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RE: Request for Comments OSC Staff Consultation Paper 58-401
Disclosure Requirements Regarding Women on Boards and in Senior Management

SUMMARY

While I support the OSC's and the Premier's desire to increase the number of women on boards and senior management, the introduction of comply or explain, or even quota systems, although they may achieve some degree of mandated equality will not achieve real equality for women in the workplace. This is because these approaches ignore the underlying reality that on the whole women are less likely to be employed in the work force than men, and even when they work full time they work, on average, far fewer hours than men. As a result, while there are many qualified women there is still a much smaller pool of experienced female candidates for these positions, than there are men.

This is not because of the abilities of women, but rather due to the roles that women and men take on in our society. Statistics show that men participate more in the workplace, while women do more than their fair share of the child care and household chores. This is the reality and also unfortunately the societal expectation. As there are only 24 hours in a day, one cannot expect that women will ever participate to the same level in the workplace, until men are expected to, and do actually take on an equal share of child care and household duties.

As a consequence women remain under-represented in senior management and on boards, and men remain under-represented as primary parents. Just as men can be capable parents, women have the capability to take on senior management and board roles. Just as society still looks askance at stay at home dads, and divorcing men are often asked why they would want an equal share of the custody of their children, women are often still not given the proper amount of respect in the workplace.

The societal changes that are necessary to promote women in the workplace cannot happen if one addresses only half the equation, and ignores the fact that perhaps the biggest factor holding women back in the workplace is the disproportionate amount of time they on average currently spend on childcare and household work.

One needs only look at the example of Norway, Sweden, and Finland, which have the highest percentage of women as board members, and consistently rank in the top ten in terms of gender equality as determined by the UNDP Human Development Reports. All three countries have father friendly parental leave policies. In these countries comply or explain policies, or in the case of Norway quotas for female board representation, are complemented by father friendly parental leave policies which are leading to social change.

Social change is necessary if we are to achieve true equality. As long as women, on average, are spending more time on child care and household chores, they will be under-represented in senior roles in the workplace.

We will not achieve true equality in the workplace, until we achieve equality in the home.

I realize that the payment of benefits during parental leave is a federal issue governed by the Employment Insurance Act, and thus beyond the purview of the OSC and Ontario government. However, if the Ontario government and the OSC are really serious about gender equality, I would recommend that in addition to a comply or explain policy, that you lobby the federal government to introduce a policy which allocates a portion of the benefits payable during parental leave exclusively to fathers in a similar manner to what is done in Sweden Norway and Finland. This will send a clear message that fathers are expected to take time off work to care for their children and make it socially acceptable for men to take parental leave. Having taken parental leave men will become more involved as parents, and are more likely to continue to be involved in childcare as the children grow-up.

Over time this will free up time for women to be more involved in their careers and lead to real instead of mandated equality in the work place.

In the interim I urge that that if you are really serious about showing leadership in this important issue, that you go one bold step further and introduce for your own staff a parental leave policy which allocates a portion of any top-up to the federal parental benefits paid by you as employers, exclusively to fathers.

SOCIETAL GENDER ROLES AND EXPECTATIONS

There can be no dispute that there is a serious under-representation of women on boards and in senior management in Canada. This is a fundamental societal issue, based on gender roles and life choices people make to meet societal expectations.

Unfortunately, in our society the norm is still that women are still the ones, in most cases, who are the primary parent, while men spend more time on work and work related activities. This is unfortunately a societal expectation and reality.

Statistics Canada data for time use by Canadians in 1998₁ by gender and role (Table 1) reveals the during their prime parenting and career developing years between the ages of 25-44, married male parents with spend 1.4 hours more a day on work and work related activities than do married female parents. Similar discrepancies are noted for non-parents in this age bracket, although the disparity is less. Interestingly there are no statistics for male lone parents, possibly because this category of person is even rarer than females in senior management and as directors.

Table 1. Average time spent on selected activities by people in full time employment aged 25-44 by sex and role group, Canada, 1998.

