

Study: Representation of Women on Boards of Directors, 2016

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Almost 20% of board directors are women

Today, Statistics Canada is releasing new data on the gender composition of corporate boards, providing the first comprehensive estimates across all types of corporations. Although the share of women on corporate boards in publicly traded corporations (public corporations) has been well documented, this release fills an important data gap, by providing the first estimates for private corporations, government business enterprises and public corporations. Based on 2016 data collected through the Corporations Returns Act, the information highlights women in leadership and strategic decision-making roles in corporations conducting business in Canada. It also supports gender-based analysis across government and private sector organizations.

Generally, directors are responsible for supervising the activities of a corporation and for making decisions for those corporations. Directors sit on a board of directors, the governing body of a corporation. The data set contained 12,762 corporations among which 44,658 directors were identified as members of a board of directors.

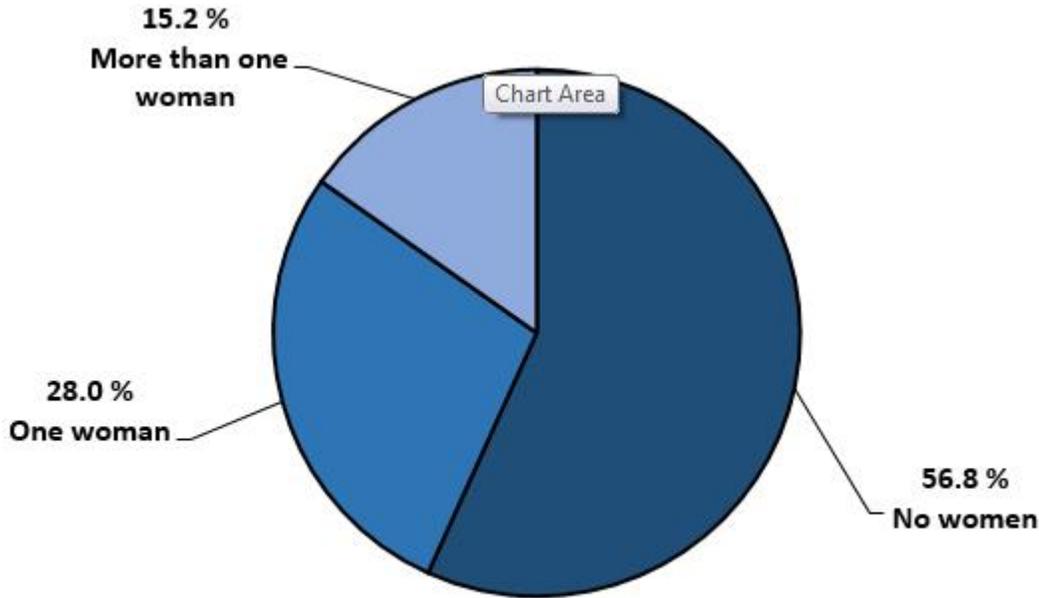
Women accounted for 19.4% of directors in 2016. Overall, the results of this analysis demonstrate that 28.0% of corporations had one woman on their board of directors, 15.2% had more than one woman, while 56.8% of corporate boards of directors were composed entirely of men.

Women were more likely to be on corporate boards with more than one director. They were most likely to be on boards with three or more directors (55.2%), compared with 31.4% for corporations with two board directors and 14.6% of corporations with one director.

This study was produced in partnership with Statistics Canada's Centre for Gender, Diversity and Inclusion Statistics. Additional information about the Centre and other gender-related studies and statistics can be found in the "[Gender, diversity and inclusion statistics](#)" hub.



Infographic 1 – Proportion of women directors



Source: Corporations Returns Act (2503).

