



CEO SPOTLIGHT: CIBC's VICTOR DODIG

CIBC's CEO explains why he became chair of Canada's 30% Club, and what his bank is doing to attract — and keep — top female talent.

Interview by Beatrix Dart

BEATRIX DART: The 30% Club started out in the UK in 2010. What made you want to be a part of it here in Canada?

VICTOR DODIG: It was actually *you* who called me and said, 'Victor, what they are doing in the UK would be great for Canada; but we need some profile for it: Would you be willing to sign on as Chair?' And I said, *absolutely*. A month after I started at CIBC, we had a big kick-off on International Women's Day. The team from the UK came over to share their learnings to date, and from that point on, we have done things in our own Canadian way.

Talk a bit about how you tweaked the Club's mandate to reflect the Canadian environment.

The focus in the UK is on FT 100-listed companies. We cast a significantly broader net, to cover professional services firms —

law firms, accounting firms and executive search firms — as well as listed companies. If you look at CIBC's proxy statement on boards — which reflects the **Ontario Securities Commission's** gender diversity initiative — our chairman called for us to have a *minimum* of 30 per cent women on our board, as opposed to simply aiming for 30 per cent. Our wording was very specific from the start, and we have now reached 35 per cent.

The two women we added most recently were technology executives, one from Silicon Valley and one from New York, both with an American perspective as well as a technology perspective. It's all about bringing talented people to the table with diverse expertise.

The second thing we did was to implement a targeted approach to the advancement of women in our C-Suite. We've

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added more women to our executive committee, and we now have a robust succession plan in place. I actually just reviewed it in terms of identifying the women and men that we believe can succeed — and how can we make this more of an important item with the Board, so that three years from now, people aren't asking, 'What happened to all the women?' For some time, we were so focused on strategic issues that that we missed the whole gender piece in a big way. As a result, for women now in their 30s and 40s, there has been a generational gap in terms of succession planning. But as indicated, we are working to address this.

We've got an internal group here called Men Advocating for Real Change, which is a leadership program we set up with **Catalyst** to uncover the unconscious biases that people bring to the table and to create awareness about the impact of privilege on 'leveling the playing field'. In trying to sensitize people and awaken them to the inhibitors to creating a more diverse workplace, we've worked mainly with men, because we recognize that if men don't embrace this initiative — and they currently occupy well over 80 per cent of executive positions in Canada — change will simply not happen.

The State of Women in Capital Markets

Karen Christensen: Your job entails advocating for the importance of gender diversity to the Canadian economy. How would you summarize your argument?



Jennifer Reynolds: If you want to have a competitive edge, it just makes sense to use the whole talent pool. How can you possibly think you've got the best talent, if 50 per cent of the talent pool is absent from your leadership team? In Canada, 62 per cent of university graduates today are women, so for those who disqualify women, the leadership pool is actually shrinking.

Most of your career was spent in investment banking. What key lessons did you learn about excelling in this environment?

At the end of the day, it's about being able to take in a huge amount of information and recognize what's important, and be able to distill that down into an analysis or argument. Also, the more senior you get, you've got to be a great relationship-builder. Certainly, being the only woman in the room presents challenges. When you're more junior, the differences aren't as significant, because you're delivering a more technical end-product; but as you become more senior, the things you are being judged on become more subjective, so biases come into the picture.

Do you see enough organizations moving beyond 'lip service' and implementing diversity initiatives?

The big banks are leading the way in terms of the programs they have in place — although their capital markets areas are not as advanced as the rest of the banks. But I do believe that most bigger companies are thinking about this. When you look broadly at Canada, close to 75 per cent of our companies have a market cap of less than one billion. We are an economy of smaller companies, so it can't just be the big companies

and banks doing this: We need the broader economy to think about why they don't have more gender diversity and how to address that.

I'm pleased to say that there is a very good level of awareness of this issue at the senior levels of our banks. Once you have that buy-in, the harder work needs to be done. The toughest nut to crack is the 'frozen middle', as I call it — all of those layers below senior executives — and convincing them that this is really important. That takes time, because it entails a culture shift.

