

THE SUPPLY PROBLEM MYTH: FINANCIAL POST 500 BOARDS

MYTH: There are too few women ready to serve on *Financial Post* 500 boards.

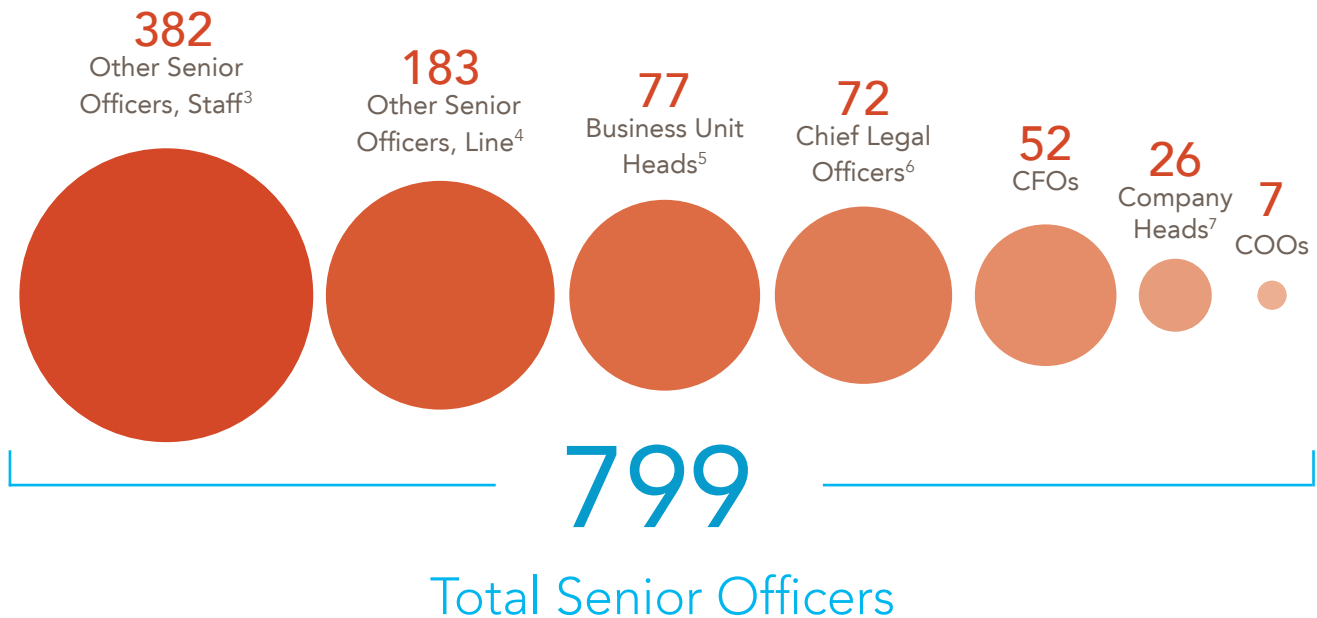
REALITY: There is no supply problem. Hundreds of women are available from just a single pool of qualified senior officers.

The corporate gender leadership gap is a common problem plaguing many workplaces in Canada. Contrary to popular belief, this disparity—women make up 47 percent of the workforce, yet only hold 14 percent of *Financial Post* 500 board seats—is not driven by a shortage of women qualified for board service.¹

A closer examination of just one source of potential directors—active senior officers of *Financial Post* 500 companies—illustrates that the supply problem is a myth. Hundreds of skilled women currently hold officer positions at *Financial Post* 500 companies.²

A Strong Supply of Candidates Exists

POOL OF POTENTIAL DIRECTORS:
2010 *FINANCIAL POST* 500 WOMEN SENIOR OFFICERS



Granted, all 799 women senior officers may not be available for board service immediately. For example, some may have employer- or board-imposed restrictions on board service, while others may not have the time to join their first or an additional board.⁸ However, the *full* pool of qualified candidates is vastly larger. The 799 active *Financial Post* 500 women senior officers represent just one source of potential nominees.

