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**The 5<sup>th</sup> Annual Rosenzweig Report  
on Women at the Top Levels of  
Corporate Canada**

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*Background Research*

January 2010  
Rosenzweig & Company Inc.

# ROSENZWEIG & COMPANY INC.

## **Executive Summary:**

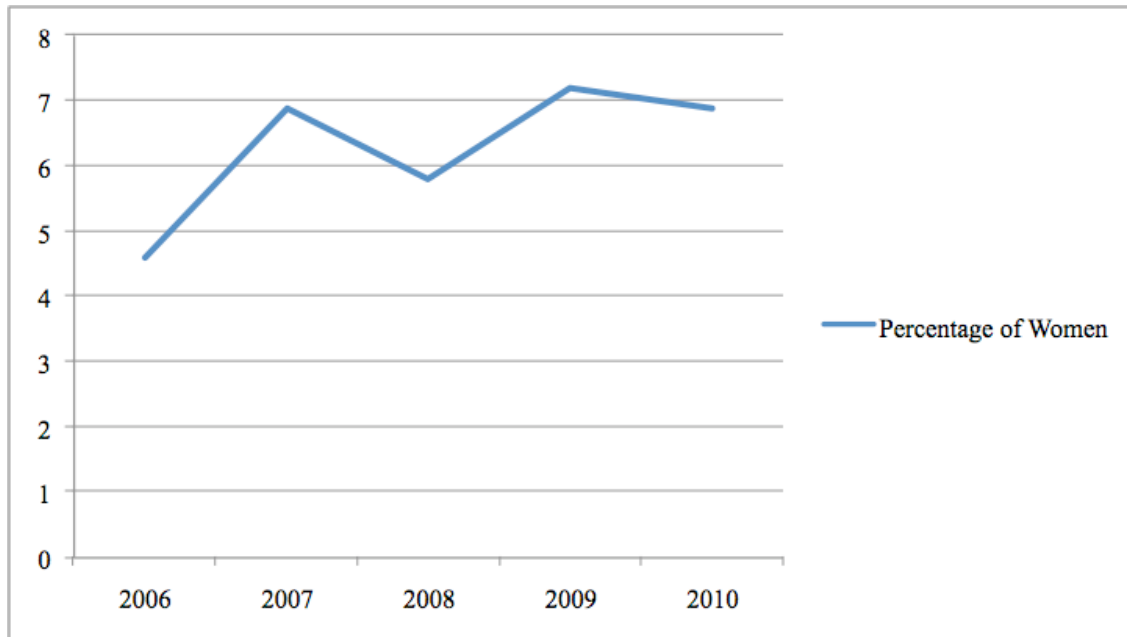
Since we began tracking the advancement of women in the corner offices of Canada's largest publicly-traded companies, we have found both progress and disappointment along the way. This year – the Fifth Annual Rosenzweig Report – our findings lack both sentiments: progress is stalled, but we are not overly disappointed because we believe the economic turmoil, or global recession, has played a significant role.

Why would difficult economic times produce a stall in the promotion of women to the upper echelons of Corporate Canada? First, in tough times proactive initiatives such as encouraging diversity can move to the backburner in many business environments when stacked up against imperative corporate initiatives. Second, the recession has put a lot of talent “on the street” and, since men occupy most of the top executive jobs, most of that newfound available talent is male. These out-of-work male executives have a leg up in filling any possible openings because the recession halts companies from paying recruiting firms to find the unknown candidates. Friends call friends and ask for a job, either for themselves or others. In other words, bad economies tend to make businesses less creative when filling these leadership positions. Not all the data are in, but anecdotally we are seeing actions like this take place and empirical data supporting this will likely be forthcoming in the months and years ahead.

Regardless, the number of women executives at the highest levels of corporate Canada lingers around 7 per cent; 6.9 per cent in this year's report compared to 7.2 per cent in our 2009 report. Those numbers may appear appallingly low. And they are. But we started from a base of below 5 per cent in the first Rosenzweig Report on Women at the Top Levels of Corporate Canada so there has been some progress and some cause for celebration. Albeit, when the first year number of 4.6 per cent came out, we felt a great deal of disappointment.

