



Diversity Matters

~ CHANGING THE FACE OF PUBLIC BOARDS ~



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Maytree is a private foundation that promotes equity and prosperity through leadership building.

www.maytree.com

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INTRODUCTION

Each year, all orders of government appoint thousands of people to serve on the boards of public agencies, boards, commission and crown corporations (ABCCs). Governments also have a hand in appointing board members to quasi-public institutions including hospitals, postsecondary colleges and universities. Decisions about many aspects of our economic, social and cultural life are made on behalf of governments by these boards such as providing a national postal service (Canada Post), access to electricity (Quebec Hydro), affordable housing (community housing corporations) safe communities (police services boards) and preserving our historic treasures (the Manitoba Museum). The ABCC model is popular because representatives of the public are felt to be best equipped to make decisions in the public interest.

The effectiveness of public and quasi-public boards depends in large measure on the people who serve on them. In recent years, many governments across Canada have revised their appointments processes to make recruitment and selection more transparent and inclusive. But an analysis of appointments to public and quasi-public boards illustrates that visible minorities and immigrants are still underrepresented. The Maytree Foundation believes that public and quasi-public boards should be reflective of Canada's diversity. This publication is a resource to help those making decisions about appointments to public and quasi-public boards. It sets out the case for diversity, provides a practical plan of action to achieve diversity and includes examples of organizations' promising practices.

THE VALUE OF A DIVERSE BOARD

In a representative democracy like ours, those who act in the people's interest are chosen from among them and by them. In this context elected representatives make decisions on our behalf and the appointed boards of public and quasi-public organizations represent our interests in the decision-making processes.

But what does it mean to be representative in Canada today? Visible minorities now make up over 16% of the population. In our largest urban centres of Vancouver and Toronto they are 42% and 43% respectively.¹ Demographers advise that population growth will continue to come from immigration and Canada's future workforce and economic growth depend on this trend. Overwhelmingly, this immigration is from non-European countries and the majority of immigrants self-identify as visible minorities. Applying the principle of representative democracy should mean that the boards of our public and quasi-public ABCCs reflect this demographic shift.

Global companies have long recognized that diversity at the leadership level increases innovation, access to markets and consumer intelligence. In the public sector also there is a business case. Public and quasi-public ABCCs are in the business of providing service to the community, communicating information and managing scarce resources while building trust and confidence in the role of government in our daily lives. These boards can benefit from diversity. A literature review by The Maytree Foundation of a range of academic papers and case examples has shown that diversity strengthens a board and ultimately benefits its effectiveness.²

¹ *Statistics Canada. 2006 Census*

² www.maytree.com/policy-library/research-reference

1. DIVERSE PERSPECTIVES IN DECISION-MAKING WILL LEAD TO BETTER DECISIONS.

Diverse opinions can lead to productive discussions for addressing some key issues facing the organization. Diversity can create an atmosphere that prompts diverse thinking, cause others to question assumptions that may implicitly guide their reasoning, and can lead others to exchange and expand the criteria used to evaluate strategic alternatives.³

There are many examples of diverse leadership leading to better decisions. The Richard Ivey School of Business diversified its Advisory Council when it recognized the need to globalize its programs, adding members from US and Asia to develop its new strategic thrusts. The payoff was immediate, as it recognized that programs which were very popular in Canada would not be viable in Hong Kong but that there were enormous opportunities for a business school prepared to tailor an MBA program to the Southern China/Hong Kong market. As a result, Ivey has become the only business school in Greater China to be ranked among the world's top 25 educational institutions by graduates, alumni, recruiters and peers.⁴

³ Bernardi, Richard., & Bean, David., & Weippert, Kristen. (2005). *Minority membership on boards of directors: the case for requiring pictures of boards in annual reports*. CRITICAL PERSPECTIVES ON ACCOUNTING, 16(8), 1019-1033

⁴ www.ivey.uwo.ca/about/rankings.htm

2. A DIVERSE BOARD CAN HELP TO LEGITIMIZE THE MANDATE OF THE ORGANIZATION.

A board which reflects the diversity of the community it serves has more legitimacy in that community.

In Alberta, the regional Child and Family Services Authorities are structured to include designated board positions for Aboriginal community members. A large percentage of the children in care are Aboriginal and it is essential that important decisions about child welfare involve the leadership of that community. Aboriginal board members provide the Authorities with useful community insight and help to legitimize the role of the Authorities in the communities they serve. Alberta's model is transferable to other boards that serve visible minority populations. The Toronto Board of Health, for example, specifically recruits members from the racialized communities that it serves.

3. A DIVERSE BOARD CAN HELP BUILD SOCIAL CAPITAL AND COHESION AMONG DIVERSE POPULATIONS.

Social capital is the value of those networks and relationships which satisfy social needs and produce outcomes such as a sense of belonging, compliance with the law and trust in public institutions. Social cohesion is the capacity for cooperation and participation in a society. Diverse leadership within communities tends to increase the social capital and the social cohesion of those communities, helping to make them stronger and more able to participate in the leadership of the community.

The Town of Markham, Ontario, is one of Canada's fastest growing communities. During the period 1995 to 2006, the population grew 74% with most of the population growth coming from immigration. In 1995, Markham, created a Race Relations committee to address growing racial tensions within the town. The purpose of the committee was to gather information, listen to opinion and attempt to understand the concerns of the community so that the committee could advise and assist Markham's elected council in its efforts to achieve harmonious race and ethno-cultural relationships. Over the years this initiative has evolved to now include appointments to the town's board and committees.⁵ The strategy to diversify the composition of the town's boards and committees includes an analysis of how the town's departments provide services to its diverse communities, outreach to these communities and comprehensive training for appointees.

