

## **Keynote Speech by Senator Vivienne Poy**

### **Diversity by Design – choosing leaders for the 21<sup>st</sup> century**

**Women in the Lead 4<sup>th</sup> edition Directory Launch, Ottawa**

**October 29, 2008**

First of all, I would like to thank Debi Rosati and Donna Price for inviting me to speak this evening.

Why is diversity important to leadership in the 21<sup>st</sup> century?

We all know about the importance of diversity to nature. Biological diversity ensures that a species is less likely to be eliminated readily; monocultures on the other hand are vulnerable to being wiped out because they are less adaptable to changing conditions. Would the same be true within organizations? I want to discuss this question within the context of Canadian demographics and globalization.

In a special report entitled “Diversity or Death,” in the Oct. 13<sup>th</sup> issue of Maclean’s, an international business professor at the Richard Ivey School of Business was quoted as saying, “if you don’t start working on diversity management today, you might not be around tomorrow.” KPMG’s position with respect to diversity was mentioned in the article. KPMG said it wasn’t so much about it being the right thing to do, as it was the right thing to do for their business. Visible minorities now make up more than a quarter of their employees.

As someone who grew up in a racially diverse society like Hong Kong, where my parents had constant interactions with people from many different racial backgrounds, I was used to seeing guests at our home who came from different parts of the world.

My father was a socially conscious businessman, who became very successful, not only in accumulating great wealth, but also contributed a lot to improving the lives of people in Hong Kong. So, I grew up knowing that ability and affability are the most important elements when it comes to leadership.

When I was 15, I was sent to a girls' school in England, where girls from every part of the world shared dormitories. As a result, I am totally colour blind when it comes to people I come in contact with.

Today, in Canada, diversity has a much wider meaning. It is about recognizing, respecting, and valuing differences such as ethnicity, gender, colour, age, race, disability, or sexual orientation. And, beyond those differences laid out in employment equity legislation, diversity, to me, also refers to characteristics such as life experiences, communication skills, backgrounds, geographic origins, and other factors which can influence personal perspectives. In the 21<sup>st</sup> century, it is imperative for organizations to draw on a wealth of ideas and creativity to compete globally.

Remember the Women's Movement that resulted in the improvement of the lives of Canadian women? The desire for social justice, human rights, and fairness, shaped our early understanding of diversity as reflected in employment equity legislation and affirmative action programs. We are beyond that now. Diversity is now about competitiveness, about hiring the best people, and responding to our rapidly changing demographics resulting from immigration, as well as responding to globalization.

Canada is losing its competitiveness to other immigrant receiving countries (e.g. Australia, U.S.A.) because many of the best immigrants are from countries outside of North America and Europe. Despite the fact that many Canadians still think that people are beating down our doors to get into Canada, the world has become very competitive, and people will go where there are the greatest opportunities. And it could mean returning to their countries of origin.

We were recently in China, and I will quote from an article I read in the China Daily on the appeal of overseas studies for students from China. "In 1997, when I asked Chinese students at U.S. universities 'Do you want to return home to work after graduation?' less than a third raised their hands." In 2007, when the same question was asked at the Harvard Business School, 100% said "yes." The same can be applied to the situation in Canada.

Consider Canada's demographics. In Census 2006, one in five Canadians reported that they were born outside of Canada, and over 16% of

those polled described themselves as being a member of a visible minority. In Toronto, where I come from, almost half of the population describes itself as a member of a visible minority.

When you combine the change in Canadian demographics with the fact that we now live in a global society, where international trade is integral to our own economy, smart businesses are the ones that realize the value of diversity. In fact, the underemployment of newcomers to Canada is costing our economy billions each year. If an organization is excluding a large, and growing, part of the country's demographics from the selection process, that organization is losing ground.

Yes, diversity can be inconvenient and difficult because communications are easier when you speak a common cultural language. Besides, diversity can create conflicts and resentments if it's not well managed. It's not just about numbers, it's about bringing many different perspectives to the table in order to draw on the creativity of every member of an organization. On the other hand, the danger of uniformity is that it can lead to organizational stagnation and limit growth.

I will give you an example in Ottawa. Our public service is the main employer here, and while women have made great gains in the public service, visible minorities have made minimal progress despite specific targets established by previous governments.

In December, 2007, Maria Barrados, President of the Public Service Commission of Canada, reported to the Senate's Human Rights Committee, of which I am a member, that the number of visible minorities recruited into the public service actually dropped to its lowest level in five years between 2006-2007, despite the fact that visible minorities were applying in large numbers, and had higher levels of education than the average applicant.

Even when visible minorities do join the public service, retention of talented employees has been a major challenge. Part of the problem is that embracing diversity needs to go well beyond following the letter of employment equity laws. I believe the leadership of the public service lacks sufficient diversity so it has been very difficult to meet its employment equity objectives.

In the public sector, when 15% of the labour force is a member of a visible minority, with many new immigrants arriving daily, a public service should understand the people it serves.