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## Percentage of women holding top-paid executive positions in Canada 2006-2010:



In the 2010 report, we have found there are 35 women in the top offices in Canada's largest public companies, compared to 36 a year earlier. The numbers were calculated based on the Top 100 publicly-traded Canadian companies, ranked by revenue. As stated, this is the fifth consecutive year of the annual Rosenzweig Ranking.

Among the findings of the 2010 Rosenzweig Report:

- 69 per cent of Canada's biggest companies are run at the highest levels by men and men *only*; 93.1 per cent of the highest-paid executive positions are held by men; and
- The top leadership role of Chief Executive Officer (CEO) is a position held by 4 women at 5 companies on the list compared to 92 men. (Within the top 100 companies, 1 woman and 3 men hold the top position in more than one company.)

Since the launch of the Annual Rosenzweig Report in 2006, the numbers suggest that women at the top echelons of corporate Canada may be facing a labyrinth to navigate, not simply a glass ceiling. Why isn't the growth higher? Why do women represent 13 per cent of these same companies' boards of directors, but only 7 per cent of management leadership?

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It could be women's networks are not as refined and many talented women simply don't have the access to critical relationships to boost them into the C-level suites. It could be women have fewer role models, mentors and coaches. We've heard from some women at the top who are rightly proud to be there, but who also say things like: "I want to be known as an executive, not a *women executive*" or "I reached the top echelon on my own with hard work so other women can do the same." To us, the issue is as follows: we're simply not all the same and where one or two women make it to the CEO's office, others may need helping hands to guide them through the labyrinth to reach the pinnacle.

We have suggested in previous years that in order to achieve gender equality at the highest levels of corporate Canada, more must be done. We advocate education over legislation to achieve this. We believe all large corporate entities in Canada should have specific goals and plans in place to increase diversity and give women the same opportunities as male executive prospects. We look at wonderful leadership examples from corporations like the Bank of Montreal and the Bank of Nova Scotia when it comes to grassroots programs fostering the advancement of women in their organizations. BMO, for example, now has more than one-third of all executive positions being held by women. That is more than 200 per cent higher than it was at BMO 20 years ago when it was less than 10 per cent. With such a large and growing talent pool, C-level women executives are bound to emerge in coming years. Other companies are doing similar things, as you can read about in the appendix of this report.

One last point to make: Gender diversity is good for business and good for corporate Canada. Study after study proves that more women in positions of authority lead to higher corporate profits and shareholder value. Will we ever reach full gender parity? Who knows? Many women simply don't aspire to C-levels, just as many men feel that way, too. But any and all gender impediments for finding and hiring talent for these critical positions must be extinguished. The more we know about and understand the barriers to the corporate advancement of women, the sooner we will learn to successfully navigate the labyrinth.

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## Findings:

- 6.9 per cent of the executive positions listed in the Top 100 Publicly-traded Canadian companies are held by women; this represents a decrease from last year when we reported 7.2 per cent of the executive positions from the 2008 list were held by women.
- 31 per cent of the companies in the Top 100 Publicly-traded Companies list have at least one woman represented on the list, the same number as last year.
- 35 women hold 38 positions on the list.
- 69 per cent of the companies on the list have exclusively male representation at the top levels.
- 93.1 per cent of the most highly paid corporate positions from the Top 100 Publicly-traded Companies are held by men. There are 547 of these positions at the 100 companies.
- There were five women who held the top leadership role in these companies on last year's list. Nancy Southern officially held 2 distinct CEO roles, one at ATCO and one at Canadian Utilities, Linda Hasenfratz was the leader of Linamar, Kathy Bardswick was the leader of Co-operators General Insurance, Sophie Brochu was the leader of Gaz Metro Limited Partnership, and Julie Dill was the leader of Union Gas. Only Julie Dill of Union Gas is not on this year's list because Union Gas was not on this year's list of Top 100 Publicly-traded companies.
- In our inaugural study in 2006, we reported that the overall percentage of women holding executive positions among the Top 100 Publicly-traded Canadian companies was 4.6 per cent. This year it is 6.9 per cent. In addition, only one woman held a position of leadership in our first year of reporting (Nancy Southern held 2 CEO roles). Four years later, we have 4 women in leadership roles holding 5 top positions.
- Five companies had more than one woman listed: RBC, ATCO, Canadian Utilities, Canadian Pacific Railway, and Russel Metals. Last year there were six companies with more than one woman listed.
- Four of the five companies with multiple women holding high-level positions rank among the bottom 50 of the Top 100 Publicly-traded companies.

