

## **12<sup>th</sup> Annual Thomas D’Aquino Lecture on Leadership**

Ottawa, October 29, 2018

Leadership and Diversity

Beverley McLachlin

It is an honour and pleasure to have been invited to deliver this year’s Tom D’Aquino Ivey Lecture in Leadership. My theme is leadership and diversity.

“Leadership” is a broad term, and difficult to define. A common dictionary definition runs along these lines: “the ability to lead, exert authority, etc.” (Standard Encyclopedic Dictionary). But leadership is much more than the ability to exert authority. It connotes the ability to achieve the right vision, and to bring people onside to make that vision a reality.

“Diversity” is also a broad term. I use it today in the Canadian Oxford Dictionary sense of “ethnic, social or gender variety in a group, culture or institution”.

The combination of these two terms brings me to my topic tonight – “Leadership and Diversity”. I argue that the two go hand in hand. Diversity – bringing people of all genders and backgrounds into a business or institution, including in positions of leadership - is essential to achieving the right vision and to making it a reality – in a word, essential to good leadership.

Let me start with a story – a true story. The year is 1958. The place is a small town in south-west Alberta. The subject is a thirteen-year-old girl, struggling to find her identity and imagine a place for her in the world. One day, all the kids in the class are presented with a sheaf of questions and told to answer them. The girl does as she is told. An aptitude test, the teacher says.

Weeks later, the results come back. The teacher cancels classes for the afternoon so she can spend five minutes with each student to discuss what the aptitude test says about them. Working on homework at the back of the room, the girl looks up and sees the boy across the aisle slip into his seat.

“How did it go?” she asks.

“Great,” says the boy. “I can be an engineer, or maybe a doctor.”

The girl’s turn is next. She sits down across the desk from the teacher. The teacher has a frown on her face, not a good sign. She looks down at the paper before her. “You have a great reading comprehension score. But your alertness level is the lowest we have ever seen.”

The teacher purses her lips as she ponders what to advise the girl. “I don’t know what to tell you,” she says at last. “Being great at reading isn’t going to help a girl much.” Seeking to be helpful, she adds, “But I can tell you this. With that alertness score like that, there are two things you must never be.”

“What’s that?” says the girl.

“A waitress or a telephone operator,” says the teacher.

That girl – you guessed it - was me. At the tender age of thirteen, I had hit the glass ceiling. I didn’t know how to articulate what had happened – the metaphor “glass ceiling” had yet to be invented – but I felt it. Dejection, hopelessness. I returned to my desk.

“What did she say?” the boy across the aisle asked.

I could only shake my head and slide silently to my seat.

Through a series of minor miracles, I somehow circumvented the glass ceiling the teacher had erected for me. Miracles like departmental exams that judged ability in a gender-neutral way; scholarships to University that were open to everyone, regardless of gender. Professors who valued women as much as men. I got an education. I became a lawyer. I found a vocation. Eventually, I became Chief Justice of Canada – the first in the history of the country.

This seemed to me the greatest miracle of all. I thought of the teacher all those years ago who had told me that a way with words and ideas was a useless asset for a girl. I thought of the legal world I had entered decades before – a world where all the judges and eminent lawyers were men – white men to be more precise. A homogenous world that tended to exclude anyone who didn't fit the prescribed mold.

I started my career in a world where leaders espoused top-down leadership and did not value ethnic, social or gender variety. I accepted this as the norm; it was just the way things were. But along the way, my conception of leadership changed. I came to believe that effective leaders value ethnic, social and gender variety in a group. This is the right thing to do morally. And it also makes good business sense. An organization that embraces diversity is likely to do better than an organization that excludes it.

The old-fashioned conception of a leader – the one I grew up with – was of a single person standing atop a pyramid. He – it was always a “he” in those days – was the person who determined the goals of the organization and worked out a method of achieving them by cooperation between lesser human beings.

