

# CEO BLUEPRINT

How to Build and Lead  
Gender-Balanced Organizations



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**The**

**Alliance**

**The Canadian Gender and Good Governance Alliance<sup>1</sup>** – the ‘Alliance’ – is an unprecedented partnership of leading not-for-profit organizations focused on research, advocacy and education in the areas of governance and gender diversity. Member organizations of the Alliance at time of writing are: Business Council of Canada, Canadian Coalition for Good Governance, Catalyst, Clarkson Centre for Business Ethics and Board Effectiveness, Governance Professionals of Canada, Institute of Corporate Directors, Women in Capital Markets, and The 30% Club Canada. All combined, the Alliance’s constituents represent:

- Over \$4 trillion in assets<sup>2</sup>
- Over 5 million employees
- Over 200 CEOs
- Over 13,500 board directors
- Over 430 institutions (companies, asset managers, and government entities)
- Various levels of government and regulators

Each member organization applies their specialized lens on governance and gender diversity. We are collectively aligned on the case for change and the need to overcome barriers to change, and are united in our intention to jointly accelerate change.

The Alliance aims to amplify and coordinate efforts to achieve gender balance on boards, in executive positions, and throughout Canadian organizations. In addition, we seek to contribute to public policy as an advisor for governments and regulators. Our first joint effort was the *Directors’ Playbook*, which presented a curation of practical tools that organizations could use to achieve gender balance on boards through deliberate action. The *CEO Blueprint* is a how-to-manual for CEOs who recognize the business imperative of building and leading gender-balanced organizations.

The Alliance is committed to partnering with businesses, investors, governments and regulators to achieve good governance and gender diversity.

**The CEO**

**Blueprint**

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**T**his is a blueprint for CEOs who understand that implementing gender balance throughout their organization is important. It will give you a step-by step framework on the components of building a vision, structuring and mobilizing management teams and focusing on gender diversity initiatives that actually work.

Building a gender diverse organization is more than the morally right thing to do. A conclusive body of evidence indicates that diverse organizations tend to be more innovative and perform better financially than their peers. Your customer base reflects growing social diversity, and you need to respond to stay competitive. If you are a publicly traded company, your investors might already ask for your gender diversity policies before buying your shares. And in the global race for talent, organizational diversity will be a key recruitment tool.

As a CEO, you know that commitment starts with you – because of course you are ultimately responsible for what the company achieves.

Look for best practices elsewhere and be open to advice from outside. It is important to recognize what you can do internally and what you can't.

If you are reading this handbook, then you already know what you need to do in bold strokes. Designed to help frame your agenda, we've outlined three broad steps:

1. **Build your vision**
2. **Make it mission critical**
3. **Focus on high impact practices**

This guide can show you how to take advantage of leading practices for your organization.

# STEP 1:

## Build Your Vision

As CEO, you shape the culture. You will need to evolve it to foster sustainable diversity.<sup>3</sup> An authentic demonstration of your commitment will cascade through the organization and inspire your employees, customers and suppliers.

Employees will value an honest assessment, openness to constructive feedback and a willingness to change.<sup>4,5,6</sup>



## Introspect



Our research shows that most CEOs who have momentum began their journey with deep introspection.<sup>7</sup> Start with your beliefs, values, and conviction. Write down your narrative – why you believe gender

balance is important, what you want to do, how you plan to get there, and what you need from your leadership team. Be purposeful with the language you use<sup>8</sup> (see C-Suite quotes).

## Consult

Reach out to your peers and consult with experts.<sup>9</sup> Don't get trapped in the CEO bubble – rather, routinely assess if you're insulated from crucial ideas and information, and actively break those barriers down at this stage. Study the data in your organization and collaborate with your CFO, CHRO and business heads to identify the symptoms and

root causes of gender inequality.<sup>10</sup> Tremendous research<sup>11</sup> is underway in Canada and globally that can help you set yourself up for success. Some CEOs have hired aides with proven track records helping to achieve diversity, who keep them honest and on target in the face of competing priorities.<sup>12,13</sup>



## Declare



And then speak – your choice of words, as well as their consistency and frequency, all matter.<sup>14</sup> What you say, where you say it, and how often you say it – provides a blueprint

to all in your organization and influences its culture and decision making.

