

More women, minorities needed in corporate Canada: Council

QMI Agency

Wednesday, November 16, 2011, 1:09 PM

The people warming boardroom seats in offices across corporate Canada do not reflect the diverse makeup of the wider public, and one group is looking to change that.

The Canadian Board Diversity Council's (CBDC) second annual report card found even in sectors where women are best represented in the boardroom, such as utilities, they still hold only 22% of the seats. In other industries, including finance, retail, manufacturing and mining, women account for anywhere between 6% and 20% of all top jobs.

Meanwhile, 73% of large companies and charities polled by CBDC said they feel their boards are diverse.

What's more, 59% are against the idea of penning a formal diversity policy.

In response, the CBDC has issued a call to action, especially as a large number of directors approach retirement over the next five years.

Specifically, the CBDC wants boards to commit to a plan to replace at least one of every three outgoing directors with a new director of a diverse background -- that includes women and visible minorities.

Pamela Jeffery, CBDC founder, said it's time for change, and that truly diverse boards are more successful.

"That's because important, diverse perspectives on customers, international markets and stakeholders that were once missing are now being represented," she said.

"This helps avoid group-think and leads to better discussion and an improved ability for directors to carry out their director responsibilities and increase shareholder value."

Michael Bach, director of diversity, equity and inclusion at KPMG LLP, agreed diversity is the key to success.

"Studies have consistently shown that a diverse team - which includes both visible differences such as gender and ethnicity, as well invisible differences, such as diversity of thought and education - can have a significant impact on both the top and bottom lines of an organization," he said.

The Conference Board of Canada polled nearly 400 directors in Canada's largest corporations and top charities for the CBDC. Results of the survey are accurate within +/- 4.92% at a 95% confidence level.