At present, there are more than 200 different ethnic groups living in Canada, offering a range of linguistic skills, and cultural understanding, which could be very useful to Canada particularly at Canadian Heritage, the Canadian International Development Agency, the Department of National Defence, and the Department of Foreign Affairs and International Trade, in meeting Canada's domestic and overseas objectives. The failure to adequately employ these skills is a loss to both Canadians and to the public service.

In frustration, this summer, the Clerk of the Privy Council, Kevin Lynch, once again reminded Deputy Ministers that hiring visible minorities is part of the renewal of the public service, as many public servants continue to retire. The order is to target visible minorities, hiring 4,000 new university and college graduates by the end of March 2009. However, employers tend to want to employ those who look like them, so leadership does matter.

On Parliament Hill, both women and visible minorities are underrepresented. Despite the fact that women make up more than 50% of our population, and that a large number of women work in Canada, the percentage of women elected to the House of Commons is just 22%. 34% of Senators are women, and there are only 5 visible minorities, including myself. Parliament does not represent the demographics of our country at all. The political culture in Canada has to change before we can see any improvement.

The best case for diversifying leadership is that we must reflect the clientele we serve so as to better understand them. In the private sector, it has become a necessity in terms of marketing and communications.

One good example is BMO's response to demographic changes. They started planning for a diverse workforce back in 1990. At BMO, cultural competence is measured alongside financial targets as a business imperative. As it realized the importance of ethnic Chinese in its customer base, BMO has not only hired many Chinese speaking employees, but also deployed significant resources to provide a distinct Chinese-speaking banking

division, on-line Chinese services, as well as automated banking machines with Chinese language options.

Another good example is RBC. By 2006, 23% of their staff was comprised of visible minorities, and 38% of this group were in management positions, with 9% in senior management.

Successful manufacturers design and market their products geared to the needs of their purchasers, and consumers are increasingly segmented, representing an aging population, immigrant communities, and new lifestyles. You need to look no farther than the increasing popularity of Bollywood movies in mainstream theatres, yoga clothes giants like lululemon, anti-aging health regimes, and the Dove advertisements that feature women of all ages and sizes, to see the influence of demographics on the kinds of products available.

Similar best practices to the banks can be found at many successful, inclusive organizations, including IBM, Volvo, and Shell, and they all depend on the active commitment of leadership.

In all these cases, a change in organizational culture begins at the top. Diversity cannot be just a “nice thing to do”. As Ottawa’s public service has discovered, diversity needs to be implemented more holistically, and integrated throughout the organization. Regular reporting, and real accountability, needs to be built into the system for it to work in practice.

In Canada, a 2008 study by Catalyst found that while many companies feel they have done enough to include visible minorities, there is a clear gap between the perceptions of white or Caucasian managers, and the perceptions of visible minority employees. Catalyst suggests that political-correctness, and the inability to address stereotypes directly, may be hindering true inclusion in the workplace in Canada. It is evident that on-site education is essential if organizations are to move beyond words to achieving real change.

As companies grapple with globalization, having a global board, reflective of a world population, can also make breaking into new markets much easier. Simply put, hiring diverse leaders can mean leaping over barriers that stand in the way whether they are cultural, or language issues.

Being of Chinese heritage, I can tell you that unless you are familiar with Chinese culture, it can be very difficult to understand how business is done in the Chinese speaking world. It is about relationship building, about networks and connections, much more than about contracts. It would be similar to the other economic giant - India. If there is a lack of cultural understanding, companies that want to do business in Asia will fail.

Similarly, leaders in academic institutions are recognizing the change of demographics in Canada. The University of Toronto, where I had the pleasure of serving as Chancellor for a number of years, recognizes the need to diversify from the top down, especially since a very large percentage of the students and graduates are visible minorities, reflecting Canada's new reality.

According to Statistics Canada, children of Asian immigrants attend university in large numbers, and are twice as likely as their Canadian born counterparts to finish university. This was certainly apparent in convocations at the University of Toronto.

During my term as Chancellor, prayer was removed from the graduation ceremonies. I was always respectful of the religious beliefs of graduates during Convocation, and made a special note of the few who could not shake the hand of a woman. It was also during my term that a Buddhist Study Programme was established with funding from a Buddhist Foundation based in Hong Kong. I learnt that Buddhist meditation is widely used in our social work programmes and in the treatment of psychiatric patients. The University of Toronto has embraced religious diversity.

Like many universities worldwide, U of T is increasingly partnering with institutions around the world. This kind of global academic collaboration requires an openness to new leadership.

A good example is the Asian Institute at the Munk Centre for International Studies at the University of Toronto. The Director is Professor Joseph Wong. Young, scholarly and dynamic, Professor Wong has made the Institute into a forum for new ideas, attracting international scholars, while welcoming members of the community to participate in its activities. He does not believe that an academic institution should remain an unreachable ivory tower.

Universities across Canada have been choosing their leaders from a new pool of candidates, looking for ideas that can help them broaden their horizons and globalize knowledge. A very good example is the new President of Carleton University, Roseann Runte, Carleton's first woman president. President Runte has brought new life to Carleton, with her no nonsense reputation as a builder of scholarly institutions, combined with her "motherly" approach towards the student body.

