

# CBDC NEWSLETTER / BULLETIN CCDA

SEPTEMBER 2010

## SHARE YOUR BEST PRACTICES IN THE ANNUAL REPORT CARD

On October 21, 2010, the Canadian Board Diversity Council releases its first Annual Report Card.

We are providing an opportunity for each of our Founding Members to contribute 200-300 words AND/OR quotable quotes on board diversity best practices. Some of the questions to explore include:

- How has your organization modified its recruitment and succession planning strategy for your board to encompass diverse candidates?
- What are the business benefits you have seen from creating a diverse Board?
- What organizational change have you had to implement in order to improve your board diversity?
- What guidance would you provide to other organizations looking to improve their board diversity?

The deadline is September 20, 2010. Please submit your article and/or quotable quotes to [rsvp@boarddiversity.ca](mailto:rsvp@boarddiversity.ca)

---

## WALK THE HALL WITH THE CBDC

With success comes a growing need for meeting space: we are seeking meeting rooms from our valuable partners and Founding Members in Montréal, Ottawa, Toronto, Calgary, and Vancouver.

Thank you to **Miller Thomson, Ernst & Young, Deloitte, BC Hydro and Torys LLP** for providing meeting rooms for 'Get on Board.'

We are now aligning the program to secure sponsors for 'Get on Board' and support internal incentive programs for top performers seeking Board positions.

## JOIN US FOR THE RELEASE OF THE ANNUAL REPORT CARD

CBDC and KPMG invite you to join us at a special reception to release the Annual Report Card on October 21. This is the first-ever snapshot of board diversity in corporate Canada.

**Date: October 21, 2010**

Time: 5:30 – 7:00 p.m.

**Location:**

KPMG  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON

**RSVP to [rsvp@boarddiversity.ca](mailto:rsvp@boarddiversity.ca)  
(Limited to 2 Attendees per Founding Member)**

## OVER 170 PARTICIPANTS 'GET ON BOARD'

'Get on Board' has grown across Canada to have over 170 participants and sessions across Canada.

The program was launched in May, and offers half-day sessions at the Introductory, Intermediate and Advanced levels in Montréal, Ottawa, Toronto, Calgary, and Vancouver.

With over 70 Directors, governance experts, university faculty, lawyers, search professionals and executive coaches teaching, the Program is the most effective and cost-effective professional development opportunity for anyone interested in pursuing board seats

"It is hard to believe how far we have come over the course of the past few months," said Pamela Jeffery, Founder, CBDC. "The feedback and buzz for the program has spread across Canada."

With the progress of the 'Get on Board' program, CBDC is preparing the Spring 2011 selection of cities and experts. For the most up-to-date details on 'Get on Board' please [click here](#).

## RESEARCH PROJECT UPDATE: ANNUAL REPORT CARD RESULTS ARE "IN"

We are pleased to report that the research project, in partnership with Northstar Research Partners, is now complete. The Annual Report Card, to be released on October 21, is the first-ever glimpse at board diversity in corporate Canada. It will contain data on representation of women, visible minorities, Aboriginal and First Nations, and people with disabilities on the boards of *FP500* organizations.

Contributors to the report include SFU Business, Haskayne School of Business, and Laurier School of Business and Economics. The CBDC will be conducting presentations of the research to boards across Canada.

**If you would like to schedule a Boarding or Nominating Committee briefing for the Fall/Winter 2010/2011 please email [rsvp@boarddiversity.ca](mailto:rsvp@boarddiversity.ca)**

## DID YOU KNOW?

Senator Robert Menendez has released a "Corporate Diversity Report" with the results of a survey of 537 companies that appeared in the Fortune 500 in 2009 and 2010.

At the five media companies that responded, says the report, 13 of the 59 board seats are held by women and 11 by minorities. On those companies' executive teams, 11 of 58 positions are held by women and three by minorities.

[Full Results](#)

## NEW FOUNDING MEMBERS

Please join us in welcoming Desjardins, Talisman and The Director's College as Founding Members.



