

Bold vision: Gender diversity stuck in transition¹

Gary L. Evans²

Abstract: Canada is often put forward as an example of forward thinking on inclusiveness and gender balance. However, for the last 30 years, while gender diversity progress has been made within Canadian government agencies, commissions and boards (ABCs), the private sector continues to lag behind, stuck trying to break through the barrier of 18–22% females on Boards. This occurs while mounting empirical evidence clearly indicates that it is not just the right thing to do, it is the smart thing to do. This paper looks at where progressive government change has generated results and potential avenues necessary to make gender equality a reality within both the government and private sector beyond 2018. The author reviews the methods used by the Canadian government to achieve gender parity, ending with some insights on how the private sector could implement gender parity without the use of quotas.

Keywords: corporate governance, gender, board diversity, women, quota.

JEL codes: G34, G38, M14, M19, M48.

Introduction

The author of this paper had the privilege and opportunity to present at the Canadian Bold Vision 2014 Conference on gender equality and, as the only male speaker invited to present at the conference, proposed that aggressive steps were necessary to make gender equality a reality for both the government and private sectors. The question put forward is whether we are moving forward or are we stuck in transition and why? The Organisation for Economic Co-operation and Development (OECD), in 2018, put Canada forward as an example of a country committed to the successful implementation of gender equality. The Canadian government and indeed the provinces have all made strides for gender equality within the agencies, boards and commissions (ABCs) they control, however, Canada's performance within listed companies is far from stellar. Statistics collected from the Toronto Stock Exchange (TSX) for 2017 show a different

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² University of Prince Edward Island, 550 University Ave, Charlottetown, PE, Canada, gevans@upe.ca.

picture for the performance of listed companies. Only 14% of all board seats and 26% of open board positions are filled by female candidates. The Canadian Gender and Good Governance Alliance (2017) who collected these statistics are supported by Catalyst Inc., the Institute of Corporate Directors, the Canadian Coalition for Good Governance and other professional and research organizations. The alliance paints a picture which shows that in 2017 only 11% of boards had three or more women on their boards and 39% of boards on the TSX had no female directors and 38% had no women in executive positions. They forecast that, even if 50% of new board positions were replaced by women, it would take another 30 years to achieve parity. The forecast for the USA is even more pessimistic and suggests that, at best, it would be closer to 40 years, assuming a positive outlook and actual movement forward (Proudman, 2017). For the last 20 years the private sector, as represented by listed companies, has barely moved the needle of gender equality. This article hopes to shine a light on some of the successful acts by the Canadian government and to propose how these could be utilized within the private sector of listed companies. Richard LeBlanc, a leading Canadian scholar on corporate governance, identifies diversity as one of the challenges for continued research as “Corporate governance continues to evolve at a rapid pace...” (LeBlanc, 2016, p. 25).

The paper has four sections: the first section outlines the methodology of the study; the second section presents a history of the findings and empirical evidence that gender equality adds value to organizations. Section three explores past and current methods that have been utilized to implement gender equality within governments and the private sector. Section four outlines specific Canadian analysis as applied to gender equality. The paper concludes with observations gained from the research and a glance into the future of gender equality in the information revolution.

1. Methodology of the paper

The paper is a comparative analysis of corporate governance and gender diversity as applied to listed companies (companies listed on the stock exchange) and government-controlled corporations in Canada known as crown corporations or in a broader context, often referred to as government (ABCs). The literature review considers gender diversity as applied to corporate governance using peer reviewed academic journals, publications from governance institutions, Canadian government publications, gender advocacy groups, professional firms’ research, stock market disclosure data and major consulting and accounting firms. Publicly available statistics have been utilized to demonstrate the current state of gender diversity for both listed companies and Canadian ABCs. Canada and ABCs were selected for this review as Canadian crown corporations, commissions and agencies at the federal level often have a for-profit

mandate and face similar levels of complexities as companies listed on the stock exchange. Some notable crown corporations include: Atomic Energy Canada, Bank of Canada, Canadian Broadcasting Corporation, Canada Post as well as companies of a smaller scale as can be found within listed companies on a stock exchange. The ABC's organizations have tens of thousands of employees and consolidated revenues in excess of 90 billion dollars (Government of Canada, 2017, 2018a, 2018b). The study is qualitative, using statistics and literature as performance indicators.