Average time spent on selected activities by people in full time employment aged 25-44 by sex and role group, Canada, 1998												
Hours per day averaged over a 7 day week												
	Total Work		Paid Work and Work		Unpaid Work		Personal Care					
	Female	Male	Related Activities		Female	Male	Total		Sleep		Free Time	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Lone Parent	10.7	ND	6.3	ND	4.4	ND	9.7	ND	7.6	ND	3.6	ND
Married Parent	10.5	10.3	5.5	6.9	4.9	3.3	9.9	9.6	7.8	7.5	3.6	4.2
Married non-Parent	9.6	9.4	6.2	7.1	3.2	2.3	10.1	9.7	8	7.8	4.3	4.9
Unmarried non-Parent	8.7	8.7	5.8	6.7	2.7	2	9.8	9.6	7.9	7.7	5.5	5.6

ND=No Data
Source: Overview of the Time Use of Canadians in 1998, Statistics Canada, Catalogue no. 12F0080XIE
Full time employment = >=30 hours per week

What this data shows is that over the 20 year span between age 25 and 44, the average male would amass 4 to 6 years more work and work related experience (based on 7 hour work days, 5 day work weeks, and 48 week work years), with the greatest disparity being among married parents.

While the data for 2010 is not broken down into roles and age groups in as much detail as it was in 1998, the 2010 report on Time Use by Canadians₂ notes that:

- *Men remained more likely than women to spend time on paid work and related activities. Nonetheless, the gap between the sexes continued to narrow. In 1998, 51% of men spent time on these activities on the diary day, compared with 36% of women, a difference of 15 percentage points. In 2010, these proportions were 49% for men and 39% for women, a 10 percentage point difference.*
- *In 2010, women were more likely than men (91% versus 81%) to have done household work on the diary day. The average length of time men spent doing household work increased from 2 hours and 51 minutes per day in 1998 to 3 hours and 4 minutes in 2010. For women, the average duration remained unchanged at 4 hours and 15 minutes per day.*
- *Men spent 14 minutes less per day on paid work and related activities in 2010 than in 1998. In contrast, the amount of time women spent on such activities remained stable between the two survey years at just over 7 hours and 40 minutes per day. In 2010, men spent, on average, 8 hours 36 minutes on paid work and related activities, 53 minutes longer than women.*
- *Among those who did unpaid work such as household work, childcare, and civic and voluntary activities, men increased their time on these activities by 15 minutes between 1998 and 2010, while the situation of women remained nearly the same. In 2010, women spent, on average, 4 hours 38 minutes on unpaid work, 1 hour and 13 minutes more than men.*
- *Regardless of the child's age, women spent more than twice as much time on their care as did men. For example, the total time women spent on children aged 0 to 4 was 6 hours 33 minutes per day. For men, the corresponding duration was 3 hours 7 minutes.*
- *These differences between men and women were only partly attributable to more men working full time. Women with young children who worked full time (30 or more hours a week) spent a total of 5 hours 13 minutes a day on childcare. In comparison, men in the same situation spent 2 hours 59 minutes taking care of their children.*

It is clear from the above, that while the trend between 1998 and 2010 is for men to spend less time at work and more time on unpaid work, change is happening slowly.

Interestingly, the additional 15 minutes men are spending on un-paid work such as childcare corresponds almost precisely with the 14 minutes less men are spending on paid work and work related activities. Women, however are still, on average, spending far more time on childcare and household work, and correspondingly less time on work and work related activity.

We should not be surprised therefore, that men are under-represented as parents, and women are under-represented in senior management roles.

Although there is no data on what percentage of men are the primary parent in two parent families, Statistics Canada data for 2011, (Table 2), shows that only about 21.4 % of lone parent families are headed by male parents, versus 18.7% in 2001, an increase of 14.3%

Table 2

Distribution (number and percentage) of lone parent families, Canada, 2001 to 2011							
Census family	2001		2006		2011		Percentage
	number	percentage	number	percentage	number	percentage	Increase 2001-2011
Lone-parent families	1,311,190	15.7	1,414,060	15.9	1,527,840	16.3	
Female parents	1,065,360	12.7	1,132,290	12.7	1,200,295	12.8	
Male parents	245,825	2.9	281,775	3.2	327,545	3.5	
Percentage Male Parents	18.7%		19.9%		21.4%		14.3%

Source: Portrait of Families and Living Arrangements in Canada, 2011 Census of Population Families, households and marital status
 Statistics Canada, Catalogue no. 98-312-X2011001

Similarly, Statistics Canada Labour Force data (Table 3) showed that women held 28.7% of senior management positions in 2011 versus 24.0% in 2001, an increase of 19.5%.