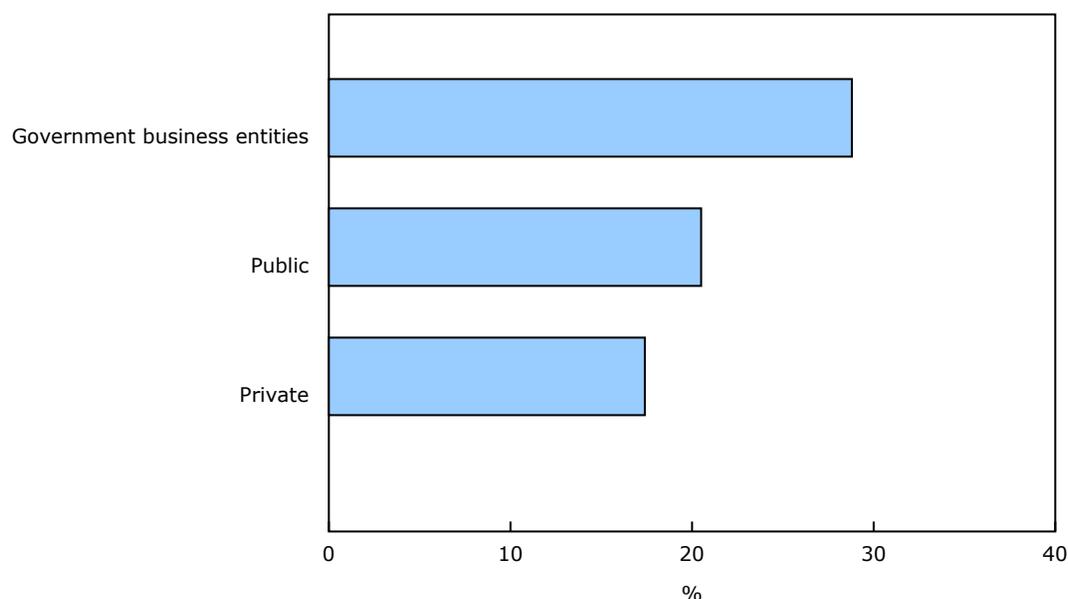
Government business enterprises have the highest share of women on boards

Government business enterprises had the highest share (28.8%) of women on corporate boards in 2016, followed by public corporations (20.5%). Previous work has shown that the representation of women on corporate boards for public corporations rose from 2015 to 2017 following new regulations that required publicly traded corporations to disclose information on representation of women on boards. Private corporations had the lowest representation of women on boards of directors at 17.4%.

Corporations were more likely to have just one woman on their board of directors. For example, 28.1% of public corporations had one woman on their board, 10.5% of them had two women and 5.5% had three or more women as members of their board of directors. Among private corporations, 27.6% had one woman on their board, 9.8% had two women and 4.2% had three or more women.

Studies in the United States and in Europe have shown that corporate boards with three or more women, defined as a "critical mass" in the literature, were more likely to perform differently than those with fewer or no women. Having three or more women on a board seems to modify boardroom dynamics, proposes a positive environment for innovative ideas, etc.

Chart 1
Women's participation on corporate boards by type of corporation, 2016



Source(s): Corporations Returns Act (2503).

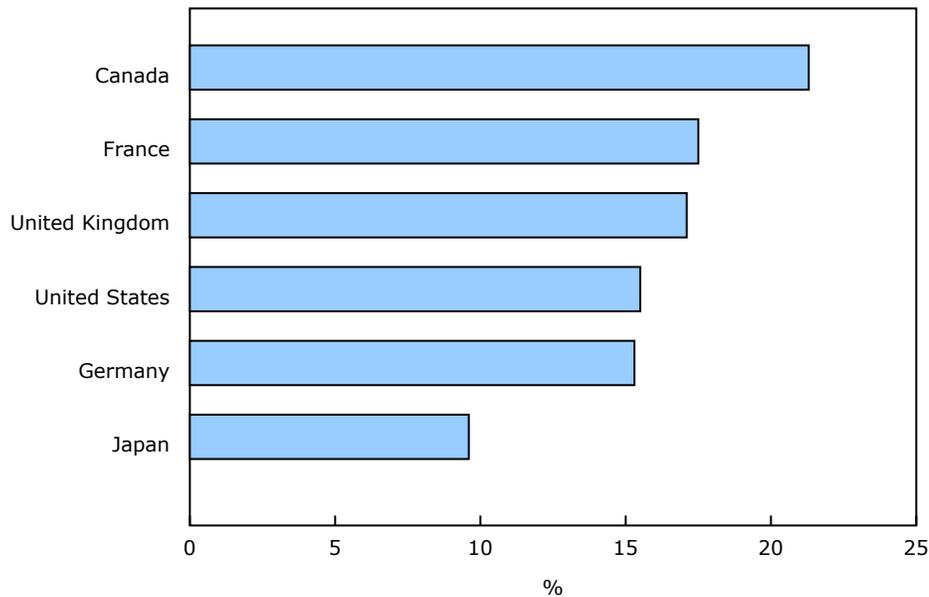
Corporations under Canadian control have highest share of women on corporate boards

Less than one-third of the boards covered by this study were controlled by foreign entities. The presence of women on these boards can highlight differences by country of control.

Canadian-controlled entities had the highest share (21.3%) of women on boards, followed by those controlled by entities from France (17.5%) and the United Kingdom (17.1%). Japanese-controlled entities had the lowest share (9.6%) of women on boards. Generally, these patterns seem to be consistent with the representation of women on corporate boards in these countries, reflecting the relatively higher representation in France and lower representation in Japan.

