



2008 CATALYST CENSUS OF WOMEN CORPORATE OFFICERS AND TOP EARNERS OF THE FP500

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About Catalyst

Founded in 1962, Catalyst is the leading nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada, and Europe, and more than 400 preeminent corporations as members, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

WHY NOT WOMEN?

In today's economy, business leaders must focus not only on overcoming short-term challenges but also on leveraging long-term business opportunities to gain and maintain competitive advantage. In corporate Canada, perhaps no business opportunity to date has remained so under-leveraged as achieving gender diversity. Consider these facts:

- Women are the majority of university graduates in Canada.¹
- Women constitute almost one-half of Canada's labour force.²
- Women represent more than one-third of Canada's managers and play a growing role in the leadership of many organizations.³
- Women in Canada influence more than 90 percent of day-to-day household consumer financial decisions.⁴
- Research shows that diversity of thought is associated with better problem-solving.⁵

In fact, Catalyst's analysis of the largest U.S. companies demonstrated that those with the greatest gender diversity in corporate officer ranks—the top executive positions in a company—financially outperformed companies with proportionally fewer women at the top.⁶

Despite a powerful business case for enhancing gender diversity, the *2008 Catalyst Census of Women Corporate Officers and Top Earners of the FP500* revealed that only **16.9** percent of corporate officers in Canada's largest businesses were women (see Figure 1). This represents a **1.8** percentage point increase since 2006 and a **2.9** percentage point increase since 2002.

While the change is headed in the right direction, our findings show that women continue to face multiple barriers. For example, women's representation in line roles—positions that often are necessary for promotion to the highest leadership ranks in a company—lagged behind women's representation as corporate officers at **11.4** percent.

In addition, although some companies and industries outperformed others, even the best had a long way to go to reflect the available labour force and women's power as consumers.

FACTS AT A GLANCE WOMEN'S REPRESENTATION IN CORPORATE CANADA

Corporate Officers

2008:	16.9% (877/5188)
	↑ 1.8%
2006:	15.1% (830/5505)
	↑ 0.7%
2004:	14.4% (770/5347)
	↑ 0.4%
2002:	14.0% (752/5361)

Line Roles

2008:	11.4% (353/3103)
	↑ 1.5%
2006:	9.9% (310/3146)
	↑ 0.5%
2004:	9.4% (275/2938)
	↑ 0.4%
2002:	9.0% (265/2952)

Top Earners

2008:	5.6% (58/1044)
	↑ 0.2%
2006:	5.4% (58/1069)
	↑ 0.9%
2004:	4.5% (51/1126)
	↑ 0.6%
2002:	3.9% (44/1128)

FP500 Heads

2008:	6.0% (30 companies)
	↑ 1.8%
2006:	4.2% (21 companies)
	↑ 0.2%
2004:	4.0% (20 companies)
	↑ 1.2%
2002:	2.8% (14 companies)

1. In 2005, women earned 61.8 percent of bachelor's degrees; 51.8 percent of master's degrees, and 44.0 percent of doctorate degrees. Statistics Canada, "Table 477-00141,2,11,12,13: University degrees, diplomas, and certificates granted, by program level, Classification of Instructional Programs, Primary Grouping (CIP_PG) and sex, annual (number)" (2008).

2. Statistics Canada, *Labour Force Survey* (2008).

3. Ibid.

4. MasterCard Worldwide, *MasterIndex of Canadian Women Consumers* (2006).

5. Taylor H. Cox, Sharon A. Lobel, and Poppy L. McLeod, "Effects of Ethnic Group, Cultural Differences on Cooperative and Competitive Behavior on a Group Task," *Academy of Management Journal*, 34 (4): 827-847 (1991). Also, see Lu Hong and Scott E. Page, "Groups of Diverse Problem Solvers Can Outperform Groups of High-Ability Problem Solvers," *PNAS*, vol. 101, no. 46 (November 2004): p. 16,385-16,389.

6. Companies are ranked by revenue on the *Fortune* 500 list. Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* (2004).

Why focus on corporate officers in the *Financial Post* 500?

Financial Post 500 (FP500) companies are included in the Census because, while individual companies on the list may shift over time, the list itself represents a universe that is widely accepted as the standard measure of corporate performance and market clout. Corporate officers are the individuals who work at the highest level in corporations. By using the FP500, Catalyst is able to establish patterns year after year that allow us to determine if corporate Canada is making progress.

Methodology

The *2008 Catalyst Census of Women Corporate Officers and Top Earners of the FP500* is a rigorous and precise count of the women in leadership positions in FP500 companies as of June 3, 2008. Catalyst gathered data from public sources, including annual reports, annual information forms, proxy statements, and government databases, and asked companies to confirm the accuracy of their data. In 2008, 479 of the 500 companies (95.8 percent) verified their data.

More information is available online

The *2008 Catalyst Census of Women Corporate Officers and Top Earners of the FP500* is complemented by a series of appendices that provide further detail on data summarized in this report. To view the appendices, visit www.catalyst.org.

We know why. For decades, Catalyst research has documented the barriers that hold women *and* businesses back. We know that women lack access to role models, mentors, and informal networks. We know that definitions of leadership—informal or embedded in talent management systems—too often succumb to stereotypic bias. And we know that, today, critical development opportunities often remain out of women’s reach.

With a clear understanding of why women aren’t advancing, and with many talented women ready to contribute to their companies’ success, this year we ask: why not?

Why not break down these barriers to better leverage the available talented labour pool? Why not adequately reflect women’s power as stakeholders? Why not fully tap women’s potential as customers and clients? Most importantly, why not reap the financial opportunities associated with gender diversity in the corporate officer ranks?

Change is possible.

