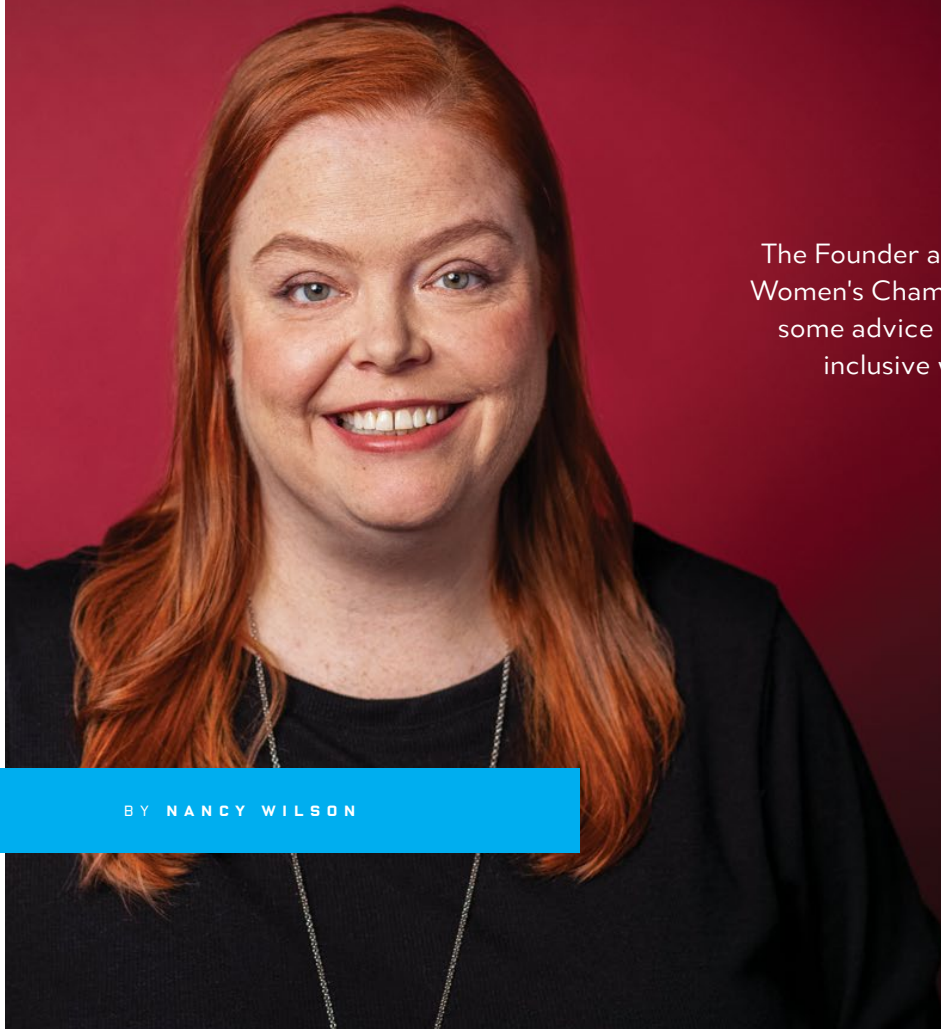


How to Level the Playing Field for Canada's Women Tech Entrepreneurs



The Founder and CEO of the Canadian Women's Chamber of Commerce shares some advice for creating more truly inclusive work environments.

BY NANCY WILSON

If you had a daughter, would you encourage her to study in a STEM field? Would you advise her to pursue employment in Canada's tech sector or become a woman tech entrepreneur? I don't know if I would.

I am not a woman in tech. I am a Chartered Professional Accountant with more than a decade of experience in corporate finance and accounting roles. I left the corporate world to start an accounting and advisory firm. I worked with women entrepreneurs. I experienced the challenges of being a woman entrepreneur first-hand and heard those challenges echoed back to me by clients. This experience led me to found the Canadian Women's Chamber of Commerce (CanWCC) in 2018. Large-scale systemic change is needed to level the playing field for women entrepreneurs. To make that happen, Canada needs a coordinated national advocacy network.

So, if I'm not in the tech sector, why am I writing about it?

Because the issue of gender equality cannot be compartmentalized or relegated to a single industry.

There are challenges and barriers faced by all women entrepreneurs. I know about these challenges. I am going to show you what we can do about it.

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Past research on gender equality in the tech sector put forward four main recommendations for its improvement:

1. Increase the number of women graduates in STEM fields
2. Adopt workplace policies that attract and retain a more diverse workforce
3. Provide young women with more successful women in tech role models
4. Increase the number of women tech founders and entrepreneurs

The recommended strategies are not working. I'm not surprised. I believe that all approaches are fundamentally flawed. Let me explain.

TRADITIONAL RECOMMENDATION 01

INCREASE THE NUMBER OF WOMEN GRADUATES IN STEM FIELDS

WHY IT'S NOT WORKING:

Approximately 30% of women graduate with science, technology, engineering and mathematics (STEM) related degrees, and 27% of those graduates find employment in STEM-intensive jobs – meaning jobs that use their technical skills. Women who graduate with STEM degrees also work

their earning capacity and career advancement. A 2018 study by MaRS, Feminuity, and Fortay illustrates that women-identified ICT workers do not feel the same level of belonging or engagement compared to their male colleagues. This is particularly true for women of colour in ICT employment. These results provide context to the fact that 53% of women leave ICT employment in the first 10-years, with the majority leaving in the first 3-years. It is important to note that the tech sector has a high employee attrition rate regardless of gender, which leads to questions about workplace culture, burnout, and the high costs of employee turnover.