While the share of women on corporate boards in public and private corporations was similar for most countries of control, this was not the case for British-controlled entities, where women accounted for 23.9% of members in public corporations compared with 9.7% in private corporations.

Chart 2
Share of women on corporate boards by selected country of control, 2016



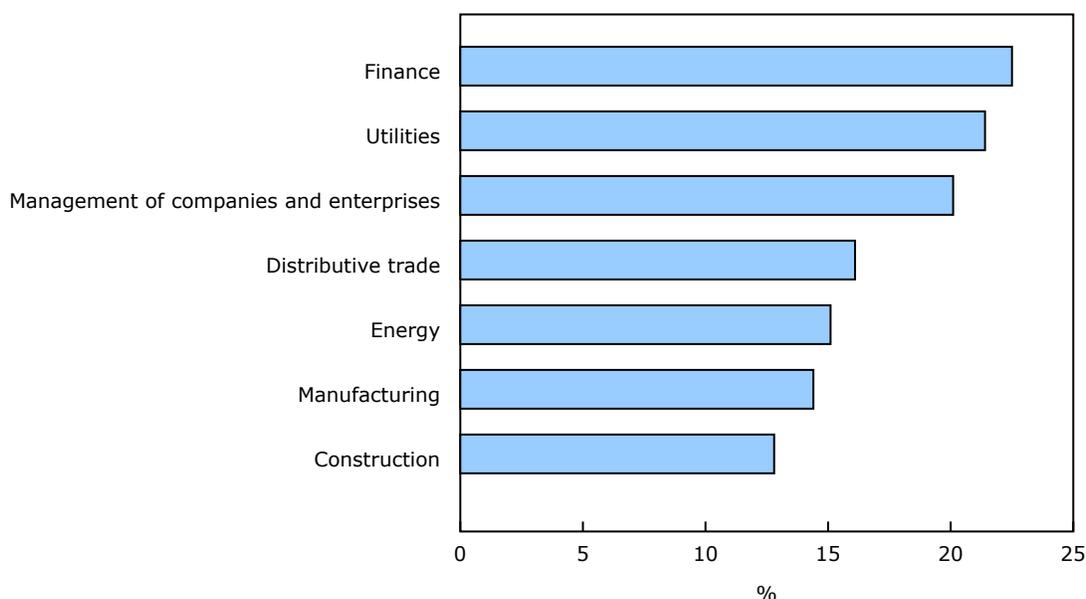
Source(s): Corporations Returns Act (2503).

Service industries have largest share of women on corporate boards

Women were more likely to be represented on corporate boards in service industries such as finance, management of companies and enterprises, etc. For example, women were most prevalent on corporate boards in the finance sector (22.5%), followed by utilities (21.4%) and management of companies and enterprises (20.1%). Conversely, the lowest shares were in the construction sector (12.8%) and manufacturing (14.4%).

From a different perspective, 64.3% of finance corporations had at least one woman on their board of directors, almost double the share in construction (33.4%).

Chart 3
Share of women on corporate boards by selected industries, 2016



Note(s): The industries were defined based on the 2012 North American Industry Classification System.
Source(s): Corporations Returns Act (2503).

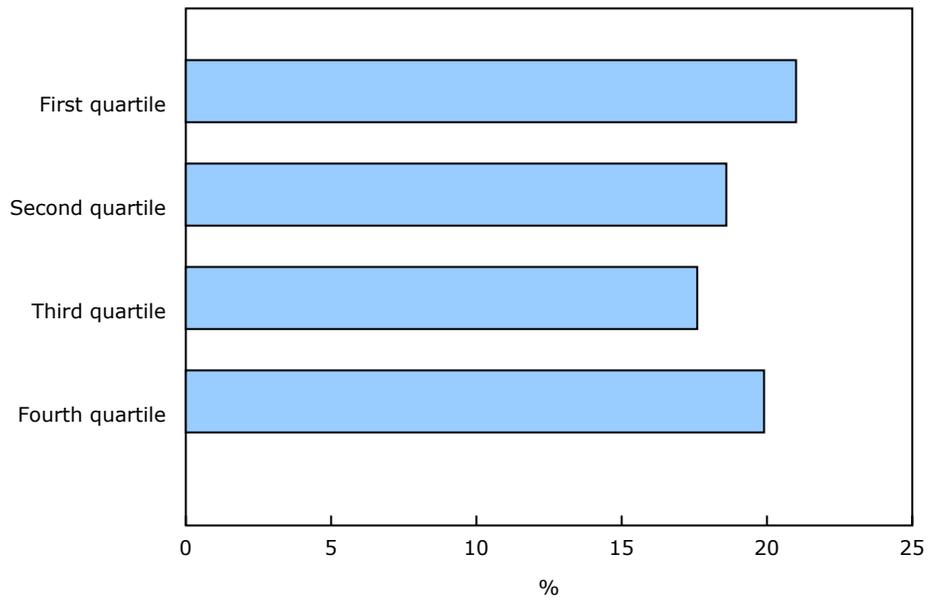
Women are more likely to hold board seats in the smallest and largest corporations