## Challenges You Should Be Prepared To Tackle

**Structural or unconscious bias** in recruitment, promotion, work allocation and compensation processes.<sup>15,16</sup>

**Resistance** from those who feel disadvantaged by your push for diversity.<sup>17</sup>

**Disengagement** from those who do not see the benefits of gender-diverse teams, or consider it “not relevant to them”.<sup>18</sup>

**Fatigue** from working towards gender balance; this is a goal that requires patience and ongoing commitment.

# Quotes From The C-Suite

*Diversity doesn't just help the bottom line, it drives it. The formula is simple – a diverse and inclusive workforce and board makes a company successful.<sup>19</sup>*

*Our commitment to diversity, inclusion, and open markets is the right thing to do, it's imperative for our business, and it is core to who we have been for nearly 100 years.<sup>20</sup>*

*We started to notice that mid-career turnover for women exceeded that of men at the same level, and recognized that if we didn't address the underlying issues, the pipeline would not support our need for the leadership talent of the future.<sup>21</sup>*

*Increasing diversity needs to be more than a headline, it requires on-going commitment and measurable results.<sup>22</sup>*

*Anybody who doesn't think about how to bring in more women won't be able to compete, because they're just cutting out half the talent from their opportunity set.<sup>23</sup>*

*These targets are more than just statistics. They are a way of engaging our people with the importance of gender diversity and creating a supportive, inclusive work environment.<sup>24</sup>*

*It cannot just be an introduction from the head of diversity. It has to be what the CEO cares about and the leadership team cares about. Until that happens, it doesn't matter.<sup>25</sup>*

*Simply put, better gender balance more accurately reflects the world we're dealing in. When you embrace it, you gain insight into your clients' thinking, you develop better relationships, improve collaboration, cultivate innovation, and build a better company.<sup>26</sup>*

# STEP 2:

## Make It Mission Critical

**There's no business plan without a talent plan.**<sup>27</sup> The best talent strategy is one that is firmly embedded into the business strategy of the organization.<sup>28,29</sup> By anchoring gender diversity within your strategy and corporate values, it will become immediately clear to your management team, employees, customers and

shareholders that this is an absolute priority and requires the same degree of focus, resources and effort as would any other business objective.

**Here are three ways to move your gender diversity initiative to mission critical:**

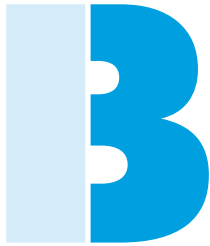
## **Integrate The Gender Initiative With The Business Strategy<sup>30</sup>**



Build a diversity and inclusion strategy that is firmly linked to those things that are critical to your success, such as your brand, culture, and values. Signal internally

and externally that diversity is core to who you are and how you do business.

## **Set Targets and Measure Progress<sup>31,32</sup>**



What gets measured gets done, and the same is true for gender diversity. Set representation goals across levels and functions.<sup>33</sup> Set objectives for employee engagement and satisfaction, and seek to understand

differences by gender. And most importantly, measure progress regularly.<sup>34</sup>

## **Hold Yourself and Others Accountable<sup>35</sup>**



You alone cannot drive greater gender representation and inclusion in your organization – you will need the support and engagement of your team, and their teams below them. But they are busy, and will need direction from you on how to fit gender diversity and inclusion into their priorities. To get them fully on board, you need to treat gender balance as you would any other key business objective, even if the strategies you use are somewhat different. Consider the following range of options<sup>36</sup>:

- Include representation goals and team engagement scores on their performance scorecards
- Ask them to report on these goals at management meetings
- Include performance against these goals in their annual (or regular) reviews
- Tie a portion of their annual compensation to their performance against these goals<sup>37,38</sup>