Similarly in British Columbia, the BC Board Resourcing and Development Office includes criteria such as 'community knowledge' and 'recognized community experience' in its notice of provincial ABCC vacancies as a means of attracting applications from diverse communities.

⁵ *Markham defines diversity as visible minority, seniors, youth, immigrants and those with disabilities.*

4. A DIVERSE BOARD CAN HELP FUNDRAISE MORE EFFECTIVELY.

Funders and donors respond positively to boards that have been striving to represent the diverse make-up of the community. And board members will be able to draw on a richer set of contacts to get new funding dollars.

The Ontario Science Centre, an Ontario Crown Corporation, raises over half of its annual budget of \$36 million from sponsorships, memberships and donations. The Science Centre's success at fundraising is in part the result of a strategic initiative to reflect the diversity of Toronto's donor population on its Board of Trustees.

(SEE ONTARIO SCIENCE CENTRE CASE STUDY ON PAGE 31)

The Action Plan to Achieve Board Diversity

Based on our analysis of the diversity strategies of a number of ABCCs, interviews with experts, practitioners and government officials and a literature review, we have identified the following steps to a successful board diversity action plan:

1. Make board diversity your public policy

A policy on diversity is the catalyst for change and signals that the organization owns the initiative.

2. Collect information to make decisions

Demographic information on your community and your organization will allow you to make informed decisions on how to promote diversity.

3. Set measurable goals

Measurable goals for visible minority participation focus your actions and allow you to assess progress.

4. Recruit for diversity

A recruitment system that is open, transparent and inclusive will attract the best possible candidates.

5. Accommodate diversity on your board

Ensure that your formal and informal governance systems encourage the participation and accommodation of all board members.

6. Report on progress

Illustrate your commitment and share promising practices by reporting on progress.

1. MAKE BOARD DIVERSITY YOUR PUBLIC POLICY

The first step an organization can take is to establish and publish a policy that supports diversity at the board level. Such a policy signals the organization's commitment to diversity, champions subsequent implementation and ensures sustainability. Creating a policy on diversity requires the organization to work through its strengths, its weaknesses, and its perceptions about threats and opportunities. Personal and organizational values and barriers that impede the participation of diverse communities must also be confronted and addressed. While such a process may seem challenging, it is necessary if the policy is to be owned by the organization and if actions to implement it are to be embedded and sustained long after the term of a single champion or advocate.

The federal government's appointment recommendations take into consideration the desire to ensure that Governor-in-Council (GIC) appointments reflect Canada's diversity, in terms of linguistic, regional and employment equity representation.⁶

A number of provinces have adopted and published policies that promote diversity. New Brunswick's policy states:

.....

“This appointment process will be open to all New Brunswickers, with special effort being made to promote diversity in appointments, so as to be inclusive of New Brunswick's two official linguistic communities, women, First Nations, persons with disabilities, visible minority groups and all regions of the province.”

GOVERNMENT OF NEW BRUNSWICK. (2006) IMPROVING THE WAY GOVERNMENT WORKS: GOVERNMENT RESPONSE TO THE FINAL REPORT OF THE COMMISSION ON LEGISLATIVE DEMOCRACY. NEW BRUNSWICK.

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⁶ *Government of Canada: (2007) Accountable Government: A Guide to Ministers and Secretaries of State, Annex C*

British Columbia's public appointments guidelines go beyond promoting diversity to prescribing ways and means to achieving it:

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“...the recruitment process should be undertaken in such a way that it facilitates the consideration of people from (these) minority populations based on the particular skill sets sought. The recruitment process should focus on a diligent search for candidates, including searching in non-traditional places, to ensure that qualified candidates are identified from many diverse communities.”

BC BOARD RESOURCING OFFICE. (2007) BC APPOINTMENTS GUIDELINES. GOVERNMENT OF BRITISH COLUMBIA

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Municipalities have also published statements on diversity. Hamilton city council made a commitment to diversity in its public appointments in 2001, which states in part:

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“Participation in the decision making process is a priority regardless of an individual's colour, race, gender, disability citizenship, sex, age, marital status, political affiliation, religion, language, ethnic origin, sexual orientation, creed, immigrant status, family status, same sex partnership, and gender identification.”

WWW.MYHAMILTON.CA/ACCESS

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In 2004, Montréal's city council declared that

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“Whereas the City wishes to engage municipal and borough elected officials, employees, para-municipal agencies and city-controlled corporations in an effort aimed at promoting principles and practices that value cultural diversity and inclusion.”

CITY OF MONTREAL. (2004) MONTREAL DECLARATION FOR DIVERSITY AND INCLUSION

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At the level of the organization, Harbourfront Centre, a non-profit cultural organization which creates events and activities to educate and entertain in the Toronto area, has adopted a policy that underscores its commitment to diversity and inclusion:

.....
“We want people of every background on our staff, our board and on all of our committees. We want their ideas and their input.”

WWW.HARBOURFRONTCENTRE.COM
.....

