

# WE'RE IN THIS TOGETHER: TACKLING GENDER INEQUALITY THE CANADIAN WAY



The lack of gender-balanced leadership in the workplace should be framed as a business problem, not a "women's issue," and gender parity as a business imperative.

Through collaboration and a common vision, our country is making progress towards greater gender-balanced leadership. But there's still work to be done

**THERE'S A GOOD NEWS STORY WORTH TALKING ABOUT:**

Over the last few years, a uniquely Canadian strategy to tackle the pressing issue of gender inequality in the workplace has taken hold. In short, there is an emerging partnership between business, advocacy groups, investors and government.

There is strong evidence that gender-balanced leadership in business is more likely to yield stronger financial results in the long term, and a more empowering organizational culture. Through collaboration and a common vision, our country is making progress towards greater gender-balanced leadership.

Of course, there is still much work to be done. Women are less likely to advance at almost every step of their careers. Reflecting this fact, they are underrepresented on boards and in key leadership positions. This has nothing to do with a lack of ambition or ability on their part. Rather, systemic barriers, such as unconscious biases and network effects, continue to keep talented women from the highest rungs of the corporate ladder.

The research is clear that companies with greater gender-balanced leadership perform better. They are more collaborative, less susceptible to groupthink, and experience higher levels of innovation. Not surprisingly, these attributes translate into results. Companies exhibiting gender-balanced leadership are more profitable than those dominated by men, and reward shareholders accordingly. A recent CIBC study showed that shares of

TSX companies with at least one woman on their board outperform those with no women by over 3 per cent.

Improving gender-balanced leadership also has the potential to transform Canada's economy. McKinsey & Co. has estimated that achieving gender parity may increase Canada's GDP by \$150-billion in 2026. Forty-two per cent of this growth would be attributable to greater diversity in high-productivity sectors such as tech, where significant barriers to entry for women currently exist.

So, what is Canada doing to improve gender-balanced leadership in the world of business? First, there is an understanding that effecting change truly "takes a village." With this in mind, important initiatives backed by key stakeholders have been launched to foster greater gender-balanced leadership. In speaking with one voice, Canada is speaking loud and clear on the need for diversity.

One important campaign is the 30% Club Canada, a coalition of board chairs and CEOs who share the goal of having at least 30 per cent of board seats and executive positions filled by women by the year 2022. What makes this aspiration particularly attainable is that it has the public backing of 16 institutional investors managing a combined \$2.1-trillion in assets.

Granted, there are other 30% Club chapters in the world. But the Canadian one stands out for how quickly it has grown in such a short period of time and its success. When the 30% Club Canada was

launched in 2015, it had a handful of members and women made up only 18 per cent of TSX Composite board seats. Three years later, there are over 200 member organizations and women now comprise 24 per cent of those board seats. In that time, the number of boards without women has declined from 46 to 4.

**Gender-balanced leadership in the business world will benefit women, men and the entire country. It can't come soon enough.**

Our Canadian 'village' is also providing companies with the tools to make gender-balanced leadership happen. In 2017, the Canadian Gender and Good Governance Alliance (The Alliance), a group of eight non-profits concerned with governance and/or gender, released The Directors' Playbook, a guide for board chairs and directors to achieve better gender balance on their boards through deliberate action. This fall, the Alliance published the CEO Blueprint, a resource with leading practices for CEOs and management teams committed to building gender-balanced organizations. Both resources

are informed by the work of the Alliance members. These practical guides are especially useful for small and mid-sized companies that may not have the resources to create roadmaps for gender-balanced leadership on their own.

Finally, Canada's approach understands that men have a necessary role to play in bringing about gender-balanced leadership. Instead of seeking to change women and ask them to "lean in," our country increasingly believes that it's the culture that must change, and that men are integral to the solution. With this in mind, we are framing the lack of gender-balanced leadership as a business problem, not a "women's issue," and gender parity as a business imperative.

Men can take a number of steps to accelerate progress for women in the workplace. They can amplify the voices of women, talk to other men about creating a gender inclusive workplace, and advocate for workplace flexibility benefits. Where such flex benefits already exist, men can take advantage of them, while encouraging other employees of all genders to do so as well.

Canada is making great progress on breaking the glass ceiling for women. We have a solid consensus on what needs to be done, and how to get there. Gender-balanced leadership in the business world will benefit women, men and the entire country. It can't come soon enough.

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The Board Directors' Playbook and the CEO Blueprint are practical tools that companies can use to achieve gender-balance on boards and in organizations through deliberate action.



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