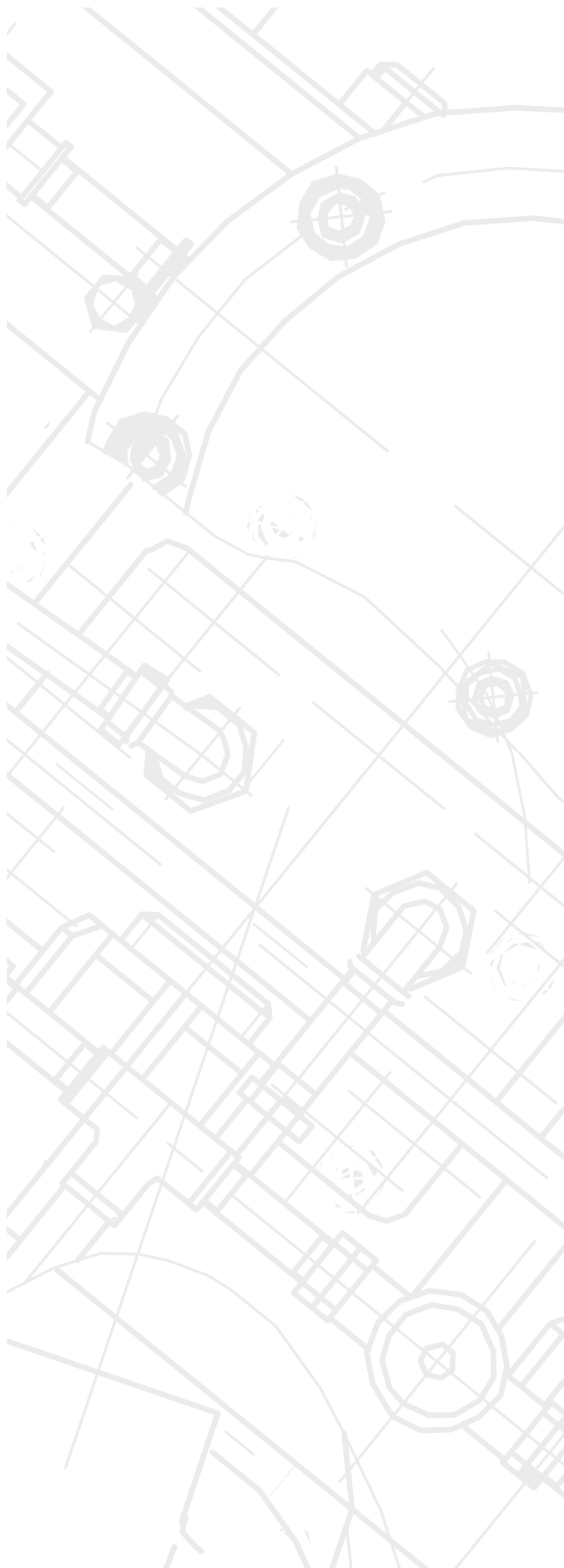
And as CEO, set the tone by putting in place the same set of accountability measures for yourself.

## HOT JOB ANALYSIS<sup>48</sup>

A “hot job” is any job within the organization that has attention from a senior leader. It could be a position, a project or a special assignment. Hot job analysis looks at who is currently in these positions and who is next in line. Hot jobs are so important because they help to build the pipeline and can also help match employees with executive sponsors.

When considering new hot jobs, ask yourself these questions:

- What will the next assignments be, and who is currently being considered for those opportunities?<sup>49</sup>
- Is the list of candidates diverse? If not, how do we diversify it?
- If the same people tend to be chosen again and again for these types of roles, how do we change that?