Thanks to globalization, boards regularly seek directors with international experience and expertise.⁹ Considering women in top leadership positions at companies in just four additional countries (Australia, Great Britain, Israel, and the United States) further increases the pool of potential women directors to well over 2,000 candidates.¹⁰ In addition to active executives, many directors serve after retirement or have distinguished careers from non-corporate paths, such as academia, public service, or professional services firms.¹¹ Taking into account nontraditional and international sources, the pool of potential women directors expands into the thousands.

Saying There Are No Qualified Women Is Not a Valid Justification

Despite the deep domestic and international pools of potential women directors, there are still 177 *Financial Post* 500 companies governed by all-male boards.¹² Companies that struggle to find women to join their boards need to establish or take stock of their board succession-planning processes.¹³ Effective succession planning includes a review of director recruitment criteria. When boards specify the key competencies, knowledge, and abilities they desire in a director, they will find an ample supply of highly qualified women.



AUSTRALIA

104

Active Women Executive Key Management Personnel from ASX 200 Index Companies



GREAT BRITAIN

523

Active Women Senior Executives from FTSE 350 Index Companies



ISRAEL

170

Active Women Executives from Tel Aviv 100 Index Companies



USA

710

Active Women Executive Officers from *Fortune* 500 Companies

The findings, views, and recommendations expressed in Catalyst reports are not prepared by, are not the responsibility of, and do not necessarily reflect the views of the funding organizations.

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- 1 Statistics Canada, "282-0002," *CANSIM* (2012); Liz Mulligan-Ferry, Morgan Friedrich, and Sabra Nathanson, *2011 Census: Financial Post 500 Women Board Directors* (Catalyst, 2012).
 - 2 Analysis is based on data from the *2010 Catalyst Census: Financial Post 500 Women Senior Officers and Top Earners*. When senior officers held multiple titles, they were classified into a single title category to prevent an officer from being counted multiple times.
 - 3 "Other Senior Officers, Staff" are those officers serving in staff functions, which support the business operations. Examples of titles held by these officers include Chief Human Resources Officer; Chief Information Officer; and Corporate Secretary.
 - 4 "Other Senior Officers, Line" are those officers serving in line functions, which are responsible for profit and loss. Examples of titles held by these officers include Chief Marketing Officer; EVP of Sales; and Director of Development.
 - 5 "Business Unit Heads" have leadership responsibility for a subsidiary, business stream, or region of a company. Examples of titles and functions held by these officers include CEO of Europe, Middle East, and Africa; SVP of Business Solutions and Services Sector; and President of Merchandising.
 - 6 "Chief Legal Officer" represents the highest legal position included in the list of senior officers. Examples of additional titles held by these officers include General Counsel and VP of Legal Affairs.
 - 7 Company heads are those officers that serve as leaders of the entire *Financial Post* 500 company. Senior officers with the title of CEO or President in charge of a subsidiary, business stream, or region were categorized as Business Unit Heads.
 - 8 Spencer Stuart, *2011 Spencer Stuart Board Index* (2011).
 - 9 Spencer Stuart, *Canadian Spencer Stuart Board Index: Board Trends and Practices of Leading Canadian Companies 2011* (2011).
 - 10 Countries were included in this report based on the availability of reliable data about women's representation in top leadership positions. Rachel Soares, Baye Cobb, Ellen Lebow, Allyson Regis, Hannah Winsten, and Veronica Wojnas, *2011 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners* (Catalyst, 2011); Susan Vinnicombe, Ruth Sealy, Jacey Graham, and Elena Doldor, *The Female FTSE Board Report 2010: Opening Up The Appointment Process* (International Centre for Women Leaders, Cranfield School of Management, 2010); The Strauss Group and Israel Women's Network, *The Catalyst Research Study in Israel: Women Leading Business: The 2010 Israeli Census Report on Women's Representation in Tel Aviv 100 Index Companies* (2011); Equal Opportunity for Women in the Workplace Agency, *EOWA 2010 Australian Census of Women in Leadership* (2010).
 - 11 Unpublished data, Mulligan-Ferry, Friedrich, and Nathanson.
 - 12 Mulligan-Ferry, Friedrich, and Nathanson.
 - 13 Heidrick & Struggles and Stanford University Rock Center for Corporate Governance, *2011 Corporate Board of Directors Survey* (2011); Spencer Stuart, *2011 Spencer Stuart Board Index* (2011).