2. Literature history and empirical evidence

Gender diversity and the boardroom have been a discussion point for decades and organizations such as Catalyst Inc. founded in 1962 have a mandate to promote gender equality in the workplace and ultimately at board level. Even with these efforts little movement has occurred in the majority of the listed company boardrooms with the only exception being countries where quota systems are in place. Norway, in 2008, frustrated by the lack of movement of the private sector to accept that gender equality needed to be at all levels of business, implemented the first quota system. Listed boards had a simple decision, either 40% of board members would be female, or the company would have to dissolve their business. This movement sparked a flurry of research activities some predicting the failure of the capitalist market of Norway and others attempting to highlight the benefits the change would and could bring to the boardroom.

Prior to the implementation of the first quota system in Norway a series of studies were beginning to highlight the benefits of women in the boardroom. Both scholars and practitioners began a more concentrated level of study and analysis identifying the positive influence of gender diversity and the multiple levels of corporate benefit. Gender diverse boards resulted in more effective decision-making (Arfken, Bellar & Helms, 2004; Elstad & Ladegard, 2010; Anderson, Reeb, Upadhyay & Zhao, 2011; Rao & Tilt, 2015). Studies found that decision-making under stress was better with gender diverse boards (De Cabo, Gimeno & Nieto, 2012; Francoeur, Labelle & Sinclair-Desgagné, 2008). Another study found that gender diversity helped prevent concentration of decision-making power and thereby reduced the risk of malpractice (Peterson & Philpot, 2007; Ueng, Koehn & Chang, 2009). Campbell and Minguez-Vera (2008) found that the decision-making process for strategic planning was enhanced with gender diverse boards.

The impact of gender on culture links back to Hofstede's pivotal work to determine if his dimensions could measure organizational culture (Hofstede, 1990). In his dimension of masculinity/femininity he describes the dimension as: "The degree to which tough values like assertiveness, performance,

success, and competition, which in nearly all societies are associated with the role of men, prevail over tender values like the quality of life, maintaining warm personal relationships, service, care for the weak, and solidarity” (Hofstede, 1993, p. 90).

Other scholars of culture analysis, while differentiating specific dimensions from Hofstede, concurred that gender had a direct impact on corporate behavior and performance (Schwartz, 1999; Trompenaars, 1996; House et al., 2004; Dhir, 2015). Extending beyond the dimension of research, additional board research has identified board culture as central to overall board performance (Evans, 2013, 2014; Vinnicombe, Sealy & Humbert, 2017). Not only is it important to understand the role of the culture that women create on boards, but if the current board culture accepts gender equality (Ouedraogo, 2018). Nordic societies are more matriarchal with equality being the norm (House et al., 2004; Chhokar, Brodbeck & House, 2007). In Canada the indigenous culture is predominantly matriarchal. In fact many of the indigenous languages do not distinguish between male/female: “Gender equality (inequality) was not an issue during pre-contact eras because each person was valued and held an important role within the community” (Stirbys, 2008, p. 140). Historically the indigenous population of Canada was based on equality; this changed with colonization (Stirbys, 2008). Instead of looking at gender bias we need to view the world through culture to better understand gender equality and how to remove the bias that comes from looking at women through the wrong lens.

A number of studies link gender diversity to improved ethics and decision-making (Akaah, 1989; Bernardi & Arnold, 1997; Rhode & Packel, 2014). Rodriguez-Dominguez, Gallego-Alvarez and Garcia-Sanchez (2009) found that female directors reduced malpractice as they paid more attention to ethical concerns supporting the work of other scholars on ethical behavior and diversity (Franke, Crown & Spake, 1997; Labelle, Makni Gargouri & Francoeur, 2010). Women were more likely than men to provide oversight of ethical conduct in the firms they serve (Brown, Brown & Anastasopoulos, 2002; Newman, Gray & Fuqua, 1996; Evgeniou & Vermaelen, 2016). When looking at ethics and law diverse boards scored higher than boards that did not have gender diversity (Kitchener & Anderson, 2011; Newman et al., 1996; Hillman, 2015). Moral behavior was less likely to be in jeopardy for gender diverse boards (Fuqua & Newman, 2006; Harrison & Klein, 2007; Rao & Tilt, 2015).