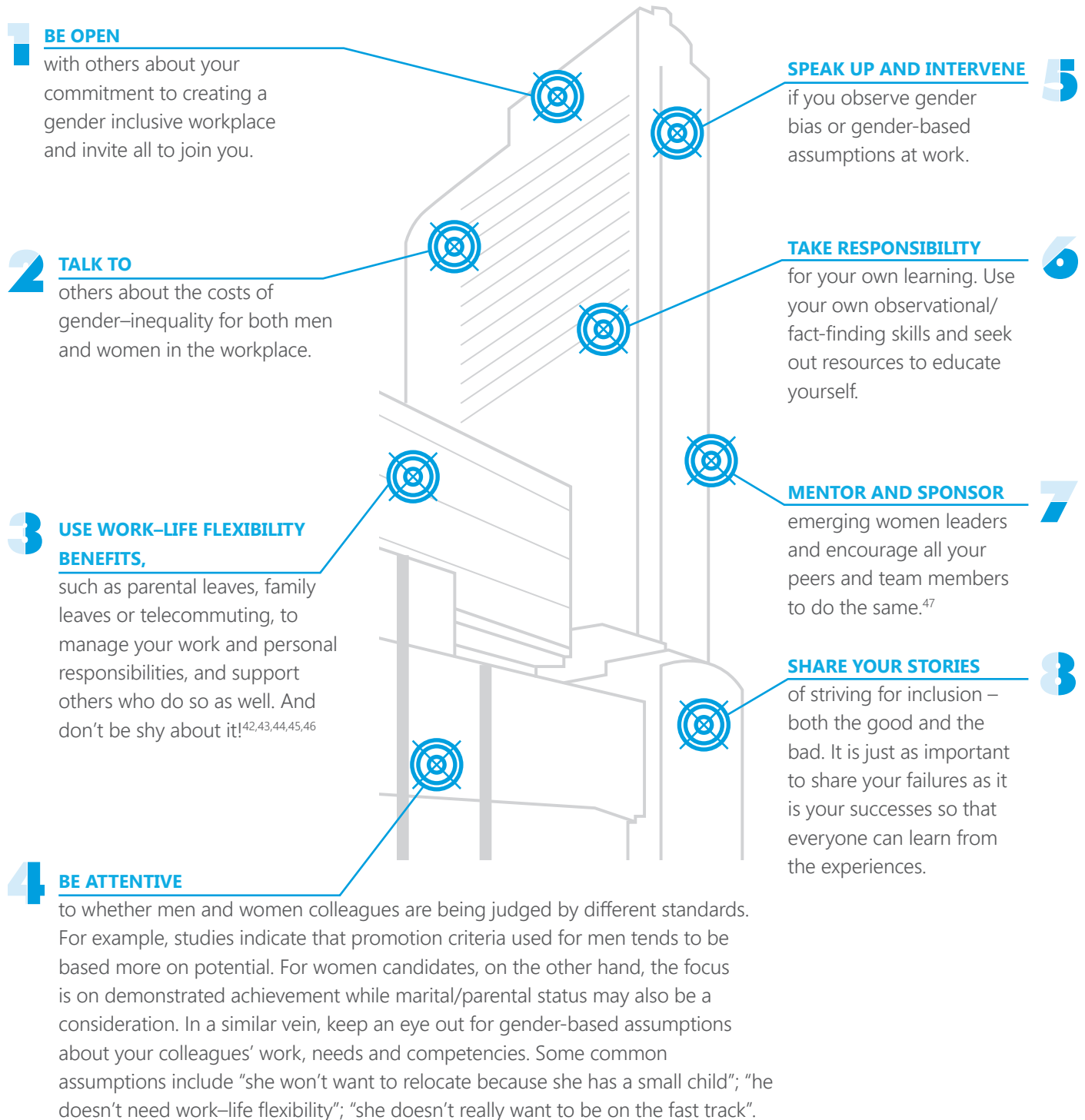


# Men Must Be Included in the Solution

When you look at your organization, chances are that men considerably outnumber the women at the top. Men make up 95% of CEOs and the majority of C-Suite employees.<sup>39</sup> Therefore, engaging them in your mission is vital – starting with the men in your executive team. Research

shows that when men are actively involved in gender diversity, 96% of companies report progress vs. 30% otherwise.<sup>40</sup>

Whatever your gender, you have the power to engage men. Here are a few actions you can take<sup>41</sup>:



# STEP 3:

## Focus On High Impact Practices

Many CEOs realize that their diversity activities have not yielded material results. The evidence is clear that many feel-good initiatives, despite best intentions, actually do little to drive diversity and may even work to re-enforce bias and inequality.<sup>50</sup>

When it comes to gender balance, focus on efforts that generate the highest return on investment (ROI). We have grouped gender initiatives into four clusters: Baseline, Proven Measures, Hidden Gems, and Somewhat Overrated activities.<sup>51</sup>



## Baseline



Measures that every company should have. They are fundamental to shaping your culture.

### Mentoring Women<sup>52</sup>

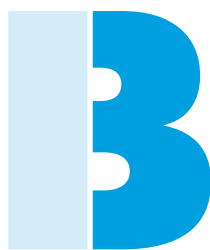
Mentorship is essential for developing talent, and to some extent, for advancing through an organization's ranks. Its impact varies, but it is often considered a pathway to sponsorship, which can directly alter the course of a woman's career.<sup>53</sup> (See Sponsorship under Proven Measures).

