



2007 Catalyst Census of Women  
Board Directors of the FP500:  
*Voices From the Boardroom*



## ABOUT CATALYST

Founded in 1962, Catalyst is the leading nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada, and Europe, and the support of more than 370 member organizations, Catalyst is the premier resource for research, information, and trusted advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

2007 CATALYST CENSUS OF  
WOMEN BOARD DIRECTORS OF THE FP500:  
*Voices From the Boardroom*

Laura Jenner  
Monica Dyer  
Lilly Whitham

Lead Sponsor:  
CIBC

Supporting Sponsors:  
McKinsey & Company Canada  
PricewaterhouseCoopers LLP, Canada

© 2008 by CATALYST

NEW YORK 120 Wall Street, 5th Floor, New York, NY 10005; (212) 514-7600; (212) 514-8470 fax

SUNNYVALE 165 Gibraltar Court, Sunnyvale, CA 94089; (408) 400-0287; (408) 744-9084 fax

TORONTO 8 King Street East, Suite 505, Toronto, Ontario M5C 1B5; (416) 815-7600; (416) 815-7601 fax

ZUG c/o KPMG Fides, Landis+Gyr-Strasse 1, 6300 Zug, Switzerland; +41-(0)44-208-3152; +41-(0)44-208-3500 fax

**email: [caninfo@catalyst.org](mailto:caninfo@catalyst.org); [www.catalyst.org](http://www.catalyst.org)**

Unauthorized reproduction of this publication or any part thereof is prohibited.

Catalyst Publication Code D77; ISBN#0-89584-279-3



# TABLE OF CONTENTS

<b>Foreword: What’s Good for Women Is Good for Governance</b>	<b>1</b>
<b>Key Findings</b>	<b>3</b>
<b>Chapter 1: Where Do Women Stand?</b>	<b>5</b>
<b>Chapter 2: Gender Diversity and Good Governance</b>	<b>19</b>
<b>Chapter 3: Why Are There So Few Women on Corporate Boards in Canada?</b>	<b>23</b>
<b>Chapter 4: Challenges Faced by Women on Corporate Boards</b>	<b>30</b>
<b>Chapter 5: Advice From the Boardroom—How to Make Change</b>	<b>38</b>
<b>Conclusion: A Call to Action</b>	<b>45</b>



## FOREWORD: WHAT'S GOOD FOR WOMEN IS GOOD FOR GOVERNANCE

The corporate landscape is shifting. In Canada, and indeed around the world, new governance standards and a competitive global economy are reshaping corporate boards and refocusing their purpose. Today, boards face demands for greater transparency and for increased accountability to shareholders and stakeholders. Changing governance standards require new and diverse skills in the boardroom, including expertise in compensation, finance, and legal issues.

The *2007 Catalyst Census of Women Board Directors of the FP500*—which includes data from interviews with more than 50 women board directors—suggests that gender diversity is absolutely vital if companies are to successfully negotiate this changing terrain.

Previous Catalyst research has demonstrated that, on average, *Fortune* 500 companies with the highest representation of women board directors outperformed those with the lowest representation. Women directors interviewed for this year's Census gave some reasons that may explain this finding. They said that diversity of thought, perspective, and experience on boards enhances the quality of dialogue around the board table, producing more opportunities for innovation and improving the overall quality of governance.

Despite these proven and perceived benefits, this Census found that women's representation on corporate boards in Canada remains remarkably low. **In 2007, women held just 13.0 percent of corporate board seats in the FP500, up only one percentage point since 2005.** This slow pace of growth is especially disturbing given the fact that gender diversity—and diversity in general—was perceived by Census interviewees to enhance the quality of governance.

Our interviewees emphasized that many talented, board-ready women are currently working in the corporate sector across Canada. However, they told us that certain barriers are still preventing worthy and motivated women from taking a place around the board table:

- ◆ Women typically lack access to strategic business and community networks, often referred to as “old boys’ networks.”
- ◆ While talented potential directors exist outside the pool of “clout title” holders (who are typically considered first for directorships), interviewees said that recruiters seeking out new directors usually return to this group of “usual suspects,” where women's representation has been—and continues to be—extremely low.
- ◆ On the whole, interviewees told us, CEOs and board directors still tend to search for new directors within pools of people who look, act, and think like they do.

What can be done to increase the momentum toward greater gender diversity on corporate boards?

Interviewees had some advice for women aspiring to board seats, for current directors, and for companies and boards themselves. Their overriding message was that gender diversity is a critical strategic issue facing Canada's corporate boards. Corporate leadership cannot afford to fall behind in this area, but without the commitment and willpower of leaders, change cannot happen.

Catalyst challenges boards, directors, chairs, and companies to rethink their current practices in searching for new directors. Those companies which have made progress in gender diversity at the board level are proof that change is possible, and indeed, these organizations are reaping the multiple benefits of gender diversity, including enhanced governance.



## KEY FINDINGS

The 56 women directors on Canadian FP500 company boards interviewed for this report said the persistent underrepresentation of women on corporate boards and the extremely slow pace of change has some disturbing implications, both for company performance and governance in corporate Canada.

- ◆ Census interviewees said that enhancing gender diversity at the board level raises the quality of discussion around the table. This has the potential to yield real improvements in the overall quality of governance which, in turn, will be reflected in company performance.
- ◆ Greater gender diversity on boards also serves to constructively raise the level of stakeholder representation within companies, since many of their customers and clients are female.

**While growth in the proportion of women occupying board seats in Canada's FP500 companies is moving in the right direction, progress since 2005 has been slow.**

- ◆ In 2007, women held 13.0 percent of board seats in the FP500, up only one percentage point since 2005.
- ◆ In 2007, just over 40 percent of FP500 companies in Canada still had no women board directors—down only 3.5 percentage points since 2005—and still fewer than one-third of companies had multiple women on their boards.
- ◆ FP500 companies continued to draw board members from narrow pools—overall, one in five board seats filled since 2005 were given to individuals (women and men) who were currently sitting on at least one other FP500 board. Public companies in particular were more likely to draw from this group: nearly one-third of board seats filled since 2005 were given to those already sitting on another FP500 board.

**Census interviewees suggested several reasons why the overall representation of women on corporate boards remains frustratingly low.**

- ◆ The women directors we spoke to said the positions, opportunities, and networks which had been so vital to their own success are still not available or accessible to most women in corporate Canada. In fact, many women don't even realize that they exist.
- ◆ Interviewees stressed that reliance on informal "old boys' networks"—which tend to exclude women—continues to be a key factor in how new board directors are recruited.
- ◆ Women also continue to be underrepresented in the existing pool of positions which recruiters draw upon for new directors.

Every year, Catalyst counts the number of women in Canadian corporate leadership. This year's count of women directors in the FP500 revealed small signs of progress, despite persistently low representation.

- ◆ The proportion of company boards with multiple women increased by 2.5 percentage points since 2005—rising to 28.6 percent in 2007.
- ◆ Women's representation as board chairs increased by 1.3 percentage points, from 2.1 percent in 2005 to 3.4 percent in 2007. However, this percentage still remains quite low relative to the overall representation of women on corporate boards.
- ◆ The percentage of women chairing key committees on publicly traded FP500 companies (i.e., Audit, Human Resources/Compensation, and Nominating/Corporate Governance) rose to 6.8 percent, a one percentage point increase from 2005.

While any progress toward greater gender diversity on the boards of FP500 companies is good, clearly more work needs to be done. Our interviewees said they believe further progress is achievable.

- ◆ The successful women board directors we spoke to noted that corporate Canada has produced many talented, board-ready women who are waiting to make an even greater contribution.
- ◆ To encourage positive change, CEOs, board chairs, and boards must be honestly committed to diversity and to increasing women's representation on corporate boards. Boards should utilize skills matrices to determine the competencies required in their next directors and should look outside traditional networks for talented women candidates.

#### GENDER DIVERSITY ON BOARDS: BUILDING THE BUSINESS CASE

For decades, Catalyst has been providing Canadian companies and firms with solid, research-based evidence to support their diversity and inclusion efforts. Our 2007 report, *The Bottom Line: Corporate Performance and Women's Representation on Boards*, showed that, on average, *Fortune* 500 companies with the highest percentages of women board directors outperformed those with the lowest.<sup>1</sup> Compared to U.S. companies with the least gender diverse boards, these firms reported a 53 percent higher return on equity (ROE); a 42 percent greater return on sales (ROS); and a 66 percent higher return on invested capital (ROIC).

This year's Census explores one reason why we might see this correlation: the improved governance that accompanies greater gender diversity on boards. (See Chapter 2: Gender Diversity and Good Governance.)

Building a business case for gender diversity—on boards and throughout an organization—involves demonstrating how a diverse workforce and an effective diversity strategy can: *increase revenues* by attracting new customers, finding new markets, building customer loyalty, and retaining existing business; *reduce costs* by eliminating differential turnover costs across demographic groups; *maximize productivity* by tapping into the best talent, increasing flexibility, motivating all employees to do their best, and maximizing the value of diverse teams through innovation, creativity, and quality.<sup>2</sup>

For more bottom-line evidence of the benefits of a diverse workforce and to access other Catalyst research, visit [www.catalyst.org](http://www.catalyst.org).

<sup>1</sup> Catalyst, *The Bottom Line: Corporate Performance and Women's Representation on Boards* (2007).

<sup>2</sup> Catalyst, *Making Change: Creating a Business Case for Diversity* (2002).

## CHAPTER 1: WHERE DO WOMEN STAND?

An important part of Catalyst’s mission is to establish accurate statistics on women’s advancement in Canada’s corporate community. One way we accomplish this is by counting the number of women board directors every two years and then comparing our findings with those from previous years. Each Catalyst Census reflects the achievements of corporations in advancing women and also highlights what must still be done to help women reach a critical mass in corporate leadership.

The Census reports findings on companies ranked in the *Financial Post 500* list (the “FP500”). FP500 companies are included in the Catalyst Census because, while the composition of this list (i.e., the names of individual companies) may change over time, the list itself is widely accepted as the standard measure of corporate performance and market clout in Canada.

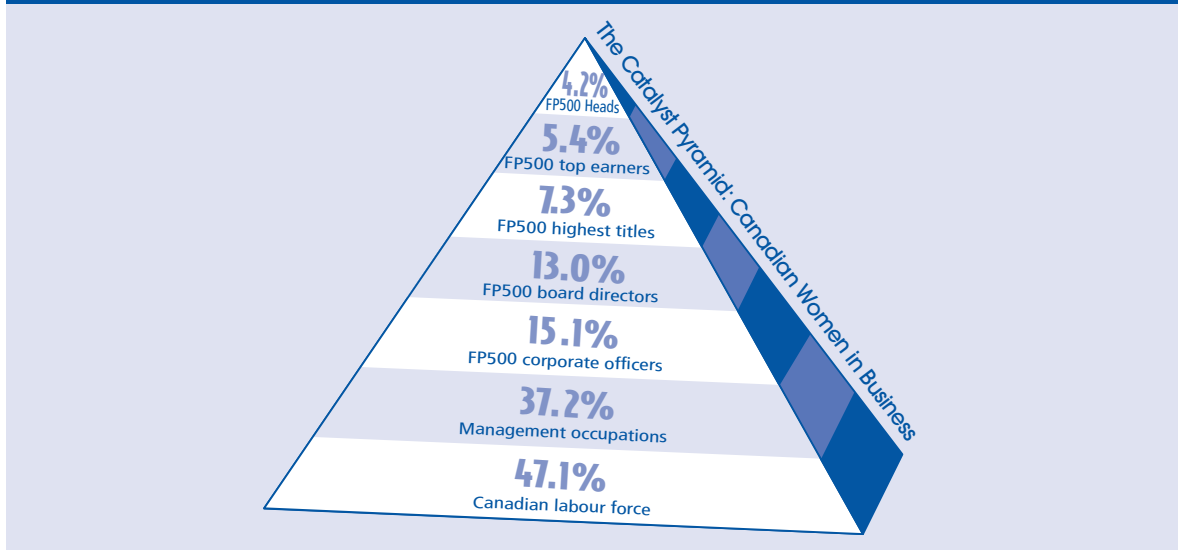
This first chapter of our latest report contains high-level quantitative findings from the 2007 Census. In the remainder of this report, these facts and figures are supplemented by a rich catalogue of qualitative findings drawn from interviews with more than 50 women who were board directors in FP500 companies at the time they were interviewed.

### TRACKING THE SLOW GROWTH IN WOMEN’S REPRESENTATION ON FP500 BOARDS

This year’s Census found that, in 2007, women held 13.0 percent of all FP500 board seats in Canada—527 seats out of a total of 4,061 board seats. (See Table 1.) Since 2001, women’s representation on FP500 boards has grown by only 3.2 percentage points.