Studies on women and risk management found that having women on boards reduced agency conflicts within boards (Arfken et al., 2004; Farrell & Hersch, 2005; Francoeur et al., 2008; Peterson & Philpot, 2007). Board decisions are based on having the correct balance between risk and performance. For many companies the risk is on how and what to invest for current and future R&D and the findings again point out that gender diverse boards have lower risk when making decisions on R&D investment (Chen, Leung & Goergen, 2016). Boards with female members do more rigorous and timely board evaluations

(Nielsen & Huse, 2010). While female executives often outperform male directors, they are often awarded the riskiest jobs in times of crisis, breaking through the glass ceiling to find themselves on the glass cliff (Francoeur et al., 2008; De Cabo et al., 2012; Ryan & Haslam, 2007).

A review of peer reviewed qualitative and quantitative studies on women and boards between 2000 and 2014 showed that 18% of the studies indicated a negative relationship between women directors on boards, with the remaining more than 70% showing a positive relationship between women and boards on a range of issues including: corporate social responsibility (CSR), risk management, strategy and decision-making (Rao & Tilt, 2015). As we move more into the digital age the role of CSR has changed from being a nice to do to a boardroom policy issue and gender diversity has delivered proven positive results (Harjoto, Laksmana & Lee, 2015). Studies continue to demonstrate the importance of women on boards and for women to generate effective measurement on the performance of boards a critical mass of two to three or more women is required (Joecks, Pull & Vetter, 2013; Ben-Amar, Chang & McIlkenny, 2017; Schwartz-Ziv, 2017). Companies that have strong shareholder rights are more likely to promote strong CSR and to promote gender equality and therefore have a higher probability of promoting women to the CEO position (Ning, Xiao & Lee, 2017). While the empirical evidence would appear to demonstrate that the number of female directors should be growing substantially, the facts within the private sector demonstrate that the boardroom glass ceiling is much more difficult to break than the facts would lead us to believe (Adams, 2016). A 2018 study in the UK found that the position of the female director was critical to have impact. The two most important positions for women to have significant influence is as the CEO or chairperson. This study puts forward that the most influential role is when a woman holds the CEO position (Ellwood & Garcia-Lacalle, 2018). The leadership role of women can represent a catalyst to getting more women into the boardroom (Potvin, Burdfield-Steel, Potvin & Heap, 2018).

As with decision-making more empirical research shows a positive link between earning quality and gender diversity in senior management (Krishnan & Parsons, 2007; Labelle et al., 2010). A study of market performance found that gender diverse boards had higher market performance (Ingley & Van der Walt, 2003). These findings were echoed by additional studies looking specifically at financial and corporate earnings' performance (Gul, Srinidhi & Ng, 2011; Post & Byron, 2015; Reguera-Alvarado, Fuentes & Laffarga, 2015). Since 2003 scholars and practitioners have been proposing that companies should increase female representation on their boards since it positively influences their economic results (Carter, Simkins & Simpson, 2003; Erhardt, Werbel & Shrader, 2003; Bonn, Yoshikawa & Phan, 2004; Campbell & Minguez-Vera, 2008; Adams, Haan, Terjesen & Ees, 2015; Adams, 2016). As well as having a positive impact on financial performance, studies found a direct positive link

between female board directors and dividend performance, proposing that more companies need to seek out a greater number of female directors (Post & Byron, 2015; Pucheta-Martinez & Bel-Oms, 2016; Chen, Leung & Goergen, 2017). Not all studies on the relationship have been positive and a number of studies have found either no evidence of improved financial performance or in fact have reported a potential negative relationship with the presence of women on boards (Rose, 2007; Adams & Ferreira, 2009; Pasaribu, 2017).

Positive gender benefits are not just restricted to financial or corporate performance. In a world with increasing environmental concerns, studies are showing that gender diverse boards help to improve a company's environmental policy (Li et al., 2017; Konadu, 2017). A study looking at the impact of diversity in the forestry sector found that not only was it the right thing to do as the business case demonstrates, it is the smart approach for an industry that was historically dominated by men (Hansen et al., 2016). Canada, aware of the impact of fossil fuels, has encouraged a proactive approach by companies on disclosure to investors regarding climate change risk. Institutional investors have been encouraging boards to disclose what the firm is doing to reduce the company's carbon footprint. A study reviewing disclosures between 2008–2014 found that gender diverse boards, with a critical mass of at least two female directors, had a positive impact on disclosure transparency regarding climate change related risk (Ben-Amar et al., 2017).