Table 3

Labour force survey estimates (LFS), by National Occupational Classification							
Senior management occupations (average monthly)	2001		2006		2011		Percentage
	number (000s)	percentage	number (000s)	percentage	number (000s)	percentage	Increase 2001-2011
Both Sexes	71.1	100.0%	91.5	100.0%	78.2	100.0%	
Male	54.0	75.9%	67.4	73.6%	55.7	71.3%	
Female	17.1	24.0%	24.2	26.4%	22.5	28.7%	19.5%

Source: Statistics Canada, CANSIM, "Table 282-0009: Labour force survey estimates (LFS), by National Occupational Classification for Statistics (NOC-S) and sex, unadjusted for seasonality, monthly."

Clearly in both cases progress is being made, albeit slowly, with women in the workplace faring slightly better than men as parents.

Because of the current reality that on average, women work less, and men spend less than their fair share of time on childcare and household work, women who want to dedicate themselves to their careers, still face barriers in spite of their abilities and dedication, due to a societal expectation of their gender role. Similarly, men in spite of their abilities as parents are expected to be less engaged as parents and are expected to give up family time for work.

Ivan Glasenberg, CEO of Glencore, one of the world's largest mining companies stated, when recently asked in an interview with The Wall Street Journal if the company has a work-life balance:

“No. We work. You don't come here to take life easy. And we all got rich from it, so, you know, there's a benefit from it.”

This competitiveness, he says, is smart business. “If I'm not pulling my weight and setting an example” and “traveling 80% of the time”, his charges would complain to the board and try to get him fired, he says. “We're all shareholders. These guys below me, they see the CEO taking it easy, it's their money.” Mr. Glasenberg owns 8% of Glencore Xstrata, which is now worth around \$72 billion.

And the cut-throat competitiveness is common throughout the firm, he says. “I've been through two generations of heads [of trading divisions]. Every one of those heads was kicked out from below.”

Mr. Glasenberg says the phenomenon is still at play. “I see it happening. Some guy suddenly decides: ‘I want to take it easier, I want to spend more time with the family’... an attack will come.”

While Mr. Glasenberg's comments seem overly harsh, it has been my experience that those people who have risen to senior positions, be they men or women, are those who have put in the extra time and effort. Given that there are only 24 hours in a day, and each person has a finite amount of energy, success in the workplace is a function of where a person chooses to, or is forced to, apply his or her energy. I have observed that people who have risen to the top in the workplace be they male or female, are most often the ones who are either single or have supportive partners, who take up a lot of the childcare and household duties. It is extremely difficult for a person with extensive child care and household duties to compete on an equal footing in the workplace.

While I am a man, I know this from personal experience. Although I am now a senior executive and a director of several public companies, as a divorced lone parent who had custody of his two children about 50% of the time from the time they were 4 and 7 until they went to university, I am also familiar with the time requirements and responsibilities of raising a family as a primary parent.

During the 14 years, while I was a lone parent (albeit for only 50% of the time) I can recollect the demands on my time on the days I had child care responsibilities. There was

very little time for reading for general knowledge, networking, and other work related activities outside of normal work hours. I passed up many educational opportunities, such as attendance at out of town conferences, as well as career enhancing work assignments that would have taken me out of town. I was fortunate in being able to compensate somewhat by working extra hours on those days the children were in the custody of my ex-spouse.

Don't get me wrong, I would not have traded that time with my children for anything, and raising children is perhaps the most important thing we do in life. It is however a fact that the less time and effort you put in in the workplace, the less likely you are to rise to a senior position. In my own case I owe my senior position, not to the time I spent parenting, but to the extensive experience I obtained during extended periods spent away from home during the early part of my career, as well as long hours of extra work put in on the days that the children were not with me.

I firmly believe that women will not achieve full equality and recognition in the workplace until both men and women participate to the same level both in the workplace and as parents. Until we achieve equality in parenting, women will always be handicapped in the workplace by the disproportionate demands placed on their time and energy by their parenting.

This is not to say one cannot contribute at a high level in both roles, but this requires an exceptional effort in terms of time and energy, and it has been my experience that individuals who actually do this are the exception rather than the rule.