Each year Catalyst honors initiatives that have made progress toward achieving gender diversity in organizations with the Catalyst Award. We know that organizations that demonstrate visible commitment by senior leadership to enhancing gender diversity, that understand the business case and that communicate it broadly, that set goals and track results, and that hold employees accountable for change have made measurable progress in advancing women in their organizations.⁷

We also know that more rapid change is possible: the data in this Census show that women’s representation in corporate officer positions increased more in the past two years than in the preceding four years combined.

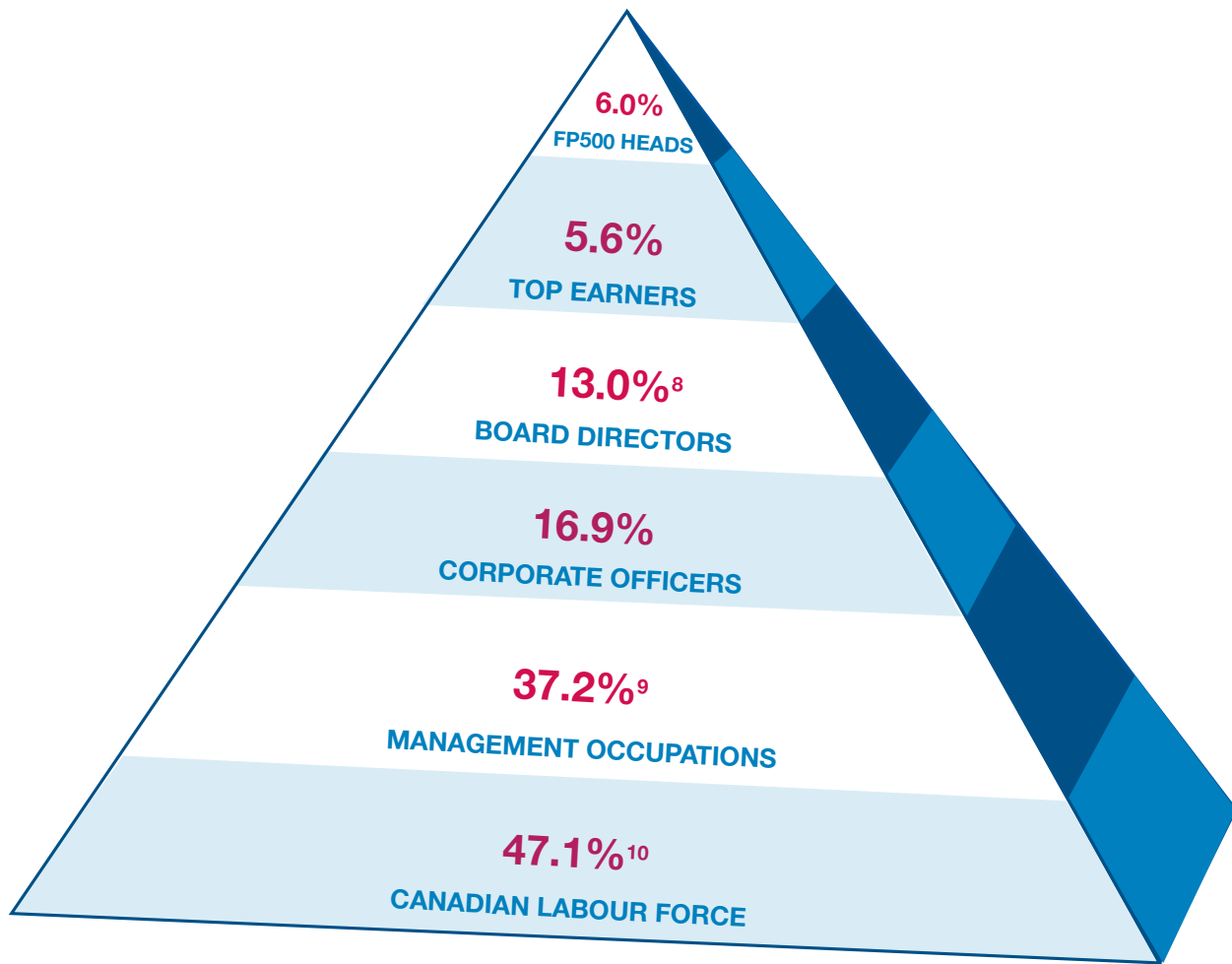
7. Since 1987, Catalyst has honored 70 initiatives at 66 organizations. Catalyst Award-winning initiatives have evolved from discrete programs to recruit, retain, and advance women to culture-changing organizational initiatives that recognize the business imperative for diversity and inclusion. This development of complexity and approach mirrors the overall evolution of diversity and inclusion in many organizations. For a listing and descriptions of Catalyst Award-winning initiatives, visit <http://www.catalyst.org/page/69/catalyst-award-winners>.

This year we call on companies to build on that momentum by committing to gender representation goals for corporate officers and other executive-level positions and by taking immediate action to meet those goals. Companies should require diverse slates of qualified candidates for these positions. They should review and recast the desired leadership attributes to avoid stereotypic bias. Finally, Catalyst recommends that organizations expand the breadth,

depth, and equitable distribution of development opportunities to build the leadership pipeline.

The country's senior business leaders must prioritize gender diversity today. Not only is more rapid change possible, it is imperative. Businesses can no longer afford to forego the opportunity to better perform in today's turbulent global economy.

FIGURE 1
The Catalyst Pyramid



8. Laura Jenner, Monica Dyer, and Lilly Whitham, *2007 Catalyst Census of Women Board Directors of the FP500: Voices From the Boardroom* (Catalyst, 2008).

9. Statistics Canada, *Labour Force Survey* (2008).

10. Ibid.

FINDINGS AT A GLANCE

Since 2002, Catalyst has tracked a slow and steady increase in women's representation as corporate officers, a trend that gained momentum in 2008.