The Centre for Addiction and Mental Health is one of Canada's leading addiction and mental health teaching hospitals. In 1998, when the Centre was formed through the amalgamation of a number of mental health research and treatment facilities, it committed to creating an environment that welcomes diversity. From that core value, a comprehensive diversity strategy has been developed that engages all levels of the organization, including the Board of Trustees.⁷

The policy on diversity should be reinforced regularly in speeches by the leadership, in postings seeking applications for appointment to the board and in other public communications such as your website and newsletters.

⁷ www.camb.net

2. COLLECT INFORMATION TO MAKE DECISIONS

Do you know if your board reflects the diversity of the community it serves, its geographic region and its financial supporters? To answer this question and to take corrective action you need information.

Information on the demographic composition of your geographic community, and many specific client groups within that geographic community, can be sourced from Statistics Canada (StatsCan). The City of Toronto, for example, relied on StatsCan data to determine the diversity of the city's current population and future projections. Population trends indicated that by 2017 the city's visible minority population would reach over 50%. Armed with this information, the city analyzed the composition of board members on its ABCCs and determined that visible minorities were under-represented. This under-representation led the city to revamp its appointments processes. All applicants for appointment to city boards are now asked to self-identify if they belong to a diversity group (gender, age, race, disability status, sexual orientation). This information is tracked to determine if, in fact, the city is meeting its commitment to diversity but it also provides the city with a database of suitable candidates who are visible minorities. (SEE CITY OF TORONTO CASE STUDY ON PAGE 35) The City of Hamilton also asks applicants for the city's ABCCs to self-identify.

The City of Vancouver used StatsCan data to determine that visible minorities make up almost 50% of some of its communities and population trends are that they will soon become the visible *majority*. The Advisory Committee on Diversity Issues was established by city council in December of 2003. Its mandate is to work toward access to full participation in city services by Vancouver's diverse communities, including the multicultural, aboriginal and lesbian/gay/transgender/bisexual communities. The committee is also to identify and suggest solutions to gaps and barriers that impede their full participation in all aspects of city life.⁸

⁸ www.vancouver.ca/cityclerk/civicagencies/acdiv/index.htm

The Health Professions Appeal and Review Board and Health Services Appeal Board looked at StatsCan data to determine whether their boards reflected the diversity of Ontario.

Information can also be collected from appointees to ABCCs. Seneca College of Applied Arts and Technology⁹, an Ontario Crown Corporation, asks all new board members to complete a self-identification form, providing information on whether or not they belong to a visible minority. This information is used in the appointment and reappointment process. In 2007, 45% of the board identified themselves as being visible minority. The Government of Canada now asks all new GIC appointees to self-identify if they are a member of an equity group as defined by the *Employment Equity Act* (aboriginal peoples, members of visible minorities, persons with disabilities and women) but collects no information on applicants.

It is critical that governments, at every level, establish guidelines to collect information on membership in equity groups as part of the recruitment process for board appointments. Information collection is valuable to your diversity action plan for two reasons: First, it can inform policies and procedures to promote diversity among your boards; and, second, it can be an excellent database of candidates for boards seeking to diversify their membership.

⁹ *Seneca is Canada's largest community college at over 100,000 students from over 77 countries.*

3. SET MEASURABLE GOALS

What will your policy on diversity achieve without goals? Nothing! What gets measured is what gets done.

Even if your organization has committed to a policy of board diversity, you need to put policy into practice by setting goals and designing steps to achieve them. Setting a goal, which is a numerical target, signals that visible minority representation is a priority for your organization and also creates momentum behind actions to achieve this goal. The implementation of your strategy to recruit visible minorities is no different than any other strategy that you develop in your business planning. The same process applies: setting the goal; determining what has to be done; who has to do it; how it will be done; what the time frame is; what resources are needed, and, what success will look like.

The City of Sudbury's *Diversity Thrives Here!* initiative, designed to address multiculturalism issues in the recently amalgamated City of Greater Sudbury, resulted in a comprehensive action plan that identified measurable outcomes and action steps to achieve them.¹⁰ For example, the action steps around the goal of relationship building included: document existing materials that promote cultural diversity; work with partners to develop cultural diversity awareness programs; and, develop a collection of materials that highlight the contributions of the aboriginal, francophone and multicultural communities to the building of Sudbury.

¹⁰ *City of Sudbury. DIVERSITY THRIVES HERE! ACTION PLAN. July 04, 2005*

The Province of Quebec is the first government in Canada to set numerical targets for the participation of women on its public boards together with a timetable to achieve them. In 2006, Quebec announced a policy on governance reform that included the following statement:

“The government will enact rules to ensure that the various components of Quebec society are represented on the boards of government corporations and in 5 years there will be equal numbers of men and women on boards.”

GOVERNMENT OF QUEBEC. (2006) MODERNIZING THE GOVERNANCE OF GOVERNMENT CORPORATIONS: POLICY STATEMENT

As a result of this policy, twenty-three provincial corporations, such as Quebec Hydro and the Caisse de Depot et Placement du Quebec, will be required to have an equal number of male and female board members by Dec. 14, 2011.

4. RECRUIT FOR DIVERSITY

Does your board appointment process encourage visible minorities? Who is responsible for ensuring this? That depends on how your appointments are made. Usually, there are many layers in the process with the final approval in the hands of the government, under whose legislation your organization exists. For example, the Province of Ontario appoints approximately 4,300 people to serve on almost 630 ABCCs. All appointments are made following a recruitment and review process managed by the Public Appointments Secretariat, who is responsible to make recommendations to the Governor in Council. Most provinces, including British Columbia, Alberta, Nova Scotia and Quebec have similar centralized appointments management systems.¹¹

Recruitment almost always includes a public notice of vacancies, the collection of applications from the public and a screening process often involving interviews, competency tests and reference checks.