Year	Total Number of Board Seats	Number of Seats Held by Women	Percentage of Seats Held by Women
<b>2007</b>	<b>4,061</b>	<b>527</b>	<b>13.0</b>
2005	4,225	508	12.0
2003	4,247	476	11.2
2001	4,421	431	9.8

Figure 1: The Catalyst Pyramid<sup>3</sup>

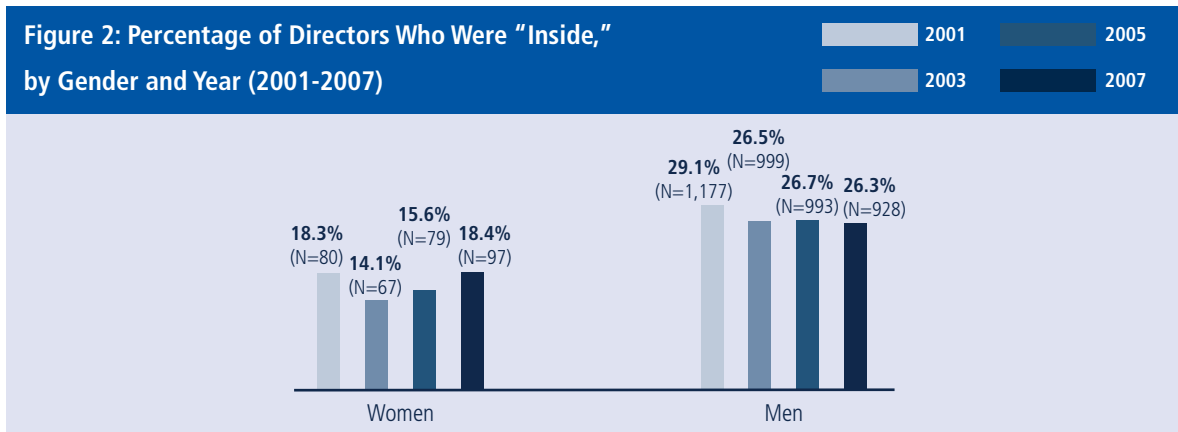


### WOMEN RE-GAINING SOME GROUND AS “INSIDE” DIRECTORS

Board directors who work within a company or its subsidiary or parent companies are classified as “inside” directors; these individuals typically hold executive positions and have a certain degree of power or “clout” within their organization. (Board directors not employed by the company are classified as “outside” directors.)

- ◆ We found that nearly one in five (18.4 percent) of all board seats held by women in 2007 were inside seats, compared to nearly one in four (26.3 percent) of board seats held by men. (See Figure 2.)
- ◆ Since 2005, the proportion of inside seats held by women has increased by 2.8 percentage points.
- ◆ However, looking back to 2001, we find that women have simply recovered lost ground as inside directors, and their representation in this pool continues to lag behind men’s.

Figure 2: Percentage of Directors Who Were “Inside,” by Gender and Year (2001-2007)



<sup>3</sup> Statistics Canada, *Labour Force Survey* (2008), and Catalyst, *2006 Catalyst Census of Women Corporate Officers and Top Earners of the FP500 in Canada* (2007).

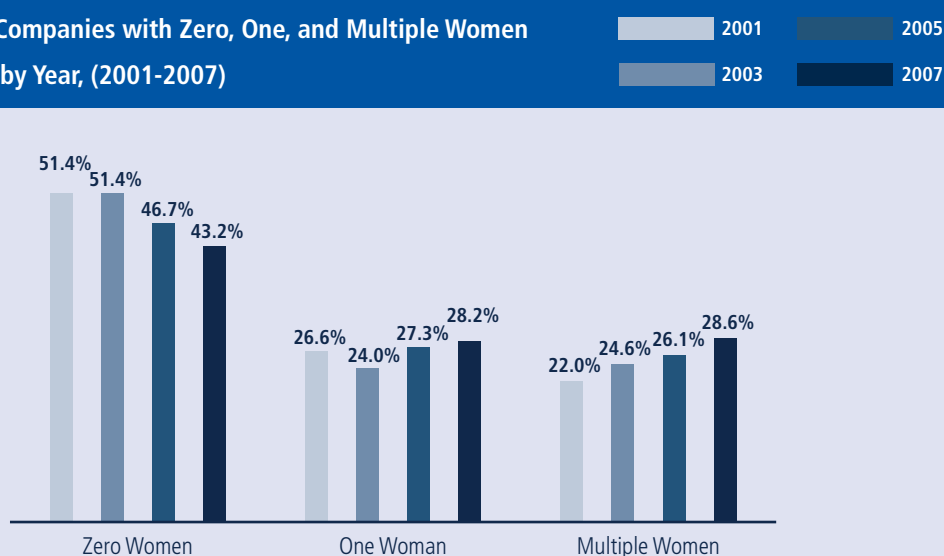
## THE SHIFT TO INDEPENDENT DIRECTORS

As part of fairly recent efforts to enhance the quality of governance on Canadian boards—in particular, in publicly traded companies—companies have been under pressure to increase the representation of independent directors on their boards.<sup>4</sup> Essentially, independent directors are individuals who do not have a material relationship with the company that might interfere with that director’s independent judgment. Directors who are employees of a company (inside directors) would not be “independent” directors.<sup>5</sup> Recent Canadian data show that the representation of independent directors (female and male) on publicly traded company boards has been increasing since 1997.<sup>6</sup> This shift may explain why our data show that the proportion of men who are inside (i.e., non-independent) directors has been levelling off in recent years. It may also explain the decline in both the absolute numbers and the proportional representation of inside directors reported in the Catalyst Census: in 2001, 1,257 women and men were inside directors, holding 28.4 percent of board seats on FP500 companies; in 2007, this dropped to 1,025 women and men, holding 25.2 percent of seats.

## COMPANIES WITH ZERO, ONE, AND MULTIPLE WOMEN ON THEIR BOARDS

Just over 40 percent of FP500 companies in Canada still had no women board directors; fewer than one-third had multiple (two or more) women on their boards. While this is disappointing, the percentage of companies without even a single woman board director has decreased somewhat, dropping by 3.5 percentage points since 2005 and by 8.2 points since 2001.<sup>7</sup> (See Figure 3.) Another positive trend has been the gradual increase in the number of companies with multiple women board directors—up by 2.5 percentage points since 2005 and by 6.6 points since 2001.

**Figure 3: FP500 Companies with Zero, One, and Multiple Women on Their Boards, by Year, (2001-2007)**



<sup>4</sup> For example, the Ontario Securities Commission National Policy on Corporate Governance encourages director independence. Ontario Securities Commission, “National Policy 58-201 Corporate Governance Guidelines” (2005).

<sup>5</sup> Ontario Securities Commission, “National Policy 58-201 Corporate Governance Guidelines” (2005). In 2004, the Canadian Securities Administration released an instrument, enforced in most Canadian jurisdictions, which defined independence. Canadian Securities Administration, “Multilateral Instrument 52-110” (2004).

<sup>6</sup> Spencer Stuart, *Canadian Board Index: Board Trends and Practices at Leading Canadian Companies* (2007).

<sup>7</sup> Percentages for 2005 have been recalculated to exclude five companies that reported they had no Canadian Board of Directors. Likewise, 2007 percentages do not include the 32 companies that reported they had no Canadian Board of Directors.



## A VOICE FROM THE BOARDROOM

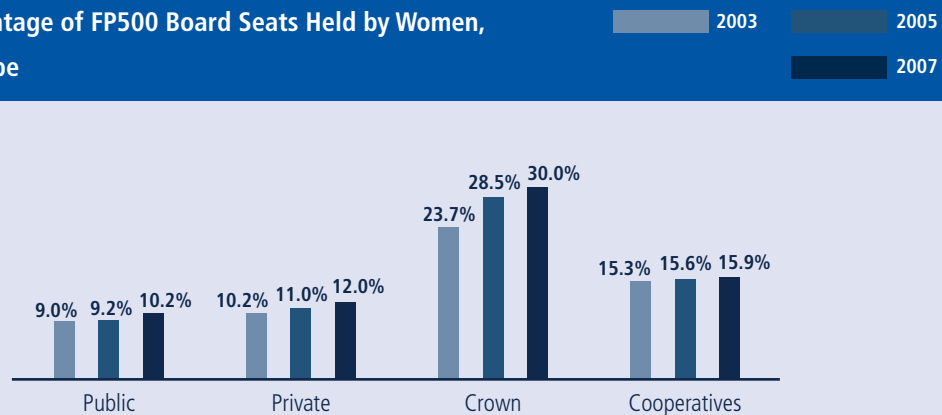
*If you're the only one... unfortunately, some people tend to pigeon-hole you into... "I speak on issues where I'm speaking as a woman," as opposed to the full breadth of skills and experience and judgment that you bring. — Woman Director, FP500 Company*

### WOMEN'S REPRESENTATION ON BOARDS BY COMPANY TYPE

Since 2005, women's representation on Canadian corporate boards has increased across all company types. As in previous years, we found that this representation varied considerably by company type.<sup>8</sup> (See Table 2.)

- ◆ Public companies (241 analyzed) continued to have the lowest representation (10.2 percent) of women on their boards.
- ◆ Women's representation on the boards of private companies (176 analyzed) was 12.0 percent.
- ◆ Women's representation on the boards of crown companies (44 analyzed) was highest (30.0 percent).
- ◆ In cooperatives (7 companies analyzed) women held 15.9 percent of board seats.

**Figure 4: Percentage of FP500 Board Seats Held by Women, by Company Type**



**Table 2: Total Number of Board Seats and Seats Held by Women, by Company Type, in 2005<sup>9</sup> and 2007**

Ownership	Total Number of Companies		Average Board Size		Number of Board Seats Held by Women		Total Number of Board Seats		Percentage of Boards Seats Held by Women	
	2005	2007	2005	2007	2005	2007	2005	2007	2005	2007
Public	244	241	10	10	220	237	2,388	2,331	9.2%	10.2%
Private	200	176	6	7	140	145	1,274	1,205	11.0%	12.0%
Crown	43	44	11	10	133	131	467	437	28.5%	30.0%
Cooperatives	8	7	12	13	15	14	96	88	15.6%	15.9%

<sup>8</sup> In 2007, 32 FP500 companies reported that they had no Canadian Board of Directors. These were not included in this analysis.

<sup>9</sup> The Number of Companies and Average Board Size for 2005 have been recalculated to exclude five companies that reported they had no Canadian Board of Directors.

## TYPES OF COMPANIES IN THE FP500

**Public companies.** These companies issue securities in an initial public offering. Shares are traded on a stock exchange or in the over-the-counter market. Public companies are subject to periodic filing and other obligations under federal securities laws.

**Private companies.** These companies are owned by one person, by several individuals, by a family, or by a parent company. They do not trade shares on the stock market.

**Crown companies.** These companies are owned by federal, provincial, or municipal governments.

**Cooperatives.** These are corporations jointly owned by a collective of individuals and which operate on the principles of democracy. Typically, such companies are controlled equally by the people who work there and/or who use company services (i.e., one vote per one person).

## DOES WOMEN'S REPRESENTATION ON BOARDS VARY ACCORDING TO COMPANY OWNERSHIP?

Foreign investment has long been a significant feature of the Canadian corporate sector. About one-third of the FP500 companies operating in Canada are not Canadian-owned entities.<sup>10</sup>

In 2007, consistent with our 2005 findings (see Table 3) women's representation on foreign-owned company boards was lower (9.3 percent) than their presence on the boards of Canadian-owned companies (13.7 percent).

**Table 3: Total Number of FP500 Board Seats and Seats Held by Women, by Company Ownership, in 2005 and 2007<sup>11</sup>**

Ownership	Total Number of Companies		Average Board Size		Number of Board Seats Held by Women		Total Number of Board Seats		Percentage of Board Seats Held by Women	
	2005	2007	2005	2007	2005	2007	2005	2007	2005	2007
Canadian	348	345	10	10	434	462	3,379	3,362	12.8%	13.7%
Foreign	147	123	6	6	74	65	846	699	8.7%	9.3%

<sup>10</sup> See the Glossary of Terms for a definition of foreign ownership, as well as other terms. The Glossary of Terms is available online at [www.catalyst.org](http://www.catalyst.org).

<sup>11</sup> The Number of Companies and Average Board Size for 2005 have been recalculated to exclude five companies that reported they had no Canadian Board of Directors. In 2007, 32 FP500 companies reported that they had no Canadian Board of Directors. These were not included in this analysis.

## HOW DO CANADIAN BOARDS COMPARE TO THOSE IN THE UNITED STATES?

Women's representation on *Fortune* 500 boards in the United States is higher than women's representation on FP500 company boards here in Canada.

- ◆ In 2007, the representation of women on *Fortune* 500 boards was 14.8 percent versus 13.0 percent of board seats held by women in FP500 companies—a difference of 1.8 percentage points.
- ◆ If we compare *Fortune* 500 companies, which are all publicly traded, with *public* companies on Canada's FP500 list, we see that Canada is doing even more poorly than its U.S. counterparts: women held 14.8 percent of board seats in U.S. *Fortune* 500 public companies, but only 10.2 percent of board seats in Canadian FP500 public companies—a difference of 4.6 percentage points.

## DOES WOMEN'S REPRESENTATION ON BOARDS VARY BY INDUSTRY?

On the FP500 list, each company is associated with an industry. Our analysis showed that certain industries on the FP500 list led the way when it came to women's representation on corporate boards. (See Table 4.) In the "Top 10" industries (industries that ranked highest in terms of the proportion of women represented on their boards) 20.9 percent of board seats were held by women. In contrast, in the "Bottom 10" industries (industries that ranked lowest in terms of the proportion of women represented on boards) only 6.6 percent of board seats were occupied by women. (See Table 5.) The difference between women's representation in the Top 10 and in the Bottom 10 industries was 14.3 percentage points.<sup>12</sup>

### QUANTITATIVE METHODOLOGY IN BRIEF

Data from the current Catalyst Census were derived using a rigorous and precise count of women on FP500 boards as of June 5, 2007. Catalyst researchers gathered relevant data from public sources, such as annual reports, annual information forms, proxy statements, and government databases.

To ensure the accuracy of this data, Catalyst also reached out to each company on the FP500 to verify its information. This year, 478 companies (95.6 percent) verified their information. (For more detailed information on Census methodology, see Appendix 1. Census appendices are available online at [www.catalyst.org](http://www.catalyst.org).)

<sup>12</sup> Industries with fewer than three companies were excluded from analysis: Conglomerates, Health-Care Products & Services, and Insurance Services.



