

# the myth of the



Remember when we used to envision women becoming CEOs, CFOs and vice-presidents in equal numbers with men?

Time for a reality check

»» by Lori Bamber

# female executive



# W

**When Doreen McKenzie-Sanders** began publishing Western University's *Women in Management* newsletter in the 1970s she was concerned they'd have nothing to write about after the first few editions. She laughs at that now: "We thought gender issues in the workplace would be a thing of the past 25 years ago." But despite the optimism then, real progress has actually been astonishingly slow.

# Sure,

women seem to be everywhere in the business world; they're just not everywhere 'important'. It's been a good 30 years since female baby boomers put on power suits and went to work in full measure, intent on building careers, not just holding jobs. Yet, after all this time, only two of B.C.'s TOP 100 largest companies (page 57) are headed by women. Women in meaty jobs like chief financial officer are almost as rare and the pattern holds true across the country. According to information collected by the BC Securities Commission, only 28.6 per cent of Canadian companies have two or more female officers (executives of senior rank) and 43.6 per cent of large companies have none at all. Among our largest companies, more than 90 per cent of board seats are held by men; only 15 per cent of executives and two per cent of CEOs are female.

The scarcity of women in power jobs and their presence on corporate boards is integrally connected, two sides of a Catch-22 that keeps them outside the upward spiral of influence and power. Board appointees tend to hold power positions (CEO, president, chief financial officer, senior or executive vice-president) at other corporations. If women don't get those jobs, they won't get the board appointments, either. At the same time, board experience is a weighty factor in the consideration for top jobs – without board experience, it's very unlikely a woman would ever become a CEO.

Why should we care?

It's become something of a mantra: women represent 50 per cent of the labor force, own 25 per cent of all businesses and control 80 cents of every consumer dollar. So having women at the top can only help a company do a better job of connecting with the bulk of its ultimate customers. Nice idea, right? But until about five years ago that seems to be about all it was; there was little in the way of solid data on the link between gender diversity at the executive level and greater profitability. That has changed, and now there is a real business case to be made for high heels on the executive floor.

The correlation between progress and profitability is profound. The most recent study, sponsored by BMO Financial, proves once again that corporations with a higher representation of women leaders perform significantly better. According to the Catalyst

report released in January 2004, the quartile (25 per cent) of leading corporations with the highest representation of women in senior management had a hefty 35 per cent higher average return on investment than the lowest.

Diversified boards also provide better governance. Data compiled by the Canadian Institute of Chartered Accountants in 2002 found that those with at least three female directors met 94 per cent of the governance recommendations of the TSX; those without scored an average of only 72 per cent. And as the directors who make up these boards are there to represent the interests of shareholders, that 24 per cent gap in oversight is worrisome.

Why is it taking so long to see women fully represented in executive offices and on the boards that oversee them? Is the blame to be laid at the feet of short-sighted corporations?

Like most issues that won't go away, the answers are complex.

Nearly 30 years after first editing Western's *Women in Management*, Doreen McKenzie-Sanders is now the editor of *Women in the Lead*, a directory of qualified potential female board members, a pool of accomplished Canadian female executives. Its publication is a direct response to a challenge issued by Vancouver's financial honcho Milton Wong during an early 2000 roundtable session on the dearth of women on corporate boards.

"We were wrapping up for the day, and he said, with a bit of frustration, 'We're willing to appoint these women. . . Tell me where to find them,'" says McKenzie-Sanders.

Wong's challenge echoes a common corporate protest: 'Of course we want women in leadership positions, and we keep hearing that these qualified, capable women are out there, but we don't know them.' While that may be true, the bar may also be set higher for those in skirts. According to Judy B. Roesner,

## Madam Director

How well are women doing on B.C. boards? Not too bad. According to a Catalyst census in 2001, we have the best in class – VanCity, where 67 per cent of directors were women. BC Lottery Corp. (63 per cent) and BC Hydro (46 per cent) both made strong showings, giving us a total of three of Canada's top six corporations according to gender diversity rankings. B.C. also has a company with one of the worst records – The Jim Pattison Group with 26,000 employees and nary a woman in the boardroom. (Still true.)