In major cities, such as in Toronto, Halifax and Vancouver, the responsibility for appointments rests with a special committee of city council with the support of the city clerk's office.

Quasi-public boards, such as hospitals and some post-secondary colleges and universities have mixed systems. Board members are recruited through a variety of sources including directly by the board, by government and by appointment as representatives of employee, alumni or student associations.

Regardless of the process, the boards and the senior management of these ABCCs do have important input to who ends up sitting on their boards. Often, they provide the government with lists of skills required of new appointees and these are used to find a match in the database of applicants. They may even prepare drafts of the public notice of vacancy and, in other cases, the ABCCs board undertakes its own recruitment process and submits a list of screened candidates for review and approval by the government authority.

¹¹ *Board Resourcing and Development Office in BC; the Agency Governance Secretariat in Alberta; and, the Executive Council in Nova Scotia.*

The Board of Governors of Seneca College of Applied Arts and Technology is appointed by the Council of Regents, a provincial body charged with overseeing Ontario's colleges. Seneca actively recruits for board members and submits proposed names to the Council of Regents for final approval. Based on a detailed competency matrix of skills and experience needed to complement the existing board, Seneca has developed a very sophisticated process. The college solicits applicants from its alumni, from major employers of its graduates and from its education partners both in Canada and abroad.

Regardless of who is involved in the appointments process, all must assume responsibility for openness, transparency and inclusiveness. Notices of vacancies must clearly state who is eligible to apply and what mix of skills and experience is required. For example, Canadian citizenship is not a requirement for most provincial and municipal ABCCs board appointments and for appointments to quasi-public boards but if this is not stated, it could be a deterrent. Likewise, the skills, knowledge and experience requirements must be carefully considered to ensure that they are consistently inclusive in their language and relevant to the mandate of the ABCC. When the Toronto Board of Health made a decision that 50% of their appointed members would be from racialized communities, the selection committee began looking more closely at the applicants' knowledge of the community and experience working and volunteering in multi-cultural environments.

If the ABCCs mandate is a local one, such as a housing authority or library board, does the appointment process include outreach to diverse communities? Are notices of vacancy placed in local community media? Is the notice translated into other languages to capture the linguistic diversity of the community and is there outreach to local community groups who are involved in the community?

Getting the fundamentals right on an inclusive recruitment process is an essential step in your diversity action plan.

5. ACCOMMODATE DIVERSITY ON YOUR BOARD

Is your board inclusive in its practices and its culture? A board that accommodates diversity is one that has an effective governance system in place, invests in training and works to continuously improve its performance. Characteristics of a board that accommodates diversity are:

I. BOARD MEMBERS UNDERSTAND THEIR ROLE IN THE ORGANIZATION

The board of a public or quasi-public corporation has four major roles. These are: to set the strategic direction of the organization; to be accountable for the use of resources – money, people and equipment; to manage the organization through recruitment and assessment of the chief executive officer; and, to represent the organization to the public. As part of its recruitment process, the City of Toronto provides an information session for all interested residents on what is expected of a board member on a city ABCC. Toronto has found that providing this information has helped demystify expectations and has helped to expand recruitment to diverse communities.

II. CREATES FORMAL AND INFORMAL GOVERNANCE PROCESSES THAT ACCOMMODATE DIVERSITY

Governance is the process through which an organization makes decisions that direct its efforts. The process of governance – the taking of decisions and rendering of account – typically rests on a *governance system* or framework. The *formal* elements of this system – constitutions, bylaws, policies, meeting procedures – define how the process is supposed to function in a particular setting. But in practice, the *informal* traditions, accepted practices, or unwritten codes of conduct

that people follow are often equally important in determining how governance works.¹² And it is these informal systems that can determine who has power and how it is shared around the board table. An effective governance system encourages constructive debate and analysis, is consensus oriented but accommodates diversity of opinion, is transparent, accountable and responsive to its community. Understanding how to maneuver within a formal governance framework is an important first step in creating an inclusive environment. Equally important is ensuring that the organizations informal governance creates an environment that allows everyone to develop to the fullest potential and in which a culture of respect and appreciation prevails.

Many boards provide orientation for their members and these usually include information about the formal governance system including the legal framework of the organization, bylaws or policies that have been developed by the board and the procedures regarding how a board makes its decisions.¹³ Diversity trainings sensitizes participants to inequalities and the mechanism of exclusion within themselves and within society and provides them with instruments to counteract these mechanisms appropriately. The teaching of certain social skills to counteract exclusion is an essential part of a diversity training. Topics that can be covered in diversity trainings include racism, xenophobia, sexism, islamophobia or homophobia.

The Town of Markham, Ontario provides training to its boards on both formal and informal governance with the goal of accommodating diversity around the board table. Markham's orientation includes how to navigate through formal meeting procedures and, in addition, how to be effectively communicate in cross-cultural environments as part of its diversity training.