Increasing the number of women STEM graduates - and therefore, the number of women in the talent pipeline - is not a solution if the pipeline leads to an environment rife with gender inequality and barriers to career progression. Half of women graduates leave the tech sector, and the other half remain to face unequal pay and lack of engagement.

This strategy has failed in other sectors. For example, Ontario has gender parity among law school graduates. But women lawyers earn less than their male peers and are underrepresented in senior leadership positions. Women lawyers also make up a smaller percentage of sole practitioners.

in the broader digital economy at a slightly higher rate of 25%. The overall rates of employment in the Information and Communications Technology (ICT) sector for women have remained stagnant since 2011. Once women graduates enter the workforce, they encounter a range of systemic biases that impact

TRADITIONAL RECOMMENDATION 02

ADOPT DIVERSITY AND INCLUSION POLICIES TO ATTRACT AND RETAIN A DIVERSE WORKFORCE

WHY IT'S NOT WORKING:

This recommendation is not without merit. But it sidesteps the elephant in the tech sector: systemic sexism and racism. This issue must be acknowledged and addressed by industry leaders before a change can occur.

There are many diversity and inclusion programs and initiatives. Are these programs achieving their objective? For example, a popular Toronto tech conference prides itself on the percentage of women attendees as evidence of its gender diversity. That same conference sells tickets at a highly discounted rate to women in tech, presumably because the organizers understand that the cost of entry is a barrier to attendance. If the organizers recognize this barrier exists, why is it not a topic on the conference agenda? It should be.

Canadian tech can learn from the missteps of Silicon Valley. If stakeholders come together to confront and correct existing issues, they can create a unique tech sector

culture. This sector will hold the values of diversity, inclusion, respect, and excellence that Canada is known for.

A healthy and diverse Canadian tech sector can overcome the increasing demand for digital-

ly-skilled workers, which is estimated to be over 210,000 in 2021. These jobs will be filled by a combination of domestic and international candidates who are attracted by the culture, community, and everything else Canada has to offer.

TRADITIONAL RECOMMENDATION 03

INCREASE THE NUMBER OF WOMEN ENTREPRENEURS

WHY IT'S NOT WORKING:

Entrepreneurship is promoted and glamorized – especially in the tech sector. It's easier than ever to start a business for people of all genders. What is difficult is growing and scaling a business. Many women-identified founders who leave the tech sector to start a business find that the same biases and barriers they faced in employment follow them into entrepreneurship. Women remain underrepresented among business owners in the tech sector. Only 30% of tech firms majority women-owned.

Women find the flexibility of self-employment attractive. Women are more likely to be the primary caretaker of children or elderly family members and perform more hours of unpaid care and household work. The additional unpaid work often translates into fewer hours available to grow their business. Family-friendly policies like universal subsidized child care would make a significant difference for women entrepreneurs and their families.

Obtaining funding for a tech venture is difficult. Women face additional barriers when accessing capital. Many women and other underrepresented entrepreneurs do not have a network of friends and family to seek pre-seed funding. Approximately 90% of Canadian venture capital deals in the past five years involved companies with all male founders. When women apply for debt financing, they tend to receive less money than they requested and

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TRADITIONAL RECOMMENDATION 04

PROVIDE YOUNG WOMEN WITH MORE SUCCESSFUL WOMEN IN TECH ROLE MODELS

WHY IT'S NOT WORKING:

This recommendation always confuses me. If the systems are not in place to provide women with the opportunity to be successful, it is absurd to recommend that more successful role models exist. Is this a call to action for women to be

more successful despite the barriers that exist? Or is this just wishful thinking?

When I look around at the members of the Canadian Women's Chamber of Commerce, I see women role models everywhere. They may not all fit the 'standard' definition of success, but they are role models nonetheless. We need to start celebrating women entrepreneurs at all stages of business development and in all sectors. If young women see women from all backgrounds and across all industries being cele-

brated for doing what they love, they will learn that they can do and be anything. When we only dole out praise for women who have achieved a certain level of success in a particular field, we perpetuate the message to young women that they must conform to society's expectations to be successful and receive acceptance.

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are charged a higher rate of interest than their male peers.

If women entrepreneurs are successful in obtaining equity financing for their business, they may lose majority women-owned status. Diverse supplier programs, social procurement initiatives and some women-focused capital funds require companies to be at least 51% owned and managed by a woman or women. These programs do not take into account the realities of equity-based financing. As the founder of the Canadian Women's Chamber of Commerce, I believe that entrepreneurship can be a pathway to success for many women. But for women-identified entrepreneurs to reach their full potential we need extensive policy change with a focus on gender equality.

Encouraging women to pursue entrepreneurship in the absence of policies to support and address their unique needs is irresponsible.

SO WHAT IS THE SOLUTION?

I want to be clear: the recommendations put forth to address gender inequality in the tech sector should not be dismissed. But they won't be successful unless they are paired with an honest discussion of the root causes of inequality, leadership within the sector, and significant systemic change.

In order to level the playing field, here are my recommendations:

1. Boldly acknowledge sexism and racism in the tech industry and examine its effects on workers and workplace culture.
2. Revise and develop new policies to support women entrepreneurs.
3. Broaden our definition of success. Celebrate individuals of all genders who are doing what they love. These role models will show young people that success in life can be achieved many different ways.

To advance gender equality, change the system. The tech sector is known for adopting new and disruptive methods and tools to be successful. It attracts the best and the brightest. The industry should be setting an example for other industries and leading the charge on issues like diversity and inclusion.