Think Henry Ford: having conceived the goal of manufacturing cars rapidly and cheaply, Ford devised the method of cooperation that would achieve this goal – the assembly line. The leader, having determined the goal and method of reaching it, passes orders to a small group of persons a little lower down on the pyramid. These people in turn pass the orders down to lower levels, and so the flow proceeds down to the worker who rivets the last screw into the shiney new Model-T Ford. The classic authority model of leadership.

This top-down pyramid conception of leadership tended to exclude diversity at the leadership level. You might have women and people of different backgrounds and colour at the lower levels of the pyramid, but the top of the organization was dominated by white men who came from the same background, belonged to the same clubs and talked and thought the same way.

Typically, white men sat at the top of the pyramid. As one moved down, one encountered women in supporting roles and “outsiders” – men and women of different ethnicity and racial background. Not all businesses and institutions followed this model, but when I started to practice law, most did – men at the top, supported by a phalanx of female secretaries, receptionists and accountants. Chinese and blacks were occasionally found, usually at lower levels. Indigenous people were rarities. Along with this model came the assumption that the lower a worker stood in the hierarchy, the less the person had to offer, excluding ideas and insights from the vast majority of the people involved in the organization.

While it often worked well, this monolithic view of leadership had its limitations – limitations that have become increasingly evident in our complex, modern world. First, it confines the flow of ideas to one direction - down. Vision is formulated exclusively at the top. That vision and the ideas that infuse it flow downward from one person or a small group of persons to people lower on the pyramid. None flow back up. The movement is one-way only. It is difficult if not impossible for ideas to move up the pyramid from lower ranks. Maybe the riveter on the assembly line who has come up with a new and better way of fastening metal to metal will by some chance bump into Henry Ford in the ubiquitous coffee room and tell him about his new idea. But more likely he will not. His innovation will be ignored and lost, and the joint venture will be the poorer.

Second, the top-down pyramid model of leadership fails to capture the cooperative nature of human endeavour. In his best-selling book “Sapiens”, Israeli author Yuval Noah Harari asserts that the single trait that distinguishes Homo Sapiens from other animals is our ability to achieve cooperation among large groups of people. This ability to work together for common goals implies leadership – people who identify the desired goals and marshal the structures of cooperation necessary to achieve them. At its most basic, leadership means more than simply telling someone else what to do – it means working with others to accomplish a goal.

Because of these two defects – the one-way flow of ideas and the failure to acknowledge the social cooperative dimension of all human endeavour – the top-down model of leadership

may prove insufficient to meet the complexities of modern businesses and institutions. Even in Henry Ford's world, the failure to allow a riveter to contribute his ideas to the joint endeavour could cost the company. If this was true in the relatively simple world of Henry Ford, it is inescapable in our modern world of complex digital communication and social organization.

Modern leadership, to be successful, must do two things. It must find ways for good ideas to flow up and sideways as well as down, and it must broaden the reservoir from which ideas can emerge and allow people of all genders and backgrounds to contribute to the joint cooperative enterprise.

Which brings me back to my theme today – leadership and diversity. Old-style leadership was content to exclude half the population – females – as well as significant minorities from leadership positions. It did this by confining people deemed “different” to lower levels and excluding the up-flow of ideas. It did this, not because the people at lower levels were incapable of contributing new ideas and effort, but because they relied on myths about the roles particular kinds of people should occupy and what they could and could not, do.

I came of age under old-style, top-down leadership. I studied philosophy, then law. The world seemed open and the future bright - until my first interview for articles. It was a fine firm, and I had good marks. Forty years earlier, the highest Canadian legal authority, the Judicial Committee of the Privy Council, had reversed the old rule that women could not hold public office because they were not “persons”, stating that the law must change to recognize the reality of women taking up roles outside the home. Women could do anything men could do, or so I thought. The future limitless, the world my oyster.

My naïve optimism didn't last long. At the end of my first interview for articles – an interview which I felt had gone swimmingly - the senior partner interrogating me asked, “Why do you want to work?”