¹² Plumtre, Tim. (224) *WHAT IS GOVERNANCE?* Institute on Governance. www.iog.ca

¹³ *The Canada School of Public Service offers a comprehensive training program for board members of federal Crown Corporations* www.cspc-efpc.gc.ca

As the Markham example illustrates, the challenge for a board that is diversifying its membership is to also explore how to analyze and adapt its informal traditions to remove barriers to acceptance and participation.¹⁴ The First Nations Statistical Institute, FNSI, a newly formed federal Crown corporation, has been created to provide statistical support to First Nations and also to provide data navigation, analysis and interpretation, and capacity training for First Nations communities. Board members are GIC appointees. Because FNSI works in and for the aboriginal community, the board agreed to use a traditional medicine wheel approach to analysis and decision-making. First Nation Elders were brought in to provide training to all board members and meetings are structured to reinforce this approach. Board meetings are held on traditional aboriginal lands; Elders open and close meetings according to local tradition; and, representatives of the host aboriginal community provides an overview of the history and current issues within the community. During each board meeting, time is set aside to meet with the host community in a cultural setting. Within this culture of accommodation, FNSI still complies with all the legal, financial and reporting requirements of a federal Crown corporation.

III. SHARES A VISION OF THE ORGANIZATION'S GOALS AND MISSION

One method of creating an environment of inclusion is to create a common view of the mission and vision of your board. A commitment to a common vision is powerful as a framework to focus the board's attention on what is held in common rather than what the differences are around the board table. Most public and quasi-public organizations undertake strategic planning exercises. The Toronto Board of Health includes a board retreat as part of its board orientation and planning cycle where members develop a shared vision for the organization. They have found that agreeing to goals creates cohesion within the board.

¹⁴ *Maureen Brown, DiversityTrainers, personal communication, Oct. 08, 2008*

IV. INFORMS AND ENGAGES MEMBERS

Effective boards provide their members with accurate, concise and fact-based information for decision-making. Board agendas link directly to strategic goals and governance priorities and board meetings concentrate on matters that involve interactive discussions and deliberations, rather than listening to reports and presentations. A board that accommodates diversity will present information and design deliberations so that all board members have an equal opportunity to participate.

V. COMMITS TO CONTINUOUS IMPROVEMENT

Boards that design their governance carefully, implement it rigorously, and seek ways to improve their ability to do so on a continuous basis are likely to be effective and inclusive. Continuous improvement includes the following:

- Active recruitment to attract the best qualified board members from the broadest possible sources to ensure diversity;
- Orientation process and mentoring support for new board members that includes diversity training
- On-going board evaluation: how well are we doing and how can we improve? Are we accommodating all of our members?
- A succession plan for board officers and committee leadership positions that takes into consideration the diversity of its members.

The Government of Alberta has committed itself continuous improvements for its public agencies. It has announced that it will introduce a legislative framework for the governance of public agencies that will include a requirement to provide orientation training and development programs for those involved in public agency governance.¹⁵

A benefit of a board that accommodates diversity is an organization that is ultimately better equipped to serve its community.

¹⁵ *Government of Alberta. (2007) GOVERNMENT RESPONSE TO ALBERTA BOARD GOVERNANCE REVIEW TASK FORCE*

6. REPORT ON PROGRESS

Citizens expect accountability from their governments and one way of meeting this expectation is to report progress on policy initiatives. Reporting accurately and consistently on progress toward stated policy objectives demonstrates transparency and builds public confidence. At the same time, these reports provide the opportunity for assessment of whether or not the mandate is being delivered on and if corrective action needs to be taken.

Both governments and ABCCs in the public and quasi-public sector have reporting responsibilities.

The ABCC should report on who the members of their boards of directors are. The annual report is most often the vehicle for public reporting and, at a minimum, the names and titles of board members together with professional biographies and photographs should be provided. Websites and newsletters are another opportunity for public reporting. Canada Post Corporation¹⁶, a federal Crown corporation, the British Columbia Securities Commission¹⁷, an agency of the government of British Columbia and the Edmonton Police Commission¹⁸, a municipal ABCC post the names, biographical information and photos of board members. The Sick Kids Hospital¹⁹, a quasi-public ABCC in Toronto, includes board biographical information in its annual reports.

¹⁶ www.canadapost.ca/Aboutus/Governance

¹⁷ www.bcsc.bc.ca

¹⁸ www.edmontonpolicecommission.com/content

¹⁹ www.SickKids.ca/annualreport2005_2006

Governments – municipal, provincial, federal – are responsible to report overall progress on public appointments and this reporting could include the overall numbers of visible minority appointments. A variety of reporting mechanisms currently exist in at all levels of government:

I. REPORTING AS A REQUIREMENT OF POLICY

A federal, provincial or municipal diversity policy can include a requirement to report on results. For example, Sudbury's *Diversity Thrives Here!* policy requires that the community's Diversity Panel report annually to city council on progress. The federal government's governance reform policies announced in 2005²⁰ specifically remind Crown corporations of the requirement to report annually to Parliament and that these reports should include Management Discussion and Analysis (MD&A) sections to address non-financial issues. Progress on diversity policies could be included in these MD&A reports.

Provincial secretariats such as BC's Board Resourcing Office and Ontario's Appointments Secretariat could report annually on progress on all GIC appointments, including on the appointment of members of equity groups.

Municipal city clerk's offices could report annually to council regarding compliance with policy including appointments and municipalities have been encouraged by organizations such as the Chartered Accountants of Canada and the Government Finance Officers Association (GFOA) to include a MD&A section in annual reports for the benefit of residents and stakeholders. Progress on policies to promote diversity could be included in these MD&A reports.