**Table 4: Top 10 Industries by Women's Representation on Company Boards, 2007**

Top 10 Ranking	Industry	Total Number of Board Seats	Percentage of Board Seats Held by Women
1	Entertainment	67	29.9%
2	Credit Unions	70	24.3%
3	Multimedia	82	22.0%
4	Food Distributors	14	21.4%
5	Property & Casualty Insurance	166	21.1%
6	Accounting	62	21.0%
7	Banks	163	20.9%
8	Gas/Electrical Utilities, Pipelines	235	20.4%
9	Food & Drugstores	117	18.8%
9	Life & Health Insurance	117	18.8%
10	Specialty Retailing	152	18.4%
<b>OVERALL</b>		<b>1245</b>	<b>20.9%</b>

**Table 5: Bottom 10 Industries by Women's Representation on Company Boards, 2007**

Bottom 10 Ranking	Industry	Total Number of Board Seats	Percentage of Board Seats Held by Women
1	Environmental Services	21	0.0%
2	Gold Mining	65	4.6%
3	Metals & Mining	148	5.4%
3	Agricultural Products	74	5.4%
4	Oil & Gas Field Services	89	5.6%
5	Construction & Engineering	105	5.7%
6	Motor Vehicles & Parts	76	6.6%
7	High-Tech Manufacturing	128	7.0%
8	Paper & Forest Products	153	7.2%
8	Oil & Gas Companies	346	7.2%
9	Steel	94	7.4%
10	General Manufacturing	212	7.5%
<b>OVERALL</b>		<b>1511</b>	<b>6.6%</b>

## BOARD TURNOVER IN FP500 COMPANIES

In total, 401 FP500 companies were listed on the FP500 in both 2005 and 2007. Catalyst obtained and analyzed data on board seats in these companies which had been vacated (since the *2005 Catalyst Census of Women Board Directors of the FP500*) and subsequently filled (as of this 2007 Census).

Year	Turnover Status	Gender	Number of Board Leavers or Entrants	Percentage of Board Leavers or Entrants by Gender
2005	Board "Leaver"	Women	99	11.0%
		Men	801	89.0%
		<b>Total</b>	<b>900</b>	<b>100%</b>
2007	Board "Entrant"	Women	143	15.3%
		Men	789	84.7%
		<b>Total</b>	<b>932</b>	<b>100%</b>

We found that as of June 5, 2007, 900 seats on these boards had been vacated, while 932 board seats had been filled. (See Table 6.) Of the 932 new entrants to FP500 company boards, 15.3 percent were women (for a total of 143 seats filled).<sup>13</sup> This shows that since 2005, women represented a greater proportion of board entrants than board leavers.

Of the 401 companies listed on the FP500 list in both 2005 and 2007, 116 companies reported having smaller boards in 2007 than they did in 2005. Together, these 116 companies lost 282 seats over a two-year period. Of these, 233 seats had been held by men (who were not replaced by anyone new), and 49 seats had been held by women (who were likewise not replaced).

Thus, between 2005 and 2007, women represented 17.4 percent of board leavers who were not replaced, although their average representation on boards in 2003 stood at 12.0 percent: **in other words, between 2005 and 2007, women were hit harder when boards shrank in size (compared to their male counterparts).**

### **Who is Filling Board Seats in FP500 Companies?**

According to many successful women directors, a major barrier to women obtaining board seats is their exclusion from "old boys' networks." (See Chapter 3: Why Are There So Few Women on Corporate Boards in Canada?) Another problem is the tendency of company and outside recruiters to continue searching for new directors within the same networks and pools of candidates.

This year, Catalyst decided to explore the reality of this barrier by looking more closely at the directors who had recently entered FP500 company boards. First we analyzed the data on board seat turnover by company type, and by whether directors entering seats were also currently serving on at least one other FP500 board. We then explored the frequency with which companies in the Top 10 industries (based on women's board representation) brought women onto their boards compared to companies in the Bottom 10 industries.

<sup>13</sup> The additional 32 seats were either new seats created since 2005, (i.e. the Board grew in size), or seats that happened to be vacant on the day of the 2005 Catalyst Census count, and subsequently filled.



## A VOICE FROM THE BOARDROOM

*[In order to see greater gender diversity on boards, we need] to make it mandatory for... professional search firms to include a robust list of female candidates that would be qualified. Which means they're going to have to dig a little deeper and work a little harder... We have to make a point of including women candidates in any review that we're doing to bring a new board member on, that it's not just a matter of, "Who do we know?"* —Woman Director, FP500 Company

### Many FP500 Companies Still Leverage Narrow Pools of Candidates

- ◆ According to 2007 data, 20.2 percent of vacant board seats across all company types were filled by individuals (women and men) who were also currently serving on at least one other FP500 company board. (See Table 7.)
- ◆ Our data suggest that public companies, more often than other kinds of companies, drew from limited pools of candidates when they needed to fill a vacant board seat. (See Table 8.)
  - ▼ Nearly one in three vacant board seats (30.5 percent) filled in public companies were filled by someone who served on at least one other FP500 board.
  - ▼ Compared to male directors in public companies, women directors were “recycled” at greater rates: 40.0 percent of female board entrants sat on multiple FP500 boards compared to only 28.9 percent of their male counterparts.
- ◆ In crown companies, only 10.9 percent of vacant board seats filled were filled by individuals who also served on at least one other FP500 company board. (See Table 8.) The percentage was slightly higher (11.6 percent) in private companies.
  - ▼ The latter finding may be partly explained by the much higher representation of inside directors—individuals whose primary role is internal to the company—who filled private company board seats in 2007. More than half of vacant board seats in private companies were filled by women and men who were inside directors. Because these individuals were already playing a senior role within their organizations, they may have been less likely to seek out other board appointments.

**Table 7: Entrants to New or Vacant FP500 Board Seats by Number of Seats Held, Seat Type, and Gender, 2007**

Company Type	Gender	Seats Filled, Sits On One Board	Seats Filled, Sits On		Total Seats Filled	Percentage of Seats Filled by People Sitting on Multiple Boards	Percentage of All Seats Filled by Inside Directors
			Multiple Boards	Total Seats Filled			
All Companies (n=401)	Women	115	28	143	19.6%	19.6%	
	Men	629	160	789	20.3%	30.4%	
	<b>Overall</b>	<b>744</b>	<b>188</b>	<b>932</b>	<b>20.2%</b>	<b>28.8%</b>	

**Table 8: Entrants to FP500 Boards by Company Type, Number of Seats Held, and Gender, 2007<sup>14</sup>**

Company Type	Gender	Seats Filled, Sits On One Board	Seats Filled, Sits On Multiple Boards	Total Seats Filled	Percentage of Seats Filled by People Sitting on Multiple Boards	Percentage of All Seats Filled by Inside Directors
Crown companies (n=41)	Women	33	4	37	10.8%	8.1%
	Men	82	10	92	10.9%	8.7%
	<b>Overall</b>	<b>115</b>	<b>14</b>	<b>129</b>	<b>10.9%</b>	<b>8.5%</b>
Private companies (n=145)	Women	40	0	40	0.0%	52.5%
	Men	264	40	304	13.2%	56.6%
	<b>Overall</b>	<b>304</b>	<b>40</b>	<b>344</b>	<b>11.6%</b>	<b>56.1%</b>
Public companies (n=208)	Women	36	24	60	40.0%	6.7%
	Men	270	110	380	28.9%	15.5%
	<b>Overall</b>	<b>306</b>	<b>134</b>	<b>440</b>	<b>30.5%</b>	<b>14.3%</b>

### WHY MIGHT WOMEN BE BETTER REPRESENTED ON CROWN COMPANY BOARDS?

Our data found that crown companies surpassed other types of companies in terms of women’s representation on their boards in 2007. In these companies, 30.0 percent of board seats were held by women, compared to the FP500 average of 13.0 percent. Many of the women directors we interviewed said they believe that crown companies perform best in this regard because they are owned by government. As such, they have a clear mandate to enhance gender and other kinds of diversity so as to reflect their stakeholders—the population of Canada, which is approximately one-half female and very ethnically diverse.

### Many Industries Not Taking Advantage of Opportunities to Bring Women Onto Boards

Our data showed that in 2007, companies in the “Top 10” industries (i.e., those with the highest proportion of women on their boards) took greater advantage of opportunities to bring women into the boardroom than companies in the “Bottom 10” industries.

This was true even though their opportunities to bring in new individuals—and thus opportunities to bring in a female director—were comparable: the number of board entrants in both industry categories was similar, relative to the total number of seats held. In the Top 10 industries, 22.9 percent of seats were filled by new directors (285 of 1,245 seats). In the Bottom 10 industries, 22.6 percent of seats were filled by new directors (341 of 1,511 seats).

While Top and Bottom 10 industries had similar opportunities to bring in new women directors, in 2007 those in the Top 10 brought on new women directors three times more often than those in the Bottom 10. (See Table 9.)

<sup>14</sup> Data regarding cooperatives are not shown since just seven of these companies were listed on the FP500 in 2007.

**Table 9: Top and Bottom Industries (by Women's Representation) and Percentage of Board Entrants, by Gender, in 2007<sup>15</sup>**

Industry Rankings, by Women's Representation	Total Seats	Percentage of Seats Held by Women	Percentage of Total Board Entrants		Total Board Entrants	Women as a Percentage of Entrants	Percentage of Total Seats Filled by a Board Entrant Since 2005
			Female Board Entrants	Male Board Entrants			
Top 10 Industries	1,245	20.9%	68	217	285	23.9%	22.9%
Bottom 10 Industries	1,511	6.6%	28	313	341	8.2%	22.6%

### A VOICE FROM THE BOARDROOM

*I am just totally against quotas. I think what I would probably do [to increase gender diversity] is to encourage boards to look [for candidates] outside of the industrial sectors they tend to look in... I think quite often you can find someone that doesn't know the business itself, but they bring all the experience and skills that you want from a different business...[my boards have] brought me in from totally different industries because they thought the industry wasn't as important as the skill sets and the fit...and if you have to go to other industries to find competent females or competent minorities, do it, don't restrict yourself. —Woman Director, FP500 Company*



### POWER TO SET THE AGENDA—WOMEN AS BOARD AND COMMITTEE CHAIRS

Catalyst focused on the publicly traded companies on the FP500 list to see how well women were represented as board and committee chairs in 2007, positions that are often associated with greater power and influence. Publicly traded companies, which are subject to regular filings, provide the most consistent and accurate data.

#### While the Number of Women Board Chairs Has Grown, Overall Numbers Remain Low

In 2007, there were 241 publicly traded companies listed among Canada's FP500; the vast majority of these reported having board chair positions.<sup>16</sup>

<sup>15</sup> Data exclude companies that were not on the FP500 list in both 2005 and 2007.

<sup>16</sup> As of June 5, 2007, ten of the 241 publicly traded companies verified that their boards had no individual board chairs, and five companies verified that their boards had co-chairs. We had no board chair information for one public company because such information was not available publicly and could not be verified. In 2005, the five companies chaired by women were: TransAlta Corp., Samuel Manu-Tech Inc., Indigo Books and Music Inc., Energy Savings Income Fund, and Corus Entertainment Inc. 2005 data from Catalyst, *2005 Catalyst Census of Women Board Directors of the FP500* (2006).

We found that women chaired the boards of eight FP500 companies, which represents 3.4 percent of all chair positions. (See Table 10.)

This number, while low, indicates that some progress has been made. The proportion of board chair positions held by women has increased by 1.3 percentage points since 2005, when 2.1 percent of board chair positions were held by women (five board chair positions out of 243).<sup>17</sup> While this modest increase is promising, the proportion of women chairs remains low compared to women’s overall representation on boards (13.0 percent in 2007).

Gender	Percentage of Board Chairs Held	Total Number of Board Chairs Held
Women	3.4%	8
Men	96.6%	227
<b>Total</b>	<b>100.0%</b>	<b>235</b>

FP500 Rank	Company	Inside/Outside Status of Chair
44	Canadian Tire Corporation, Limited	Outside
126	TransAlta Corporation	Outside
250	Energy Savings Income Fund	Inside
280	ShawCor Ltd.	Inside
286	Noranda Income Fund	Outside
319	Samuel Manu-Tech Inc.	Inside
335	Indigo Books & Music Inc.	Inside
373	Corus Entertainment Inc.	Inside

### **Women Make Small Gains as Committee Chairs**

We also found that in 2007, women filled 6.8 percent of committee chair seats in publicly traded FP500 companies. This represents an increase of one percentage point since 2005. We noted that women were more likely than men to hold chair positions on certain committees.

- ◆ Women continued to hold a greater proportion of chair positions on Nominating/Corporate Governance committees. In 2007, they filled 10.0 percent of Nominating/Corporate Governance committee chair positions, up slightly from 9.2 percent in 2005.
- ◆ In 2007, women held 5.8 percent of Human Resources/Compensation committee chairs, up slightly from 5.4 percent in 2005.
- ◆ In 2007, women held 4.7 percent of Audit committee chairs, up from 3.4 percent in 2005.

<sup>17</sup> Board chair information for 2005 has been recalculated to reflect the proportion of available board chair positions (243 chair positions in 244 public companies) held by women, rather than the companies they chaired as a percent of all publicly traded companies (244) regardless of whether or not that company verified a chair position. In 2005, two publicly traded companies verified that they had no chair, and two verified that they had co-chairs. We had no board chair information for one public company because such information was not available publicly and could not be verified.

**Table 12: Number and Percentage of Women Committee Chairs in Publicly Traded Companies, in 2005 and 2007**

Committee	Number of Women Committee Chairs		Total Number of Committee Chairs		Percentage of Committee Chairs Who Were Women	
	2005	2007	2005	2007	2005	2007
Audit	8	11	234	234	3.4%	4.7%
Human Resources/ Compensation	12	12	224	208	5.4%	5.8%
Nominating/Corporate Governance	17	21	184	209	9.2%	10.0%
<b>Overall</b>	<b>37</b>	<b>44</b>	<b>642</b>	<b>651</b>	<b>5.8%</b>	<b>6.8%</b>

### A VOICE FROM THE BOARDROOM

*[Committee chairs] have the ability to directly influence the work at the committee level... You have more hands-on opportunity at the committee level to help shape the agenda, to work with management directly...and that gives you the opportunity to gain additional profile at the board level because you are then responsible for reporting back to the board and accountable for communicating and championing the work of the committee. — Woman Director, FP500 Company*



### LISTENING TO WOMEN'S VOICES FROM THE BOARDROOM—WHY ARE THERE STILL SO FEW WOMEN ON CORPORATE BOARDS?

Catalyst understands that having accurate baseline information is vital to those who wish to track progress in this area and who propose interventions which might increase gender diversity in the boardrooms of corporate Canada. While the numbers are moving in the right direction, the latest increase—just one percentage point in two years—is frustrating. It's also disturbing, given our recent research on corporate boards and financial performance.

