

There were a few rays of hope. Crown corporations, credit unions and insurance companies were around 20%, as was the entertainment sector. CWC has been hammering away at the issue for several years and has been tracking results since 1999. We like to think our efforts have contributed to the communications industry's better performance and faster progress than the FP 500 on the issue. In our survey of companies, 21.5% of the board seats were held by women in 2004 compared to 16.7% in 2003. This year's figures include a bump of more than 3 percent from the inclusion in the survey of APTN, who had 75% of board seats held by women, as did TVO. In fact, in the industry's public sector, women are almost at a par with men, holding 46% of board seats, and it's changing much faster - 2.32% per year, compared to .6% a year in the industry's private sector. The industry deserves to take a bow for its leadership and its responsiveness. We know that when we speak to companies and they focus on the issue, that progress accelerates.

So why aren't we making faster progress in other sectors?

Change as a beast is not fleet of foot. A low turnover of positions doesn't help, nor does the lack of performance evaluation to enable boards to remove unproductive members and make room for new blood. In fact, most boards lack any term limits, so many boards remain largely the same for decades.

And although we should be beyond the need to argue that there are lots of qualified women board candidates, the fact is that many of them are not as well known as male candidates as few are CEOs and may therefore not swim in the same pool as other board directors. Another element is a lack of imagination and flexibility on the part of CEOs and nominating committees when it comes to looking at a wider cross-section of candidates.

At a Women on Boards Summit convened by Catalyst, CWC and the Institute of Corporate Directors in February, former Rogers executive and political candidate, John Tory, raised a critical point. To paraphrase, he said that if you look inside the box, you get inside the box solutions. He made a passionate case for seeking the untapped resource of women and members of cultural groups that are less well known to those currently in the market for board members. He was politely saying if you look to the same old sources, you'll find the same old candidates and face the same old challenges in recruiting anything but ex-CEO, middle-aged white men.

There's nothing wrong with ex-CEO, middle-aged white men but they shouldn't have a lock-hold on board positions. Nor is any of this is to argue that by virtue of being women, all women executives are *entitled* to be appointed to boards. Choosing board members is a complex process and the subtleties of choosing wisely are to be respected.

But I have more respect for today's business leaders than to believe that they can't make faster progress. Adding just one more woman to each board would get us in less than two years to the critical mass needed to sustain gender diversity. It seems a shame that it is so hard to make progress on an issue that is good for business when it's a question of such small changes.

In the meantime, shareholders are rattling their sabres. Fairvest reports that gender diversity is appearing on proxy ballots of some Canadian technology companies, requesting that management report back to shareholders on their efforts to get more women into senior management and onto the board.