In 1996, Dr. Emőke J.E. Szathmáry, who was born in Hungary, became the first woman President of the University of Manitoba. A year later, in 1997, Dr. Martha Piper took over as the first woman President of UBC. In 2005, Dr. Indira Samarasekera, an engineer born in Sri Lanka, became the President of the University of Alberta. She is noteworthy as both the first woman and visible minority to lead the University. In 2007, Egyptian-born Dr. Mamdouh Shoukri replaced Dr. Lorna Marsden as the President of York University, and he is the first Muslim to head the University. There is a clear pattern of choosing non-traditional leadership in the understanding that universities need to shake up their institutions if they are to succeed in the 21<sup>st</sup> century, and attract the best and the brightest students and faculty.

Today, our universities are graduating young people who are no longer content with just having a profession. Many want to combine their professions with a sense of social and political engagement.

A good example of this new generation is Craig Kielburger who, when he was 12, organized his friends and classmates in Thornhill, Ontario, to form an organization called Free the Children. You have probably all heard of him. Over the years, it has grown into an international network of children, building many schools, and establishing alternative income programs. Now Craig, who is 25, and graduated with a degree in Peace and Conflict studies from the University of Toronto, is the youngest student ever to study in the Kellogg-Schulich Executive MBA program.

Bempong Foundation is another charity established 2 years ago in Ottawa by 8 year old Nana Kwabena with the help of his father. Nana found the TV images of poor children in Rwanda too disturbing to ignore. He decided to help by founding an organization to raise money for supplies for schools in Kigali, Rwanda, with money going for textbooks, pens, paper, computers and sports equipment.

I am very impressed by how socially conscious this new generation is. When I asked our eldest granddaughter what she wanted for Christmas last year, she said she didn't need anything, but would like to give to charity. I was only too happy to introduce her to Foster Parent Plan, and she adopted a child around her own age as a gift from us for Christmas. She donates a quarter of her pocket money to animal shelters, and she is the one who reminds us to turn the tap off to save water, or to turn the lights off to save electricity.

Young people today are also demanding more from business. Increasingly, they want to know the impact of their consumer decisions. How does the product affect the environment? Is it produced with child labour? These questions are becoming more apparent because young people are no longer willing to accept the status quo. They should be included in decision making because their leadership points the way to the future. I know some toy companies have children as consultants, but besides that, the younger generation should be considered as members on some corporate boards (e.g. the CBC).

A good example of this kind of integration of business and social responsibility is Coco-mat, a European furniture company, which stresses four principles in its business – a natural quality product, customer satisfaction, employee satisfaction, and social contribution. One of the most important ways they fulfill their mandate of sustainability is to focus on special social groups in their hiring – those with special needs, or people who have been subjected to racial, ethnic, or religious discrimination. Many of its employees are refugees. At present, it boasts nine nationalities and seven religions among its staff. While quality is very high, turnover, and absenteeism are very low.

Another demographic group that must be included in organizations, if we are not to suffer major labour shortages, are seniors. Seniors offer a wealth of experience, and some have a great deal of energy, but they have traditionally not been included in long-term organizational planning.

One only has to look at the staying power of Hazel McCallion, 87, who, after 30 years as Mayor of Mississauga, has recently hinted she might run again; the former Foreign Affairs Minister, Flora MacDonald, who, at 82, travels regularly to Afghanistan in her role as Advisor to CARE Canada,

and finally, Ottawa's own Marion Dewar who was active in the community until she passed away recently at 80. Given the example of these amazing women, I think I have many more years of work ahead of me!

For myself, my sense of what it means to be a leader was shaped by my father. As I mentioned earlier, while my father was a very successful businessman, he recognized that business and community are closely linked. He helped rebuild Hong Kong after World War II. He felt he had a duty to serve the public, and throughout my life I have worked in the community, in education, and now in the Senate, to continue my father's legacy. It never occurred to me that, as a visible minority woman in Canada, I should play a lesser role.

When I travel across the country and speak to young people, I tell them that it is their responsibility to play a leadership role in Canada. In our multicultural reality, they must take risks, move out beyond the walls of their communities, and engage with others. I believe Canada's diversity is a great asset which we have yet to recognize and exploit fully.

On Parliament Hill, I am the Patron of the Era 21 Networking Breakfast for Young Canadians, which brings together high school students from a multitude of backgrounds, to promote the value of diversity as an asset. We work closely with the School Boards in Ottawa. The schools offer the event as part of their business program, because students have to understand that differences are not a barrier, but an opportunity.

I would like to share with you one of the comments I received as feedback after the last Breakfast held on the Hill in May. One of the students wrote, after listening to three inspiring young speakers:

“Today, I learned that truly anyone can be a leader and deserves to be a leader. I learned that it is important to not let who you are get in the way of what you want to do and at the same time not let what you want to do get in the way of who you are.”

What I see at this Breakfast, and everyday, as I meet people from many walks of life, is that diversity offers so much potential. Time does not allow me to cover all aspects of diversity, but I want to conclude by saying that, organizations will be very successful if they have an inclusive policy and embrace diversity, but it only works well if it comes from the leadership

level. As Chief Vern White, of the Ottawa Police Services, said, we need to “recruit with a window, and not with a mirror.”