What should every company be doing to build a strong pipeline of female talent?

First, whenever you're hiring at junior levels, you should be intentional about reaching out specifically to women. Often, when women see a job posting in the capital markets or in a resource sector, they assume it's male dominated, and they think, 'That's probably not for me'. Companies need to convince young women that they are looking for people like them. You also have to be really diligent about having targets. I'm not talking about quotas, but you do need to have goals — like, 'We are going to hire 50/50 men and women this year' — and make sure that you've tasked people with finding the résumés required to make that happen.

From what I've seen, most capital markets firms are now trying to hire 50/50. They are making sure that they're reaching out to women at different universities, and they're succeeding in finding some really talented young professionals.

You have talked about the importance of building a culture that values diversity of thought. What does such a culture look like?

We need to be more innovative in all industries, not just in technology. And in order to do that, you need diversity of thought. If you're constantly going back to the same pool of people with similar resources and backgrounds, you're never going to get that. To

A lot of male executives say, 'Of course I want more women on our senior leadership team; I just don't know how to get there'. How are you going about it at CIBC?

As indicated, we now have a proactive succession-planning process in place, so we can identify future leaders early on. I also have monthly lunches with six to eight pre-boarded women executives; I haven't targeted our vice-presidents yet, so I've got to get to know them better and enable them to create a network amongst themselves. That way, when there are opportunities, we can say that we've actually *met* these individuals, and that they

truly are capable — beyond what is listed on their CV. If you look at our statistics over the last 12 months, 100 per cent of our board appointments and 50 per cent of our executive appointments have been women.

A big part of this is measurement. I'm a big believer that if there is no concrete plan to get there, there is no hope of achieving any of these goals. Just talking about it and hoping that 'next year, things will change' won't work. To be clear, this issue is *purely business*: We will build a better banking business by having more diversity.

achieve it, you need gender diversity, ethnic diversity, and cultural diversity on your teams.

We often talk about 'fit' when we hire people, and that can be a dangerous thing, because it often means, 'Let's go and hire the same person we hired last time.' What fit *should* mean is that you are thinking about all the different pieces of a puzzle, and putting them together to form a great team. To make an analogy, the pieces of a puzzle look very different, but when they are put together, it makes for an optimal end result. I challenge people to think about it that way.

Tell us about your Return to Bay Street Program.

That is one of the things I'm most proud of. We've been doing this for six years now. The premise was, in our industry — as in many industries — we need more women at the mid-level. If women have taken a few years off to devote to family, first of all, do they want to come back? And secondly, can they do it? If so, how can we make it work from a business perspective? We don't want to have them come back and start all over at the bottom of the ladder, we want them to come back in some commensurate role and get them back into the talent pipeline.

We started this program with **BMO Capital Markets** and since then, we've had 34 women go through it. We now have seven institutions involved, because BMO's competitors saw that this was a great program for bringing back incredibly talented woman who had 10 to 15 years of experience. The key to the program is, you're not going to lose that 10 or 15 years of valuable experience. The program hasn't been led by HR. No offence to HR, but you need senior business people to buy into this, and view it as a pool of talent that they wouldn't have had access to without this type of a program.

I get calls regularly, not just from financial institutions, asking about how people can do this in their industry. I really think this type of program should be in every organization, as part of the talent management program. I'm also a big proponent that men need

to be able to take paternity leave — and that the stigma around that needs to go away. Once it does, I think women's problems will, to a great degree, get solved too, because family responsibilities will be built into the fabric of a corporate culture. After all, this is something both women and men deal with. We have to find ways to enable them to be great at work *and* great at home.

Looking ahead, what is the key obstacle in the way of gender equality?

If you ask someone to close their eyes and picture a CEO, chances are that 99 per cent of people will picture a man. We have to challenge those biases and really think about how they are seeping into the so-called meritocracy. As indicated, challenging traditional roles and biases, and putting resources behind things like paternity leave is also critical, because it's about starting to do things differently — and to think differently about family and work responsibilities. We need to be innovative about that, as well.