THE PACE OF CHANGE INCREASED

- In 2008, women's representation as corporate officers increased to **16.9** percent, an increase of **1.8** percentage points since 2006 and greater than the **1.1** percentage point increase from 2002 to 2006.¹¹
- The proportion of companies with multiple women officers increased to **44.9** percent,¹² up **5.5** percentage points since 2006, the largest biannual increase since 2002.
- Women's representation in line roles¹³ increased to **11.4** percent, up **1.5** percentage points since 2006, outpacing all biannual increases since 2002.
- The proportion of FP500 companies led by women increased to **6.0** percent (30 companies), up **1.8** percentage points since 2006, yet another instance of the largest biannual increase since 2002.

CERTAIN TYPES OF COMPANIES DROVE CHANGE

- The increase in women's representation among corporate officers was driven by progress in private and crown corporations.
- Women's representation among corporate officers of public companies remained stagnant.
- The Accommodation and Food Services, Finance and Insurance, and Retail Trade industries had the highest percentages of corporate officer positions held by women.
- Even in these industries, however, FP500 companies failed to reflect women's overall representation in the labour pool at the corporate officer level.
- Since 2002, approximately one-third of FP500 companies have had no women corporate officers.¹⁴

WOMEN CONTINUE TO FACE MULTIPLE BARRIERS

- Women held only **16.9** percent of corporate officer positions, despite comprising **37.2** percent of Canada's managers and **47.1** percent of its labour force.¹⁵
- In corporate officer subcategories—line roles, top earners, and FP500 company heads—women:
 - Held only **11.4** percent of line roles.
 - Comprised only **5.6** percent of top earners.¹⁶ Consistent with previous Census reports, men continue to dominate in earnings, a key indicator of value and position within an organization.
 - Led 30 FP500 companies, or **6.0** percent.

11. Catalyst published the *1999 Catalyst Census of Women Corporate Officers of Canada* (2000). However, our methodology has since changed so that this data is not comparable to subsequent Censuses.

12. Companies with no corporate officers—either women or men—have been removed from the analysis. Previous years' data have been adjusted accordingly. In 2002, four companies had no corporate officers, in 2004 one company, in 2006 three companies, and in 2008 ten companies reported no corporate officers.

13. Line roles are corporate positions with profit-and-loss, revenue-generation, or direct client responsibility.

14. A z-test was employed to determine that the difference since 2002 was not significant at $p < .05$, indicating that no statistically significant change in women's representation in public companies was recorded, and that the proportion of companies with no women officers remains stagnant.

15. Management occupation and labour force data from Statistics Canada, *Labour Force Survey* (2008).

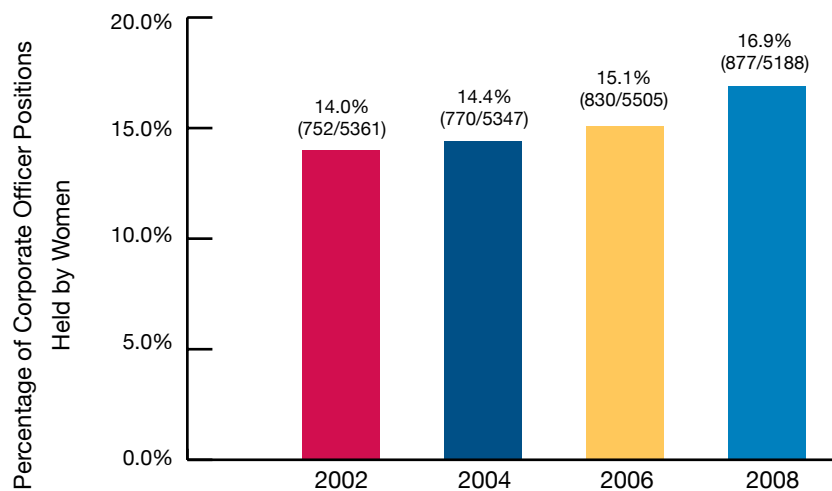
16. Catalyst counts the top earners for public companies. While line positions and FP500 heads represent true subcategories of the corporate officer pool, top earners include corporate officers as well as individuals who are not corporate officers. For more information, see Appendix 10: Methodology at www.catalyst.org.

THE PACE OF CHANGE INCREASED, BUT WOMEN'S REPRESENTATION REMAINED LOW

In the six years since Catalyst began tracking the gender diversity of corporate officers in Canada, biannual increases have been incremental. However, since 2006, women's representation in corporate officer ranks increased by **1.8** percentage points, a larger amount than ever before (see Figure 2).¹⁷

Since 2002, women's representation in the corporate officer pool has increased by **2.9** percentage points.¹⁸ While the percentage of positions held by women is growing, it is still much lower than women's representation in Canada's total labour force (**47.1** percent) and in the country's management positions (**37.2** percent).¹⁹

FIGURE 2
Women's Representation as Corporate Officers (2002-2008)



BUSINESS CASE BASICS: GENDER DIVERSITY IS ASSOCIATED WITH BETTER COMPANY PERFORMANCE

Catalyst research on *Fortune* 500 companies has demonstrated that gender diversity in corporate officer ranks was associated with better financial performance. Organizations with the greatest gender diversity in their corporate officer ranks significantly outperformed companies with proportionally fewer women at the top. Return on equity was **35.1** percent higher in the most gender diverse companies, and total return to shareholders was **34.0** percent higher.²⁰

Research has also demonstrated that diversity of thought is associated with better problem-solving.²¹ Having a diverse team means access to a wider variety of perspectives and ideas. In today's competitive global economy, the creativity, innovation, and problem-solving abilities of diverse organizations leads to competitive advantage.

17. A z-test was employed to determine that the biannual difference between 2006 and 2008 was significant at $p < .05$.

18. A z-test was employed to determine that the difference between 2002 and 2008 was significant at $p < .01$.

19. Statistics Canada, *Labour Force Survey* (2008).

20. Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* (2004).