SOCIETAL CHANGE: MEN AS PARENTS = WOMEN AS DIRECTORS AND IN SENIOR MANAGEMENT

To examine how we might make real progress it is useful to look at the example of Norway, Sweden, and Finland, which have the highest percentage of women in Boards of Directors among the top 15 industrial economies by a considerable margin. (Figure 1)

Figure 1

% of Women on Boards of Directors				
(Top 15 countries among industrialized economies)				
2009		2011		
1	Norway	35.7%	1 Norway	36.3%
2	Sweden	23.8%	2 Finland	26.4%
3	Finland	23.5%	3 Sweden	26.4%
4	Denmark	13.9%	4 France	16.6%
5	Netherlands	13.2%	5 Denmark	15.6%
6	Canada	12.4%	6 Australia	13.8%
7	USA	12.1%	7 New Zealand	13.7%
8	New Zealand	12.0%	8 Netherlands	13.1%
9	Germany	10.5%	9 Canada	13.1%
10	Ireland	9.1%	10 Germany	12.9%
11	France	9.0%	11 USA	12.6%
12	Switzerland	8.9%	12 Austria	10.8%
13	UK	8.5%	13 UK	10.7%
14	Australia	8.4%	14 Spain	10.2%
15	Hong Kong	8.2%	15 Hong Kong	9.4%

Source: 2012 GMI Ratings' 2012 Women on Boards Survey

These three countries also consistently rank in the top ten in terms of gender equality as determined by the UNDP Human Development Reports. While all three countries have put in place legislation promoting the appointment of women to boards, all three also have in place legislation which provide encouragement and incentives for men to take an active role in parenting. All three countries have allocated a portion of parental leave to fathers.

Parental Leave Policies

Norway was the first country to establish a father’s quota of parental leave in 1994, followed by Sweden in 1995, and Finland in 2003.

Norway

In Norway, Since as far back as 1977 fathers have had the right to share parental leave with mothers. Nevertheless, at the beginning of the 1990s only 2-3 per cent of all fathers were taking advantage of this opportunity. The paternal quota was introduced in 1994 to encourage more fathers to participate in caring for their child during its first year of life. Today 10 weeks of the parental leave period are reserved for fathers. If a father does not use his quota, these weeks will be forfeited. Norway was the first country in the world to establish such a scheme.

In 2008, 90 per cent of fathers used their paternal quota. Moreover, a growing number of men are choosing to take more leave than their quota. In 2008, 16.5 per cent of fathers extended their leave beyond the reserved 10 weeks, compared to 11 per cent in 2000.

It is interesting to note that Norway tops European statistics on birth rates and participation of women in the workforce, as well as the percentage of women directors.

Sweden

In 1974, Sweden became the first country to replace maternity leave with parental leave. At first, the rare fathers who took parental leave were dubbed “velvet dads, and only 6% of fathers were taking advantage of parental leave in 1991.

Women continued to take the parental leave because of tradition. In 1995, one month of paternity leave was introduced. Fathers were not forced to stay at home, but families lost one month of subsidies if they did not. In 2002, a second father-exclusive month was added.

Today, even though Swedish mothers still take four times as much time off as their husbands, 85% of Swedish fathers take leave. 80% of fathers now take a third of the total 13 months and 9% of fathers take at least 40% of the total leave.

A study by the Swedish Institute of Labor Market Policy Evaluation found that a mother's future earnings increased, on average, by 7% for every month of leave their husband takes, and companies now expect their employees to take leave no matter their gender.

Finland

In Finland, parents have had the option of sharing parental leave between them since 1978, however traditionally few men took up the opportunity.

To address these issues, the Ministry of Social Affairs and Health launched two campaigns—in 2002–2003 and 2007–2008 — to encourage men to take up paternity and parental leave. During the past decade, fathers have been encouraged to take a ‘daddy month’, which was then extended further. Currently, the father can take up to 54 working days of leave, of which at most 18 days can be used simultaneously with the mother. The daddy month (36 working days) has to be taken at the end of the parental leave period but before the child is about 16 months old. It is granted on condition that the father also takes the two last weeks of the parental leave period. Thanks to these measures, take-up rate of leave by fathers has increased since 2002: 82% of fathers currently take paternity leave (the average length of leave taken is 15 working days) and 20% take parental leave and/or the daddy month (most commonly the period earmarked for fathers but no more).

In autumn 2011 a ‘frame agreement’ was drawn up between employers’ and employees’ organisations and the government on income policy and certain social policy schemes. Under the agreement, the obligation on a father wishing to take his father’s month to take parental leave immediately before will be dissolved. The last 12 days of parental leave can thus be shared as the parents wish, even when the father uses his individual leave period. In addition, the father will now be able to take his leave days any time until the child turns two. The reforms are intended to take effect in 2013.