Catalyst's 2007 report, *The Bottom Line: Corporate Performance and Women's Representation on Boards*, found that, on average, *Fortune* 500 companies with the highest percentages of women board directors outperformed those with the lowest. Companies with the most gender diverse boards reported a 53 percent higher return on equity (ROE); a 42 percent greater return on sales (ROS); and a 66 percent higher return on invested capital (ROIC) compared to those with the least gender diverse boards.<sup>18</sup>

<sup>18</sup> Catalyst, *The Bottom Line: Corporate Performance and Women's Representation on Boards* (2007).

Why did we find this correlation? Do boards with greater gender diversity *function* differently? This year we decided to dig a little more deeply to understand why so few women are represented on corporate boards and to learn what directors themselves thought about board diversity.

Besides undertaking our usual count of women board directors, we conducted a series of in-depth interviews with more than 50 women who were currently sitting on FP500 boards. We asked them to describe how they had obtained their own board seats, what their experiences were on boards, and what advice they had for directors, aspiring directors, and for boards themselves who would like to increase gender diversity.

Among other things, interviewees confirmed the view that gender diversity, and diversity in general, are desirable because they enhance the quality of discussion and decisions, which improves overall governance. In other words, the presence of women on corporate boards actually changes the way a board functions. This important topic will be discussed in greater detail in the next chapter.

#### **ABOUT THE DIRECTORS WHO WERE INTERVIEWED**

- ◆ Between November 2007 and January 2008, Catalyst interviewed 56 women board directors who represented 59 different Canadian FP500 companies.
- ◆ At the time she was interviewed, each woman was currently sitting on at least one FP500 board, although some held multiple FP500 directorships and many sat on non-FP500 corporate boards as well.
- ◆ The interviewees held a total of 110 corporate board seats; 74 of these were FP500 board seats, while 36 were non-FP500 corporate board seats.
- ◆ Of the 59 FP500 companies represented by our interviewees, 47.5 percent were public companies, 27.1 percent were crown companies, 23.7 percent were private companies, and 1.7 percent were cooperatives.



## CHAPTER 2: GENDER DIVERSITY AND GOOD GOVERNANCE

Corporate governance refers to the internal system that a company creates to manage its business and to lead the business toward increased prosperity and optimal corporate accountability. Governance is established by a set of processes, customs, policies, laws, and institutions affecting the way a corporation is directed, administered, or controlled. Sound corporate governance is intended to serve the needs of the company's shareholders and stakeholders.

In response to a number of recent corporate financial scandals, boards today are under increasing pressure to comply with the latest global “best practices” in good governance. In 2002, the U.S. Congress passed the Sarbanes-Oxley Act, which focused on ensuring good corporate governance and financial disclosure.<sup>19</sup> It mandated higher standards for corporate governance, particularly around financial disclosure, within all companies publicly traded in the United States (i.e., companies which file with the U.S. Securities and Exchange Commission). That same year, the Canadian Council of Chief Executives, which represents chief executive officers across Canada, encouraged Canadian companies to meet the financial disclosure standards set by Sarbanes-Oxley.<sup>20</sup>

There is good reason to focus on financial transparency as a critical part of governance. However, good governance goes beyond transparency; at its heart, good governance is about representing the varied interests of shareholders and stakeholders. So where does diversity fit in?

The world economy is becoming increasingly complex: companies need to manage the risks and leverage the opportunities associated with this complexity in order to remain innovative, efficient, and therefore competitive. Uniformity in directors (i.e., lack of diversity) may lead to a narrowness of vision, which is likely to impede innovations and efficiencies and which, in turn, can jeopardize a company's competitiveness.

Indeed, in its 2002 statement encouraging higher standards for financial disclosure, the Canadian Council of Chief Executives noted that boards must develop and utilize a process to determine both the optimal number of board members and what “mix” they should be aiming for around the table. Among other things, each board should consider factors such as the benefits of diversity, even as they uphold the highest, merit-based standards.<sup>21</sup>

<sup>19</sup> *Sarbanes-Oxley Act*, Public Law 107-204, U.S. Statutes at Large 107 (2002): p. 116.

<sup>20</sup> Canadian Council of Chief Executives, *Governance, Values and Competitiveness: A Commitment to Leadership* (2002).

<sup>21</sup> Canadian Council of Chief Executives, *Governance, Values and Competitiveness: A Commitment to Leadership* (2002). Improving corporate governance standards has long been discussed in Canada, with attention increasingly paid to diversity on boards. For example, in 1994 the Toronto Stock Exchange (TSE) published *Where Were the Directors? Guidelines for Improved Corporate Governance in Canada*—commonly known as the Dey Report, after Peter J. Dey, then leader of the TSE's Corporate Governance Committee—which addressed board responsibility, compensation, composition and education. In 1999, the TSE followed up with *Report on Corporate Governance, 1999: Five Years to the Dey*, which explored the progress corporations had made in meeting the recommendations for good governance set out by the Dey Report. It highlighted additional governance issues in need of attention, including the gender and ethnic/racial diversity of boards. In 2001, the Joint Committee on Corporate Governance released *Beyond Compliance: Building a Governance Culture*, sponsored by the TSE, Chartered Accountants of Canada, and Canadian Venture Exchange. This report built on the strong foundation established by the Dey Report by recommending that boards look beyond traditional recruitment sources in seeking the right female and male candidates and that they aim for diversity in background and experience to improve board deliberations.

## What is the relationship between gender diversity on a board and the quality of corporate governance?

Recent research on Canadian directorship practices examined the boards of 141 public, private, and crown companies and linked the presence of women on boards with the presence of more stringent governance practices. For example, boards with the most women had more comprehensive accountability practices, such as formal evaluation of the board and written limits to board authority. These boards were also more likely to have assumed certain board responsibilities as recommended by the Toronto Stock Exchange. These included monitoring the implementation of corporate strategy and ensuring compliance with conflict-of-interest guidelines.<sup>22</sup>

Furthermore, another recent study demonstrated that diversity is an asset to an organization because diverse groups solve problems in different and various ways. In this study, researchers found that groups of diverse problem-solvers can outperform groups of like-minded experts.<sup>23</sup> Our interviews with women directors echoed these findings, revealing how a shift in boardroom dynamics—associated with enhanced gender diversity—may improve corporate governance. The women directors we interviewed emphasized that having women at the table seems to prevent unproductive “groupthink” and helps to ensure that the “right questions” are asked, especially in regard to securing good governance.<sup>24</sup> One woman expressed it this way:

*What I can say is I am the distinct minority on this board...It's surprising how “groupthink” can set in, even with a group of really brilliant individuals, when they all are from a similar profile.*

—Woman Director, FP500 Company

One female business leader and director who has achieved prominence in corporate Canada suggested that a greater prevalence of divergent opinions can help improve everyone’s listening skills:

*One voice is always different than three voices or two voices or five voices. Sometimes if you are the only voice they tend to sort of move on, it's almost as if you have some invisible nature. Not always, but sometimes. I do think that there is some value in having more [diverse] people, because the listening changes and the conversation changes as opposed to being the only one.*

—Woman Director, FP500 Company

Census interviewees said that enhancing gender diversity can actually serve as a strategic tool, helping to improve the quality of board discussion and to ensure that company stakeholders are fairly represented around the table. As one woman stated:

*I just think [diversity] is a critical quality, because I think you ask different questions, you value different things, you centre on different issues. And if you don't have that divergent opinion there, those questions and those perceptions will never be expressed.*

—Woman Director, FP500 Company

<sup>22</sup> The Conference Board of Canada, *Women on Boards: Not Just the Right Thing...But the “Bright” Thing* (2002).

<sup>23</sup> Lu Hong, and Scott E. Page, “Groups of diverse problem solvers can outperform groups of high-ability problem solvers,” *PNAS*, vol. 101, no. 46 (November 2004): pp. 16385-16389.

<sup>24</sup> The process of “groupthink” was studied in depth by social psychologist Irving Janis, who used the term to refer to “a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when members’ strivings for unanimity override their motivation to realistically appraise alternative courses of action... groupthink refers to a deterioration of mental efficiency, reality testing, and moral judgment that results from in-group pressures.” Irving L. Janis. *Victims of Groupthink: A psychological study of foreign-policy decisions and fiascoes* (Boston: Houghton Mifflin Company, 1972): p. 9.

Another woman said:

*What I find is [that] diversity brings a more challenging level of discussion... We don't miss major gaps and strategies if we don't all think the same way. So I truly believe it's important, not just because I'm a woman and, you know, it looks to my advantage, I really think it's an important aspect of good governance.*

—Woman Director, FP500 Company

A board that mirrors the existing diversity of a company's market is strategically sound—besides ensuring fair representation of stakeholders, it may also better and more quickly understand market needs.<sup>25</sup> Many interviewees discussed the importance of reflecting customers, stakeholders, and society more broadly. They said having a diverse board demonstrates that an organization is responsive to broad, societal change and is not afraid of embracing it. As one woman director stated:

*I think [diversity] is essential to their survival. I think that responding to change is the biggest challenge, understanding and knowing that change is out there even... One of the only ways that you're going to be able to implement change in an organization, to respond to your environment, is by having a representation of that environment at the highest levels of your organization.*

—Woman Director, FP500 Company

If diversity offers such opportunity to enhance the quality of governance, why are there still so few women sitting on corporate boards in Canada? This is the subject of the next chapter of our report.

## CENSUS FACT: WOMEN'S REPRESENTATION ON BOARDS

In 2007, women represented only 13.0 percent of all FP500 board seats in Canada. This means that a total of 527 out of 4,061 board seats were occupied by women in this 2007 Census.

<sup>25</sup> Catalyst, *2005 Catalyst Census of Women Board Directors of the Fortune 500* (2006). Also, see Annalisa Gigante and Mirella Visser, *Women on Boards: Moving Mountains*, *European Professional Women's Network Publications* (2007): p.64.

### **“IF EVERYBODY THOUGHT THE SAME, WHY WOULD YOU NEED TEN PEOPLE ON A BOARD?”**

A book by Canadians Richard Leblanc and James Gillies entitled *Inside the Boardroom: How Boards Really Work and the Coming Revolution in Corporate Governance*, includes first-hand observations of the inner workings of 21 boards of directors plus interviews with nearly 200 individual board members.<sup>26</sup>

The authors believe directors should be appointed based not only on their competencies, but also on their ability to exhibit functional behaviours (critical for board effectiveness) rather than dysfunctional behaviours.

- ◆ Functional director types include *Challengers*, who ask the tough questions, and *Change Agents*, who are catalysts of fundamental change when it is needed.
- ◆ Dysfunctional director types are *Conformists*, who support the status quo; *Controllers*, who tend to dominate the board process; and *Cheerleaders*, who simply praise other directors, although they themselves are often unaware of the strategic issues facing their companies.

The functional and dysfunctional behaviours noted by Leblanc and Gillies are consistent with the notion that quality dialogue—and asking “tough” questions—is a critical component of good governance, as this director stated rather succinctly:

*If everybody thought the same, why would you need ten people on a board? You could just have one.*

—Woman Director, FP500 Company

<sup>26</sup> Richard Leblanc and James Gillies, *Inside the Boardroom: How Boards Really Work and the Coming Revolution in Corporate Governance* (Mississauga: John Wiley & Sons Canada, Ltd., 2005).

## CHAPTER 3: WHY ARE THERE SO FEW WOMEN ON CORPORATE BOARDS IN CANADA?

The women directors we interviewed emphasized how important their senior-level career experiences were in obtaining their own board seats. These experiences allowed them to develop the competencies which they identified as critical to board service. Such experiences also tended to make these women highly visible within professional and community networks.

### THE RIGHT STUFF: DEVELOPING AND DISPLAYING DESIRABLE CAPABILITIES

Interviewees said their most useful career experiences had taught them how to think strategically and had also allowed them to actively demonstrate this competency. Many said their ability to think strategically was frequently practiced and honed while managing the complex, crisis, or conflict situations that they faced in their senior-level roles (e.g., as vice presidents or in high-level government positions).

These successful women directors talked about the value of sitting on nonprofit and/or small corporate boards and of experiences which required that they report to boards. Many spoke at length about the value of community and/or nonprofit experience in general, not only as a source of governance experience, but in heightening their visibility within key circles. One woman had this to say on the topic:

*I think actually being on community boards, not-for-profit boards, is an excellent experience, and some of them...have every bit of complexity, if not more so, than running a regular commercial board. The stakeholder issues are enormously complex, so I learned a hell of a lot.*

—Woman Director, FP500 Company

In addition, many women mentioned that having a specialty—for example, finance or law—had been important to their success in obtaining a board seat. Some women also cited deep industry experience as a positive asset, while others mentioned the importance of other specialist skills such as marketing or human resources (HR).

Many interviewees said that having the confidence to speak up in their senior roles and to ask “the hard questions” had been crucial in demonstrating their ability to approach complex situations strategically. This in turn helped build and establish their credibility as leaders. One woman director explained what she tells others who are pursuing directorships:

*I always tell women that men are more confident than competent, and [that] women are more competent than confident, and [that] if you have to choose, then choose confidence, because that sells.*

—Woman Director, FP500 Company

Mentors were cited as playing a vital role in women's advancement to senior-level positions and to their successful execution of these roles. Interviewees said that besides being a source of personal support, their mentors also served as their career champions and sponsors (see Chapter 5, *Advice from the Boardroom—How to Make Change*).