**EXCLUSIVE: Q&A WITH JEFFREY ROSIN, PRESIDENT  
CANADA - KORN/FERRY INTERNATIONAL**

**CBDC: How can a new director assess a board's  
chemistry and culture?**

Jeffrey Rosin: Assessing a Board starts with interviewing the existing Board members and having conversations with previous Board members, as appropriate. Most directors who are attracted to a Board opportunity look at the culture of the Board - how it is created by the chair of the Board. Typically the chair sets the tone. It is important to explore how other Board members interact and the relationship between them. One of the other dynamics to understand is the relationship between the CEO, the chair and the rest of the Board. It is important to explore the Board dynamics.

**CBDC: What board roles are challenges for succession-planning? Where are the skills gaps?**

JR: Succession planning is critical for Boards. In terms of specific roles, the chair role is the most critical. The next critical are the chairs of the different committees. For succession planning, the chair of a committee is logical for the chair of the board, but not necessarily.

Succession planning involves exploring the gaps in skills for any board position as an opening occurs.

Matching gaps to the long-term goals of the organization is key in terms of adding value. A Board needs to do skills assessments of the people they have and against what the company is facing in the future. This evaluation can cover expertise in areas of industry, function, diversity and experience.

**CBDC: What is the CEO and executive talent base like in Canada for 2010/2011?**

JR: It is really interesting. There are more Boards professionalizing the board recruitment process. When an organization is in the recruiting process, they are seeking more than just a recommendation from a colleague.

There is also still the mindset that a sitting or former CEO is the best potential candidate as a Board member. This, by definition, is a finite group of people. A Board position takes up a great deal of time and CEOs are limited as to how many Boards they can effectively serve.

Where will the next generation of Board leaders come from? Organizations are looking at the CFO and other C-Suite roles. They are also looking to professional services firms such as accountants, lawyers and management consultants. The appetite is growing for those outside the C-Suite as long as there is no inherent conflict. If you take a partner from a professional services firm, he/she would have to have interacted with lots of boards in his/her prior career.

When one is looking for a Board member though, there is no substitute for experience.

**CBDC: Do we have the talent base in Canada to evolve the Boardroom? If not, what needs to happen to attract more people to a Director role?**

JR: I don't think that there is a lot that needs to be done on attracting people to boards. There are more people who want to be on Boards than opportunities available. How you develop Board experience is a big concern though. It might have to start with a small not-for-profit organization and then grow to a private company or small cap company.

**(Continued)** I speak to people with no experience and they are looking for their big board break. People think that education is enough, when in fact they need to truly understand what it takes to qualify as a board member. Serving on a Board requires an understanding of governance and relevant experience.

**CBDC: How are boards approaching diversity in the recruitment process?**

JR: More and more Boards are looking at this issue. This has been much more prevalent in the US over the last few years. The conversations today regarding diversity include gender, visible minorities and geography, as well as other areas. More Boards are aware they need to be representative of their employees and their customer base. But they also want the most qualified individuals on their Boards.

For years, we made no progress with women on boards. And now, gender diversity on boards is slowly increasing. We have to keep in mind that 49 per cent of the Canadian population was not born here, so how you ensure members of those constituent groups are reflected on boards is crucial. This is a big question all companies need to address.

**CBDC: What is the biggest trend you will see in the make-up of corporate board recruitment in the coming years?**

JR: The biggest challenge for boards is retirement and recruiting. Boards have to replace retiring Board members and replace them with qualified people who can get up to speed quickly on the organization. This is important for any candidate to appreciate. They need to know the skills and experiences the board requires to and inform those responsible for board recruitment of their own relevant backgrounds to make them viable board candidates.