21. Cox et al. See also Hong and Page.

THE PROPORTION OF COMPANIES WITH MULTIPLE WOMEN CORPORATE OFFICERS INCREASED

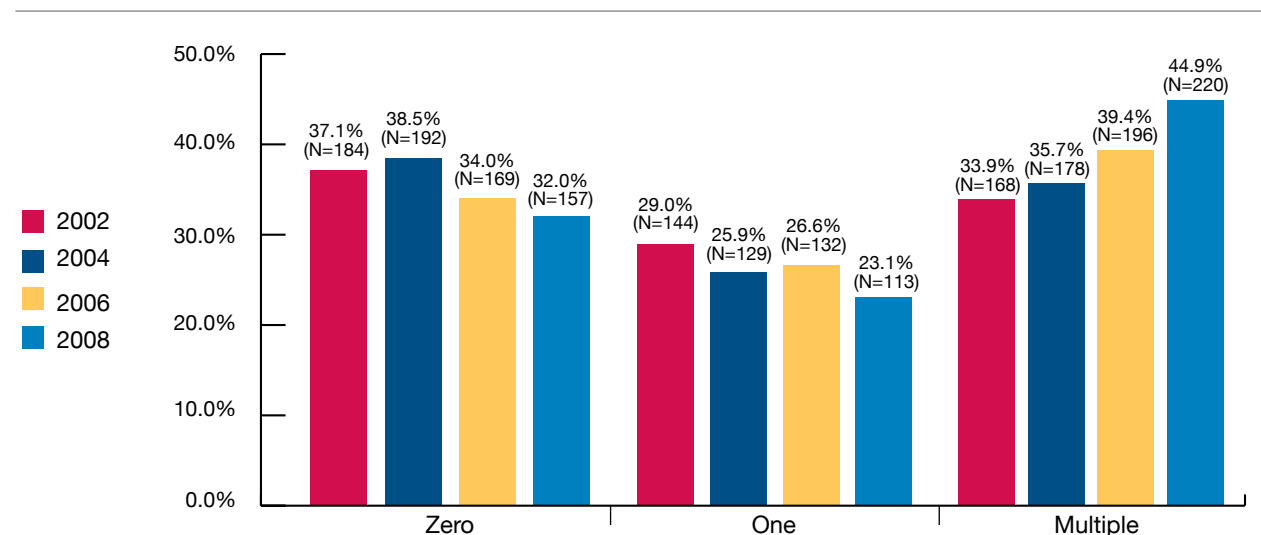
Each year, Catalyst identifies the proportion of FP500 companies that have no women officers, one woman officer, and multiple women officers.²² Research shows that having a “token” woman may hinder the benefits of diversity compared to having more than one woman on a team.²³ It is promising that in 2008 Catalyst found that the proportion of companies with multiple women officers increased.

Since 2006 (see Figure 3) the proportion of companies with:

- Multiple women officers has risen by **5.5** percentage points to **44.9** percent.
- One woman officer has decreased by **3.5** percentage points to **23.1** percent.
- No women officers has decreased by **2.0** percentage points to **32.0** percent.

FIGURE 3

Companies With Zero, One, and Multiple Women Corporate Officers (2002-2008)



ONE-THIRD OF FP500 COMPANIES HAVE NO WOMEN CORPORATE OFFICERS

In the six years that Catalyst has conducted this Census, approximately one-third of FP500

companies have had no women in their corporate officer ranks.²⁴

PRIVATE COMPANIES AND CROWN CORPORATIONS DROVE CHANGE

Women’s representation in the corporate officer pool varies considerably by company type (see Figure 4):

- At 232 public companies analyzed, women held **13.9** percent of corporate officer positions.
- At 219 private companies analyzed, women held **18.5** percent of corporate officer positions.
- At 44 crown corporations analyzed, women held **26.6** percent of corporate officer positions.

22. Companies with no corporate officers—women or men—have been removed from the analysis. Data for previous biannual periods have been adjusted accordingly. In 2002, four companies had no corporate officers, in 2004 one company, in 2006 three companies, and in 2008 ten companies reported no corporate officers.

23. See Rosabeth Moss Kanter, *Men and Women of the Corporation* (New York: Basic Books, 1977). Also, see Laura Jenner, Monica Dyer, and Lilly Whitham, *2007 Catalyst Census of Women Board Directors of the FP500: Voices from the Boardroom* (Catalyst, 2008).

24. A z-test was employed to determine that the difference since 2002 was not significant at $p < .05$. In other words, no statistically significant change in the proportion of companies with no women corporate officers has been recorded. Rather, the proportion of companies with no women officers remained stagnant.

The rate of change at companies also varies by type. At public companies, biannual increases have been so small that they represent stagnation rather than a statistically significant change in women's representation.²⁵ In contrast, crown corporations have experienced the largest increase since 2002:

