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Dispatches

A digest for diligent directors



THE GREAT BREAKUP

IT'S STILL A MAN'S WORLD. According to a recent report by the Canadian Securities Administrators (CSA), 30 per cent of major publicly traded companies have no women in "executive officer" roles. Only 5 per cent of issuers have a woman at the helm, while a meagre 4 per cent have gender diversity targets at the executive level.

Which is why some of Bay Street's finest women are finding a new way to break the glass ceiling – by quitting. In *The Globe and Mail*, Rita Trichur observes some female executives are resigning at one company to take the top job at another. These women had spent

at least a decade at their respective firms before moving on and up.

A report by LeanIn.Org and McKinsey calls this trend "The Great Breakup." It notes women are demanding more from work and leaving companies in unprecedented numbers to get what they want.

"Is anyone really surprised that professional women have had it with companies that overlook their credentials, shortchange them on pay and undervalue their efforts to create inclusive workplaces?," asks Trichur. Her advice to women: "Don't try to outlast a boss who's holding you back. Outwit him instead."

THE NEXT BIG TECH

The economy may be cooling, but climate tech is sizzling. Last year, U.S. climate startups raised close to US\$20-billion, nearly tripling 2020's US\$7-billion, Erin Griffith writes in *The New York Times*. BlackRock CEO Larry Fink recently predicted that a thousand "climate unicorns," or new companies with valuations in excess of \$1-billion, are in the making today.

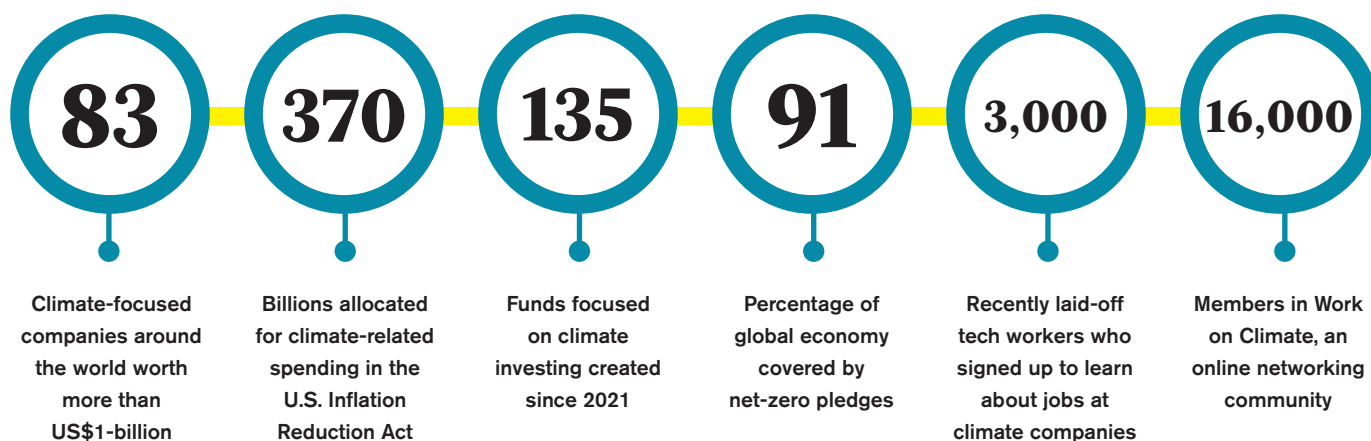
This isn't magical thinking. With the rise in extreme weather events, corporations are feeling the heat from stakeholders. Falling renewable energy costs, Washington's climate incentives in the Inflation Reduction Act, and the U.S. Securities and Exchange Commission's proposed rule on emissions reporting are adding fuel to the fire.

The workforce is having its own climate epiphany. As big tech cuts workers loose, many are questioning their company's purpose in society. According to one climate tech company founder, several employees from the likes of Google and Meta took a pay cut to join his company that funds reforestation and sells carbon credits. "They came to realize, 'The planet is falling apart, and I'm working on making people click on ads,'" the founder tells *The New York Times*.