While many women felt their leadership competencies were critical to their success in obtaining a board seat, the opportunity to make their excellence visible in strategic networks was also essential. One woman director explained the importance of being visible to the "right people:"

*They're looking for people who can make a valuable contribution, and if you can present yourself in an environment where people can see you in action doing that, they'll consider you as a candidate and they'll consider you way faster than if you knock on someone's door and give them your resumé.*

—Woman Director, FP500 Company

## VISIBILITY IN STRATEGIC NETWORKS

Women board directors told us that the formative career experiences already mentioned were not enough to help them secure a board seat; their professional and community networks were also vital. Such networks were used to let others—such as company CEOs, board chairs, other corporate directors, recruitment firms, and individuals with political clout—know of their interest. In sum, these networks were:

### ◆ **Broad**

Time and again, women told stories about fairly distant contacts or "ties" who ended up referring them for a board seat.

### ◆ **Professional**

Many women said they had heard about open board seats or were actually referred for consideration through professional ties, often from the past.

### ◆ **Community-based**

Women often described how they had made important connections and demonstrated their capacity for governance through community leadership positions—often via directorships on nonprofit boards.

Interviewees told us that FP500 firms are increasingly using executive search firms during board recruitment processes, and that there is a growing tendency to use formal application processes for board seats. However, the women directors we spoke to said that, in their experience, board recruitment remains a largely informal process. That's because even professional recruiters rely on community and professional networks to identify candidates for open board positions. One woman board director explained it this way:

*Now all of the search committees, the governance committees, they go through the exercise of hiring firms...[However,] the lion's share of directors still come through the internal networks of the people involved.*

—Woman Director, FP500 Company

Another woman described the role of informal networks in the director selection process:

*When recruiters, whether they are board chairs, nominating committees, or formal recruitment firms, are mandated to look for new board members... they are looking into their various Rolodexes and databases and experiences to find those people who they think would make a good contribution to a board. And if you've been sitting in your office working busily away with your doors closed and the curtains drawn, nobody knows you're there, [so] don't expect them to call.*

—Woman Director, FP500 Company

Interviewees told us that the people who had referred and recommended them for board seats—either directly or indirectly—tended to be fairly distant contacts, individuals who were part of a previous professional network or who knew them from past or current community involvement networks. Several women described the power of such networks:

*I was actively looking for corporate board memberships, and I tapped into my network and asked people who I know [who sat] on boards whether they were aware of any board openings because I would be interested. It took me about two weeks to get three offers—that's the power of networks.*

—Woman Director, FP500 Company

*I think visibility is really important, because if you are known or get to be known, then you tend to pop up on radar screens.*

—Woman Director, FP500 Company

*I would say [women should] network with the older male former CEOs if [they] can, because visibility is important...They're still really the people who significantly influence the appointments.*

—Woman Director, FP500 Company

Even in companies with existing application processes—particularly crown corporations—informal networks were key to women's success in obtaining a board seat. Some interviewees spoke about being "asked to apply":

*I was encouraged to go by a number of people...So the process [often] starts with...being encouraged by others saying, "Look, you should really go, we think you should go, we're going to put your name in and go talk to them."*

—Woman Director, FP500 Company

## THE IMPORTANCE OF “WEAK TIES” IN BROAD AND POWERFUL NETWORKS

Our interviews with women on FP500 boards suggest that connections with acquaintances—referred to by the U.S. sociologist Mark Granovetter as “weak ties”—often play an essential role in successful networking.<sup>27</sup> Research has shown that such weak ties are often more important than “strong ties” (i.e., links through close friends and family members) when someone is seeking out new job opportunities. One explanation for this phenomenon is that acquaintances can connect the job seeker with others who are well-placed in organizations and who are not known to the job seeker herself.<sup>28</sup>

Social networks and networks within corporations tend to be small and highly clustered, so linking to larger networks and developing more weak ties becomes important to career advancement. Some say that individuals known as “brokers” can connect separate clusters of smaller networks together.<sup>29</sup>

## GENDERED BARRIER: MAKING THE RIGHT CONNECTIONS

Clearly, the women board directors in FP500 companies we interviewed did something right. But as our research demonstrates, over the past few years we have witnessed frustratingly slow growth in the number of women represented on corporate boards in Canada. This suggests that women face multiple barriers to obtaining board seats.

When asked why progress toward gender diversity on corporate boards has been so slow, our interviewees were clear in their answers: the positions, opportunities, and networks that were instrumental to their own success are rarely available to women. Indeed, many qualified women may not even be aware that such entry portals exist. Several women directors offered their own broad explanations for the slow pace in getting more women on corporate boards:

*I think there are probably a bundle of reasons [why there are few women board directors]. It's lack of mentorship, it's stereotyping, it's not getting the exposure that gets them the experiences, the non-technical experiences and visibility.*

—Woman Director, FP500 Company

*The biggest impediment to women being on boards is that they are not part of the network, and the network, what used to be called the “old boys’ club,” is there. It's alive, it's well, and it is fully functioning.*

—Woman Director, FP500 Company

*Often board directorships come through networking, and women are often less well exposed within the network...There are fewer women within the network and...the networks aren't as wide or as pervasive.*

—Woman Director, FP500 Company

<sup>27</sup> Mark S. Granovetter, “The Strength of Weak Ties,” *The American Journal of Sociology*, vol. 78, no. 6 (1973): p. 1360-1380.

<sup>28</sup> Mark S. Granovetter, “The Strength of Weak Ties: A Network Theory Revisited,” *Sociological Theory*, vol.1 (1983): p. 201-233.

<sup>29</sup> Brian Ussi and Shannon Dunlap, “How to Build Your Network,” *Harvard Business Review* (December 2005).



## CENSUS FACT: BOARDS STILL RECRUIT CANDIDATES FROM A NARROW POOL

Across all company types, since 2005, about one in five board seats were filled by individuals, female and male, who were sitting on at least one other FP500 board at the time. In public companies, this number was higher: nearly one in three board seats were filled by directors already selected to sit on other boards.

### GENDERED BARRIER: LOOKING FOR LEADERS OUTSIDE THE “C-SUITE”

Our interviewees said companies must look beyond the “C-suite”<sup>30</sup> for individuals who could be groomed into board members. Indeed, people in other senior-level positions, including vice presidents and business unit heads, might well possess the strategic problem-solving skills necessary for effective directorship. But even so, it appears that recruiters still rely almost exclusively on the C-suite as the only pool for board candidates. One woman, who had been a CEO, stated:

*The definition of playing a leadership role is probably broader than being a CEO...If [someone is] a vice president, they've been in positions where they've demonstrated the ability to think strategically...They provide the kind of leadership that's been an integral part of implementing strategic plans... and I think that skill set is probably stronger than what level you've got to.*

—Woman Director, FP500 Company

According to Catalyst's *2006 Census of Women Corporate Officers and Top Earners of the FP500*, in 2006 women held only 7.3 percent of so-called “clout” titles such as chief executive officer (CEO), president, and chief operating officer (COO).<sup>31</sup>

As we have already pointed out, good governance demands diversity of skills. This requirement creates a tremendous opportunity for leveraging the experiences of women in staff positions. For example, recent trends suggest that many Canadian boards, which could benefit considerably from the advice and knowledge of a compensation expert, lack members with this skill set.<sup>32</sup>

Thus, it would seem that women executives with a human resources (HR) or compensation background represent a significant and untapped pool of directors. Indeed, these women are already in place: according to our *2006 Census of Women Corporate Officers and Top Earners of the FP500*, women were better represented in staff positions (where human resource executives are typically classified) than they were in line positions.<sup>33</sup>

One obstacle standing between qualified women candidates and a seat on the company board might best be described by the statement: “Likes like like.” Our interviewees said current CEOs and board directors still tend to search for new directors within pools of people who look, act, and think like them; this is sometimes unintentional, but in other cases, the explanation is resistance to change and fear of the unknown.

<sup>30</sup> The term “C-suite” typically refers to any position within a company which reports directly to the chief executive officer (CEO), as well as the CEO. Direct CEO reports can include positions such as chief financial officer (CFO) and chief technical officer (CTO). Depending on organizational structure, some presidents of major divisions and executive vice presidents may also report directly to the CEO.

<sup>31</sup> Catalyst, *2006 Catalyst Census of Women Corporate Officers and Top Earners of the FP500 in Canada* (2007).

<sup>32</sup> Spencer Stuart, *Canadian Board Index: Board Trends and Practices at Leading Canadian Companies* (2007).

<sup>33</sup> Catalyst, *2006 Catalyst Census of Women Corporate Officers and Top Earners of the FP500 in Canada* (2007).

One woman director explained how senior leaders in her company seemed to go about selecting new board candidates:

*They work through the networks they've established, and the people [whom] they work with mostly are people [who] look like them.*

—Woman Director, FP500 Company

Or as another woman put it:

*Of course, smart men in their fifties who are white happen to know other smart men in their fifties.*

—Woman Director, FP500 Company

Another interviewee suggested this avoidance of diversity from the personal norm may be due, in part, to the fact that CEOs, chairs, and current directors feel more comfortable selecting candidates whom they know will immediately “fit in” with the current directors:

*I think it's a natural kind of gut instinct, human tendency, to pick someone you're comfortable with and the more alike you are...the more chances are that you're going to be comfortable with that person. And so you're going to think about them more, and you're going to approach them, you know, one over the other...And if it's all men on boards and all men on management teams, they're going to pick men, right? I think they have to be directed to look more broadly, and that will evolve [as more women] get on boards.*

—Woman Director, FP500 Company

One woman described the resistance to change that seems to influence the selection process:

*[There are few women on boards] because people who are in power really don't want to give it up, and that's probably the main reason. It appears women also have to prove themselves more strongly than males in many instances; they have to work harder, strive harder.*

—Woman Director, FP500 Company

Another woman told us how, in her corporate experience, board seats were often handed out as favours:

*CEOs ask people [whom] they know to be on their boards for a whole bunch of different reasons: partly because it's easier; partly because they know them and know their skill sets; sometimes probably because they know that they'll do what they want them to do...A lot of times board positions reflect...a thank-you for something someone's done for them...There's not a lot of women out there who could either reciprocate yet...or...be on the receiving end of those thank-yous.*

—Woman Director, FP500 Company

It's important to understand that, because board appointments are often made via a personal recommendation, a director who puts forward a candidate is putting his or her own credibility on the line. This helps explain why directors are so cautious and more likely to suggest candidates whom they trust will do an excellent job. Indeed, such informal recruitment processes place considerable pressure on each individual director to deliver. In companies where the approach to seeking candidates is more formal, such personal pressure may be alleviated to some degree. (See Chapter 5: Advice from the Boardroom—How to Make Change.)

## EXPANDING THE POOL OF POTENTIAL BOARD MEMBERS

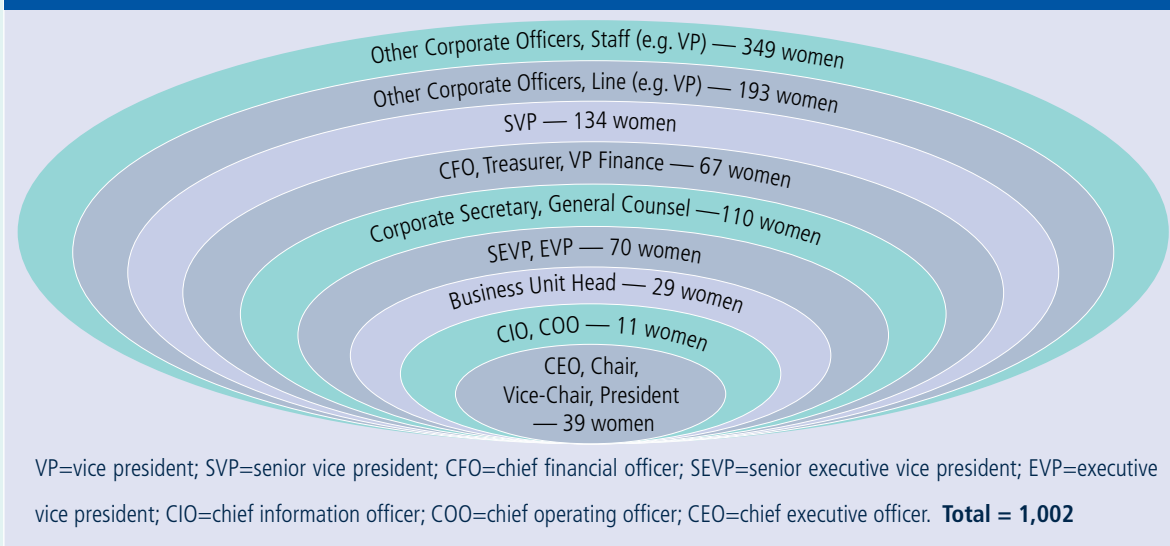
Women board directors told us in no uncertain terms that talented potential board directors exist outside the doors of the C-suite. In 2006, Catalyst counted the number of women in corporate officer ranks in the FP500. We also counted the number of women officers in the Top 100 subsidiaries across Canada, a group of companies that are similar in revenue and employee size to many companies in the FP500. (See Appendix 2 for details at [www.catalyst.org](http://www.catalyst.org).)

The Top 100 Subsidiaries in the FP500 include subsidiary operations whose financials are consolidated into a parent company that is itself eligible for the FP500. Double counting on the FP500 is therefore avoided by excluding subsidiaries whose accounts are consolidated with those of the parent company. For example, Bell Canada's results are consolidated with those of BCE Inc., which is on the FP500. Rather than being listed on the FP500, Bell Canada (and its accompanying financials) is listed separately in the subsidiary table. Catalyst tracks the corporate officers for both.

Corporate officers are generally recognized as individuals who work at the highest level in corporations. In Figure 5 we used information from Catalyst's *2006 Census of Women Corporate Officers and Top Earners of the FP500* to see how the pool of potential board directors might be expanded as per the suggestions of many Census interviewees.