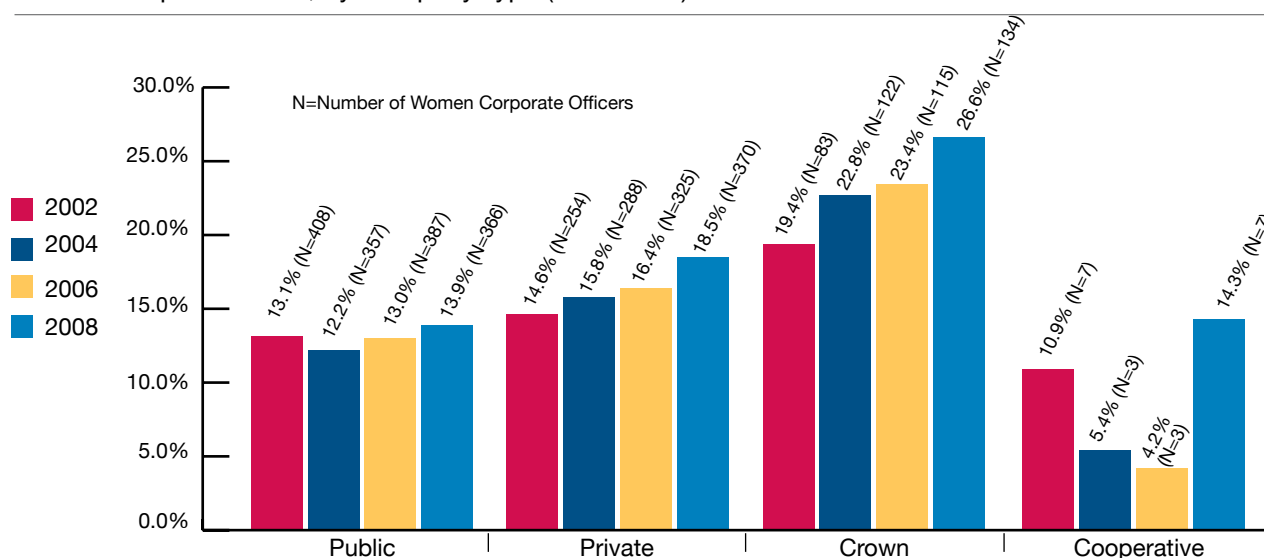
- At public companies, women's representation increased **0.9** percentage points since 2006 and **0.8** percentage points since 2002.²⁶
- At private companies, women's representation

increased **2.1** percentage points since 2006 and **3.9** percentage points since 2002.²⁷

- At crown corporations, women's representation increased **3.2** percentage points since 2006 and **7.2** percentage points since 2002.²⁸

These data show that while public companies have stagnated, crown and private companies drove the change observed in the overall corporate officer pool.

FIGURE 4
Women's Representation, by Company Type (2002-2008)



TYPES OF COMPANIES IN THE FP500

Public companies

Public companies issue securities in an initial public offering. Shares are traded on a stock exchange or in the over-the-counter market. Public companies are subject to periodic filing requirements and other obligations under Canadian securities laws.

Private companies

Private companies are owned either by one person, by several unrelated individuals, by a family, or by a parent company. Private companies do not trade shares on any stock market.

Crown corporations

Crown corporations are owned by either the federal, provincial, or municipal governments.

Cooperatives

Cooperatives are corporations owned by a collective of individuals, each having one vote, typically the employees and/or consumers who use the company's goods or services.

25. When a finding is not significant, any increase or decrease recorded is too minimal statistically to be considered anything other than a result of chance. When a change is reported as statistically significant, the data passes the statistical test, and Catalyst considers that the change is not by chance and that there is a high probability that it was the result of a real and reliable change in the data. Z-tests were employed to determine biannual differences are not significant at $p < .05$.

26. Z-tests were employed to determine biannual differences are not significant at $p < .05$.

27. A z-test was employed to determine the difference between 2002 and 2008 was significant at $p < .01$.

28. A z-test was employed to determine the difference between 2002 and 2008 was significant at $p < .05$.

WHY DID PRIVATE COMPANIES AND CROWN CORPORATIONS LEAD CHANGE?

As in the past, crown corporations in 2008 led the way in increasing women's representation among corporate officers. This is likely because the government has a vested interest in reflecting the general public, which is its stakeholder, in the employee composition of its corporations. In fact, in some instances, advancing women is legislated.²⁹

Another contributing factor may be that crown corporations included in the FP500 have a

disproportionate number of companies in industries that are the least male-dominated compared to those public and private companies included in the FP500.³⁰ Similarly, the lower representation of women at the corporate officer level in public companies may be due in part to the fact that public companies in the FP500 are disproportionately represented in male-dominated industries.³¹

SOME INDUSTRIES PERFORMED BETTER THAN OTHERS

While women were underrepresented as corporate officers in all industries, their representation varied substantially among industries in the FP500.³²

- **Accommodation and Food Services, Finance and Insurance, and Retail Trade** had the highest percentages of women

corporate officers (see Table 1).

- **Construction, Administrative Support and Waste Management Remediation Services, and Real Estate and Rental and Leasing** had the lowest percentages (see Table 2).

TABLE 1

Industries With Highest Representation of Women Corporate Officers

Industry	Percentage of Women Corporate Officers
Accommodation and Food Services	34.1%
Finance and Insurance	21.8%
Retail Trade	20.5%
Information and Cultural Industries ³³	19.6%
Utilities	19.0%
Professional Scientific and Technical Services	17.2%
Overall FP500	16.9%

29. For example, federally regulated crown corporations with more than 100 employees fall under Canada's Employment Equity legislation. Employment Equity is an ongoing planning process used by an employer to identify and eliminate barriers in an organization's employment procedures and policies and put into place positive policies and practices to ensure the effects of systemic barriers to designated groups, including women, are eliminated. However, employers who report under the Employment Equity Act also include the federally regulated private sector, including organizations in industries such as banking, communications, and international and interprovincial transportation. Human Resources Social Development Canada, *What is Employment Equity*, <http://www.hrsdc.gc.ca/eng/lp/lo/lsw/we/information/what.shtml> and Human Resources Social Development Canada, *Employment Equity Act Annual Report – 2007*, http://www.hrsdc.gc.ca/en/labour/publications/equality/annual_reports/2007/page03.shtml.

30. Crown corporations contain a significantly higher proportion of companies in the top five industries ranked by women's representation as corporate officers (i.e., the least male-dominated) than private and public companies. A z-test was employed to determine that the difference was significant at $p < .05$. See Table 1 for more information. Industries with five or fewer companies were not included in this analysis.

31. Public companies are significantly more likely to be in the lowest five industries ranked by women's representation (i.e., the most male-dominated) than in the highest five industries ranked by women's representation (i.e., the least male-dominated). See Tables 1 and 2 for more information. There is no difference in the proportion of private companies in the lowest and highest industries. Crown companies are significantly more likely to be in the highest five industries. A z-test was employed to determine significance at $p < .05$. Industries with five or fewer companies were not included in this analysis.