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- 13 women, or one-third of the total number of women on the list, represent the Top 50 Publicly-traded Companies, while the remaining 25, or two-thirds of the total number of women on the list, came from the 50 companies in the bottom half of the list.
- Of the 35 women on this year's list of the Top 100 Publicly-traded Companies, 26 were also on last year's list. The 9 new women are as follows:

Rank:	Company:	Name:	Title:
1	RBC	Barbara Stymiest	Chief Operations Officer
38	Potash Corporation of Saskatchewan	Barbara Jane Irwin	Senior Vice President, Administration
40	Shoppers Drug Mart	Mary-Alice Vuicic	Executive Vice President, Human Resources & Organizational Development
50	Nova Chemicals	Marilyn Horner	Senior Vice President & Chief Human Resources Officer
54	National Bank of Canada	Patricia Curadeau-Grou	CFO & Executive Vice President – Finance, Risk & Treasury
58	Penn West Energy Trust	Hilary Foulkes	Senior Vice President, Business Development
66	HSBC Bank Canada	Tracy Redies	Executive Vice President, Personal Financial Services & Wealth Management
81	Transalta Corp	Dawn Farrell	Executive Vice President, Commercial Operations & Development
97	Avenir Diversified IT	Michelle O'Grady	Controller

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## Women Executive Officers from the Top 100 Publicly-traded Canadian Corporations (ranked by revenue):

*Note* – The numbering on the table below reflects the ranking of the company on the list of the Top 100 Publicly-traded Canadian Corporations (ranked by revenue).

Rank:	Company:	Name:	Title:
1	RBC	Janice Fukakusa	CFO
1	RBC	Barbara Stymiest	COO
15	Toronto-Dominion Bank	Colleen M. Johnston	Group Head, Finance & CFO
17	Magna International	Belinda Stronach	Executive Vice-Chairman
27	Talisman Energy Inc.	M. Jacqueline Sheppard	EVP, Corporate & Legal, and Corporate Secretary
28	CIBC	Sonia Baxendale	SEVP, CIBC Retail Markets
34	Air Canada	Lise Fournel	SVP, E-Commerce & Chief Information Officer
35	Metro	Johanne Choiniere	SVP, Merchandising, Ontario Division
37	Agrium Inc.	Leslie A. O'Donoghue	SVP, General Counsel and Corporate Secretary
35	Potash Corporation of Saskatchewan	Barbara Jane Irwin	SVP, Administration
40	Shoppers Drug Mart	Mary-Alice Vuicic	EVP, HR & Organizational Development
44	Gerdau Ameristeel	Barbara Smith	VP, Finance, CFO & Assistant Secretary
49	Celestica Inc.	Elizabeth L. DelBianco	EVP, Chief Legal & Administrative Officer and Corporate Secretary
50	Nova Chemicals	Marilyn Horner	SVP & Chief HR Officer