Governments, educational institutions and companies have all recognized that technology is leading us into a new information management era and what happens in the Internet of Things will impact us all as to how and where jobs are created and done. Fenwick and West LLP is a legal firm that has built, as part of its legal services, a gender diversity survey and a scorecard on how well their clients are doing with gender diversity. Their 2016 report highlights the growing importance that technology firms place on gender diversity. The top Silicon Valley companies have 25% women as CEOs compared to the smaller companies where the number drops to 14%. These numbers are higher than found in other industry sectors. Fenwick and West's analysis indicates that companies with a greater number of female executives and directors outperform those with lower numbers. Their research found that boards with a more rigorous annual evaluation process tended to be boards with greater gender diversity (Fenwick & West, 2016).

3. Methods to implement gender equality within boards

For boards the process of gender equality has been a debated point for decades. Up until Norway implemented quotas as a methodology to gain equality it had been left up to the private sector and individual governments to determine how to encourage more equality within the board structure. Networks were

the normal process to select new board members and in a capitalistic society dominated by male membership the trend was more of the same.

As research became more available governments and companies began to explore the benefits of gender equality. Two forms developed; a government interjection of regulations or a methodology based on encouragement to do the right thing. For many governments the Norway solution seemed too harsh and arguments quickly created a series of myths that not enough female candidates existed and that boards should be selecting candidates based on who was best suited for the position and not based on a forced process that may damage the very companies that the process was designed to make stronger.

Gender equality in the boardroom and the use of quotas to implement equality has been hotly debated since Norway considered implementing the first quota system for central government organizations in 2004, new public boards in 2006 and all other public boards in 2008. Municipalities and their boards implemented a quota system in 2009. The Norwegian quota system for publicly listed companies was very precise, either have women comprising 40% of your board members or liquidate your company. The law did not apply to private companies not listed on the stock exchange (Engelstad & Teigen, 2012). During the last 18 years numerous studies have been conducted to prove or disprove the value of the quota system. While some studies were clearly structured to dispel the value of a quota system citing the lack of properly trained female candidates, to a lack of knowledge in specific fields of endeavor, others tried to measure the lack of success, often failing to consider the multitude of variables at play. A range of both qualitative and quantitative studies filled journals either trying to determine the values and potential hazards of a quota system (Dhir, 2015). Studies from the Norway experience echo other studies on board performance with positive relationships between female directors and corporate performance (Dhir, 2015; Terjesen & Sealy, 2016). The implementation of quotas has not led to their general acceptance with both scholars and practitioners debating if they do harm or good, citing the data as remaining inconclusive (Leszczynska, 2018). Since most new female board members are selected from an outside pool of talent a quota system changes the mix of dependent to independent director from 48% to 67%, thereby creating an unexpected shock to the board characteristics (Bohren & Staubo, 2016). This can be seen as either a negative or a positive depending on the size of the company and the required mix of directors. As more countries faced frustration over the slow transformation to a gender-neutral system, more quota systems were implemented but with a gentler approach than Norway's comply or liquidate approach. In Europe some countries aligned to the quota system beyond just the business case for quotas in recognition that the normal time for it to happen naturally had unrealistic timeframes and that the private sector in particular needed a nudge. Evidence from those who were directly impacted by the Norway quota mandate indicates that their support for the quota is beyond the

business case and more in line with the fact that it needed to be done to bring parity to the boardroom and this, in itself, would lead to a bigger pool of talented women (Seierstad, 2016).