## [workplace]

author of *America's Competitive Secret – Women Managers*, in an article for *Directorship*: “I asked a number of male CEOs of large firms why they have no women on their boards. Their response most often was ‘I’d like a woman on my board, but I can’t find one.’ When I asked the follow-up question – ‘What kind of women are you looking for?’ – I was given a list of qualities that many of their male board members didn’t possess.”

We tend to gravitate to people who look like us, a tendency that can be extremely bad for business as the same tired ideas are rehashed and innovation suffers. A review of recent high-profile corporate disasters – Enron, Worldcom, Adelphia – reveals a consistent pattern of like-minded executives and directors reinforcing each other’s prejudices. Dissenting voices fall out of the pipeline, moving on to more progressive, healthier work environments.

If the problem is unfairly applied competency criteria, the solution seems straightforward and radically good for business – apply those competency filters to every potential candidate, not just to the people you don’t know.

Elizabeth Watson, managing director of Board Resourcing and Development, was appointed by Premier Campbell to revolutionize B.C.’s many boards, moving from a patronage model (the public sector equivalent of the old boys’ network) to a competency-based selection model. In a paper she prepared for the 2003 annual conference of the Institute of Public Administration of Canada, she writes that preparation of a “competency grid” (identification of the “diverse array of skill sets that will add value to the leadership”) and a proactive search for candidates will result in finding the best person for the job; what she doesn’t say, but clearly means, is the best person, male or female.

That ‘proactive search’ might begin with the latest, second edition of *Women in the Lead*, released in June, summarizing the executive qualifications of 500 capable women ready to take on board roles in Canada. “I am awed,” says McKenzie-Sanders, “by what these women have accomplished. Women have earned the right to serve at the top.”

Yet, with rare exception, they aren’t.

The question: Will they ever?

**T**here’s one fact that holds true regardless of what else changes: Most women have babies. And that colors this whole issue more than we ever realized it would. Whether it’s former GE CEO Jack Welch’s high-profile divorce battle or just a look at Telus CEO Darren Entwistle’s daunting daily schedule, a glimpse into the lives of high level

CEOs reveals people managing brutal work schedules. It's an almost impossible feat for anyone with family responsibilities, and the men who have made it into the top jobs have almost invariably done so as part of a two-person team that includes an executive wife to run the house, care for the children and organize his world so his high-octane business life can carry on unfettered.

That option isn't available to most working women, who still carry the lion's share of the responsibilities – psychically and practically – for the kids and the home. And most do it willingly; few would be prepared to divorce themselves from their kids' lives as much as male CEO wannabes are willing to do, even if they had that option. Nannies are invaluable, but women are still on the hook. Being a mom is as important – some say more important – than being a vice-president or CEO. But that time spent occasionally leaving early for teacher meetings or staying home with the kids when they're sick can take its toll on a career and the next promotion when a boss feels he is not getting his 150 per cent. He can probably get it from his male subordinates so no surprise when he promotes them over the women. Can we really blame him?

Bev Van Ruyven, senior vice-president, Distribution, for BC Hydro, and one of the too-few women in real power jobs in the province, is also a mother of three. Prior to joining BC Hydro, she did have to fight the perception that having children makes you less productive. But, says Van Ruyven, "You have to be sharper, better, and you get over that hurdle."

In other words, as the old joke goes, if women want to be successful in business, they only have to work twice as hard and be twice as smart as their male counterparts. Most women, though, aren't laughing.

Even women without family responsibilities may be viewed with suspicion lest they revert to 'type'. One former B.C. executive told *BCBusiness* that, when being considered for a major promotion, she let her boss know she couldn't have children. She felt it was the right thing to do, since as a manager she'd been encouraged to choose job candidates who were outside of normal child-bearing years and wouldn't disappear on maternity leave just when they were up to speed. She'll never know whether it was a deciding factor, but she did get the promotion.