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54	National Bank of Canada	Patricia Curadeau-Grou	CFO & EVP – Finance, Risk & Treasury
58	Penn West Energy Trust	Hilary Foulkes	SVP, Business Development
61	Canadian Pacific Railway	Kathryn B. McQuade	EVP & Chief Operating Officer
61	Canadian Pacific Railway	Marcella Szel	SVP, Marketing & Sales
65	Canadian Oil Sands Trust	Trudy M. Curran	General Counsel & Corporate Secretary
66	HSBC Bank Canada	Tracy Redies	EVP, Personal Financial Services & Wealth Management
72	CGI Group	Donna S. Morea	President U.S., Europe & Asia
73	Goldcorp Inc.	Cheryl A. Sedestrom	VP, Risk Management
74	Transat A.T.	Lina de Cesare	President, Tour Operators; President, Cameleon Hotel Management Corporation, Trafictours Canada Inc., Transat Holidays USA, Inc. and Cameleon Marival (Canada) Inc.
75	Russel Metals	Marion Britton	VP & CFO
75	Russel Metals	Maureen Kelly	VP, Information Systems
76	Atco Ltd.	Nancy C. Southern	President & CEO
76	Atco Ltd.	Karen Watson	SVP & CFO
76	Atco Ltd.	Susan Werth	SVP & Chief Administration Officer
80	Canwest Communications	Kathleen Dore	President, Canadian Television, Canwest MediaWorks Inc.

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81	Transalta Corp.	Dawn Farrell	EVP, Commercial Operations & Development
83	Canadian Utilities	Nancy C. Southern	President & CEO
83	Canadian Utilities	Karen Watson	SVP & CFO
83	Canadian Utilities	Susan Werth	SVP & Chief Administration Officer
89	Transcontinental Inc.	Natalie Lariviere	President, Media Sector
96	Linamar Corporation	Linda Hasenfratz	CEO
97	Avenir Diversified IT	Michelle O'Grady	Controller
98	Gaz Metro Limited Partnership	Sophie Brochu	President & CEO
100	Co-operators General Insurance	Kathy Bardswick	President & CEO

## Methodology:

The data were collected from a detailed survey of the Top 100 Publicly-traded Canadian companies, ranked by revenue, and listed in various Canadian media and regulatory sources. The study included several steps:

- Reviewing the Top 100 Publicly-traded Companies according to revenue, ranging between \$2.2B and \$37.6B, according to the latest regulatory filings.
- Researching the highest-paid executive officers, based on annual salary and bonus, from each of the companies on the Top 100 Publicly-traded Companies list. The data was taken from Management Information Circulars, provided directly by each given company and available from the System for Electronic Document Analysis and Retrieval (Sedar) website.

*Note* – Ontario Securities Commission rules require the Chief Executive Officer, Chief Financial Officer, and at least three other (if three others exist) most highly compensated executive officers of public companies to disclose their compensation on an individual basis. For the purpose of these filings, compensations are based strictly on the annual base and bonus components allocated to these executives. Although additional compensation, such as equity through stock options and/or pension benefits, was provided by some companies, this data is not included for the above purposes.

*Note* – The survey does not include highly-paid executives working on a contractual basis or individuals not designated as officers of a company.

- Reviewing each compensation table from Management Information Circulars with the intention of highlighting all female executives.
- Conducting additional research, using public and proprietary databases.
- Correlating the findings within the context of other statistics obtained from sources such as Catalyst Inc.

## APPENDIX

### Additional Thoughts/Findings:

- **Labyrinth**

We have long blamed the low numbers of women in Canada's C-suite on the "glass ceiling" – the idea that after climbing the corporate ladder women are blocked from the top executive ranks by an unofficial and invisible barrier. A new theory encourages us to rethink conventional paradigms. Alice Eagly, a professor and chair of psychology at Northwestern University and Linda Carli, an associate professor of psychology at Wellesley College, challenge traditional thinking in their article "Women and the Labyrinth of Leadership," published in the *Harvard Business Review* in 2009. They suggest that the scarcity of women in top leadership is best explained by a labyrinth metaphor. The metaphor brings to mind a complex journey fraught with obstacles both expected and unexpected requiring, "persistence, awareness of one's progress, and a careful analysis of the puzzles that lie ahead." They feel it better encapsulates the variety of barriers faced by women as they navigate multifarious and indirect paths towards leadership. Some of these challenges include stereotyping of successful leadership styles, resistance to women's leadership, insufficient time to network, and the demands of family life. To increase the number of women in the C-suite the career barriers encountered by women need to be understood and intervention is required on multiple fronts.