Other countries, still skeptical of what they saw as a heavy-handed approach, leaned to a comply or explain mandate with the UK leading this movement within Europe. Countries signed up and the EU itself started the process of mandating change in the boardroom. The European Commission adopted a proposal in 2014 of having 40% female directors of listed companies by 2020 (European Commission, 2012). This directive is still under debate within the EU and most likely will stall until after Brexit. Some countries that have moved forward include France, 2011, (20% to January 2017 rising to 40% from this point forward), Italy 2015 and Belgium 2017 both advocating one third of board members to be women, and Germany for its largest listed companies to have 30% effective in 2016. The results have been mixed and while some countries such as Sweden have made marked improvements without a quota system, the results for gender equality in general have not been successful without quotas. Even where quota systems have been implemented the downward trickle hoped for within the “C” suite has not occurred at a similar rate of change (Terjesen & Sealy, 2016; Smith & Parrotta, 2018). Norway, which is considered a strong gender equality country, has only seen minor improvements for women in the executive suite. Countries without a strong cultural gender equality philosophy are less likely to see improvements within the executive suite even with the implementation of a quota system within the boardroom. The catalysts from prior research appear to be in having women take on the role of chair and CEO, thereby having greater influence on the next level of both directors and executives. The challenge with a quota system is that there is no evidence of a trickle-down impact to the executive suite and while board representation will change it does little to provide more upward and executive employment opportunities for women (Smith & Parrotta, 2018).

With the exception of Sweden, who has avoided quotas but achieved 34% women on boards, here they are still struggling to achieve more women within the executive suite. Sweden has one major advantage over many other countries in that it is identified in project GLOBE that the Swedish culture already fully accepts gender neutrality and does not have the same level of potential gender biases embedded within its structure (Chhokar et al., 2007).

The UK has adopted a comply or explain process for achieving greater gender presence and since the Davies Women on Boards Report of 2011, the Davies Review Annual Report 2014 shows a marked improvement in the FTSE 100-350 with 20.7% of women on FTSE 100 boards up from 12.5% in 2014 (Davies, 2011, 2014). While 2016 showed the trend slowing the 2017 FTSE 100 report indicated that progress may be back on track with the FTSE 100 achieving a rate of 27.7% women on boards. For the FTSE 250 this number falls to 22.8 %, still up from 13%. The actual number of executive positions has only

increased from 5.8 to 9.8 for the FTSE 100 and from 5.4 to 7.7 for the FTSE 250 (Vinnicombe et al., 2017). The UK achieved this without the use of quotas, instead using the principle of comply or explain. The reports for companies beyond the FTSE 250 are less stellar but the focus in the UK has been on first converting the largest companies with the hope that this would trickle down to the smaller listed organizations. Vinnicombe et al. (2017) recommend that company evaluators could play a more active role in promoting gender parity in the future. The Anglo-Saxon approach does not favor government intervention and while The UK Corporate Governance Code (2018) clearly supports gender diversity, it stops short of being prescriptive and relies on the comply or explain methodology as a softer approach to achieving gender parity. The goal for the UK is to achieve 33% for the FTSE 350 by 2020 and advocates for change have suggested that if the goal is not achieved a more forceful approach would need to be considered (Goyal, Kakabadse & Kakabadse, 2018). With Brexit and potential economic issues facing UK corporate boards it is not clear that the goals can be accomplished. Some scholars are predicting that the implementation of Brexit will stall or reverse the gains of gender parity within the UK and at the same time Brexit may be a catalyst for a stronger EU and thereby add strength to the movement for greater gender parity within the remaining EU countries (Fagan & Rubery, 2018).

4. Gender equality in Canada

Canada, while having achieved substantial success in government (ABCs), has had limited success within the stock listed private sector. Both provincial and federal government ABCs are getting closer to gender parity but that depends to some extent on the policies of the government in power and variations exist between provinces. The Organisation for Economic Co-operation and Development (OECD) issued a glowing report in 2018 on Canada's commitment to gender equality. While Canada has had a gender-based analysis (GBA) within the federal government since 1995, its more recent version (GBA+) was a reaction to the 2015 Auditor General Report on GBA which identified a set of improvements needed and that six of 25 departments had not implemented the GBA previously committed to and others had only partly implemented the GBA requirement (Auditor General Report, 2015). In the spring of 2016 the GBA+ became mandatory for all reports to the Treasury Board. This resulted in a sharp increase in support from the department for the Status of Women (Status of Women, 2018). The new mandated GBA+ is required for all sectors of the government that deals with the Privy Council Office (PCO), Status for Women Canada (SWC) or the Treasury Board Secretariat (TBS). The government of Canada using the GBA+ does not specify the percentage of positions or appointments but clearly puts gender consideration at the highest level, making

it a requirement for budgetary funding. Gender policies on parity are now an expected disclosure for all federally controlled agencies and instead of quotas, the goal is parity. While not fully implemented in all boards it appears to be having the desired impact, driving gender policies in all government agencies.