Figures aren't available for the B.C. workforce, but in 2002 the *Harvard Business Review* found that 49 per cent of top women in business in the U.S. – those making \$100,000 or more – have chosen not to have children, while the same was true for only 20 per cent of men in the equivalent positions.

Dawn Farrell, executive vice-president,



“Be prepared to tell your company what you need. They’ll support you” — Dawn Farrell

Bev Van Ruyven (left) and Dawn Farrell

Generation, at BC Hydro, and the former CFO of Transalta Utilities in Alberta, is one of the top three senior executives at Hydro (along with Bev Van Ruyven and Bob Elton, CEO). She is also a mother of two teenage daughters. She has had her work cut out for her, at the office and at home; downtime isn't on her agenda. "People talk about 'me time' or 'quality time'. You don't get any of that [if you work at a senior level and have a family]. It's hard. It's been tough on my kids. They've had to be very strong."

Another senior executive and mother agrees: "You feel guilty at work, guilty at home," says Diana Reid, vice-president and managing director of the B.C. division of BMO Harris Private Banking, recently named the Best Private Bank in Canada by the prestigious European business magazine *EuroMoney*.

You don't do it at all without the support of an enlightened family. Some women are fortunate enough to have husbands who stay home to take care of the family. For most, that's not in the cards, but Farrell's husband did give up a great job he loved last year – without knowing his prospects for re-employment in Vancouver – to follow her from Alberta. (He's since landed a new job.) Diana Reid relies on her parents when she needs an extra hand to pick the kids up after school when she has one of the evening meetings so essential to her success.

In a world where only a few – men or women – are capable and driven enough to make it into the top jobs, women still have to work harder and give up more. With a wife at home to keep things running, men can generally work almost 'round the clock if the situation demands it; few women have that 'luxury'. Corporations can do a lot to make these jobs more tenable for both sexes – but ultimately, it seems, a woman has to make a decision: Will I make it to the top of a major corporation or will I have a reasonably balanced family life?

**R**ather than asking where all the women executives are, then, perhaps we should be asking how those that do make it to the top got there. If it's essential for business to have women in top jobs, then perhaps business culture needs to change to make that more likely.

Gayle Stewart, vice-president of strategic planning and client service at Optimum Public Relations, was the former vice-president of communications at BC Tel and the first ever female VP at Noranda. Stewart says simple awareness of the life/work issue is vital. To succeed, everyone makes sacrifices for their careers; she has seen both men and women make terribly painful decisions along the way. But even innocuous policies – like



“My most important leadership skills are also my parenting skills” – Diana Reid

scheduling 7:30 a.m. meetings – can present a huge problem; the solution is as simple as finding a meeting time that works for everyone. Companies that maintain that awareness reap the benefits.

Like most women who reach the top of their profession, Diana Reid displays unflagging energy and impeccable organizational skills. She needs both to juggle all her roles. Prior to her recruitment into banking, she practised law for 20 years with Lang Michener Lawrence & Shaw, where she became a partner and eventually headed the wealth preservation practice in Vancouver. A director of the B.C. Children’s Hospital Foundation and former chair of B.C.

Pavilion Corporation, she’s also the mother of “two amazing sons,” now 18 and 11.

But her great success might not have been possible without the flexibility of the managing partners at Lang Michener. They allowed her to achieve a better balance by working four-day weeks, even as a partner. “I’ve always striven for balance,” she says. “Practising law four days a week enhanced my opportunities to do other things. I’m so grateful to the firm for their support that way.”

Dawn Farrell also benefited from an enlightened boss, without whom she might have fallen out of ‘the pipeline’. When her youngest daughter was in kindergarten,

Farrell decided she wanted out of her job. The CEO refused to accept her resignation. "He said, 'No, you're not quitting. We'll find a way to make this work for you.'