²⁰ *Treasury Board Secretariat of Canada. (2005) MEETING THE EXPECTATIONS OF CANADIANS, Treasury Board*

II. REPORTING AS A LEGAL REQUIREMENT

At the federal and provincial level, the central agencies and line departments of government are legally required to report to their respective legislatures on a host of government management issues on an annual basis. These reports could include information on appointments to boards of ABCCs including progress on appointments from identified equity groups.

III. AUDITOR GENERAL REPORTS

Auditors General's (AGs) offices at the federal and provincial level are independent sources of objective and fact-based information that legislatures need to fulfill one of its most important roles: holding governments accountable for stewardship of public funds. Although their mandates vary across the country, they usually include performance and management audits of ABCCs of the Crown. Some of the audits are performance audits and AGs could audit policies on appointments in the context of promoting accountability and encouraging positive change in the stewardship, management and use of public resources.²¹

The Auditor General of Canada has reported to Parliament on diversity in appointments to the boards of federal Crown corporations. Her report of 2000 noted improvements to gender balance and geographic representation in appointments to boards of Crown corporations.²² No comment was made on the government's commitment to make appointments more representative of visible minorities, aboriginal peoples, and people with disabilities, possibly because no data existed for analysis. Once governments begin to collect such data, Auditors General could, in the future, report on progress in appointing visible minorities.

²¹ *The mission of the Office of the Auditor General of Newfoundland and Labrador includes 'promoting accountability and encourage positive change in the stewardship, management and use of public resources' See www.ag.gov.nl.ca/ag*

²² *Auditor General of Canada. (December, 2000). Report of the Auditor General of Canada. Chapter 18; Crown Corporation Governance*

C O N C L U S I O N

Canada deserves the best possible representation at the leadership of its public and quasi-public ABCCs. Diversity on boards will equip ABCCs to give advice to governments, to provide public services and to make those important decisions that affect our daily lives more effectively.

This action plan has been developed based on our analysis of the experiences of numerous public and quasi-public organizations who have proactively pursued board diversity and the government policies that have facilitated them. Our plan recognizes that the responsibility for achieving diversity is a shared one between governments and their ABCCs.

Promising Practices: the Action Plan in Practice

Following are examples of organizations successfully achieving diversity on their boards of directors. These case studies are provided as illustrations of promising practices in the application of our action plan.

The Ontario Science Centre:

Diversity as an International and Local Strategy

City of Toronto:

A Municipal Strategy to Reflect the Community

Toronto Board of Health:

Toronto City Policy in Practice

York University:

A Board to Advance the Mission of Diversity

THE ONTARIO SCIENCE CENTRE:

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Diversity as an International and Local Strategy

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THE ONTARIO SCIENCE CENTRE ACTION PLAN CHECKLIST

1. Make board diversity your public policy



No formal policy. Chair and CEO champion diversity

2. Collect information to make decisions



Used data on demographics of Toronto

3. Set measurable goals



Target: majority of new appointments from diverse communities

4. Recruit for diversity



Connections to the community served added to required qualifications for new board members

5. Accommodate diversity on your board



Full orientation program provided. Mentoring programs under consideration

6. Report on progress



Annual report lists board members

THE ONTARIO SCIENCE CENTRE AT A GLANCE:

The CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY, more commonly known as the ONTARIO SCIENCE CENTRE (the OSC), was established by the Province of Ontario as a crown corporation (Centennial Centre of Science and Technology Act, R.S.O. 1990) to commemorate the centennial of Canadian confederation. Its mandate is to create a science museum that showcases Ontario's role in science and technology, to conduct science education programs and to stimulate public interest in the relationship of science to society. The OSC collects and exhibits objects and displays, markets and sells exhibits; provides consulting services; and, maintains and operates the OSC and its facilities.

The mission adopted by the OSC is, "To delight, inform and challenge visitors through engaging and thought-provoking experiences in science and technology." More recently the OSC has established that it uses science as the lens to inspire and actively engage people in new ways of seeing, understanding and thinking about themselves and the world around them.

The Centre's annual budget is approximately \$36 million, half is appropriated by the provincial legislature and half is raised through sponsorships, memberships and donations.

The affairs of the OSC are governed by a Board of Trustees consisting of not less than 16 but not more than 26 members. They are appointed by the Lieutenant Governor in Council according the Province of Ontario's appointment process. They serve for terms not exceeding three years but may be reappointed for subsequent terms. The Board of Trustees meets four times per year.

PROMISING PRACTICES IN DIVERSIFYING THE ONTARIO SCIENCE CENTRE'S BOARD OF TRUSTEES

By any measure, the Ontario Science Centre is an example of success among Canadian cultural institutions. Since its opening in 1969, it has become a popular attraction for both residents and visitors to Toronto. Its exhibits, educational offerings and special events appeal to a broad range of interests from families with young children to science and technology experts and researchers. In addition to continually raising over half its annual operating budgets from non government sources, the OSC recently completed a successful \$47.5 million *Agents of Change* campaign which has transformed the OSC into a 21st Century state-of-the-art facility. In the summer of 2008, the OSC played host to the 5th Science OSC World Congress, illustrating its stature within the global science museum community.