In data collected from the available 54 ABCs, 64% had achieved or exceeded gender parity from board listings in 2018. One board had no female representation and one board had no male representation, all other boards had two or more women board members, thereby reaching critical mass. Women held 39% of the chair positions and a similar number of CEO positions within the group. Of the 474 board positions women held 48% of the positions and men occupied 52%. The average board was 8–9 seats. The size of the ABC had no impact on the diversity of the data, which would indicate that the government policy of gender diversity was working very well.

Additional round tables are scheduled for the federal government in 2018. Many provincial governments are addressing gender and diversity with mandatory training on diversity and its importance. While statistics vary by types of crown corporations, the budget and mandate outlined by the government appear on track to creating gender parity within a couple of years within the government services that they control (Government of Canada, 2018b). The sustainability of the program will depend on how well the implementation continues. The overall mandate for the government goes beyond gender equality and attempts to address diversity on the broader scale which is critical for the country as a whole but will therefore face greater challenges. The government has seen a step change in the number of both executives and board members at ABCs.

For the private sector of listed companies, statistics have been collected in different levels of detail and it is important to understand the groupings in which the statistics are provided. An Institute of Corporate Directors (ICD) (2017) report shows the number of directors for the top 60 TSX companies for 2016 as 25% but another report by the legal firm of Osler, Hoskins & Harcourt LLP (2017) (MacDougall et al., 2017) includes the total number of listed companies that disclosed their numbers (750) where the actual percentage was 12.6%, which is even lower than that published for US companies. While only mid-year results were available for 2017, the numbers were similar, with 26% of women directors for the top 60 companies and for the sample of 780 listed companies, the total of women holding board seats was 14.5% (ICD, 2017; MacDougall et al., 2017). In 2014, the Canadian Securities Administrators (CSA), the body for overseeing all publicly traded companies in Canada, put in place a diversity disclosure requirement stating that all companies were required under the comply or explain principle to outline what their gender diversity policies were and if they had set policy targets for either board or executive positions. The CSA is a loose confederation of the provinces and territories and has minimal power of enforcement. A research review on compliance, comparing Canada

to Australia in 2013, found that the compliance disclosure for Australia was 79% while Canada was 39% (Salterio, Conrod & Schmidt, 2013). Of the companies that did disclose as required in the 2014 directive, 28% had more than one female director, 35% had one female director and 37% had no women on the boards (MacDougall et al., 2017). For the top 60 TSX companies that did disclose the percentage of women in executive positions for 2015–2017, the values by year were, 15%, 18% and 16%. Catalyst Inc. which collects global and regional numbers for women in the “C” suite showed that women in 2017 held 9.4% of the 540 executive positions they tracked (Catalyst Inc., 2018). From the company disclosure documents filed, 98% in 2016 and 97% in 2017 disclosed that they had no targets for women executive hires (MacDougall, 2017). When board directors in 2017 were asked if their boards were diverse, 85.9% answered yes, a change of 11% from the 74% response in 2014 (Conference Board of Canada, 2017). This is of concern based on the small change in actual board diversity numbers reported during the same period. The FP500 female directors rose from 17.1% to 22.6%. The same 2017 report, in asking the question of importance of diversity of directors, found that 78.3% of female directors stated that diversity was an important issue, while 51.4% of male directors felt it was very important. While the statistics from different sources show some variance in general, if you accept even the best results of only the top 60 listed companies, the numbers clearly indicate that at an average of 1% change per year we are at least 25 to 30 years from gender parity. The 2017 Annual Report Card by the Conference Board of Canada outlines that progress is not good enough and suggests three alternatives for moving forward: 1. adopt term limits for board members; 2. broaden the recruitment network; or 3. adopt gender diversity quotas.

While the federal and provincial government have put in place some form of diversity mandated training for their employees, departments and ABCs and mandated that GBA+ be carried out by all organizations, no such mandate or process is in place for listed companies. While the board and executive positions within government are moving towards gender parity it is not happening within the private sector.