"I asked for six months; he said, 'No, that's too long, you won't come back.' So I took a three-month sabbatical and then worked flex-time, and from home. They kept me in charge of my department, which was unusual, and when I came back they gave me a promotion and a raise."

Her advice: "Be prepared to tell your company what you need," she says. "They'll support you."

It's an issue that annoys traditionalists: why should those with families be treated differently? They may represent the majority – they may be working hard to raise the children who will be running things when we're old and feeble – but why should we change policies that have worked for years? BC Hydro CEO Bob Elton says it's about being successful as an organization in a rapidly changing world.

Elton has been described as one of B.C.'s most progressive leaders, so it's probably no coincidence that he leads one of the province's most gender-diversified executive teams.

Says Elton: "There are so many benefits [of the policies and culture that have attracted and kept capable women at Hydro]. . . Not all men look at things one way and all women another, but if you have a mix of people in an organization, you are going to view issues in a more complete way. Fundamental questions get asked more often. . . There is fuller communication because we're forced to communicate more in order to ensure we understand each other."

A diverse viewpoint may also serve as a counterweight to the incessant pressure to create short-term performance. "In my experience," says Elton, "women seem more likely to look at the long term as well as the shorter term."

In the BC Hydro experience, creating a diverse leadership team has also resulted in greater synergy, the development of a culture in which helping and being helped is seen as efficient rather than weak.

"We had a situation recently in which Dawn saw a situation that Bev's division was struggling with," says Elton. "She went to her and said, 'I think we can help you with that.'" Rather than viewing the offer as a suggestion that her division might not be able to handle

## [ workplace ]

it on its own – the classic alpha-male response – Van Ruyven gratefully accepted. The result was a creative solution that brought together employees in both divisions as a cohesive, powerful whole. Just as important, says Elton, the willingness to offer and accept help was an extraordinarily powerful behavioral model for the rest of the organization.

All the executives *BCBusiness* spoke to – men and women – were quick to point out that generalization is dangerous. Not all men are of the competitive alpha-male variety; Margaret Thatcher proved that not all women practise ‘feminine’ styles of leadership. Women and men can be equally talented at collaboration rather than competition, a multiple-bottom-line approach to decision-making and strong client relationship building – but flexible, progressive corporate policies foster a healthier mix of styles.

Reid offers another reason to consider family-friendly policies such as on-site day-care, flex-time and job-sharing: parenting is great training for today’s leadership demands.

“My most important leadership skills are also my parenting skills,” says Reid. “‘Play nicely.’ Being supportive, caring, nurturing, giving back. Listening. Respect. Being willing to unload the dishwasher. Those skills may be seen as weak, but our results don’t bear that out.” Reid joined BMO Harris 12 days after its inception in June 2000 and under her leadership, the B.C. division has doubled revenue growth each year and seen more than 30 per cent growth in assets under administration in 2003.

**A**s corporations recognize the value of enlightened environments that include and develop women, there are some steps ambitious women can take to further enhance their chances of advancement. For starters, financial and business acumen is essential, and operational experience is vital.

“[Women] tend to position [themselves] at the fringes in HR or corporate strategy, because we’re very good at conceptual thinking,” says Farrell. “But we lose out on the meaty operational roles and at the most senior level that lack of operating experience works against us. We need to cut across organizations more.”

There may also be a language issue women need to address. Chris Flett is a 30-year-old Vancouver business consultant and trainer who describes himself as an ‘alpha male’. When he spoke to *BCBusiness*, he had just returned from a 46-city speaking tour. His topic: *What Men Don’t Tell Women About Business*. It may rankle, but in a world that is still predominantly masculine in tone, he believes that women had better be bilingual.

There is no subtext with the male gender, he says, and when women torture themselves trying to figure out what their male boss, peer or employee *means*, they're wasting their time. Says Flett: "It is what it is. Get on with it."

Men also tend to take things less personally, he says, particularly when it comes to competition and one-upmanship. His advice to women is straightforward: take slights personally and you lose sight of the goal.