In 2006, just 39 women held CEO, chair, vice-chair and president titles. But if we considered all corporate officers in the FP500 and Top 100 Subsidiaries as potential director candidates, the pool of potential candidates expands from 39 to 1,002 women.

**Figure 5: Conceptual Model for an Expanded Pool of Potential Board Candidates**



### WHAT IS A CORPORATE OFFICER?

Corporate officers are generally recognized as individuals who work at the highest levels in corporations. These people have day-to-day responsibilities for corporate operations; they also hold the power to legally bind their companies. In 2006, women held 15.1 percent of corporate officer positions in the FP500.

## CHAPTER 4: CHALLENGES FACED BY WOMEN ON CORPORATE BOARDS

We asked the 56 women board members we interviewed to talk about the challenges they encountered during their tenures as board members. They offered some interesting and useful insights about their experiences. For example, many revealed that their gender continued to be a relevant, sometimes limiting, factor even after they had taken their seats around the boardroom table.

On a positive note, interviewees expressed a deep and tremendous sense of vocation concerning their roles as directors. They expressed confidence in their competencies and in their ability to overcome any problems encountered while carrying out their board responsibilities. They also emphasized their dedication to good governance.

However, many interviewees did mention particular challenges, pertaining to them as directors, generally, and others which were related to the fact that they were female. This chapter reveals some of their thoughts and reflections in these areas. It also describes various strategies that these women directors used to deal with and to overcome such challenges.

### CHALLENGES FACED BY WOMEN AS INDIVIDUAL BOARD DIRECTORS

Many interviewees said their greatest challenge as individual directors was to ensure that the boards they sat on were providing the best possible governance. They identified three strategies they used to promote strategic and critical discussion at the board table.

- ◆ Keeping company strategy appropriately distinct from actual company management.
- ◆ Developing a sophisticated personal understanding of the companies they governed and familiarizing themselves with the industry and societal contexts in which these companies operated.
- ◆ Asking the “right questions” which were designed and intended to promote thoughtful discussion around the board table.

One female board director explained it this way:

*The big challenge is making sure that the board is doing the right thing as a board...As far as asking the right questions, taking the right perspective, and understanding the role of the board versus the role of management.*

—Woman Director, FP500 Company

Some women said they sometimes found that the task of asking the right questions was complicated by a number of factors. These included a set of silent rules and expectations concerning communication and, as one woman described it, the power dynamics which often played out at the board level:

*There are things that are said at the board, and there are things that are not said at the board, and you have to learn to read between the lines...There are side discussions that happen and...there is a political element to it. There are power struggles...and it's just part of the reality; you just have to learn to deal with it.*

—Woman Director, FP500 Company

## CHALLENGES FACED BY WOMEN AS FEMALE BOARD DIRECTORS

Besides the general challenges mentioned by interviewees, women also spoke of challenges particular to their experiences as female directors and, often, as the only woman seated at the board table. Such challenges included:

- ◆ Social exclusion which, besides contributing to women's sense of loneliness and isolation, also complicated their individual ability to gain access to knowledge and alliances through informal networks.
- ◆ Perceived tokenism which women felt undermined their credibility in the eyes of others.
- ◆ Feeling pressured to over-perform—a strategy some women used to overcome their perceptions of being gender stereotyped by certain male colleagues on the board.
- ◆ Overcoming the intimidation factor of being the “only one” at the table and speaking up when necessary, despite feeling discomfort over their minority status.

### Social Isolation

Interviewees said that being the only female director on a board was a generally lonely and isolating experience:

*I'm often the only woman playing golf [in] a foursome, or I'm the only woman at [a sports-related event], or whatever. In a way it's a little lonely...because you don't want to look like you're just one of the boys. [At the beginning of my board service] I was often a bit lonely, I didn't think of it as any lonelier than what I did every day. I was used to being the only one...Then more [women] started to come onto boards...It was a very nice feeling to have another woman on the board, somebody to chat with...But in the days when there wasn't anybody, you just swallowed hard and carried on.*

—Woman Director, FP500 Company

Many women felt that such isolation undermined their ability to gain access to information and alliances through informal networks:

*If you've formed an opinion and you think it's right, you've got to figure out how to get others around to your side of the table, and sometimes that's not simple...Men discuss things differently, and they have a lot of their discussions off-line...You have to have somebody who will talk to you...If you find yourself isolated...you can't function...You may not have a perfect relationship with everybody around the board table, but you've got to have a good enough relationship with enough of them so that even if you're not included in some of their private conversations in the washroom, they will tell you what's happened.*

—Woman Director, FP500 Company

*You know, in the last board meeting, there were after-dinner drinks and late night kind of events. I opted out of that. This is just something I didn't feel comfortable with any more. So is there a bit of exclusion? Probably. But as I said, having the benefit of someone who is willing to fill me in with whatever I might not be a part of helps. But yes, there are still events going on where the guys hang out together.*

—Woman Director, FP500 Company

### **Tokenism and Credibility**

Many women who had obtained seats on corporate boards sensed that other board members harboured underlying and unfair doubts as to their credibility, especially when they first joined their boards, and particularly if they were the only women there.

Census interviewees were not the first to report that minority status in corporate scenarios can be a serious disadvantage. For many years research has demonstrated that when women are in a small minority, stereotyping in the workplace becomes more common, and women tend to become symbols for their gender—that is, they are expected to represent all women.<sup>34</sup>

For example, women interviewed for study of *Fortune* 1000 board directors said that often, as the lone woman in a group, they felt expected to “represent” the views of their gender; indeed, some interviewees said they had been made to feel that their gender was more noticeable than their contributions.<sup>35</sup>

Many of the women directors we interviewed felt that men at the table saw them as the “token woman”:

*I think that there were times, especially at the beginning of coming into a board room that had been all male, where people are looking to you perhaps to say something about HR, or comment on something that seems feminine. And you have to work hard when you're the only woman on a board to make your fellow directors [not] think of [you] that way when you're engaged in a substantive discussion of issues.*

—Woman Director, FP500 Company

When asked about her many experiences as the only woman on a board, one woman said:

*I guess it depends on the perspective of your board colleagues and yourself. I've never seen myself as a token or a martyr. Much to the disappointment of some others, I don't go on a board as “a woman.” I go on a board as a contributor to the board, and I don't care whether I'm pink, yellow, green, blue, male, female, tall, short, fat, skinny, I am there to make a contribution...I'll give you my views, but I don't represent the [female] gender...Let's deal with an issue as a board, not as the ten guys and the one woman on the board.*

—Woman Director, FP500 Company

<sup>34</sup> For example, see Rosabeth Moss Kanter, *Men and Women of the Corporation* (New York: Basic Books, 1977).

<sup>35</sup> Sumru Erkut, Vicki W. Kramer, and Alison M. Konrad, *Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance*, (Wellesley Centers for Women, 2006).

## Feeling Pressure to Over-Perform

Feeling that they lacked credibility with others on their boards led some women directors to go “above and beyond” what was expected of their male colleagues, simply to prove their own worth:

*Initially for those boards that are not accustomed to working with women, and particularly where there is a chair that is not accustomed to working with women...the experience is that there is some initial resistance and skepticism, but that falls off the table relatively quickly...if you do the job well. So that means learning the business, contributing constructively to the debates, taking on additional tasks and responsibilities as they become available, such as chairing. So in those cases where there hasn't been a lot of experience with women on the board, I find...you have to prove yourself. And at that point the gender difference really drops away for the most part.*

—Woman Director, FP500 Company

*As a woman in the old days, you had to be twice as good as any man at anything in order to get noticed in the first place in any positive way. And I don't think it's twice as good anymore, it's only 25 percent or 30 percent, or whatever. But it's still there.*

—Woman Director, FP500 Company

## The Challenge of Speaking Out

Women directors described how difficult and intimidating it was for them to speak out during board meetings, especially if they were the only woman at the table:

*It is challenging to be the only woman [who] sits around the board table. I'm sure you've heard that over and over again! I'm a very confident woman. I'm very successful. I've worked with men most of my career...But to be the only woman that sits around the board table...it is intimidating.*

—Woman Director, FP500 Company

*One of the things that happens to you as a woman is...you start to self-edit. I mean you're very conscious in a board meeting when you make an intervention, why you make an intervention, what the purpose of it is, and I think women, especially when there's only one of them, are very conscious of not talking.*

—Woman Director, FP500 Company

Research suggests that if women in a male-dominated corporate environment feel pressure to conform to the majority, they are less likely to express a dissenting opinion at the board table. One recent study found that high visibility (e.g., being the lone woman on a board) means people are more likely to choose their battles.<sup>36</sup>

Our own interviewees said such reticence might contribute to lower-quality board decisions. They added that having a diversity of opinion, experience, and perspective around the board table is valuable because it prompts questions and dialogue that likely would not happen otherwise.

<sup>36</sup> Sumru Erkut, Vicki W. Kramer, and Alison M. Konrad, *Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance* (Wellesley Centers for Women, 2006).

## STRATEGIES FOR DEALING WITH GENDERED CHALLENGES

Interviewees said they were able to overcome gendered barriers that threatened to hinder their effectiveness as board members in several ways: by developing and practicing assertiveness, by gaining an overall reputation for excellence, and sometimes by seeking out positions of special power and influence, such as the chair of a board or committee. As one woman suggested:

*I think that, as a woman on a board, you absolutely are taken more seriously when you're chairing a committee and you are seen as having outcomes that are under your leadership. So I would actually recommend that as a strategy...Find a forum where your excellence will really shine.*

—Woman Director, FP500 Company

Women directors we spoke to acknowledged that committee and board chairs hold more clout in a company, or at least have greater responsibility and are better able to set the board agenda. A few women spoke about being excluded from these power positions on boards explicitly because of their gender:

*I'm a natural leader, and it happens very often that people will put me in a leadership role, even if I'm not looking for it. And so it's been interesting at [my board]. I think okay, people love me as [a] committee chair, but they really wanted me to stay there...They don't want me to be chair of the board. Why don't they want me to be chair of the board? Is it because I'm already powerful enough and it will make me more powerful? Is it because I talk too much, and if I'm chair, you know, it'll be worse? Is it because I'm a woman and in their heart of hearts, they're not so sure about [it]? [This] idea, by the way, never entered my mind, but when I talked to the retired [C-suite executive] whom I'd come to know while on [a] committee and kind of told him of my ambitions, this is what he said..."I wonder whether the board is ready to have a woman CEO and a woman chair of the board at the same time?"...I thought "Wow, nobody's ever minded having a male CEO and a male chair of the board at the same time!"*

—Woman Director, FP500 Company

### CENSUS FACT: BOARD AND COMMITTEE CHAIRS

In 2007, women held only 3.4 percent of board chairs and 6.8 percent of committee chairs in FP500 companies.

## ACHIEVING A "CRITICAL MASS" OF WOMEN ON CANADIAN CORPORATE BOARDS

Although our interviewees said they coped with challenges related to their roles on FP500 boards, most agreed that having more women around the table would be helpful. Not only would greater gender balance help individual women, they said, but it would also be positive for the entire board. They listed several potential benefits of achieving such enhanced gender diversity.

- ◆ Greater gender diversity on boards would diminish women's exclusion from internal board networks.
- ◆ Having more women in the boardroom would help to debunk any existing gender stereotypes and control any perceptions of tokenism.
- ◆ Having more women around the table would improve the quality of governance, central to the role of boards within companies.



There is little doubt that having one or two women on a board is a necessary first step for companies who want to realize the benefits of gender diversity. But unless corporate Canada achieves a “critical mass” of women in the boardroom, such benefits might not accrue.

Women spoke carefully about the concept of critical mass. Interviewees who were willing to define this number said critical mass would require a minimum of three women on an average board of directors. However, they emphasized that merit was of utmost importance in choosing board members and said quotas were *not* a good way to ensure diversity and board effectiveness.

### **Addressing Social Exclusion on Boards**

Social alliances in the workplace are often created in gendered spaces during what people refer to as “meetings outside the meetings.” Interviewees reported that, from the men’s washroom to the golf course, women are often physically excluded from these informal meetings.

When she was asked if there was a difference between her experiences as the only woman on a board and being on a board with multiple women, one director replied:

*Socializing prior to the meeting or after the meeting tends to be a little difficult for me because they’re usually all men deciding to go to a bar or whatever. I’m not exactly uncomfortable with that kind of stuff, but if there was another female, I probably would be a little more comfortable at that level.*

—Woman Director, FP500 Company

Speaking about her experience as the only woman on a board, another woman emphasized the importance of understanding the power of these meetings which occur in gendered spaces:

*[The] “meetings outside the meetings” [are] an important element of understanding board dynamics ...Those conversations do take place in the washroom, during the coffee break. I noticed it...when I [first] sat on boards where there were women, and [when] you have a break... you’re hanging out in the washroom chatting with your fellow female board colleagues saying, “So what did you really think about [that]?” ...And it struck me that for all of those many years where I was in the bathroom by myself, there were other conversations going on next door...It’s something that women do, just like men do. It’s not bad or good, it’s just the reality. So if you are the only woman on the board, you need to make sure you have the kind of relationship so that if you’re not talking with the guys in the bathroom, you are [instead] talking with them over a cup of coffee during the coffee break... You are engaging with your directors.*

—Woman Director, FP500 Company

Interviewees said that women’s current exclusion from internal board networks would begin to change as companies aimed for and achieved a critical mass of women in boardrooms.