32. Only industries with more than five companies were included in the analysis. Three industries were excluded, namely: Public Administration (five companies), Arts Entertainment and Recreation (four companies), and Other Services Other Than Public Administration (two companies). North American Industry Classification System (NAICS) codes were assigned using corporate information databases. Two companies could not be ascribed NAICS codes through publicly available databases.

33. Establishments engaged in producing and distributing information and cultural products. Description adapted from 2007 NAICS descriptions. Full descriptions for all industries are available through Statistics Canada (www.statcan.gc.ca).

TABLE 2

Industries With Lowest Representation of Women Corporate Officers

Industry	Percentage of Women Corporate Officers
Transportation and Warehousing	15.1%
Agriculture Forestry Fishing and Hunting	14.6%
Wholesale Trade	14.0%
Mining and Oil and Gas Extraction	13.5%
Manufacturing	13.3%
Management of Companies ³⁴	12.4%
Real Estate and Rental and Leasing ³⁵	11.8%
Administrative Support and Waste Management Remediation Services ³⁶	10.0%
Construction	5.8%
Overall FP500	16.9%

BUSINESS CASE BASICS: WOMEN AS CUSTOMERS AND CLIENTS

Companies that advance women not only leverage talent effectively but also are better positioned to tap women as customers and clients.

- In Canada, more than 90 percent of day-to-day household financial decisions are influenced by women.³⁷
- Women's representation in management positions continues to grow, giving women greater influence over company spending.³⁸
- More women-led businesses are opened in Canada every year, presenting new business-to-business opportunities for the companies that can successfully win these accounts.³⁹

Including women on marketing and product development teams also allows companies to anticipate the needs of women in the marketplace. Women employees are also able to discover and drive new business development opportunities.

34. Establishments that hold the securities of companies and enterprises for the purpose of owning a controlling interest or influencing management decisions. Description adapted from 2007 NAICS descriptions. Full descriptions for all industries are available through Statistics Canada (www.statcan.gc.ca).

35. Establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets. Description adapted from 2007 NAICS descriptions. Full descriptions for all industries are available through Statistics Canada (www.statcan.gc.ca).

36. Establishments performing routine support activities for the day-to-day operations of other organizations. Description adapted from 2007 NAICS descriptions. Full descriptions for all industries are available through Statistics Canada (www.statcan.gc.ca).

37. MasterCard Worldwide, *MasterIndex of Canadian Women Consumers* (2006).

38. Statistics Canada, *Labour Force Survey* (2008). Women's representation as managers increased 0.9 percentage points since the 2006 Labour Force Survey. Statistics Canada, *Labour Force Survey* (2006).

39. The Prime Minister's Task Force on Women Entrepreneurs, Report and Recommendations (2003), and CIBC Small Business, *Women Entrepreneurs: Leading the Charge* (2005), <http://www.cibc.com/ca/small-business/article-tools/women-entrepreneurs.html>.