***Jeffrey Rosin is President, Canada Board & CEO Services, Office Managing Director, Toronto for Korn/Ferry International. Mr. Rosin is recognized as one of Canada's foremost search professionals, having established a reputation for exceptional quality of search strategy and execution on senior executive and board assignments***

**Must Read**

[Charting a Course to a Seat on the Board](#) – Featuring 'Get on Board' Experts

[Diversity Briefing: Questions for Directors to Ask](#) – Written by Fiona Macfarlane (Ernst & Young)

[Board Diversity Requirements and CSA Guidelines – Australia](#)

[Governance – Transparency Matters – Accountancy Age](#)

[Board Diversity, The Logic Difference](#)

[Narratives of Diversity in the Corporate Boardroom: What Corporate Insiders Say](#)

[Gender Diversity and Firm Performance: Evidence from Dutch and Danish Boardrooms](#)

**EXCLUSIVE EXCERPT**

**Outstanding in Their Field: How Women Corporate Directors Succeed**

**By : Elizabeth Ghaffari**

**CHAPTER 2 : MOTHERS TERESA : THE NON PROFIT PATH**

This chapter focuses on whether charities, symphonies, museums, hospitals, and other eleemosynary organizations constitute an important route to corporate directorship. The chapter looks at how non-profit organizations have changed and how the views of the women who have worked in the non-profit sector have changed. Judith M. Runstad, a real estate and land-use lawyer who serves on the board of Wells Fargo Bank, provides some historical perspective on the way it was when women were first brought onto corporate boards and how much has changed since then.

There used to be a spot on the boards for the woman community volunteer, like Mary Gates, Bill Gates's mother, truly a lady in every sense of the word. She was a terrific role model for me. They were the women, almost a generation ahead of me, who were very active in the community, but who had been shut out of the professional world. Community work was a way for them to go on boards. It may have been tokenism, but the companies benefited by finding great board members. And the women benefited: when opportunity comes along, you have to grab it.

**RELATIVE IMPORTANCE** Several women directors mentioned that service at non-profit entities, community service, and work for charitable organizations once were a common route into the boardroom for women. That began to change in the early 1990s as more women who had been educated in the 1970s and 1980s began moving into the professions. It also was an era when service on a corporate board was more an honour than a position associated with the responsibilities and liabilities of contemporary boards. Governance at non-profits today requires more knowledge of business and economics, which enhances opportunities for women who follow this path to add real value to non-profit and for-profit boards.

Using corporate proxy statements for California Fortune 1000 firms in 2006–2007, we tallied the total mentions of experience and clustered common types of backgrounds for the 114 women directors in our sample and then tabulated their relative importance. From this analysis emerged six paths that described the different categories of experience that the women directors chose. Our analysis of their biographies and experience confirmed that non-profits, charitable work, and community service are not as strong a path into the boardroom as are other careers.

Only 10 women in our sample possessed experience predominantly in the non-profit arena or 5.3 percent of all experience. Even though today the number of women who follow a non-profit career path is relatively small, their competencies are impressive—which is why they were chosen to serve on public company boards. Who are the women who followed this path? What types of experiences are included in this category?

**This excerpt from Outstanding in Their Field: How Women Corporate Directors Succeed is courtesy of [ABC-Clio](#). More details at: [www.outstanding-in-their-field.com](http://www.outstanding-in-their-field.com)**

**ABOUT THE CBDC**

Launched in November 2009, The Canadian Board Diversity Council (CBDC)'s goal is to improve the diversity of boards of *FP500* organizations and federal agency, board, commission and crown corporations. The Council's vision is to increase board representation of women, members of visible minority groups, Aboriginal and First Nations people, persons with disabilities and members of the LGBT community over the next five years. The CBDC believes that boards comprised of directors who bring a wide range of perspectives, skills and experience to corporate governance will be effective contributors to the performance of their organizations. Our Founding Members are organizations that are leaders in diversity and corporate governance in the private, public, and not-for-profit sectors. The CBDC is funded in part by the Government of Canada.

**WOULD YOU LIKE TO CONTRIBUTE TO THE CBDC NEWSLETTER? Email us at [rsvp@boarddiversity.ca](mailto:rsvp@boarddiversity.ca)**