I sat mute, stunned into silence. I had studied for seven years to get to this point, and this man was asking why I wanted to work? Why I wanted to practice law? Seeing my

incomprehension, he kindly explained: “I see on your resume that you are married.” I recall nothing else, except that I fled his office in a state of bewilderment.

Only later did I realize that I had run up against a role myth: in those days, married women were expected to stay at home and support their husbands. If a woman was in a profession and married, she stepped down; if she was not yet in the profession, she was unlikely to get a job. Marriage or career. One or the other. Fortunately, I found articles in a firm across the hall less encumbered by tradition. And fortunately times change; my interrogator’s married daughter went on to become a leading Canadian barrister.

Things are better now. Women are practicing law and sitting on our courts in considerable numbers, although parity still eludes us. Some women also sit on important boards, although in this case parity is too often a distant mirage.

My point is not to complain, but rather to illustrate how myths and stereotypes can operate – unconsciously and despite good intentions - to exclude perspectives and talent from the cooperative pool. And my point is also to suggest that to function effectively in the modern world, leadership must not confine the flow of ideas to a small group at the top of the pyramid, but must expand it exponentially. The assumptions of exclusion inherent in old-style leadership, must be replaced by a new assumption of inclusion.

Why do I say this? Because it’s the right thing to do, and because it works.

Embracing diversity at every level of a business or organization is the right thing to do. Seventy years ago, in the aftermath of World War II and the Holocaust, the world resolved, “Never again.” Hundreds of nations signed on to the United Nations Declaration of Human Rights, prohibiting discrimination on the basis of personal characteristics, like gender, race, and religion. Across Canada, provinces passed Human Rights Acts, which forbade discrimination in private workplaces. And in 1982, Canada adopted the Charter of Rights and Freedoms, proclaiming the equal right of every person to the benefit of the law. These documents are based

on the premise of equality. They rest on the assumption that people of diverse genders and backgrounds should live and work together.

Embracing diversity at every level also works. It makes practical and economic sense to nourish talent wherever one finds it, and to welcome different perspectives and points of view. I say this for three related reasons. First, embracing diversity in the spirit of working together *brings in ideas and solutions that might otherwise be lost*. Second, embracing diversity *brings valuable talent* into the business or institution. Third, embracing diversity can bring *different perspectives* that will foster good decision-making and help to avoid negative fall-out. Let me expand on each of these.

First, embracing diversity brings insights and ideas into the organization that might otherwise be lost. Excluding women and others deemed “different” deprive the organization of ideas that may be valuable to the organization. The leaders – the men at the top – were typically an homogenous lot who talked, walked and thought the same. Ideas from the lower ranks seldom percolated up to the top. The result was stasis. Same old. Not good for competitiveness, not great for meeting the challenges of an increasingly complex world.

There may have been a dim understanding in earlier decades that this state was not ideal. I recall putting notes in workplace “Suggestion Boxes” in my youth. Unfortunately, I never saw any evidence that anyone emptied the box, much less read them, much less implemented any of the suggestions it contained. At the same time, a senior lawyer I worked with in the seventies holding group sessions that included the most junior people on a file – including non-lawyers – to “kick the problem around”, as he put it. Sadly, this was considered revolutionary at the time.

But those were the old days. What was once exceptional has become the new norm in modern industries in the tech world, where bringing new ideas in and bouncing ideas off different members of the group in a fluid, non-hierarchical way, has become a new way of working. The same holds true for businesses and institutions.

As a judge, I became a firm believer in the power of the free flow of ideas to produce solutions to thorny problems. Courts in many countries order their discussions about the cases they hear in the old-fashioned hierarchical way. The Chief Justice speaks first, stating how he would decide the case. Then the senior justice speaks. And so the process proceeds, until the junior judge finally gets to pipe up with her view. The intimidating effect of this progression on the junior judge's comments and her ability to affect the outcome is evident. It takes courage to stand against what eight of one's seniors say is the law.