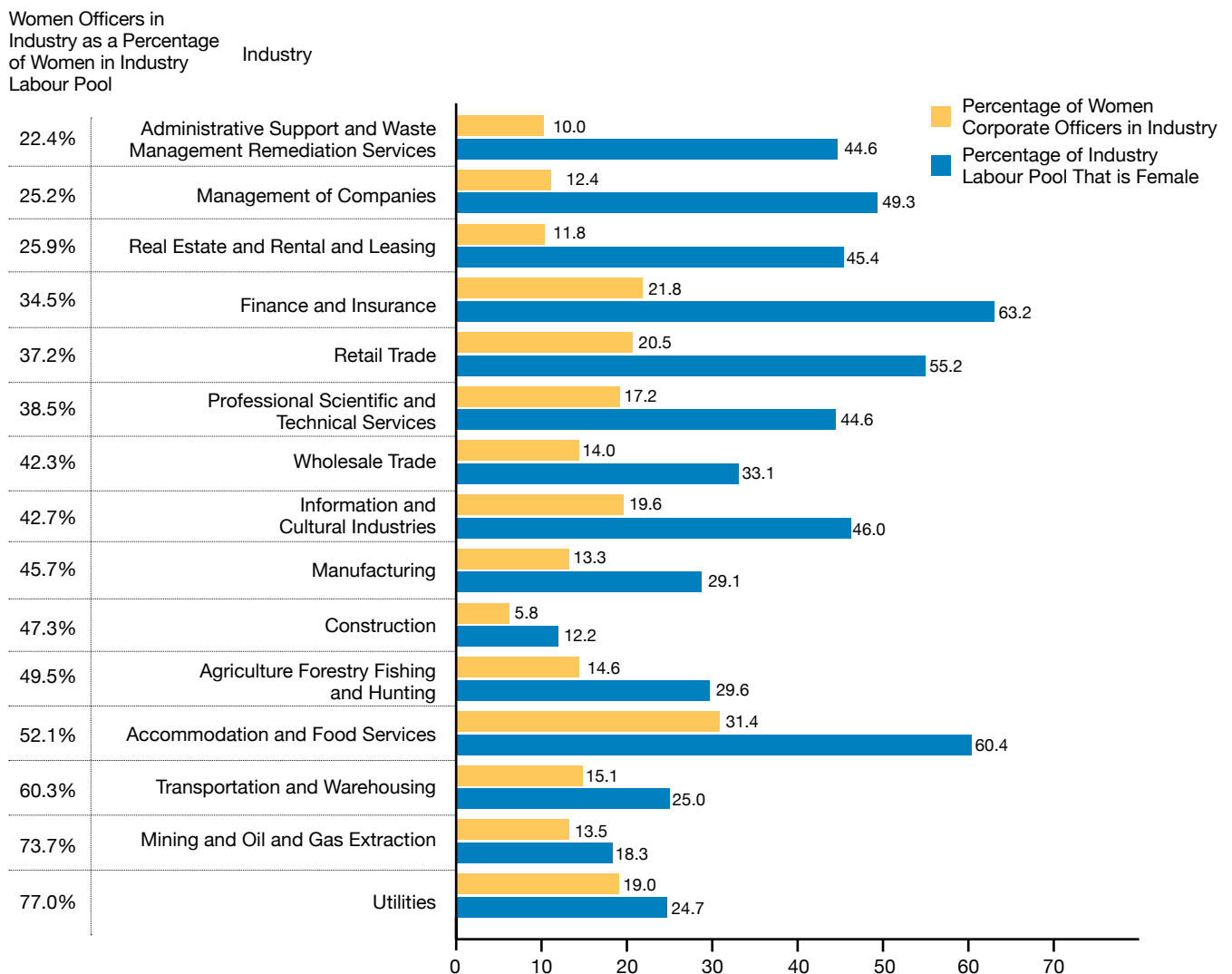
ALL INDUSTRIES FAILED TO REFLECT AVAILABLE FEMALE LABOUR IN TOP JOBS

We compared women’s representation in the Canadian labour force with women’s representation at the corporate officer level by industry (see Figure 5):

- At all but four industries (**Mining and Oil and Gas Extraction, Transportation and Warehousing, Utilities, and Accommodation and Food Services**), the percentage of women corporate officers reflected less than one-half of the proportion of women in the labour pool for the industry.
- Some of the industries that performed best in terms of women’s representation as corporate officers performed poorly in reflecting their available labour pool of women:
 - **Finance and Insurance** and **Retail Trade** were in the top three performers for women’s representation as corporate officers, but landed in the bottom six among industries when it came to reflecting their available labour pool of women.
- Some industries performed poorly both in terms of women’s representation in the officer pool and in terms of leveraging the available labour pool of women:
 - **Real Estate and Rental and Leasing, Management of Companies, and Administrative Support and Waste Management Remediation Services** scored in the bottom four on both measures.

FIGURE 5

Women’s Representation Across Industries⁴⁰



40. Labour force data from Statistics Canada, 2006 Census of Population, Statistics Canada catalogue no. 97-559-XCB2006010 (2008).

THE PROPORTION OF COMPANIES LED BY WOMEN HAS DOUBLED SINCE 2002

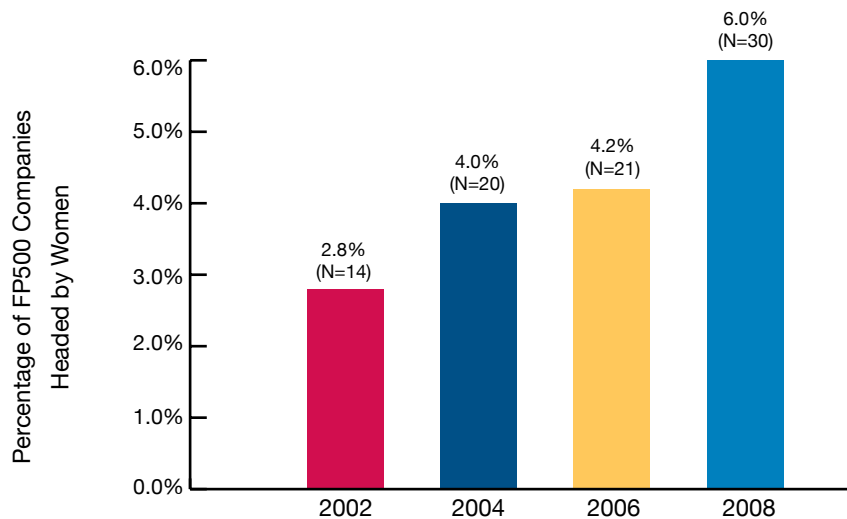
In 2008, **6.0** percent of FP500 companies were headed by women (30 companies). The proportion of companies led by women has more than doubled since 2002 when **2.8** percent of FP500 companies (14 companies) had women heads (see Figure 6).⁴¹

This change is noteworthy. These women are important role models for both women and men.

They are breaking stereotypes and lending visibility to the effectiveness of women leaders. Past Catalyst research has demonstrated that women and men have similar career aspirations regarding the corner office.⁴² Canadian businesses, despite the barriers many women face, are beginning to make important strides.

FIGURE 6

Proportion of FP500 Companies Headed by Women (2002-2008)



BUSINESS CASE BASICS: WOMEN AND CORPORATE SOCIAL RESPONSIBILITY

Companies are facing unprecedented pressure to demonstrate corporate social responsibility (CSR) to their customers and stakeholders. Part of CSR is the creation of a meritocracy that values all types of employees, including those that have been traditionally undervalued, such as women.⁴³ Demonstrating commitment to advancing women and other members of marginalized groups is one way that companies can prove they are good corporate citizens.

CSR can provide competitive advantages by aiding recruitment, retention, reputation-building, risk management, brand differentiation, and creation of sustainable industry practices.⁴⁴

41. A z-test was employed to determine the difference since 2002 was significant at $p < .05$.

42. Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004).