### Address The Gender Pay Gap<sup>54</sup>

Organizations must address their gender pay gap and review results regularly. Even if the results are not released, there is value for employees in knowing the process is being undertaken. In doing so, a company can ensure that everyone feels a sense of fairness and that actions are being taken to prevent the gender pay gap from reappearing. This is crucial to keep employee engagement levels high.



## Proven Measures



These deliver a high ROI and are seeing growing adoption by organizations.

### De-bias policies and practices

Understanding and interrupting the impact that bias plays is critical to creating an equal playing field and achieving a diversified workforce.<sup>55</sup> However, as biases operate both consciously and unconsciously, de-biasing the underlying policies and practices yields better results than trying to “de-bias the people”, which is virtually impossible. Addressing unconscious biases in processes related to decisions about recruitment, evaluation and promotion is a first essential step.<sup>56</sup> With your direction<sup>57</sup>, HR should be able to lay out a systematic process for eliminating bias from your organization’s policies and practices.

If we take hiring as an example, not only does a hiring process need to include an equal slate of men and women candidates and interview panelists, each role must have core criteria and candidates should be assessed on the basis of those criteria. Candidates should *not* be assessed on what they have in common with the hiring manager.

### Sponsorship of women<sup>58,59</sup>

Mentorship usually involves being a sounding board and providing advice. In contrast, sponsorship requires being an **active** champion for a woman in the organization.<sup>60</sup> It means supporting her career advancement by recommending her for the right assignments and roles, and allowing her to explore the next level of leadership commitment through stretch assignments.<sup>61,62</sup>

### Gender-inclusive flexible work models

Flexible work policies are a proven and effective way to increase gender diversity and broad-based employee engagement.<sup>63</sup> Ensure that flex-work is available to men and women and is used by role models of both genders.<sup>64</sup> This will lead to faster adoption and counter any notion that flex work is only something women do.

### Committing publicly to gender diversity

You as the CEO and your entire leadership team can achieve momentum by explicitly identifying and communicating diversity as being one of the organization’s top priorities. You must back this statement up with intentional action.<sup>65</sup>

## Hidden Gems



Highly effective and can provide you with a competitive advantage.

### Interventions at inflection points in a woman's career

Effective leadership includes recognizing the importance of crucial moments in a woman's career (e.g. returning from parental leave, taking on an expanded role, evaluating overseas opportunities, etc.). These are exactly the moments where women can benefit from experienced mentorship and sponsorship that keeps them on track.

### Increasing the visibility of role models in the organization<sup>66</sup>

Showcase women who have risen through the organization to senior positions by celebrating their accomplishments and sharing their journey (both the triumphs and adversity). The power of role models encourages younger women to see themselves as potential leaders and contributes to a gender balanced pipeline.

## Somewhat Overrated

These measures appear promising, yet may not lead to significant change<sup>67</sup>

### Holding one-time training sessions on diversity and inclusion

Many senior managers favour these initiatives. However, sporadic events are not enough to alter deeply ingrained behaviours. Changing mindsets and behaviours requires ongoing reminders and "nudges".

### Recruiting senior women role models from outside the organization

External hires can give C-Suite members a false sense of progress. They do not show a clear pathway through middle management, which is the biggest challenge that women face.

### Creating women-only corporate networks

A gender-inclusive organizational culture requires men and women to work together, rather than creating "in-" and "out-" groups. A joint taskforce has proven to be a much more beneficial approach to enhancing awareness and creating inclusive behaviour, than groups segregated by gender, culture, or other factors.



# Conclusion

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**W**e've covered a lot of ground, so allow us to leave you with a few concluding thoughts. First, tone matters. If you make gender balance a priority and communicate how important it is, it will be a priority for those you lead. Second, culture is key. When you create an inclusive environment, you give women and your organization the chance to reach their full potential. Third, and we can't emphasize this enough: Levelling the playing field for women is simply good business. Gender equality translates into more innovation, better risk management and increased shareholder value. That's the bottom line.

Transforming your organization won't happen overnight, or occur without the occasional setback. Learn from others and seek out new perspectives. It's also very much an ongoing journey, rather than a defined process with a beginning and end date.

In addition to working with your team, you can also leverage the Alliance on this mission. We are here to support you, with individualized consultations and additional resources.

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# Notes