At the Supreme Court of Canada, the way of proceeding was reversed. When I arrived at my first conference in 1989, I was shocked to discover that on my new court, the junior judge was expected to speak first. I blurted out my view of the case, and then watched as successive colleagues proceeded to demolish it. But, I discovered, the system worked; the junior judge was heard, and quite often her idea, or aspects of it, were taken on board. When I became Chief Justice I loved going last. Having listened to the views of all the Justices, often amplified by vigorous back and forth, I might have an idea of how we might collectively arrive at where the best solution might lie. I quickly concluded that whenever we were faced with divisions on difficult issues, I should encourage re-conferencing and more discussion – discussion that often reduced or resolved differences between colleagues.

Second, bringing diverse people into an organization and giving them a role in decision-making brings *talent* into the organization that would otherwise be lost. Old-style leadership assumes that talent comes labelled by gender, colour and background. Studies have shown that people hiring for a new position tend to choose a person who closely resembles them. Thus men in suits tend to choose other men in suits, who have gone to similar schools and belong to similar golf clubs. The logic of this phenomenon is inescapable. "I do the job well. Therefore someone like me is likely to do the job well." But that is to ask the wrong question. The right question to ask in hiring a person is this: who, among the candidates, is the best-qualified and most talented for the job or task at hand – a person who may be quite different from the person who is doing the hiring. To choose the best person for the job, it is not enough to ask if they fit a certain mold. To choose the best person, you need to look at the talents of all the available candidates, regardless of their gender, race or other personal characteristics. In a word, diversity.

For many years, women were excluded or overlooked for positions in law because of unjustified assumptions about their sensibilities – too gentle for criminal law, for example - or the possibility that they might have a family. The standard male model was selected over the better-qualified female model, for reasons that upon examination proved groundless. We are moving beyond that now, as women prove themselves equally capable and dedicated as men.

Finally, bringing diverse perspectives into the cooperative enterprise sensitizes the organization to what it should and should not be doing. Diverse perspectives offer important input into formulating the group's common goal. What can we do to make our product more attractive to women, or more useful to a sight-impaired person? Or to a person of a particular minority community? A monolithic group of aging men in pin-striped trousers may not naturally gravitate to such considerations. A diverse group will. As a judge, I experienced on more than one occasion how bringing the perspective of a woman to a legal problem turned the discussion around and resulted in a better-informed decision.

Diverse perspectives in the decision-making chain also help guard against unforeseen consequences. Businesses and institutions need to understand not only opportunity, but the risk of unforeseen negative fall-out. An indigenous person on the board of a mining company may bring valuable insights into how it may impact indigenous groups - insights that might otherwise be overlooked. Similarly, women in board and management positions may help corporations avoid blundering into gender-sensitive territory. We hear charges, for example, that the male-dominated culture in certain Silicon Valley ventures has led to missteps, accompanied by calls for a more inclusive business culture in the tech world. Bottom line - the world we live in is diverse and complex; leadership, if it is to be successful in this world, must embrace this diversity and complexity.

I have argued that a more open, diverse approach to leadership is not only the right thing to do in moral and human terms, but also makes good business sense. Indeed, I would go so far as to contend that without diversity, long-term success in the complex world we now inhabit may prove elusive. Yet there is still another reason to seek diversity in leadership – namely, that it

will inspire public confidence and support – something most businesses and institutions need for long-term success.

Let me focus for a moment on corporations. The classical view – the view I was taught in law school – was that corporate boards should confine themselves to a single goal – producing maximum return on investment for the corporation. But this is changing. In the *BCE* case the Supreme Court of Canada held that in the wind-up of a corporation, the board should consider not only the interest of shareholders, but of other stake-holders such as bond holders. Many corporate leaders now advocate a role for corporations in building strong communities and safe and sustainable environments. Diversity is part of this picture. It tells the public, “We understand you, we reflect you. You are not just a number for us, you are a human being we respect.” Effective leaders recognize this, and consequently embrace diversity.