Conclusions

Based on the literature review it would appear that building a strong business case for gender diversity is not difficult, in fact with the mounting empirical evidence it would appear to be the smart thing to do. So why are boards saying on one hand that diversity is important yet not making the changes to make it a reality? The answer may partly be in the process used to implement change. As identified earlier the challenge is not just assigning more individuals to the board because the trickle-down effect to the executive suite level does not appear

to be working based on what past studies are telling us. The surveys and literature tell us that boards do not even see gender diversity as a problem. Regarding listed company boards, while articulating that diversity is important, 85.9% believe they are already diverse yet the numbers clearly indicate they are not.

The approach the government has taken with ABCs may be a better path forward, where the discussion is not around quotas but is on re-educating the organizations to realize for themselves where they are by using the government (GBA+). The tool has been available in some form since 1995 so why is it working now and not before? Until the Auditor General Focus on the GBA in 2015 it had existed but with no emphasis to implement or use the tool. The previous government, having broken their electoral promise to focus on gender equality, placed no emphasis on gender issues (Stirbys, 2008). In 2016 the new government, as a response to the Auditor General 2015 Report, revisited the GBA tool and upgraded it to a GBA+ tool. The focus from the government became to use the tool to change the attitude and approach within all departments to focus on the broader aspects of diversity. It was not an approach of just the boards but an approach that changed the value systems of the organizations by shining a light on the issue for organizations to see for themselves. In 2018 the transition was not if you were to review your current status, but organizations were mandated to utilize the tool and the tri-level focus of the government including the PCO, SWC and the TBS approached the issue from multiple levels impacting potentially the budgets of departments that did not comply. The risk with this approach is the quality of the tool and the effectiveness of the training. History has taught us that changing governments can undo what any previous government has done whether it be climate change or gender diversity. While no analysis has been done on the effectiveness of the current tool the current change at both the board and management level within federal departments would suggest that the government is achieving change where it did not exist before. The OECD (2018) report highlighted the success of the government program albeit with suggested improvements. For now, the government program appears to be on track for a step change, at least under the current government.

That still leaves the question as to what to do about listed companies who, regardless of the amount of evidence-based need for change, do not perceive that they have a problem. Prior to jumping to a solution listed companies need to understand that they have a problem and it needs to be addressed sooner than in 30 years. It is not just a board problem, it is just as much, if not more, an operational problem. The real issue is that companies do not know how to address the culture change necessary to allow gender equality to flourish. If we look at the cultural aspects where gender equality has been successful, both Sweden or Norway have been successful due to their cultural acceptance of women as equals. Using different methods, one quota and the other pure culture, they have both been successful in implementing change. Equality needs to

be a core value and therefore a strategic value to both the board and the operational part of the organization. Companies with more rigorous board evaluations tend to have more female directors and companies that have, within their culture, a value system of equality are more likely to have more female executives (Fenwick & West, 2016). To achieve change more work needs to be done on understanding the transformation process for companies. In the constantly changing world that we live in we need to focus on the culture creation necessary to change companies so that they recognize the problem and the potential tools necessary to evaluate where they are in the change process. This review has not looked in detail at either the government GBA+ model to determine its flexibility to fit within the private sector or the Fenwick and West LLP gender score model to determine its fit to other industries. It is likely that no one model fits all. The process of looking at tools that help companies develop the necessary culture change that allows women to have equal opportunities as men is a good starting point for future studies allowing equality to occur sooner than the 30 years forecast in the literature. It is unlikely that companies will make the transition without some form of legislative nudge. Part of future research would be to evaluate alternative legislative policies that would encourage companies to change their bias culture to one that promotes equality and diversity in all areas. Canadians could take a lesson from its multiple indigenous population nations which hold inclusiveness and gender diversity as core beliefs.

This paper adds to the body of knowledge on diversity and the conflict of how to implement change. While quotas may provide a quick fix to the boardroom they do not address the underlying challenges of gender equality in the workplace. This paper looks at the problem from a different angle suggesting that long-term solutions will only occur with cultural change and ultimately may require legislative encouragement, but this does not always mean quotas. Attacking the problem of bad culture may require more creative thinking on possible solutions and tools. It is time to focus on new solutions that allow both boards and operational aspects of companies to gain the benefits of gender equality, but it should not wait for another 30 years.

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