For many years the OSC has been actively committed to creating a welcoming space for, and a reflection of, the diversity of its visitors. The OSC is a destination for visitors from around the world but it also sees itself as a community facility within Flemingdon Park, one of the most racially and culturally diverse neighbourhoods in Toronto. In 1996 the OSC opened an exhibition entitled *A Question of Truth* which challenged broadly held beliefs about the differences between people and explored how such beliefs and biases influence science. The OSC had long been committed to diversity in employment practices, in programming and in its exhibits. In the last few years, the chair and the CEO acknowledged that the next step was to create a Board of Trustees that was reflective of the diversity of Toronto, its donors, its employees, its volunteers, and its visitors.

The board diversification strategy began with an assessment of the skills needed for board members in general and, more specifically, those needed to fill upcoming vacancies. Fundraising, financial management, communications and marketing and science knowledge and skills continued to be important. Connections to the diverse communities that the OSC serves and a commitment to corporate social responsibility were added to the list. Armed with this revised checklist, the chair of the board and CEO reviewed applications received through the Province of Ontario public application process, sought the advice of the Maytree Foundation, and invited recommendations from members of the board and senior management team and their networks. From this process a number of qualified candidates were identified. All potential candidates met with the chair and CEO to explore their interest in the mission of the Ontario Science Centre. Following these meetings, the chair of the board recommended individuals for appointment to the Minister of Culture, who ultimately makes recommendations to Cabinet. Using this process, five new appointments have been made in the past eighteen months of whom three are members of visible minorities.

The Ontario Science Centre is committed to continue to support diversity in its appointment and orientation processes with the aim of ensuring that its board reflects the new Ontario. To support board members once appointed, a full orientation program is now offered. A formal mentoring system, whereby new board members would be paired with experienced board members is also under consideration.

The Ontario Science Centre is an example of an organization that has leveraged diversity initiatives to strengthen both its international reputation and its support in the community.

CITY OF TORONTO:

A Municipal Strategy to Reflect the Community

THE CITY OF TORONTO ACTION PLAN CHECKLIST**1. Make board diversity your public policy**

- City council diversity policy approved in 2006

2. Collect information to make decisions

- Stats Can data on population and data on diversity of appointments collected
- Voluntary and confidential diversity questionnaire in the application form

3. Set measurable goals

- Appointments = % in the population

4. Recruit for diversity

- Advertise with diverse communities
- Advance outreach to equity-seeking groups who were under-represented
- Use self-disclosed diversity information

5. Accommodate diversity on your board

- Diversity training included in orientation
- All ABCCs must have policies in place to meet equity needs of board members

6. Report on progress

- Progress reported to city council
- Report diversity data in summary form at each stage of the selection process (applicant pool, short-listed candidates, appointed members).

THE CITY OF TORONTO AT A GLANCE: CANADA'S LARGEST AND MOST DIVERSE CITY

The City of Toronto is Canada's largest urban centre with a population of over 2.5 million people. Recognized as the nation's commercial, financial and industrial centre, more people live in Toronto than the four Atlantic Provinces combined and Toronto's annual budget makes it the fifth largest government in Canada.

Originally the British colonial Town of York, immigration starting after World War II has made Toronto one of the most multicultural cities on the planet. According to 2006 Statistics Canada data, almost 43% of Toronto's population is visible minorities.

PROMISING PRACTICES IN BOARD DIVERSIFICATION

The City of Toronto appoints 282 community members to 29 city boards during each term of Council. In 2006, city council adopted a civic appointments policy that makes public appointments processes accessible and equitable for all residents. The policy's objective is to attract qualified board members who also represent the geographic and demographic diversity of the community. As part of the application process, applicants are asked to self identify whether or not they belong to a diversity group (gender, age race, disability status, sexual orientation).

As part of the new approach, the city conducted an analysis of how well they were meeting the policy. For each diversity group, the percentage of total board members appointed was compared to their percentage of the population of Toronto according to StatsCan data. The analysis determined that the appointments of women, youth and East and Southeast Asian groups were lower than their population representation. Significantly, it was also found that these groups were not applying for positions.

To increase the number of applicants from these underrepresented groups, the city undertook extensive consultations with diverse communities across Toronto. As a result, procedures were put in place to clarify and simplify the application process as follows:

- information about the application process was posted on the city website;
- the city advertised in a variety of languages in the ethnic press;
- a special brochure was distributed at various major gatherings of diverse communities such as the Toronto Pow-wow and Life Fest;
- the name of the appointments committee was changed to the Civic Appointments Committee from the Citizen Nominating Committee to underscore the fact that the process was open to all residents, not just Canadian citizens; and,
- to demonstrate the importance of diversity in appointments, the Deputy Mayor was appointed to Civic Appointments Committee.

A review of progress in 2007 indicated that the number of applicants increased from 515 received in 2004 to 1,316. The percentage of short listed applications from the targeted diversity groups increased only slightly but that the number of applicants from racial minorities increased from 8% to 30%. The city is confident that with an earlier recruitment campaign and more creative recruitment efforts, steady improvement in the number of candidates short-listed from the diversity groups will follow.

As part of the board orientation process, the city's policy provides that there be specific training on diversity issues and the boards' responsibilities to provide access and services to diverse communities. In addition, the City of Toronto requires that its ABCCs have policies in place to meet equity needs of incoming board members.²³

As next steps, the city plans to expand its diversity analysis to include the 703 members of the 73 city boards that are recruited and nominated by local communities such as Business Improvement Areas, local arenas and the Association of Community Centres.

Toronto's experience demonstrates that establishing targets for change and measuring progress provides incentives for change.