Assets, which refer to all resources owned by corporations, are considered a good indicator of a corporation's size. Women were most likely to hold board seats in the smallest corporations by assets (21.0%), that is, corporations in the first asset quartile. This state of affairs partly reflects the industry composition of this size class, as almost two-thirds of women holding a board seat in this quartile held seats in the financial industries.

Women held 19.9% of board seats in the largest corporations or those in the fourth asset quartile. As the largest corporations tend to have a higher number of board members than smaller corporations, they are more likely to have female members. Among the corporations with three or more directors in the fourth asset quartile, 61.3% had at least one woman on their board of directors, compared with 55.6% in the smallest corporations with three or more directors.

Corporations in the middle quartiles had relatively lower representation, as women held 18.6% of seats in the second quartile and 17.6% in the third quartile.

Chart 4
Share of women holding a board seat, by enterprise size (assets), 2016



Source(s): Corporations Returns Act ([2503](#)).

Note to readers

Data sources and methodology

The Corporations Returns Act (CRA) program collects financial and ownership data on corporations conducting business in Canada for public, private, and government businesses. Corporations are included in the sample if their gross revenues for a fiscal period exceed \$200 million, their assets exceed \$600 million or their long-term debt or equity owing to non-residents exceeds a book value of \$1 million.

However, while these data are used to understand domestic and foreign residence of corporate board members, they cannot provide information on the gender profile of these individuals.

To identify the gender of these corporate board members a two-step process was undertaken.

First, the 2016 CRA data were integrated, where possible, with gender data from the Derived Record Depository (DRD), a national dynamic relational data base containing only basic personal identifiers of Canadians built by integrating information from administrative data files available at Statistics Canada, including the T1 Personal Master file, for the purpose of facilitating the integration of data from other files. As a result, gender was added to 47% of CRA records through this data integration process.

For the remaining 2016 CRA records which could not be integrated, probabilistic imputation was employed using information available about the corporate board members. Specifically, this probabilistic imputation was based on province of residence and first given name. Gender probabilities based on province of residence and given name were calculated using the DRD, with a universe limited to individuals with a tax return in 2014, 2015 or 2016. These probabilities were then used to impute gender on the CRA data file.

To validate the methodology, the imputation was also applied to those CRA records which had gender added through integration for comparison purposes. This comparison demonstrated that 97% of those records had the same gender value from the imputation as they had through integration.

The most recent data obtained through the CRA program was collected in 2016. These data are then used to evaluate the extent of foreign control in the Canadian economy and are summarized in an annual report to Parliament. To release information from the CRA program, Statistics Canada must receive the approval from Parliament. The 2017 data are scheduled for publication in summer 2019.

The corporations targeted by the CRA represent a subsample of the total population of incorporated enterprises operating in Canada which are included in the Annual Financial and Taxation Statistics for Enterprises (AFTS). The assets for the corporations included in the CRA accounted for 72% of the total assets included in the AFTS in 2016. The CRA publishes statistical estimates at the legal entity level, while the AFTS disseminate statistical estimates at the enterprise level. Since the AFTS assets are consolidated, there is an overrepresentation of asset in the CRA when compared to the assets in the AFTS.

Infographic: Women in corporate Canada: Who's at the top?

The infographic "[Women in corporate Canada: Who's at the top?](#)," which is part of Statistics Canada — Infographics (11-627-M), illustrates the proportion of women in leadership positions for corporations conducting business in Canada in 2016.

References

Information on the representation of women on corporate boards for public corporations following new regulations that required publicly traded corporations to disclose information on representation of women on boards was taken from Ontario Securities Commission (2017), CSA Multilateral Staff Notice 58-309 Staff Review of Women on Boards and in Executive Officer Positions –Compliance with NI 58-101 Disclosure of Corporate Governance Practices.

Information on the impact of having three or more women on boardrooms, defined as a critical mass in the literature, was taken from Catalyst, Quick Take: "Women on Corporate Boards" (December 21, 2018).

Information on the representation of women corporate boards in other countries was taken from Catalyst, Quick Take: "Women on Corporate Boards" (December 21, 2018).

Definitions, data sources and methods: survey number [2503](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).