The importance of a member of the public, including minorities, seeing herself reflected in an institution that may affect her life was brought home to me by a simple case I encountered as a trial judge. It was a slow afternoon in the Supreme Court of British Columbia. I found myself presiding a case where the issue was division of property between a separating couple. The wife was represented by a female lawyer. The clerk and court reporter were female, as was I. The husband sat at his table, alone.

After the wife’s case concluded, I invited the husband to present his position. He seemed to be having trouble getting up. I thought it was because he didn’t have a lawyer, and told him that it was a simple case, I just needed to hear his side of the story. Finally, he got to his feet. “It’s not that I don’t have a lawyer”, he said. He looked me in the eye with an aggrieved air. “Frankly, your Honour, I feel a little outnumbered.”

I assured him that I would not hold his gender against him, and he told me his version of events. In the end I divided the property equally. I thought nothing more of the matter until later that evening. Reflecting on the husband’s comment, I thought of how many women through the decades, if they had ever managed to get to court, stood before a bevy of men as the only woman in a room, and felt more than a little outnumbered.

Our businesses and institutions, if they want to sustain public confidence in what they do, must reflect the diversity of the people they serve. Those people should see people like themselves in the corporation and its management, or in the court that is called on to hear their case. If they feel outside or outnumbered or outside, confidence will be slow in coming. The accusation that “elites” are running our society will not be far behind.

I hope I have convinced you that there are good reasons for seeking diversity in leadership – moral and practical. Diversity helps an organization to formulate the right goals, to arrive at the right solutions to particular problems, to recruit the best talent, to avoid insensitivity traps and to sustain public confidence.

It remains something of a mystery, then, that so many businesses and institutions fall short in achieving diversity. Most corporate boards are still dominated by men. Slightly over one-third of our judges are women, but the figure seems stalled there. We sorely lack representatives from the indigenous community on our public and private institutions – at a time when indigenous rights and the national project of reconciliation have taken on urgent dimensions.

The reasons we fall short on the diversity front are complex and varied. Education, health and cultural attitudes all play important roles. And beyond these obvious factors, we still too often fall prey to unarticulated assumptions about who can do what job and whose ideas should count.

In conclusion, let me leave you with this thought. It is not enough to put token diversity placers on this board or that position. Leadership requires helping everyone in the cooperative endeavour we call our business or institution to be as creative and productive as they can be.

I became Chief Justice on January 7, 2000. I moved into my large corner office and installed my books and papers. Congratulatory letters poured across the surface of my big double desk, assuring me that while the job was challenging, I was up to it. Then I received a call from a

friend who had served as Chief Justice of California for a number of years. After the routine congratulations, he said, “Beverley, I have one thing to say to you. They hand you the reins of power. It takes about three days to learn that they aren’t connected to anything.”

My friend was absolutely right. A Chief Justice has no more power than any other Justice – her vote counts for no more and no less. She has no power to hire or fire. She has no perquisites to dish out or withhold.

As I reflected on my impossible new position, it came to me that there was one thing I could do. I resolved to do whatever I could to make each Justice of the Court the best possible Justice they could be. It might be a word of advice, it might be listening to a grievance. It might be getting them support they needed or helping them through a family mishap or a health problem. My new leadership role – such as it was – was not about me; it was about enabling the men and women I worked with, with all their differences and in all their diversity, to do the best that they could in our collective, cooperative task of doing justice for the Canadian people.

The same spirit may assist us with the diversity challenge we still face in Canada. It’s not about me or people who look like me. It’s about making all Canadians, in all their wonderful diversity, partners in doing the best we can do, for our institutions and for our country.

I do not claim to have a definitive definition of good leadership. But I hope my remarks have persuaded you to think about the role diversity plays in achieving it. It has been a pleasure to share my thoughts with you. Thank you for listening and allowing me to share my thoughts with you.