²³ www.toronto.ca/legdocs/mmis/2008/ex/decisions/2008-06-26-ex22-dd.pdf

TORONTO BOARD OF HEALTH:

Toronto City Policy in Practice

THE TORONTO BOARD OF HEALTH ACTION PLAN CHECKLIST

1. Make board diversity your public policy



Yes, passed motion at the Board

2. Collect information to make decisions



- Stats Can data on population
- Self identifying data from applications

3. Set measurable goals



50% of new members from racialized communities

4. Recruit for diversity



Advertised in ethnic media and through community organizations

5. Accommodate diversity on your board



Formal training and mentoring program

6. Report on progress



Board members publicized on website

THE TORONTO BOARD OF HEALTH AT A GLANCE:

The Toronto Board of Health provides public health programs and services targeted at disease prevention, health promotion and health inspection. Its board consists of 13 members: 6 members of council, 6 members at large appointed through the civic appointments process and 1 representative who is a school board trustee. The board manages a budget of over \$210 million and a staff of over 2,000 employees.

PROMISING PRACTICES IN ENGAGING VISIBLE MINORITIES

In 2006, the board passed a motion requiring that 50% of the new appointed members be from racialized communities. Racialized communities were defined as communities that were differentiated or categorized according to race. Evidence indicates that immigration status and race both have an impact on health and the board felt that it could improve public health outcomes by improving its communication with as many cultures as possible.

Armed with these new criteria, the board augmented the City of Toronto recruitment process by advertising in the ethnic media and by notifying a wide range of community organizations that they were looking for candidates. When the applications came in the selection committee noted that they had to develop a whole new discipline around assessing skills and qualifications. Where previously resumes were checked against a standard checklist, now the selection committee also assessed skills and experience such as knowledge of the community and experience working and volunteering in multi cultural environments.

“The whole process took a great deal more time as we had to develop a whole new set of lenses to assess potential candidates. It really was far more in-depth the way we assessed each candidate and what that person could contribute to the board.”

COUNCILOR GORDON PERKS, HEALTH BOARD MEMBER

As a result of the Board of Health’s policy and the targeted recruitment campaign, the 50% target was achieved.

Once appointed, all new board members receive an orientation briefing by staff. The board has also instituted an informal mentoring system where new members are paired with experienced members. Once in every term, a board retreat is organized to think through goals and objectives and to develop a team spirit within the board.

One of the issues that the board addressed in setting its 50% target was concern over sacrificing quality for diversity. The fact that many candidates, with excellent qualifications applied, put that concern to rest.

YORK UNIVERSITY:

A Board to Advance the Mission of Diversity

ACTION PLAN FOR BOARD DIVERSITY

1. Make board diversity your public policy

 York's mission statement and Board protocol

2. Collect information to make decisions

 York uses demographic data on City of Toronto and collects data on its student population

3. Set measurable goals

 Target is to reflect student population and geographic community

4. Recruit for diversity

 Appointment criteria includes under-represented communities

5. Accommodate diversity on your board

 Orientation provided to all new Board members

6. Report on success

 Board member bio and photos posted on website

YORK UNIVERSITY AT A GLANCE:

York University, located in Toronto, is Canada's third largest university with over 50,000 full and part-time students from more than 155 countries.

York's Board of Governors consists of: the Chancellor and the President, who are *ex-officio* members of the board; six internal members nominated by the University Senate (two members), Student Senator Caucus (two students) and non-academic staff (two staff); and, up to 24 external members, including 2 nominated by the York University Alumni Association and the remainder proposed by the Governance and Human Resources Committee of the board (22 members). External members are chosen from the Arts, Business, Industry, Labour, Professions, Sciences and the community at large. Two-thirds of the members of the Board of Governors must be Canadian citizens.

PROMISING PRACTICES: THE COMMUNITY AND THE ALUMNI AS A TALENT POOL FOR BOARD DIVERSITY

Since the creation of the university in 1959, a goal of the Board of Governors has been to reflect in itself, the communities in which the university exists and from where it draws its students. Multiculturalism and diversity are key elements of York's mission statement, which states in part:

“York University is part of Toronto: we are dynamic, metropolitan and multi-cultural. York University is part of Canada: we encourage bilingual study, we value tolerance and diversity. York University is open to the world: we explore global concerns.”

The board has appointed leading members of the many cultural communities in the Greater Toronto Region to serve as governors. It was the first Canadian university to have a Chancellor who was African-Canadian when Oscar Peterson served in the late 1980's. For at least 40 years it has had women governors and at this time, women make up 37% of the board, a much higher percentage than on most university boards.

Since 1994 a formal protocol has been in place regarding the composition of the board and its roles and responsibilities. Governors are to build strong relationships with York's 'communities' to advance the University and its mission. These 'communities' are defined as the geographic community in which York is situated and the communities from which it draws students, staff and donors.

In choosing new governors, the board undertakes a gap analysis to determine what the needs of the University are and how these needs complement skills and capabilities that already exist on the board. A special effort is made to find individuals who not only possess the best qualification to fill the identified gaps, but who also come from particular minority or under-represented groups.

The board's Governance and Human Resources Committee reviews membership and balance on the board and recommends new appointments to the Executive Committee. As vacancies occur, the committee actively seeks candidates who meet both experiential and diversity criteria from its community and from its alumni. In the last 3 years 5 persons, representing 50% of new external governors, are members of visible minorities.

Through strategic outreach to local communities, staff, alumni and students, York has been able to create a truly diverse board.



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