Corporate enlightenment, asking for what you need, operational experience, supportive husbands and nannies, gender language lessons and equal time on the golf course may even your chances, but for women reaching for the top, it may not be quite enough. According to Alice Laberge, CEO of Fincentric and one B.C. woman who actually has landed that top job in a big company (see *Reached the Top*, page 123), the mysterious X-factor may be women's approach to risk. Her advice: Go for it. Get out of your comfort zone and try new things.

In the end, no matter what corporations do, whatever women do, one thing will not change: Only the best and the most committed to the job will ever make it to the CEO's office – and that is as it should be.

Critical mass is building and as it does female leaders will find themselves less isolated, less likely to be the 'token woman' on an executive team or board. As that critical mass occurs, says Gayle Stewart, women will be better able to mentor and support each other, to help create the networking opportunities that have nurtured men for generations.

Businesses will prosper as women speak louder, offering the dissenting perspectives that may make all the difference.

"I know there were times that as the only woman, I edited myself," says Stewart. "It's daunting. You want to succeed. But looking back I can see clearly that a dissenting opinion was exactly what was needed."

According to Don Prior, executive recruiter with Caldwell Partners International, British Columbia has a preponderance of great women leaders. In order to get to the top, he says, they've had to work harder, to be better. They've probably been quietly, heroically juggling impossible schedules and demands throughout their careers. Whatever field they are in, whatever their educational and career backgrounds, they are also logistics and time management experts.

They might not be in the CEO office yet, says Prior, but they are all over the rest of the organizational chart, and companies that do not seek them are making the "absolute wrong business decision." □

## Reached the Top

“I’ve built my career on the insistence that gender doesn’t make a difference,” says Alice Laberge, CEO of Richmond-based Fincentric and one of the few women CEOs of large corporations in the province and the country. As a mother with three children still at home – and a nanny who’s been with her for 20 years helping to make work and life compatible – she’s proven that she, at least, *can* have it all.

For Laberge, women’s advancement is driven by risk-taking, both by women on the ladder and the corporations investing in them.

Says Laberge: “This is a broad generalization, but I think women may be more likely than some men to do what they are familiar with. You have to take risks. My whole career has been about taking the job and then figuring it out as I go along.”

Laberge spent 20 years honing her financial skills, joining Fincentric in 2000 from MacMillan Bloedel where she was CFO and senior VP, finance. She also serves on several boards: United Way of the Lower Mainland, St. Paul’s Hospital Foundation, BC Hydro and Potash Corporation of Saskatchewan. All the right ingredients for the making of a CEO. And last November she made the leap to the top of the ladder at this company that creates software for financial institutions. With Fincentric clients in 30 countries, she’s playing in the big leagues.

Laberge views her formative experience at MacMillan Bloedel as an illustration of the power of progressive leadership and risk-taking in action. “Before getting my MBA, I was a speech therapist,” she says. “When I went into finance there were a lot of comments. It was a risk for me, but even more so for the company.”

Jim Fletcher, treasurer and

director, corporate finance, took that leap and hired Laberge for MacMillan Bloedel’s corporate finance department; later, CEO Tom Stevens mentored her as she moved through the organization to become CFO.

Asked what differentiates leaders like Fletcher and Stevens, who bet on competent women and reap the rewards,

Laberge says: “They ... have a lot of confidence in themselves, their skills and judgment. They’re willing to go against the flow. I think Tom consciously thought of himself as a mentor, of both women and men. That was an important part of his job. He created opportunities for a lot of learning. Those opportunities have to be

created. They don’t just come along.”

In fact, her success at MacBlo and Fincentric demonstrates that those opportunities, the kind that have traditionally prepared men for the CEO’s office, are equally effective at putting capable women there. As Laberge says, “You never, ever succeed alone.” ■

“My whole career has been about taking the job and then figuring it out as I go along” – Alice Laberge

