



# *The art of recruiting for Crown boards*

*Forget pure patronage. Today's recruiters are seeking experienced professionals who can work with all levels of government and who have a strong sense of community, **Jeff Buckstein** writes*

## CORPORATE SKILLS, GOVERNMENT PAY

Directors do not join a Crown board to become wealthy. They are successfully recruited to serve because they want to improve society, or the way that services are run, or they have a desire to give back to Canada, says Roper, who also serves on the boards of the Canada Games Council and the Canada Games 2021 Niagara Host Society, and who holds the ICD.D designation.

“Compensation for Crown directors differs significantly, but in general is much lower than for directors serving on the board of a private entity,” says Sheldon Mahabir, director of board opportunities for the Institute of Corporate Directors (ICD) in Toronto.

Despite the yawning pay gap, many of the attributes sought in recruiting for the board of a Crown corporation and private company are similar. Directors need to understand and execute their fiduciary responsibilities to the organization, contribute to its corporate strategy, and possess good interpersonal communication skills. The latter is particularly important for the board chair because he or she is often a key external liaison with the corporation’s stakeholders.

As with a private company, a wide-ranging set of skills and knowledge is needed to run a Crown corporation. Recruiters need to ensure that the board, in aggregate, possesses expertise in multiple professional disciplines, including finance, accounting, law, marketing and human resources.

## SOPHISTICATED METHODS

An evolution in Crown board recruitment over the past 20 years has resulted in a more professional process, relying to a greater extent on a skills matrix, and that process has also become more transparent, says Richard Dicerni, Academic Director of the ICD’s Crown Director Effectiveness course.

“I believe that these changes have been brought about by watching what was happening in the corporate world,” adds Dicerni, who serves on the board of Alberta Health Services, chairs the audit committees for both the National Research Council and Shared Services Canada, chairs the Ontario government’s expert review panel of the Ontario Energy Board, and holds the ICD.D designation.

Michele Jackson, director of public agency appointments in the Premier’s Office for the Government of Alberta, says her office gauges the key skills required for each Crown position for which it recruits. Sometimes, specialized knowledge is required, as when recruiting for one of the province’s many scientific boards, which are highly technical.

There are also many distinct features that need to be taken into consideration when searching for the right candidate for a Crown board.

“A key difference between recruiting for a director in a Crown corporation compared to a private company is that the Crown requires candidates that are adept at balancing both a public policy and a commercial objective,” says Janine Sherman, deputy secretary to cabinet of senior personnel and public service renewal in the federal government’s Privy Council Office.

Crown directors also need to have a broader measure of results than, say, directors of a publicly traded company in the private sector who can rely on traditional measurement metrics such as stock price, market share or earnings.

For example, the board and management of various provincial lotteries across Canada are expected to generate revenue for health and other community services. But that goal must also “be balanced against the societal need to not foster or encourage a total gambling culture within the province,” Dicerni explains.

## BALANCED AND INDEPENDENT

The diversity of a Crown corporation board is also important. Gender, age, language, ethnicity, disability and sexual orientation are among the key categories that reflect the makeup of Canada. Geography is also often important. Federal Crown corporations, in particular, need representation from across the country.

“What you’re trying to get at is not tokenism, but rather to get as many different perspectives ... into the discussion about how the business is run,” says Odgers Berndtson’s Roper.

Alberta’s Jackson agrees. “Our boards need to reflect the people who are in the province. Alberta has changed significantly. We have huge immigration, lots of new Canadians.” She also notes that there has been a concerted effort in recent years to appoint people of Indigenous ethnicity to provincial Crown boards.

In terms of gender representation, Jackson estimates that Crown corporation directorships in Alberta have roughly achieved parity over all.

“I believe the public sector leads the private sector in terms of adopting and moving to diversity on boards,” adds Roper. She cites the ROM, an agency of the Ontario government, where women hold 50 per cent of the trustee positions, as having far surpassed the general international goal of at least 30 per cent female directors.

Independence, both in fact and appearance, is another important factor for recruiters to put near the top of their list.

“There’s much more media and political scrutiny in terms of directors who are recruited and appointed compared to in the past. [For example], there’s less and less tolerance for pure patronage – people who belong to very specific political stripes,” says the ICD’s Mahabir.

The federal government’s ethical guidelines as outlined in its “Open and Accountable Government” guide require that appointees to a federal board need to ensure that any partisan

political activity in which they engage does not affect their duties as a director, nor must there be any public perception of a conflict, explains Sherman of the Privy Council Office in Ottawa.

Recruiters have found that gauging a prospective board member’s activities outside of work can provide valuable insight into whether they might be a good fit as a director of a Crown corporation.

“We spend a lot of time looking at what kind of work they do in the community,” says Jackson. “Do they volunteer? Do they have any kind of sense of community for themselves? Is it just about their professional career, or can you see from their résumé and then talking to them that they actually think about the world outside them?” she says. ■

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## DIRECTORLENS

- Today’s Crown corporations are complicated organizations with increasingly sophisticated hiring standards, especially for members of the board.
- Aspiring directors of Crowns need many of the skills that define success in the corporate world. But they must realize that the benefits of serving are as much about giving back to the community as receiving remuneration.
- Many Crowns are ahead of Corporate Canada in bringing broader representation to their boards in terms of diversity of gender, ethnicity and geography.