- **Biases**

While women have come a long way in the workplace, gender biases continue to hinder the advancement of women in many organizations. According to a recent study by Catalyst Inc., talent management systems are often unconsciously biased against women. When the senior leadership in an organization is predominantly male, gender biases emerge as new leaders often mirror the traits of the current leadership team. It is important for business leaders to be introspective and think about why they make certain hiring decisions.

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- **Business Case for Diversity**

Evidence shows that companies with more women in senior management positions outperform companies that have proportionately fewer women in the executive ranks. The more diversity a firm has, the more creative and innovative solutions it will come up with. Five prominent examples of companies that have made women a bottom-line issue are: Boston Consulting Group (BCG), KPMG, Ernst & Young, BMO Financial Group (BMO), and the Bank of Nova Scotia. These companies have implemented formal programs to increase the number of women at the senior management level. BCG vowed to focus on the recruitment and retention of women. There are currently three women on the executive committee of BCG while six years ago there were none. At KPMG, the proportion of female partners was stuck at 14 per cent from 2002 to 2007. According to Michael Bach, KPMG's National Director of Diversity, in two years the proportion of women has increased to 16 per cent. Ernst & Young is another company making gender diversity a top priority. Chosen as one of Canada's Best Diversity Employers in 2009, Ernst & Young operates a Gender Equity Advisory Group, holds regular leadership training conferences for female employees, operates networking groups for women, and conducts seminars to increase awareness of and capitalize on the different leadership styles of women and men. Diversity efforts at BMO have included tracking hiring, promotions, and terminations to hold managers responsible for meeting certain goals. Progress has been significant. While in 1990 only 9 per cent of executives were female at the BMO, that figure has since increased to 34.3 per cent today. At the Bank of Nova Scotia, the proportion of women at the senior management level has increased to one-third today from 18.9 per cent in 2003 as a result of formal programs.

- **Capital Markets versus Broader Banking**

While the banking sector continues to play a leadership role in the area of gender equality, women in capital markets have made no gains since 2000. A study entitled "Catalyst Report to Women in Capital Markets: Benchmarking 2008" collected data from BMO, TD, CIBC, RBC, Scotiabank and National Bank Financial Group. The study found that despite job growth in the industry over the past 10 years, in 2008 women held 17 per cent of all key line positions with no change since 2000. More action is needed within the industry to make the advancement of women in leadership a top priority. There are some informal measures underway; including the existence of Women in Capital Markets (WCM), a nonprofit organization that promotes the entry, advancement and development of women in capital markets.

- **Mining – Digging for Success**

Traditionally, the mining sector has been a male dominated industry. However, many executives have recognized the need to look inward and have recently begun taking action. The industry now employs a variety of strategies to recruit and retain women. These include promoting sciences and engineering among young girls at school, offering scholarships to female university students, offering apprenticeship programs to females, producing mining apparel in women's sizing, and providing mentoring and sensitivity programs in the workplace. For example, The *Canadian Engineering Memorial Foundation* was founded in 1990 to develop scholarship and award programs that encourage women to choose engineering as a career. Each year, in conjunction with CEMF, Vale Inco offers a \$10,000 scholarship to women enrolled full-time in a Masters program at a Canadian university in any field of engineering who have an interest in working in their specialty in the Canadian mining industry. While mining is becoming more accessible to women, change and the advancement of women to the executive ranks will likely come slowly.

- **Shriver Report – Broader Social Impacts**

Throughout 2009 there have been several sociological studies done including “The Shriver Report: A Women's Nation Changes Everything”. In the United States, Maria Shriver partnered with the Center for American Progress to produce a study examining how men, women, and their families live and work today. The study finds that women make up half of the workforce in the U.S. for the first time in history, fundamentally affecting major societal institutions and requiring a new vision for businesses that includes more flexible work schedules, comprehensive child care policies, redesigned family and medical leave, and equal pay. As the report says, now that women are half the workforce that changes everything.