“What gets measured gets done”: diversity data and the role of Bill C-25

Toronto, ON, October 4, 2017: Today, a forum organized by Ryerson University’s Diversity Institute highlighted the importance of data-effective corporate diversity and inclusion strategies and the role of Bill C-25, an Act to Amend the Corporations Act which will extend reporting requirements for publicly traded companies.

Participants included the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development; the Honourable Michael Coteau, Minister of Children and Youth Services and Minister Responsible for Anti-Racism; and Canadian business leaders Donna Walwyn, Partner at Baker McKenzie (Toronto) and Immediate Past President, Canadian Association of Black Lawyers (CABL); Kenneth J. Fredeen, General Counsel, Deloitte LLP and one of the founder of Legal Leaders for Diversity, among others.

Minister Bains reaffirmed his commitment to advancing diversity through Bill C-25, which includes simple comply or explain requirements for publicly traded corporations to report on diversity data and policies. The legislation has passed the House of Commons and is currently under consideration in the Senate. “Diversity is Canada’s strength,” he said. “In the boardroom, as in life, multiple perspectives lead to innovative thinking and better performance. Our values of diversity, openness and inclusion give Canadians a competitive edge in a global economy that depends on people’s ability to navigate through different cultures and languages. I am proud that our proposed legislation, Bill C-25, is promoting these values.”

Minister Coteau explained that, “in Ontario, eliminating systemic racism and advancing racial equity is integral to our plan to create jobs, grow our economy and help people in their everyday lives. We also believe that data is the foundation of an effective strategy to advance inclusion, and that is why we introduced Bill 114 ‘An Act to provide for Anti-Racism Measures,’ which will extend reporting requirements on race, gender and other demographic characteristics to agencies funded by the Province.”

Dr. Wendy Cukier, Founder, Diversity Institute and Professor, Ted Rogers School of Management, Ryerson University previewed some of the latest findings from the soon to be released DiversityLeads research report, which examines leadership across six sectors in Canada’s largest cities – Toronto and Montreal. “Our findings show more is needed,” Cukier said. “Women are making some progress in senior corporate leadership and boards but racialized minorities are stalled. There are huge gaps between companies that “get it” and those that do not: in Toronto, 24% of companies have more than 30% women on their boards while 28% have none. It’s obviously not the pool. It is corporate policies and practices. We know that legislation, tracking and transparency make a difference in encouraging companies to set targets and policies. Bill C-25 is a bold step forward.”
Donna Walwyn, Partner at Baker McKenzie (Toronto) and Immediate Past President, Canadian Association of Black Lawyers (CABL), maintained that Bill C-25 represents important progress. She commented that “diverse representation in leadership signals who belongs and shapes the aspirations of young people. Just as importantly, it is closely linked to corporate performance, to innovation and to better serving diverse markets. As distinct from ‘quotas,’ comply or explain legislation allows companies to set targets appropriate to their context and goals and shines a light on their practices. We have seen strong evidence that transparency drives accountability and change. I echoed the position of the Canadian Bar Association that ‘diversity’ must include more than gender.”

Kenneth J. Fredeen, General Counsel, Deloitte LLP and one of the founders of Legal Leaders for Diversity reinforced the importance of metrics in driving inclusion. Mr. Fredeen says, “at Deloitte LLP, inclusion is woven into our culture and business strategy. Along with executive leadership, good data is the foundation of an effective strategy. We firmly believe that “what gets measured gets done.” Deloitte LLP supports clients in developing their inclusion strategies according to leading practices and we regard the strategy for collecting and tracking diversity data and other benchmarks as fundamental.”

-30-

About DiversityLeads: The six-year study funded by the Social Sciences and Humanities Research Council (SSHRC) analyzed data on senior leaders from the largest organizations in the Greater Montreal and Greater Toronto Areas in six sectors - elected, public, private, voluntary, education, and agencies, boards and commissions - located in communities where the visible minority population exceeds 10%. The latest and preliminary results, released on October 4, 2017, show that although women continue to be under-represented in corporate sector leadership teams and boards, they are making progress. In Toronto, the percentage of women on large corporate boards has steadily grown from 14.8% (2012) to 17.3% (2014) to 23.6% (2017). In contrast, in a city where 50% of the population is racialized, the representation of racialized minorities in leadership has stalled from 2.8% (2012) to 4.8% (2014) to 3.3% (2017). While equally represented in the workforce, white women outnumber racialized women 16:1 on corporate senior management teams. In Toronto, 24% of companies have more than 30% women on their boards while 28% have none. In contrast, only 3% of companies have 20% racialized minorities on their boards and 90% of companies have none. In Montreal (2015), where over 20% of the population is racialized, almost 10% of corporate boards actually had more than 40% women, while 25% had none. Only 3 of 60 of the largest companies had any racialized minorities on their boards. A final analysis will be released upon completion and will be found at: www.ryerson.ca/diversity

Building on this work, the Diversity Institute has launched the International Innovation and Inclusion Network (IIIN) to examine issues and best practices globally: http://iiinetwork.com

About Bill C-25: https://openparliament.ca/bills/42-1/C-25/
For further information: Kathleen Powderley, Responsible Communications, 416 803-5597, kathleen@responsiblecomm.ca