

Spotlight on Gil Bennett

The Directors College has named Gil Bennett as the recipient of the inaugural 2014 Distinguished Faculty Award. This award is granted to acknowledge Gil's faculty contribution to the Directors College. He has provided our participants with wisdom gained from his own board experiences and business accomplishments and has enhanced the reputation of the Directors College by association.

Gil Bennett has a legendary career as a corporate director. Born in Sudbury, Ontario, Gil completed his post-secondary education at the University of Toronto and Osgoode Hall Law School. He practiced law in Toronto, Ontario from 1964 to 1979. Thereafter, he held the CEO position at a number of different companies including: Comstock International Ltd, Canadair Ltd, Explosives Technologies International, and Shieldings Incorporated. Gil is currently a director of Samuel Steel. In the past, Gil has served as Chairman of the Board for Canadian Tire Corporation Ltd; FortisOntario Inc.; Encal Energy Ltd.; the Ontario Casino Corporation; and Bracknell Corporation. He has also been a director of IPL Energy Inc, The Consumers Gas Company, Eldorado Nuclear Ltd, de Havilland Inc., Algoma Steel Inc., NAV CANADA, Air Nova Inc., Fortis Inc., and Cablecasting Limited. Recently, Gil assisted the Chief Justice of Ontario in mediating a dispute amongst the creditors of Nortel Networks. However, he is best known in The Directors College for the award named in his honour. The Gil Bennett award is given out annually at the College's graduation ceremony to honour the "Top Graduate" who both scores within the top 10% of the graduating class and who, in the opinion of the Faculty, best represents the governance leadership exemplified by Gil Bennett's career as a champion of good governance.



We recently caught up with Gil in the City of Guelph where he lives with his wife Audrey and asked him for a "few reflections."

Tell me about your "career" as a director.

I have served on approximately 30 Boards. Some of these have been "not for profit" assignments, which I consider to be just as important as the corporate ones, maybe even more so. But I have always tried to limit my board work. The most number of boards that I ever served on simultaneously was around five or six, mainly because I was convinced that I couldn't do the job well otherwise.

I am curious about your first board appointment. What was that like?

I was asked to go onto the Board of The Consumers Gas Company by the company's major shareholders. I was horrified by what I eventually found out. There was no consideration of other shareholders' interests. The dominant shareholders believed they really controlled the Company (even though they owned less than 50% of the shares). Incredibly, I also discovered that there was really no serious thought given as to who was best equipped to serve as a Board member and, worse, that there was zero consideration given [regarding] to whom the CEO position should be given.

What was your most difficult board or committee and how did you deal with it?

When I joined the Board at the Gas Company, I started out as a lowly, ordinary director and was put on the Audit Committee. However, I had no idea as to what I should do to be a high-performing Committee member, and there were no expectations...that I should even try to be one. So I set out to learn. In short order, I found that I knew more about being a member of the Audit Committee than any of the other members. I tried to pass on this knowledge but I quickly learned that the other members of that Committee simply weren't interested. Nevertheless, I persevered in my self-education of what good directors and committee members were supposed to be doing. Eventually, I became Chairman of the committee, whereupon I got to call the shots and I started slowly to turn things around. Members on my committees quickly learned that they had to start taking their jobs more seriously. Interestingly, holding my committee members to a high standard of accountability did not appear to affect my career as a director. In fact, I soon became (in many cases) Chairman of the Boards on which I served because I think I obviously showed to my fellow directors how much I cared about governance.

What caused you to take up the "governance torch" with the passion and zeal that delegates in our program have had the opportunity to observe in you?

I have always been interested in corporate governance. And as I went on to other boards after the gas company experience, I realized that Corporate Canada was filled with Boards either struggling to do their jobs properly or simply giving up. I really felt that I could do something to help directors figure out what their boards were legally and morally expected to do and also to make them more accountable for meeting their obligations.

What were the first types of major governance reforms you took up and had implemented?

My forte was in helping to draft Board and committee job descriptions in an attempt to try to explain to directors exactly what their jobs were. The really tough part that I had to overcome was the considerable resistance I received from most Boards because the job descriptions were so detailed as opposed to the short, non-descript fluff they were used to seeing in their by-laws. They saw the details in the job descriptions as overly demanding and opposed the descriptions helping them fulfill their legally imposed “duty of care.” Nevertheless, I persisted because I thought Boards jobs were important and very slowly, I managed to get more and more of the Board job descriptions implemented including separate descriptions for board and committee chairs as well as the individual directors.

Governance was not a top-of-mind issue for most boards until 2001 (some say it still isn't). How did you “sell governance”?

I “sold” governance by highlighting the importance of good governance. I especially tried to emphasize the risks Directors were taking by serving on Boards where good governance was not routinely practiced. This was not as easy as I had expected; while I spoke many times about the importance of governance, it was often to severe non-believers. I also spoke at many conferences and seminars feeling often that I was not making an appreciable difference. Nevertheless, I just pounded away until I got my message across. I just kept at it.

What governance reform activities are you most proud of?

I am definitely most proud of the various Board job descriptions that I have drafted. But, in all honesty, I can tell you that they still don't “sell” very well. I really think it's an accountability issue, which is too bad.

Do you think that all of the “governance education” currently taking place is doing what it is supposed to? Do you think “educated directors” (either from us or the competition) are making a difference in terms of board contributions and performance?

I think Director education is the only way of ensuring that Directors become knowledgeable about good governance. There is simply too much to learn to trust any other way of appreciating the differences between “good” governance and “bad” governance. Relative to your major competitor, I think The Directors College does the better job of providing the kind of knowledge and behaviours that directors really need [in order] to be fully functioning 21st Century Directors—otherwise I wouldn't have stayed so long [working] exclusively for the College. I think The Directors College is definitely making a difference.

What advice would you have for new directors (especially graduates of the Directors College) facing “governance resistance”?

My advice to new Chartered Directors is to persevere in the conviction that good governance is truly important. One can't just take for granted that Boards will automatically appreciate the importance of governance; one needs to emphasize the need for good governance constantly. I'm convinced that only by emphasizing the importance of good governance can one really “make a difference.”

And what advice/message would you have for the old guard hanging on to the old ways?

My advice/message to the “old guard” is the same as it's always been: Just wait until you are called to account for your lack of attention.