

In celebration of International Women's Day, we profile some of the top women in finance in Canada and highlight new research on the benefits of gender diversity in the workplace.

## GETTING TO ALPHA

### Half-day conference addresses why gender diversity is a competitive advantage

Devin Crago, CFA

With a full house of 250 attendees, CFA Society Toronto hosted a half-day conference entitled "Getting to Alpha: The Competitive Advantage of Gender Strategy." The subject of women in leadership has changed remarkably over the past decade, and the participants in each of the three speaker panels carried unique perspectives on the evolution of the conversation over time, as well as on what lies ahead.

In the words of BlackRock Canada's Noel Archard, "Clients want to deal with organizations that understand them, that are able to solve their problems, and you're only going to solve your client's problems if you bring the best and the brightest people into the mix. That doesn't work if you're excluding half the population."

#### Panel 1: The importance of gender diversity in the workplace

##### Participants:

- Marlene Puffer, Partner, Alignvest Investment Management
- Noel Archard, Head, BlackRock Canada
- Barbara Stewart, Portfolio Manager, Cumberland Private Wealth Management
- John Ruffolo, CEO, OMERS Ventures
- Julia Dawson, Managing Director, Credit Suisse



Julia Dawson

gender diversity and corporate performance metrics. The panelists contended that, in order to achieve the tangible financial performance improvements highlighted by Dawson, what truly

matters is the quality of management, which can be improved by increasing gender diversity. As always, collecting data and metrics is a necessary first step towards organizational change.

The discussion also touched on the changing face of women, not only as professionals but also as clients. According to a five-year project led by Barbara Stewart, the current generation of female investors is apt to be far more financially confident than previous generations. Simply put, women now make more money, control more money, and make more financial decisions.

#### The new world order: What is the 30% Club and how are CEOs involved in this initiative?

Helena Morrissey, CEO of Newton Investment Management, discussed her path towards establishing the



Helena Morrissey

30% Club in 2010, with the goal of ensuring that FTSE-100 boards have 30 percent women by the end of 2015. The club is populated with chairs and CEOs who are committed to creating better gender balance at all levels of their organizations, as well as developing a pipeline of senior female talent that will serve to fill future board positions. The U.K. Club now counts 119 founding chairs among its ranks, and plans are well underway for expansion via satellite clubs to other regions of the world, including Canada. These club members—each very prominent in their own organizations—signed on for the simple reason that, in Morrissey's words, "they thought their boards would be better with women." As one measure of the initiative's early success, there are now zero all-male boards among the FTSE 100. Further, the percentage of women directors now stands at 23 percent versus only 12 percent in 2010—a long way to have come in a very short period of time. However, Morrissey is clearly not a woman of small ambitions, and her closing remarks pointed to the idea that,



Panel 1 Moderator, Marlene Puffer (standing) with Barbara Stewart, Noel Archard, Julia Dawson and John Ruffolo

The panel covered a range of important subjects, beginning with the idea that, while progress has been made to increase female representation at the board level, real advancement will require increasing the percentage of women in senior management roles, which ultimately creates the pool of candidates for future board positions.

Julia Dawson, Managing Director at Credit Suisse, presented the results of her data-driven research report into the positive correlation between



*Panel 2 Moderator, Marg Franklin (standing) with Helena Morrissey, Howard Wetston, Richard E. Talbot and Monique Gravel*

while reforming the "retro boardroom" has been important, boards represent just a microcosm of the traditional workplace, leaving much work remaining to change the gender constitution of today's corporations.

### **Panel 2: Gender diversity starts at the senior level**

#### **Participants:**

- Marg Franklin, President, Marret Private Wealth
- Helena Morrissey, CEO, Newton Investment Management
- Monique Gravel, Head, CIBC Wood Gundy
- Richard E. Talbot, Chief Operating Officer, RBC Capital Markets
- Howard Wetston, Chair & CEO of the Ontario Securities Commission

During the panel discussion following Morrissey's presentation, participants made the business case for gender diversity: More diverse opinions lead to broader thinking, which in turn leads to clients being served best. As one panelist noted, senior leaders need to develop more diverse teams simply because "not all clients are middle-aged men." With this in mind, the panelists went on to highlight the importance of "tone from the top" in building these new leadership teams and the necessity of developing a strong pipeline of female leadership candidates.

In support of this goal, it was announced at the event that CFA Society Toronto has created a two-year program to foster CFA Society Toronto female volunteers to develop new skills, be recognized as emerging leaders, and receive mentoring by prominent CFA charterholder executives. The program was created in partnership with Marg Franklin, CFA, who was awarded the Alfred C. "Pete" Morley Distinguished Service Award in early 2014.



Practical suggestions offered for senior leaders to effectively promote gender diversity included: increasing female representation on promotion committees, adding diversity metrics to the performance reviews of managers, spotlighting role models, and building mentor and support networks that can help women candidates rise to the top.

### **Panel 3: The new world order in practice**

#### **Participants:**

- Colleen Moorehead, Chief Client Officer, Osler, Hoskin & Harcourt
- Suni Harford, MBA, Regional Head of Markets for North America, Citigroup
- Patrice Merrin, former CEO of Luscar

One of the benefits of creating gender-diverse teams in today's environment is that the world has better data with which to make the business case. As an example, Suni Harford noted that women own half of the businesses in the U.S. and China. Furthermore, more than one billion women are expected to enter the workforce in the next decade. With these facts in mind, Harford contends that companies have to care about gender diversity because it represents a significant market opportunity.



*Suni Harford*



*Colleen Moorehead and Patrice Merrin*

To actually achieve the promise of that market opportunity, boards have a critical role in setting the intent to see that change occurs. By way of analogy, the panel pointed to the role that board intent has played in making safety a critical issue

in the extractive industries. In the past, safety wasn't always a top priority, but with direction from the top, safety has now become the number one reporting metric. Given the changes seen in corporate boardrooms over the past several years, it's difficult to imagine that the goal of gender diversity won't follow a similar trajectory to the top of the agenda of future board meetings around the globe. 

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