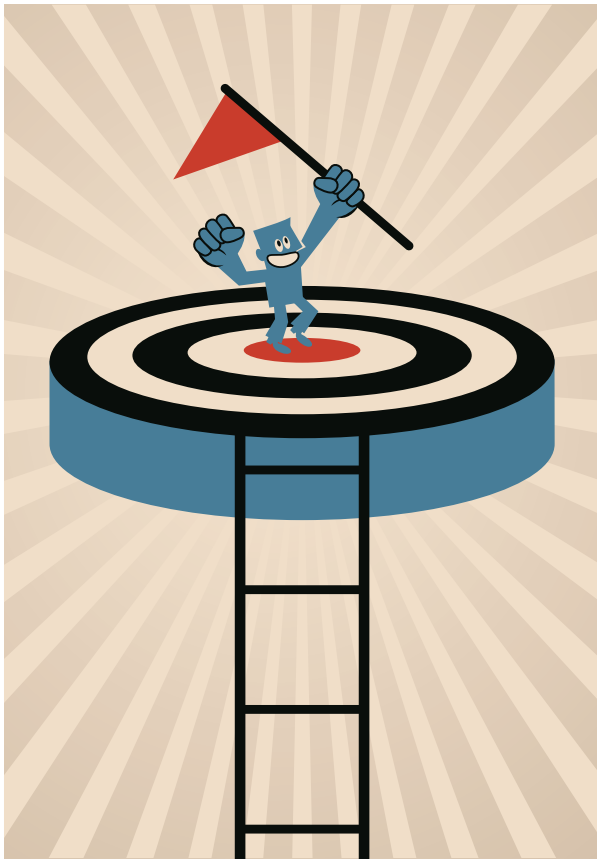
While some industry insiders worry the battle for capital will lead to greenwashing and infighting, others say there's no time to spare. "There's a bigger fight to fight," one climate investor tells Griffith. "Everything else feels like rearranging deck chairs on the Titanic."



A HOT MARKET



Sources: HolonIQ, Climate Tech VC, Net Zero Tracker, *The New York Times*



THE BOSS IS BACK

Amid mass layoffs and growing job insecurity, CEOs are showing people who's boss. Many executives no longer struggle to retain employees or feel pressure to hire quickly to land top candidates, Chip Cutter and Theo Francis report in *The Wall Street Journal*. Pay increases are slowing, and it's becoming easier to find talent for some roles. CEOs are also scrutinizing hiring needs and getting strict about working in the office.

The pandemic spawned movements like *The Great Resignation*, which left many employers on the backfoot in employee negotiations. But now, as job losses mount, workers are choosing to stay put.

"There is a segment of CEOs who are like, 'All right, I got the power back,'" one PwC senior partner tells the *Journal*.

But executives shouldn't get too bossy. With unemployment sitting at 5 per cent in January, the Canadian labour market is still historically tight. According to the recruiter Robert Half, more than 50 per cent of Canadian companies plan to boost headcount in the first half of the year.

TWITTER'S ABANDONED ASSETS

Under Elon Musk's leadership, Twitter isn't exactly rolling in the dough. The company recently auctioned off about US\$1.5-million of furniture and equipment like USB dongles and keyboards. But peculiarly, Musk hasn't bothered to reclaim many of the corporate laptops of former employees. These abandoned assets could potentially fetch hundreds of thousands of dollars, reports Paresh Dave at *Wired*.

For example, one software engineer's Twitter-issued Apple MacBook Pro is still collecting dust in his closet two months after he was fired. Like many of his former colleagues, this engineer doesn't feel he owes the company anything. "I'm happy letting it sit there and be a brick," he tells *Wired*.

Is it any wonder many ex-Tweeps feel this way? As three law professors note in the Harvard Law School Forum on Corporate Governance, Twitter's former bosses didn't think twice about their employees when they sold the company to the billionaire. The deal handsomely rewarded shareholders and executives, but none of the spoils were set aside to soften the blow to workers. Instead, Twitter's feel-good mission statements and core values, and the workers they were supposed to serve, weren't given much thought. "The stakeholder rhetoric of corporate leaders is mostly for show," the professors write.

Fortunately, those employees who remain don't have to worry about lip service. With Musk's ultimatums like "go extremely hardcore" or go home, they know exactly what to expect from the new boss.





PAID BY THE WORD?

MOVE OVER, Gabriel Garcia Marquez. At about 240 pages and nearly 150,000 words, the length of the average annual report from the companies listed on London's FTSE 100 stock index exceeds the Colombian novelist's classic, *One Hundred Years of Solitude*. Growing a few pages longer each year, these board reports are approaching tome territory. They may very well take one hundred years to finish reading.

The Quoted Companies Alliance (QCA), which represents the interests of small and mid-sized listed companies, is not amused. The British advocacy group, which did the calculations, worries that ever-increasing reporting requirements may hinder companies floating on U.K. stock exchanges. Indeed, 1,954 companies were trading on the London Stock Exchange in December 2022, down from 2,365 seven years earlier.