## Challenging Perceived Tokenism and Enhancing Credibility

Women who had already attained seats on corporate boards said their own assertiveness and reputations for excellence had helped them overcome initial skepticism about their abilities. Some said that having a certain number of women at the table—the “critical mass” described earlier—made gaining colleagues’ respect much easier and also helped diminish gender stereotyping:

*By the time you get to three [women board directors], there’s a division of labour. You don’t feel you have to know everything. You can actually specialize. At two, I’m not so sure, and one is just very difficult.*

—Woman Director, FP500 Company

*Well, I think three [women] is really where you get critical mass...And if you’re the only one...unfortunately, some people tend to pigeon-hole you into...“I speak on issues where I’m speaking as a woman,” as opposed to the full breadth of skills and experience and judgment that you bring.*

—Woman Director, FP500 Company

*I think that if you have more women on a board you may overcome some of the subtle traditional views about women, that they aren’t necessarily strategic thinkers or they can’t make hard decisions or they are unable or inexperienced...And I say this because my experience in [my career] has shown me that when you get a certain critical mass of women [at the top]...the bias and the marginalizing [fall] away and people see that women in a certain number don’t necessary agree with themselves on every view, and then they start to realize that [one’s] gender and viewpoints are not necessarily always aligned.*

—Woman Director, FP500 Company

## Improving the Quality of Governance

The women directors we interviewed said more open dialogue, triggered by diverse perspectives and experiences, would clearly improve governance within companies that attain greater gender diversity on their boards. But many said that such benefits will only accrue once there is a critical mass of women at the table. This has some important implications for the many boards in corporate Canada with fewer than two female corporate directors.

What steps can boards take to increase gender diversity around the table? What can women directors who already have a seat at the table do to support and encourage even greater diversity? Finally, what can women working in corporate Canada who aspire to directorships do to increase both their visibility and their chances for success? In the following chapter, we present some answers to these questions that emerged during our extensive interviews with women directors.

## THE BOARD'S ROLE IN PROMOTING DIVERSITY THROUGH THE ORGANIZATION

Although in the next chapter women directors share some ideas about what company boards can do to increase gender diversity on the board itself, many of our interviewees felt that company boards also have an important role to play in promoting diversity *throughout* their organizations. They said a board that is diverse in terms of gender and racial/ethnic representation is modelling diversity as a strategic priority. One woman was short and to the point:

*Water runs downhill, right?*

—Woman Director, FP500 Company

Another woman director said she didn't think it was possible for a board to effectively promote broader organizational diversity without first "setting the tone" at the top:

*You can't have diversity throughout an organization if you've got a homogenous board... You've got to walk the talk... You've got to show that you mean it about diversity, and you can only do that if you're diverse [yourselves].*

—Woman Director, FP500 Company

Some interviewees told us that their boards did not actively discuss or promote diversity as desirable or in any way key to corporate success. These women felt that a certain industry and/or company culture was to blame; others felt diversity was on the "back burner" because their boards were new or were dealing with other significant issues.

However, other women asserted that boards are responsible for engaging over critical strategic decisions: the existence of a traditional industry and/or company culture should not be an acceptable excuse for inaction. One seasoned board director suggested that a board's commitment to diversity, in and of itself, is likely to determine whether or not these matters are discussed:

*I think that the conversation varies with the leadership more than [with] the industry.*

—Woman Director, FP500 Company

Many women who had already obtained board seats called on leaders within corporate Canada to "step up to the plate" and find new ways to include more women in the talent pool. While the support and buy-in of CEOs is vital in this regard, many interviewees stated that the onus should be on boards themselves to hold organizations accountable for diversity initiatives. This should be done not simply for the sake of fairness or political correctness, but should be viewed as a critical strategic business issue.

### CENSUS FACT: TOO FEW WOMEN IN CORPORATE OFFICER POSITIONS

The 2006 *Census of Women Corporate Officers and Top Earners of the FP500* demonstrated that women held only 15.1 percent of corporate officer positions in FP500 companies, and only 7.3 percent of "clout titles" such as chief executive officer, chief operating officer, and president.<sup>37</sup>

<sup>37</sup> Catalyst, 2006 *Catalyst Census of Women Corporate Officer and Top Earners of the FP500* (2007).

## CHAPTER 5: ADVICE FROM THE BOARDROOM —HOW TO MAKE CHANGE

Besides sharing their experiences and perspectives, the 56 women directors we interviewed offered some advice to other women directors, to women aspiring to directorships, and to boards themselves.

### ADVICE TO WOMEN WHO ALREADY SIT ON CORPORATE BOARDS

Our interviewees said that women directors can and should play an active, untiring role in getting more women onto their company boards and committees. For example, they should serve as role models for other women aspiring to corporate directorship—by speaking in public, by leading workshops, and by making themselves as visible as possible in their role as women directors. They should also encourage and take part in mentoring younger women, in coaching them through especially challenging projects, and in sponsoring them appropriately for job-related opportunities.

Many of our interviewees considered themselves active diversity advocates on their boards. They stressed the importance of putting qualified women candidates forward and also of ensuring that any list of possible candidates for board positions includes a number of women.

One interviewee put it this way:

*Women who are on boards currently and find themselves able to influence the pool should be doing that. If they do find themselves sitting around board tables [where women are] underrepresented, or sitting on nominating committees and not seeing the pool [as] sufficiently diverse, then I think that women need to be prepared to call their organizations on it.*

—Woman Director, FP500 Company

### ADVICE TO WOMEN WHO ASPIRE TO BOARD DIRECTORSHIPS

Many interviewees emphasized how important it is that aspiring women know exactly what a board directorship entails—for example, understanding the difference between governance and management and being sure that they are really interested in high-level governance issues.

The directors we interviewed encouraged women to do their research and to approach finding a directorship just as they would approach conducting an objective and strategic job search. Specifically, women should target boards that interest them and determine just what skills and career profiles these boards are seeking in directorship candidates:

*Find out all you can, do your due diligence, talk to other board members, they may be males, they may be females...Really, really do your due diligence before you jump into the board.*

—Woman Director, FP500 Company

Interviewees also encouraged aspiring women directors to acquire relevant skill sets (e.g., specific content knowledge such as finance). This will help them stand out among other candidates who are also seeking board seats; with such skills, women can really sell themselves as valuable potential contributors.

Aspiring women should also take steps to accumulate senior-level corporate or government experience, where the ability to think and act strategically can be learned, demonstrated, and made visible. Women can develop and demonstrate such abilities by sitting on nonprofit, community, and smaller corporate boards.

Many interviewees also spoke about the importance of corporate director education. Such courses help aspiring directors understand the demands of directorship, acquire specific content knowledge, and find concrete ways to expand their networks. However, a few women we spoke to cautioned that corporate directorship certificates are not and should not be seen as a guaranteed gateway to directorship.

Interviewees stressed how important it is for aspiring women to make themselves visible, to actively network, and to get their names “out there.” They suggested the following strategies:

- ◆ Demonstrate your interest in directorship by informing your community and professional networks about your desire to sit on a board.
- ◆ Contact recruitment firms in your area to state your interest; provide them with the necessary information such as your updated curriculum vitae.
- ◆ Promote yourself and your capabilities to other board directors, committee chairs, and company CEOs so that you are “on their radar.”
- ◆ Build your reputation as an expert.

*When you sit on a Nominating Committee and three members of your board [whom] you value, you trust and you know say, “Yes, I know Mrs. Smith and Mrs. Smith is a really good person and she’s smart and she would be a great contributor to this board,” guess where Mrs. Smith’s name goes relative to the resumé that nobody knows? [It] goes to the top of the pile. I hate to sound like a broken record, but the two [pieces of advice that I would give to women aspiring to board positions] would be [to] get engaged in the community and let people know [that you are interested in board work]. Don’t sit in the corner and wait for somebody to come and ask you.*

—Woman Director, FP500 Company

*If you want a board position, then become systematic about going out and getting one and getting to know the right people. Also, go and see headhunters and talk to headhunters and tell them that you’re looking for a board position and get your name out there. Become known.*

—Woman Director, FP500 Company

*I think the other big barrier...is [that] the networks women have, which might be great social networks...[are] not necessarily strategically developed business networks in some aspects.*

—Woman Director, FP500 Company

Over and over again, interviewees stressed the importance of self-confidence and strategic self-promotion:

*Just be who you are. That's my last word. Be who you are, have confidence in who you are, and if there's something you're not clear on, ask the question. There's no such thing as a silly question, and if you don't get heard, you try again some way in a different manner until you get what you want.*

—Woman Director, FP500 Company

Successful women directors also advised women aspiring board directorship to seek out mentors:

*Good mentors are a combination of sounding board, guide, promoter, enabler; they do a heck of a lot of good. Good mentors are essential, I think.*

—Woman Director, FP500 Company

Interviewees said mentors can increase women's chances for success by championing their careers, by helping them visualize their career paths objectively, by recommending them for certain advancement opportunities, and by "looping them into" the right networks.

## **THE IMPORTANT ROLE OF MEN AS "DIVERSITY CHAMPIONS" AND MENTORS**

While women appreciate the support of their female managers and colleagues, many of our interviewees talked about the vital role that men can play and are playing as "champions of diversity" and as mentors in corporate Canada.

Catalyst research continues to show that a top barrier to women's career advancement is a lack of access to influential mentors.<sup>38</sup> Many women directors we interviewed stressed the importance of mentors—who often were also career champions—to their own advancement. Most of these women identified their professional mentors as men in senior leadership roles, often CEOs; they also said that they had benefited from multiple male mentors throughout their careers:

*[My mentors] taught me never to assume a limitation on my potential or my ability to contribute on an equal level. They also taught me, or reinforced for me, that I had some leadership skills and that they were worth grooming...and that I should seek out leadership positions.*

—Woman Director, FP500 Company

<sup>38</sup> Catalyst research in Europe and North America has demonstrated that women perceive a lack of mentors as a top barrier to their career advancement. See Catalyst's publications: *Mentoring: A Guide to Corporate Programs and Practices* (1993); *Women in Leadership: A European Business Imperative* (2002); *Closing the Gap: Women's Advancement in Corporate and Professional Canada* (1996); and *Women and Men in U.S. Corporate Leadership*, (2004). Some groups of women perceive the lack of access to mentors as a particular problem. See Catalyst, *Women of Color in Corporate Management*, 1999; and Christine Silva, Monica Dyer, and Lilly Whitham, *Career Advancement in Corporate Canada: A Focus on Visible Minorities—Critical Relationships* (2007).

One woman described how a particular male mentor had helped guide her career and pointed her toward strategic opportunities:

*[My mentor] pushed me in terms of not saying no to an opportunity...that I didn't necessarily see myself doing...and so I did it. And it did make a difference, you know. I ended up getting several promotions as a result and probably what he saw there was a gap in my experience and figured I needed to fill it... and there was an opportunity and it was an opportunity for a lot more exposure.*

—Woman Director, FP500 Company

Another interviewee reinforced the importance of having a mentor—in this case, a male colleague—on her board:

*There [is a] benefit of [having a] mentor on a board. My mentor has made sure that I was part of every conversation, and if there was something going on by accident [that] I wasn't a part of, he would fill me in. And likewise, when he wasn't part of a conversation, I would fill him in, so actually having this alliance made a big difference...so I did not feel excluded. Rather, I felt very quickly included, but that's [in] big part thanks to my mentor.*

—Woman Director, FP500 Company

Of course, many women talked about the central importance of having personal female role models and about how other women had supported their careers and mentored them:

*A diverse support structure provides a richer support experience and guidance experience. I think diversity is good in all of its manifestations. So from a mentorship standpoint, it applies there, too.*

—Woman Director, FP500 Company

Some interviewees talked about men currently in leadership positions, such as board chairs, who have demonstrated their own commitment to diversity and who actively seek to bring greater gender diversity into their boardrooms. So, in addition to championing and supporting individual women as mentors, men can play a powerful role as champions of diversity in their roles as CEOs, directors, and board chairs:

*My board chair is adamant...It was interesting because he's turned down a whole number of suggested people that come forward because...he just kept saying, "I'm not taking another man from the GTA [Greater Toronto Area]. I refuse to."*

—Woman Director, FP500 Company

## BECOMING A DIVERSITY CHAMPION: START WITH YOURSELF

Recent Catalyst research about gender stereotypes has demonstrated that men and women hold similar gender-based stereotypes.<sup>39</sup> One interviewee told a story which illustrates why each person must review and, if necessary, challenge his or her own assumptions on a regular basis:

*We were recommending [to the CEO] that the next chair be a woman and the following person be a woman as well. And he looked at me with a straight face and he said, "Do you think there'll be any issues about having two women in a row?" And he was serious. And I said, "Oh my God, think about what you're saying." And he said, "Oh my God, you're right, I can't believe I just said that." I said, "Are there ever any issues about having two men in a row?"*

—Woman Director, FP500 Company

Catalyst offers the following suggestions for individuals, male and female, who wish to become "diversity champions" in their own companies:<sup>40</sup>

- ◆ Becoming a diversity champion is a process. The first step is to start with yourself. Be honest about your own feelings regarding gender diversity. Many assumptions, which are held by women as well as men, may not appear to be negative on first glance, but they can still have negative effects.
- ◆ Be proactive in helping to develop promising people around you. Diversity champions enjoy cultivating others with different backgrounds and actively seek out mentees who are different from themselves. If you have recruitment responsibilities, ask yourself whether you are encouraging the most diverse slate of candidates possible.
- ◆ Be a role model for openness and change. Diversity champions create environments in which people can honestly discuss divergent views. Resistance is a natural part of cultural change, and champions can play a vital role in easing such transitions.

<sup>39</sup> Catalyst, *Women "Take Care," Men "Take Charge": Stereotyping of U.S. Business Leaders Exposed* (2005).

<sup>40</sup> Catalyst, *Making Change: Becoming a Diversity Champion* (2002).



## ADVICE TO COMPANY BOARDS—WHAT CAN THEY DO TO BRING MORE WOMEN TO THE TABLE?

The women directors we interviewed said that for meaningful change to occur within an individual company, buy-in and commitment at the board level are necessary. They believe the best way to enhance such buy-in is for board members and other company opinion leaders to emphasize the business case in favour of diversity. Indeed, Catalyst is hopeful that this report will be used to inform and stimulate such discussions.