Jennifer Reynolds is President and CEO of Women in Capital Markets. Previously, she spent 15 years working in the capital markets industry, primarily in investment banking, holding senior roles with BMO Capital Markets and Stonecap Securities, and in the venture capital industry with OMERS Ventures.

It's great that you view this as a business imperative — and that it's not just being addressed for 'social good'. Have you started to see some business impact?

I have. If I think about the senior women at CIBC and the impact they're having, it's amazing: People like **Christina Kramer**, our Executive Vice-President, Retail Distribution and Channel Strategy, who is responsible for leading over 21,000 sales and service employees; **Veni Iozzo**, Senior Vice-President, Communications and Public Affairs; **Sandy Sharman**, Executive Vice-President and Chief Human Resources Officer; and **Laura Dottori-Attanasio**, Senior Executive Vice-President and Chief Risk Officer. I won't go into the specific details of their accomplishments, but I know for a fact that they have added a whole new level of excellence and engagement to our culture. The fact is, banking should not be a white man's culture: It should be reflective of what is going on in the outside world.

With respect to diversity, I think the next challenge for everyone will be, How diverse is your workplace? Because, if it's just white men and women running the show, that's not diversity, either. I'm very mindful of that, as we look at who our next generation of leaders will be.

Banks and professional services firms are leading the way on this; but companies in sectors like technology and natural resources might not have made these adjustments yet. Do we need to nudge them? Do we need quotas?

My opinion is that there are no pros to quotas, because what happens is, the women who advance in that way always feel like they're there because of the quota — and everyone else thinks the same thing. This creates a very negative force around what we're trying to achieve. There are more positive ways to make progress. Targets, in my view, are a good thing, but enforced quotas are not.

The fact is, every company is at a different stage of development, and some of them have a more advanced approach to governance than others. If you look at the TSX 60, I'd say it's firing on all cylinders — or most cylinders — when it comes to good governance. That includes a focus on succession planning and considerations around diversity and say-on-pay. Smaller mid-cap companies face challenges in terms of their resources, and as a result, many are not focused on their talent pool. They often don't know where to get started — and because many of them are in the natural resource business, which has been burdened by significant challenges since the financial crisis — they don't consider this to be a priority.

Should we have more patience with these companies?

Everything takes time, and in my experience, anything that you try to force-fit will fall apart over time. I believe that these busi-

nesses can have an impact without the government telling them what to do.

In *The Wealth of Nations*, **Adam Smith** describes the invisible hand, and many people think of it as a euphemism for, 'Let the market decide'. But the market can decide things in a very wrong way sometimes, when it comes to people. When I was at business school, one of the books I read was by **Alfred Chandler**, a noted American historian who wrote a book called *The Visible Hand*. His whole argument was that, if **J.P. Morgan** didn't exist as a person, after the railroads went bankrupt, and didn't try to reorganize it all, the free market would not have done it in the way it should have. Likewise, with **Alfred Sloan** at **General Motors** or **Henry Ford** at Ford. It wasn't the free market that made these companies great, it was great leadership that took the initiative to do something differently.

Back then, it was much more focused on manufacturing, but as our economy becomes more service-oriented, the greater factor input is the intelligence of your people rather than the raw power of physical labour. If you look at how to succeed in that kind of environment, diversity of thought and diversity of background help in a very big way.

As its title indicates, the 30% Club aims to have at minimum that many women in senior roles and on boards. Based on what you've seen, what will be the biggest challenge to getting there?

For us, a big part of it is convincing talented women that they can succeed here: They can have a family and a robust personal life *and* succeed professionally. In many cases, they don't believe that, because they've never received the right level of support or mentorship. Instead, they hear things like, 'Six weeks after giving birth, you've got to be back in here and give us some face time'. That is just not the case: Companies need to get better at giving other employees opportunities to temporarily fill these roles, and then step back when the aspiring female executive is ready to come back. It requires a mindset shift.

Why do you devote so much of your own valuable time to this issue?