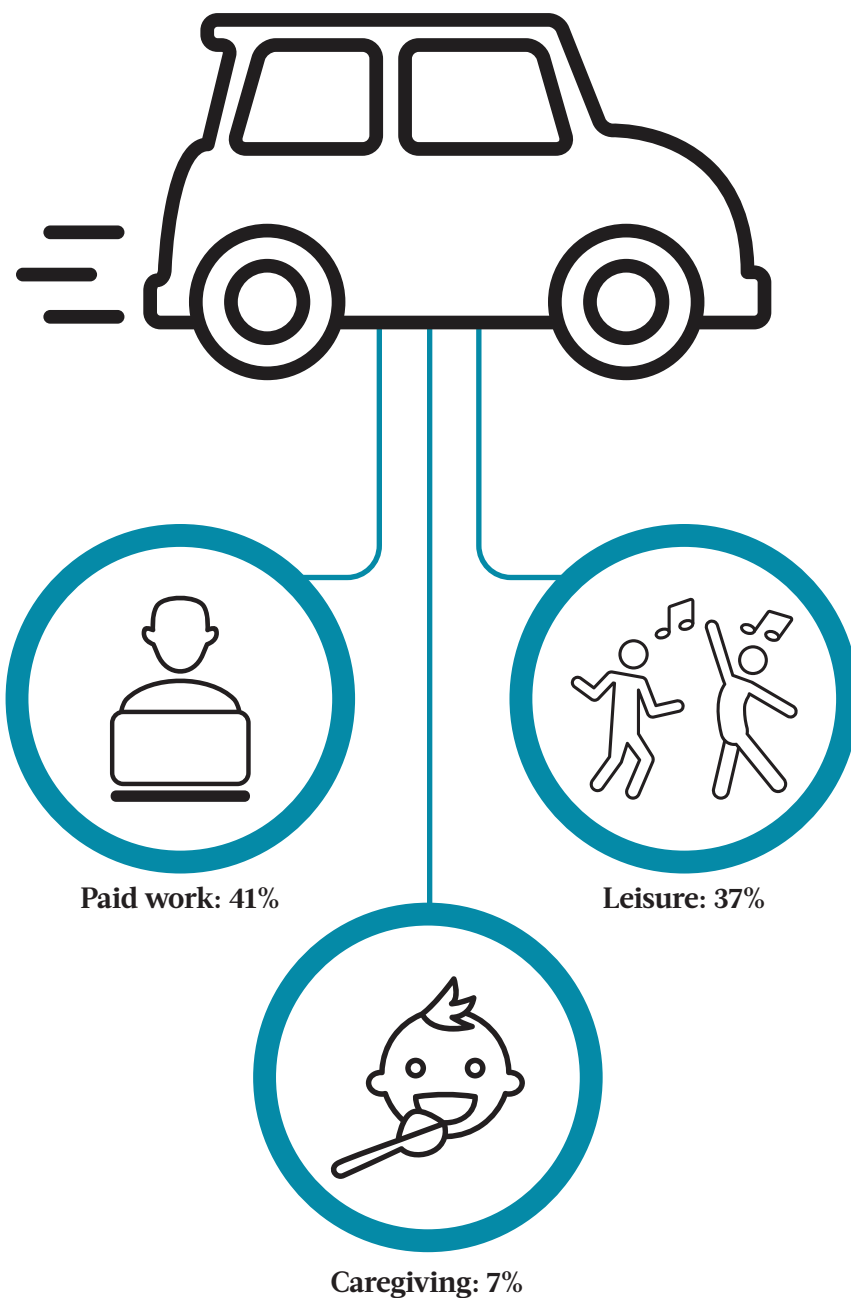
"More disclosure is not better disclosure," the QCA's CEO says in a Board Agenda interview.

However, with the pressure on companies to cut greenhouse gas emissions, the disclosure burden is unlikely to shrink, business writer Gavin Hinks writes. While they may double as a doorstopper or lull the reader to sleep, these reports will probably remain a beast.

THE COST OF COMMUTING

A global survey of workers in 27 countries finds that daily commute times range from 51 minutes in Serbia to 102 minutes in China. In Canada, it takes the average worker 65 minutes to get to and from the office.

The report says remote work increases personal freedom, quality of life and social capital in residential communities, while lowering energy use and pollution.



Source: Global Survey of Working Arrangements and World Economic Forum