Policies on Board Representation

Interestingly of these three countries, in 2003 Norway was also the first country in the world to adopt a law on gender quotas with the purpose of increasing the representation of women on boards. Sweden and Finland have much softer comply or explain legislation.

Norway

Norway is the most aggressive country in terms of legislated quotas for women on boards. In February 2002, the government gave a deadline of July 2005 for all listed companies to raise the proportion of women on their boards to 40%. By July 2005, the proportion was only at 24%, and so in January 2006 legislation was introduced giving companies a final deadline of January 2008, after which they would face fines or even closure. Full compliance was achieved by 2009.

The TD Economics Special Report, Get on Board Corporate Canada⁴ notes that this compliance did not come without unintended consequences.

“While Norwegian corporations successfully met the mandatory quota, there was evidence that working environments and morale were detrimentally impacted. Quotas might also risk stigmatizing qualified women, who may be viewed negatively as token board members”

While the Norwegian law has opened up board positions to more women, Norway still lags other Western countries in promoting women to senior executive roles. Around 20 percent of the country’s top corporate jobs are held by women, compared with 31 percent in Germany, according to research from the accounting firm Grant Thornton.⁵

Researchers also have questioned whether adding women to corporate boards leads to better financial performance. Others have raised concerns that a small number of senior Norwegian women — derided as the Golden Skirts because they now make a living solely from board memberships — have scooped up the majority of the new board seats, leaving many qualified women unable to find positions as directors.⁵

Therefore, although more board positions are filled by women, it is often the same women, so the policy has not had as big an effect on increasing the participation of a greater number of women as was intended.

Finland

From 2008 the “comply or explain” code requires that every board should have at least **one** man and **one** woman. The Finnish Corporate Governance Code’s recommendation on the participation of both genders on boards of directors has proved to be effective, as it requires a public explanation, if both genders are not represented on the board. It is challenging to give a convincing reason for the lack of women directors, as explanations are usually general in nature and sometimes even missing, which is a breach of the Corporate Governance Code.

This much softer policy than Norway’s quota system has resulted in boards in Finland having between 26.4% and 22% women (depending on the sample) up from 12% in 2008.⁴

Sweden

The “comply or explain” code requires companies to strive for gender parity on boards. The Swedish Corporate Governance Code of 2004 has a voluntary goal of parity for all board members of listed companies. Companies are obliged to justify the composition of the board through a comply-or-explain mechanism.

CONCLUSIONS

Societal change is necessary if we are to achieve true equality. As long as women, on average, are spending more time on child care and household chores, they will be

regarded as parents first and less respected as equal contributors in the workplace and therefore under-represented in senior roles in the workplace. This is a cross that women who have dedicated themselves to their career and have put in the time and effort at work are bearing. Similarly, men who want to be primary parents, bear the cross of being seen than less than a good provider for their family or somehow lazy. Even worse should they be so unlucky as to be involved in a custody dispute, they are automatically regarded as the less capable parent and bear the stereotype of the deadbeat divorced dad who seldom sees his children.

If we want real change we must work to change these unwarranted stereotypes which unfortunately are prevalent in our society today. This means support for women in the workplace, and equal support for men as parents.

We will not achieve equality in the workplace, until we achieve equality in the home.

I realize that the payment of benefits during parental leave is a federal issue governed by the Employment Insurance Act, and thus beyond the purview of the OSC and Ontario government. However, if the Ontario government and the OSC are really serious about gender equality, I would recommend that in addition to a comply or explain policy, that you lobby the federal government to introduce a policy which allocates a portion of the benefits payable during parental leave exclusively to fathers in a similar manner to what is done in Sweden Norway and Finland. This will send a clear message that fathers are expected to take time off work to care for their children and make it socially acceptable for men to take parental leave. Having taken parental leave men will become more involved as parents, and are more likely to continue to be involved in childcare as the children grow-up.

Over time this will free up time for women to be more involved in their careers and lead to real instead of mandated equality in the work place.

In the interim I urge that that if you are really serious about showing leadership in this important issue, that you go one bold step further and introduce for your own staff a parental leave policy which allocates a portion of any top-up to the federal parental benefits paid by you as employers, exclusively to fathers.

References:

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