There are a few reasons. First, when I was at business school back in 1993, I edited a book on workplace diversity, which was used in the first year business ethics course at Harvard. So, this is something I've been thinking about for a very long time — and it went beyond just gender diversity. It was also about people of colour, work-life balance, embracing the LGBTQ community — the book covered many elements of diversity in the workplace.

The second reason I wanted to get involved is my own sense of personal remorse. My wife is a highly educated, talented woman who basically gave up her career to move to Canada with me

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and have a family. I feel like this could have been handled better. She is now thinking about what she wants to do next, and I'm encouraging her; so the issue has personally touched me.

The third thing is, I have a daughter, and I always tell her, 'Never rely on the person you may partner up with or marry to be your economic pillar; you have to be independently successful'. Creating opportunities for young people like my daughter is extremely important to me.

Talk a bit about the role of male leaders in making 'the diversity dividend' a reality.

First of all, they have to listen to the facts. A lot of people have a preconceived notion that this is all a 'social engineering project', or a pet project for some companies. They have to seriously absorb how this will positively impact their business. So, I would say, immerse yourself in the facts, and as good business people, start bringing this mindset into your business plan as a strategic imperative. Launch programs, establish targets, start identifying talented individuals early on, and add this as a key dimension of your succession-planning program.

Is there a real-life story that indicates what this mindset looks like in action?

I know lots of young women who work on our capital markets floor, who are in here every Sunday, working all day. I have told them directly, 'You don't have to be here seven days a week in order to succeed!' I want them to recognize that face time is not the only way to move ahead at CIBC. Working smart and diligently, and gaining respect for what you do is what is important. But, it can't just be me; all of our leaders need to be saying, 'You can advance your career without working 70 hours per week'. As I indicated earlier, we are living with the baggage of some of our past decisions, but 20 years from now, this will be a much more balanced organization than it is today.

What about your own working habits? Are you setting an example?

This year, I have actually made a huge effort to be home at least two nights a week: Fridays for sure, and one other day. I'm really trying to change my habits, because I don't think being at the office all the time is a smart way to work.

What will success look like for the 30% Club, 10 years from now?

I believe that 20 years from now, we will have female CEOs leading at least 25 per cent of Canadian companies. But we all have to be mindful of how this ecosystem works: Everyone has to start now, looking at their pipeline and who they are hiring. If we all started doing that immediately, that would also indicate success

to me. My dream is for Canada to have more companies with 30 to 50 per cent females on their boards than any other country in the world. I believe we can be a world leader in this regard.

In my view, the biggest challenge right now is that there is too much focus on 'the percentage of women in senior roles'. I worry that not enough attention is being paid to the pipeline. What is your take on that?

I agree, and it is the reason that we are proactively engaging with our talented pre-executive employees, to make sure that they don't leave our workforce. First of all, we identify who they are; then we create individual training programs and talent programs for them and make sure that they move across the bank and get a diversity of experience.

For this past summer's recruiting, we looked at the number of women in our capital markets business — which has always been more unbalanced than our retail business — and we made sure that 50 per cent of our recruits were women. The fact is, lots of women are still self-selecting out of investment banking — so we almost have to recast the industry and say, 'This is not your father's investment bank!' We need to change some of the working norms in this industry, because lots of men are now saying, 'I don't want that 70-hour workweek lifestyle anymore'.

What would be at the top of your wish list for leaders to start doing, tomorrow morning?

I would advise all leaders to take a close look at their talent strategy, and make it part of their business mechanics. This should not be seen as a 'philosophical issue'; it has to be integrated into the running of your business. Talk is cheap: You have to take action and make things happen. That's what we are trying to do. **RM**



Victor Dodig (UofT BComm '88) is President and CEO of the CIBC group of companies, Chair of the 30% Club Canada and a Catalyst Canada Advisory Board member. Previously, he led CIBC's Wealth Management, Asset Management, and Retail Banking businesses. **Beatrix Dart** is a Professor of Strategy and Executive Director of the Initiative for Women in Business at the Rotman School of Management. She served as the Academic Director and Associate Dean for Executive Degree Programs until 2015. She chairs the steering committee for the 30% Club in Canada.