

WOMEN IN FINANCIAL SERVICES

SPOTLIGHT ON CANADA: A WEB OF SUPPORT FOR GENDER DIVERSITY

ALAN MCINTYRE
LISA QUEST



The statistics suggest Canada is one of the better countries to be a professional woman in the financial services industry. Female representation on the Boards and ExCos of its financial institutions is 25% and 23% respectively, making Canada the 3rd highest ranking country for Executive Committee gender diversity in our sample, behind Norway and Sweden. This high ranking of gender diversity of the Canadian financial services industry shows that it is pulling above its weight when compared to the overall Canadian society, which got a ranking of number 19 in the latest WEF Global Gender Gap Report¹.

With Monique Leroux at Desjardin there is already one female CEO of a major Canadian financial institution, and with the strong pipeline of female candidates in senior 'CEO pipeline' position, it is likely this will increase with time. Unlike other countries with many women in senior positions, more Canadian women have also broken out of traditional female executive roles, such as HR and Marketing. Across, the top five Canadian banks, women now occupy almost the full range of C-suite positions including CFO, CRO, and heads of major business lines.

"If we really want to build leaders of the future, they better be in those roles that we think are going to be differentiators for the future success in the institutions"

**Linda Mantia, Executive Vice President,
Digital, Payments & Cards, Royal Bank of Canada**

The gender diversity at the top of Canada's financial firms is explained by several factors:

- Long-established social policies that promote equal opportunity, including the Employment Equity Act of 1986, subsidized education, tax-funded healthcare and year-long maternity and paternity leave
- Open immigration policies that result in high levels of ethnic diversity, particularly in major cities. This diversity has forced Canada to confront and deal with a range of inclusion issues

- Industry associations, such as Women in Capital Markets, provide forums for sharing stories, create programs like 'Return to Bay Street' to attract women who have left the industry back into the workforce, and build networks for formal and informal mentoring
- Awards ceremonies, such as Canada's Most Powerful Women: Top 100, which recognize top female contributors in the industry
- Firm specific initiatives such as BMO Women's Day and "WISE" - Women in a Supported Environment, RBC's Women in Leadership program, Diversity@Scotiabank, and CIBC Women's Network which support and inspire female leadership and diversity
- New rules such as 'comply-or-explain' which is set to be implemented by the Ontario Securities Commission at the end of 2014. This rule, which will be applicable to over 1,000 corporations that trade on the TSX, requires companies to reveal the number of women on their BoDs, in their executive ranks and across their workforce. Companies will also be asked whether they have a formal policy in place for advancing women in their senior ranks. Compliance is voluntary, but those companies that choose not to divulge this information will be asked to explain why not²

While these factors are not uniquely Canadian, this web of reinforcing cultural, governmental, industry and institution-specific factors has provided opportunities to an inspirational group of female business leaders in Canadian financial services who are raising the level and tone of conversations on gender issues, demonstrating that diversity benefits the whole industry, and acting as role models for aspiring young women.

The signal that the industry values inclusion and diversity also fosters broader discussions about working patterns, management priorities and leadership styles that challenge conventional ideas about how the industry should be run. The diversity of opinions around the management tables of Canadian institutions may be one reason why they fared relatively well during the global financial crisis.

1 World Economic Forum, "The Global Gender Gap Report 2014"

2 <http://www.lexpert.ca/magazine/article/gender-rules-proposed-2575/>

WOMEN IN FINANCIAL SERVICES

“Senior Executives in Canada are tackling both conscious and unconscious bias as barriers to inclusion and progress, but Toronto is ahead of the pack because we are an extremely culturally diverse city which naturally brings different points of view to the table”

Jennifer Tory, Group Head, Personal and Commercial Banking, Royal Bank of Canada

However, there is little self-awareness within the industry of Canada’s leading position in gender diversity. Particularly in Capital Markets, many non-executive female employees were unaware that Canada had higher than average female representation, being more aware of how far it still is from 50%.

“If Canada is leading I’d hate to see what the rest of the world is like!” and “The boys’ club on the trading floor is as alive as ever, some of the statements about women would be too shocking to publish”

Mid-level investment bankers

Our conversations revealed that more still needs to be done to increase the number of women in senior positions and to change the perception that financial services favors traits that are inherently male. Failure to continue the good progress of recent decades will mean that financial firms fail to properly benefit from half of the talent pool, and fail to profit from their female staffs’ full potential.

“As leaders of diversity and inclusion, we cannot become complacent. It’s like holding a large rock on a hill, just standing still requires significant effort. Lose your focus and the rock starts to roll back on you – wiping out any progress with it”

Zabeen Hirji, Chief Human Resources Officer, Royal Bank of Canada

Senior Executives we have spoken with agreed that they must continue to push the diversity agenda at all levels of their firms. To this end, major Canadian financial institutions are pursuing plans to:

- ✓ Increase women’s ability to re-onboard through industry internship programs, flexible working conditions and formal and informal mentoring for women. *“One of the most important things we can do is to help women see that there is an on-ramp back into the industry and support them when they take it. Bringing experienced women back to the industry is critical to building a pipeline for leadership roles” - Jennifer Reynolds, President & CEO, Women in Capital Markets*
- ✓ Bring men more into the conversation and encourage them to take paternity leave and sabbaticals. *“Gender diversity issues will not be solved by only women. Men need to be (and want to be) brought into the conversation and given the same opportunities. For example, I told one of our group head’s that he should be encouraging all of his guys to take paternity leave” - Colleen Campbell, Vice Chair, Bank of Montreal*
- ✓ Increase flexibility and diversify traditional career progression paths. *“We focus on proactive coaching and mentoring of individuals with potential. We encourage early broadening moves and developmental activities including exposure to areas core to the organization (including client management, lending, risk management, and product management), cross-functional projects and external not for profit directorships.” - Shauneen Bruder, Executive Vice President, Operations, Personal & Commercial Banking, Royal Bank of Canada*

Not all the problems faced by women working in senior roles come from inside their firms. Demands on the time of a senior banker are significant and can impinge on life outside of work. Just as firms must accommodate the family and social lives of their employees, so must families and society accommodate the work life of senior women executives. Hence, the changes required here are not matters only for financial firms but also for policy makers and opinion formers more generally.

Given all of the attention that has been paid to the issue of diversity over recent years, and given the successes we have highlighted, we wondered: “When will the battle be over?” We got a characteristically understated and simple Canadian answer: *“When we don’t have to talk about it [gender diversity], the battle has been won” - Jennifer Tory, Group Head, Personal & Commercial Banking, Royal Bank of Canada*