Although our interviewees continually emphasized that board candidates should be selected based on their merit, they felt it was reasonable for companies to require that a diverse slate of candidates be considered for open board seats. This means that the company itself—or search firms hired by the company to fill vacant or new board seats—must conduct more extensive and rigorous searches to find talented women and present them for consideration:

*The reality is there [are] as many good women out there as men. And we really need to be more aggressive in looking for women.*

—Woman Director, FP500 Company

*We have to make a point of including women candidates in any review that we're doing to bring a new board member on, that it's not just a matter of "Who do we know?" Because of course smart men in their fifties who are white happen to know other smart men in their fifties. So I think we need to perhaps actively seek out and find mechanisms to provide information about other capable female board members...or other minorities that we would like to see include amongst us. And that doesn't mean then that we're going to choose those people simply because they're women. We're still going to choose the best person, but we need to make sure...we are looking at a fully formed list of nominees versus just going, "Well, who does everybody know?"*

—Woman Director, FP500 Company

*I think if you have the commitment to diversity, then you force the headhunters or you force your selection process to look for candidates that would fit the diversity portfolio or mandate. And so whether you do it on your own or whether you do it through an internal process or whether you do it through a headhunter, I think you just force the issue, even without really saying it, but by saying that this is an important criterion for us...Then I think you put it at the forefront.*

—Woman Director, FP500 Company

Generally, interviewees thought that making selection processes more transparent and formal would decrease the impact of the infamous “old boys’ network” that still holds sway in many parts of corporate Canada. This would include advertising board openings more widely and expanding the search for candidates beyond the usual parameters.

The women directors we spoke to suggested three ways companies and boards might broaden their search for potential candidates:

- ◆ **Create and/or update skills matrices.** This will help boards to determine what competencies are currently represented on the company’s board, and what other skills are important but lacking.
- ◆ **Search out candidates from various industries who will fulfill a company’s competency needs.** Map competencies to board needs, rather than focusing exclusively on industry experience.
- ◆ **Look beyond the C-suite for qualified candidates, including women.** This should include qualified candidates with track records in other senior-level positions such as vice presidents, business unit heads, skilled professionals and those with desirable areas of expertise relevant to a particular industry and/or company.

A number of interviewees talked in greater detail about these useful approaches:

*I think the most effective thing [that boards can do to increase gender diversity] is to have diversity recognized as valuable in your board skills matrix. And [to] recognize it’s valuable for itself. That is... all other things being equal, if we have an equally well-qualified man and an equally well-qualified woman, because we [haven’t] achieved gender balance, we’ll appoint the woman.*

—Woman Director, FP500 Company

*Most boards now are putting out skill matrices that say what all the critical skills that we need on our board are—what critical skills are represented in each one of our board members [and]... which ones do we need to look for in the next board member, and just put down [that] one of the characteristics you’re looking for [is a] female. Just say, “Females first,” and if you can’t find a female that fits this profile, A, I won’t believe it, but B, only then can you go to the male.*

—Woman Director, FP500 Company

*Get the skills matrix up and running and make it a living document because that will send you off in different directions...looking for people [who] have a particular skill rather than just bringing in yet another retired CEO.*

—Woman Director, FP500 Company

## CONCLUSION: A CALL TO ACTION

### A VOICE FROM THE BOARDROOM



*I just think [diversity] is a critical quality, because I think you ask different questions, you value different things, you centre on different issues. And if you don't have that divergent opinion there, those questions and those perceptions will never be expressed. —Woman Director, FP500 Company*

Since our first census of women in corporate Canada published in 1998, Catalyst has been systematically counting and reporting on women's representation in the FP500. One reason for this can be explained by the idea that: "What gets measured, gets done."

It's a common myth that change will simply "happen" naturally. However, the slow progress in building gender equality that we have observed over the past decade suggests this isn't true. Without increases in willpower and commitment—and without a concentrated shift in tactics—change will likely continue at this incremental rate.

To jump-start the process, Catalyst decided it was time to go to the source: women directors themselves. Their comments provide a rich source of information and advice that we believe will be of interest to all current and aspiring directors (women and men alike).

In summary:

- ◆ Women directors emphasized that enhancing diversity is "good for business" and is also a strategy for improving governance. They offered constructive advice about how boards themselves can broaden their search for new members beyond the traditional networks and attract talented, capable women.
- ◆ They pinpointed important reasons why the growth in women's representation on Canadian boards is so slow. One problem is that women still lack access to key networks and thus fall outside the typical candidate pool. Little effort is being made to change this.
- ◆ They said that creating a "critical mass" of women directors (three or more women on the average-sized board) is vital if boards are to reap the real rewards of gender diversity. They believe that having multiple women around the table creates a richer and more thoughtful discussion and helps boards avoid unproductive "groupthink."

With their voices ringing firmly in our ears, Catalyst now calls on specific influential individuals within corporate Canada—board chairs, nominating and corporate governance chairs, and CEOs—to make or reaffirm their commitment to championing diversity on their boards and throughout their organizations.

CEOs, board chairs, and nominating and corporate governance chairs are in unique positions to drive this kind of basic change. They should actively champion gender diversity on their boards, not just because it's the right thing to do, but because it's good for business and also good for the millions of people who do business in Canada.

Finally, Catalyst offers thanks and encouragement to the women directors who participated in our interviews, as well as to the many other women and men who have supported and continue to champion diversity on their boards and in their organizations. Although the pace of change has been slow, it has been moving in the right direction—with willpower and commitment, corporate Canada can accelerate the pace and more fully reap the benefits of a diverse workforce and of diverse boards.

**MORE INFORMATION IS AVAILABLE ONLINE!**

This year's Census appendices and a Glossary of Terms can be found at [www.catalyst.org](http://www.catalyst.org) along with the *2007 Catalyst Census of Women Corporate Officers and Top Earners of the Fortune 500*, the *2007 Catalyst Census of Women Board Directors of the Fortune 500*, and Census archives.

## ACKNOWLEDGEMENTS

Catalyst thanks the many individuals in the FP500 companies and subsidiaries who undertook the task of verifying their company's data. We appreciate the time and patience it took to prepare the data for our analysis. We would also like to extend our sincere gratitude to all women board director interviewees whose participation and insights were truly invaluable.

The staff of Catalyst conceived and executed this study under the guidance of Deborah Gillis, Vice President, North America. Laura Jenner, Senior Associate, Canada, directed and managed the research. Monica Dyer, Research Assistant, Canada, and Lilly Whitham, Research Assistant, Canada, communicated with companies, gathered the data, and managed the accounts of the companies. Laura Jenner, Monica Dyer, and Lilly Whitham performed the qualitative and quantitative analysis and drafted the report. Mathieu Belanger, Ph.D., developed the database and application to support the project. Alicia Sullivan, Research Assistant, Canada, Cheryl Yanek, Associate Librarian, Research, Rhonda Ferguson, Analyst, Canada, Monica Dyer, and Lilly Whitham fact-checked the report.

We are grateful to Ilene H. Lang, President, Catalyst, for her leadership, and to Deborah Gillis for providing her support at all stages of this project. Special thanks to Heather Foust-Cummings, Ph.D., Director, Research, for her invaluable guidance throughout the duration of the project. Special thanks also to Nancy Carter, Ph.D., Vice President, Research, for her guidance and support.

Thank you to Debbie Soon, Vice President, Marketing & Executive Leadership Initiatives, who provided her input and guidance in the development of our interview protocol. Laura Jenner drafted and finalized the interview protocols. Thank you as well to the Catalyst staff who conducted the interviews: Deborah Gillis, Laura Jenner, Christine Silva, Senior Associate, Canada, Emily Pomeroy, Associate, Canada, Monica Dyer, and Lilly Whitham. Joy Ohm, Senior Associate Editor, reviewed the editing of the report, and Sonia Nikolic, Graphic Designer, reviewed its design.

Special thanks to Evelyne Michaels who edited the report, to Ulrike Balke, Ulrike Balke Art & Design, who designed the report, and to Charmain Emerson, President, Building Blocks Communications Inc., and George Emerson, Vice President, Building Blocks Communications Inc., for their work to publicize the series and for their strategic advice on media dissemination.

Finally, Catalyst extends a special thank-you to the study's lead sponsor, CIBC, and to its supporting sponsors, McKinsey & Company Canada and PricewaterhouseCoopers LLP, Canada.



McKinsey&Company

PRICEWATERHOUSECOOPERS 

# CATALYST CANADA ADVISORY BOARD

## Chair

Richard E. Waugh  
President & CEO  
Scotiabank

John H. Bowey, FCA  
Chairman  
Deloitte & Touche LLP Canada

Ilene H. Lang  
President  
Catalyst

Christie J.B. Clark  
CEO, Canadian Partner  
PricewaterhouseCoopers LLP, Canada

William A. MacKinnon  
CEO  
KPMG LLP Canada

David R. Collyer  
President and Canada Country Chair  
Shell Canada Limited

Ellen J. Moore  
President & CEO  
Chubb Insurance Company of Canada

William A. Downe  
President & CEO  
BMO Financial Group

Gordon M. Nixon  
President & CEO  
RBC Financial Group

Deborah Gillis  
Vice President, North America  
Catalyst

Michael J. Sabia  
President & CEO  
Bell Canada

Linda S. Hasenfratz  
CEO & Director  
Linamar Corporation

W. Iain Scott  
Chair & CEO  
McCarthy Tétrault LLP

Beth Horowitz  
Former President & CEO  
American Express Canada

Bruce B. Simpson  
Managing Partner, Canada  
McKinsey & Company (Canada)

Donna Soble Kaufman  
Corporate Director

Carol Stephenson  
Dean  
Richard Ivey School of Business  
University of Western Ontario

## Chair Emeritus

Tony Comper  
Former President and CEO  
BMO Financial Group

# CATALYST BOARD OF DIRECTORS

## Chair

Charles O. Holliday, Jr.  
Chairman & CEO  
DuPont

Michael J. Critelli  
Executive Chairman  
Pitney Bowes Inc.

Jeffrey B. Kindler  
Chairman & CEO  
Pfizer Inc

Richard K. Templeton  
Chairman, President & CEO  
Texas Instruments Incorporated

## Secretary

Anne M. Mulcahy  
Chairman & CEO  
Xerox Corporation

David B. Dillon  
Chairman & CEO  
The Kroger Co.

Ilene H. Lang  
President  
Catalyst Inc.

James S. Turley  
Chairman & CEO  
Ernst & Young LLP

## Treasurer

Susan Arnold  
President,  
Global Business Units  
The Procter & Gamble  
Company

James Dimon  
Chairman & CEO  
JPMorgan Chase & Co.

John Mack  
Chairman & CEO  
Morgan Stanley

G. Richard Wagoner, Jr.  
Chairman & CEO  
General Motors Corporation

William A. Downe  
President & CEO  
BMO Financial Group

Renetta E. McCann  
CEO  
Starcom MediaVest Group

Richard E. Waugh  
President & CEO  
Scotiabank

Brenda C. Barnes  
Chairman & CEO  
Sara Lee Corporation

Mary Beth Hogan, Esq.  
Partner & Management  
Committee Member  
Debevoise & Plimpton LLP

Marilyn Carlson Nelson  
Chairman  
Carlson Companies, Inc.

Maggie Wilderotter  
Chairman & CEO  
Citizens Communications  
Company

Lloyd C. Blankfein  
Chairman & CEO  
The Goldman Sachs  
Group, Inc.

Jeffrey R. Immelt  
Chairman & CEO  
General Electric Company

Joseph Neubauer  
Chairman & CEO  
ARAMARK

Thomas J. Wilson  
Chairman,  
President & CEO  
Allstate Corporation

Ian M. Cook  
President & CEO  
Colgate-Palmolive  
Company

Ann Dibble Jordan  
Consultant

James H. Quigley  
CEO  
Deloitte Touche Tohmatsu

Andrea Jung  
Chairman & CEO  
Avon Products, Inc.

Stephen W. Sanger  
Chairman  
General Mills, Inc.

Mary B. Cranston, Esq.  
Firm Senior Partner  
Pillsbury Winthrop  
Shaw Pittman LLP

Karen Katen  
Chairman  
Pfizer Foundation

Stephanie A. Streeter  
Former Chairman,  
President & CEO  
Banta Corporation

## Chairs Emeriti

John H. Bryan  
Retired Chairman & CEO  
Sara Lee Corporation

Reuben Mark  
Chairman  
Colgate-Palmolive Company

J. Michael Cook  
Retired Chairman & CEO  
Deloitte & Touche LLP

John F. Smith, Jr.  
Retired Chairman & CEO  
General Motors Corporation

Thomas J. Engibous  
Retired Chairman & CEO  
Texas Instruments Incorporated

## Honorary Directors

Tony Comper  
Former President & CEO  
BMO Financial Group

Reuben Mark  
Chairman  
Colgate-Palmolive Company

Thomas J. Engibous  
Retired Chairman & CEO  
Texas Instruments Incorporated

Barbara Paul Robinson, Esq.  
Partner  
Debevoise & Plimpton LLP

Ann M. Fudge  
Retired Chairman & CEO  
Young & Rubicam Brands

## Expanding opportunities for women and business

### NEW YORK

120 Wall Street, 5th Floor  
New York, NY 10005  
tel (212) 514-7600  
fax (212) 514-8470

### SUNNYVALE

165 Gibraltar Court  
Sunnyvale, CA 94089  
tel (408) 400-0287  
fax (408) 744-9084

### TORONTO

8 King Street East, Suite 505  
Toronto, Ontario M5C 1B5  
tel (416) 815-7600  
fax (416) 815-7601

### ZUG

c/o KPMG Fides  
Landis+Gyr-Strasse 1  
6300 Zug, Switzerland  
tel +41-(0)44-208-3152  
fax +41-(0)44-208-3500

[www.catalyst.org](http://www.catalyst.org)