43. Emily V. Troiano, *Workplace Trends: Today's Decisions, Tomorrow's Successes* (Catalyst, 2008).

44. Catalyst, *Catalyst 20th Anniversary Awards Compendium* (2007).

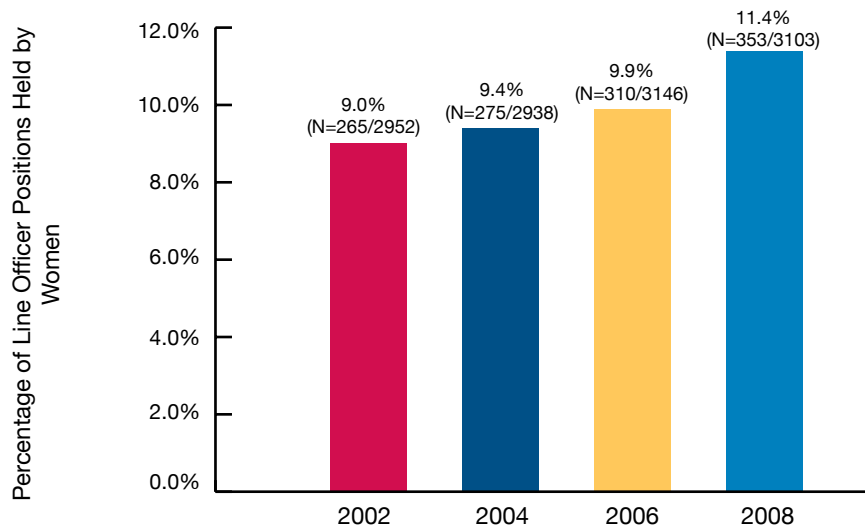
WOMEN MADE HEADWAY IN LINE POSITIONS

In 2008,⁴⁵ women held **11.4** percent of all line positions, an increase of **1.5** percentage points since 2006 and an increase of **2.4** percentage points since 2002 (see Figure 7).⁴⁶ Line positions, which are those with profit-and-loss, revenue-generation, or direct client responsibility, comprised approximately 60

percent of all officer positions. These positions are important because they have influence and clout within the organization. In addition, line experience is often a prerequisite to promotion to the highest ranks in the company, including the position of CEO.

FIGURE 7

Women's Representation as Line Officers (2002-2008)



In contrast, women held **25.1** percent of all staff officer positions,⁴⁷ which provide functional support to the business. This finding demonstrates that even

within the corporate officer ranks, women were more likely to be in positions with less organizational influence and clout.

45. Line positions accounted for 3,103 out of 5,188 officer positions (59.8 percent).

46. A z-test was employed to determine that the difference was significant at $p < .01$ between 2002 and 2008 and significant at $p < .1$ between 2006 and 2008.

47. Women held 524 of 2,085 staff officer positions.

CONCLUSION: CALL TO ACTION

In 2008, women's representation as corporate officers and as line officers saw the largest biannual increases in six years. In addition, the proportion of companies led by women has more than doubled.

Despite this progress, women continue to face multiple barriers to advancement to these ranks. Women's representation among corporate officers is **20.3** percentage points lower than their representation among Canada's managers: while women represent almost one-half of Canada's labour force, they still hold less than one-fifth of officer positions. Their representation in line roles, at **11.4** percent, is **5.5** percentage points lower than their overall representation in corporate officer positions, at **16.9** percent. And women lead only 30, or a mere **6.0** percent, of all FP500 companies.

It is clear that Canadian companies are capable of progress, and we call on them to take action with the following steps.

DEVELOP A DIVERSE SLATE OF CANDIDATES

Because change in women's representation among corporate officer ranks is occurring slowly, particularly among public companies, reevaluating the potential candidates for executive positions can make a difference.

CALL TO ACTION: Employers should commit to gender representation goals for corporate officer and other executive-level positions and take immediate steps to meet those goals by:

- Requiring diverse slates of qualified candidates for corporate officer and other executive positions.
- Developing a pipeline of qualified, "ready now" women.

- Recruiting externally when no qualified internal candidates are available to ensure qualified women are represented on the slate of candidates for executive positions.

REDEFINE "LEADERSHIP"

Catalyst research has demonstrated that while women and men actually lead in similar ways, many organizations adhere to stereotypic assumptions about women.⁴⁸ Such assumptions apply to both individual talent managers as well as organization-wide talent management systems.⁴⁹

Stereotyping means women are at risk of being evaluated unfairly and are less likely to be awarded prime assignments, and a narrow understanding of leadership based on gender stereotypes may hinder business performance as well as women's career advancement.⁵⁰

CALL TO ACTION: Employers should review and recast desired leadership attributes to avoid stereotypic bias, by:

- Formally valuing and evaluating a range of leadership attributes to include competencies beyond those typically associated with men.
- Enhancing transparency to ensure that employees know what it takes to succeed.
- Monitoring performance evaluations and high-potential identification by gender.

GIVE EQUITABLE ACCESS TO DEVELOPMENT OPPORTUNITIES

Recent Catalyst research demonstrated that many organizations restrict developmental activities to high-potential employees and senior executives.⁵¹ This is problematic for women: most senior executives are men, and women may be under-recognized because of the prevalence of gender-based stereotypes.⁵² In addition, a

48. Catalyst, *Women "Take Care," Men "Take Charge": Stereotyping of U.S. Business Leaders Exposed* (2005).

49. Anika K. Warren, *Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems* (Catalyst, 2009).

50. Anika K. Warren, *Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems* (Catalyst, 2009). Also, researchers have found that diverse leadership teams can facilitate the greatest organizational changes and have positive impacts on net profit margin and stock value. See Groves (2006), p. 567; David A. Waldman, Gabriel G. Ramirez, Robert J. House, and Phanish Puranam, "Does Leadership Matter?: CEO Leadership Attributes and Profitability Under Conditions of Perceived Environmental Uncertainty," *Academy of Management Journal*, vol. 44, no. 1 (February 2001): p. 134-143.

51. Anika K. Warren, *Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems* (Catalyst, 2009).

52. Ibid.

common workplace norm is that access to career advancement opportunities occurs through networking.⁵³ Women reported exclusion from informal networks as one of the top barriers to their career advancement.⁵⁴

CALL TO ACTION: Employers should expand the breadth, depth, and equitable distribution of development opportunities by:

- Ensuring that women at all levels can access pivotal development opportunities, including informal mentoring, networking, and visible role models.
- Monitoring by gender the distribution of formal development opportunities such as job enrichment, mentoring and high-potential programs, and high-visibility assignments.
- Facilitating women's movement into line positions.

LOOKING AHEAD: CHANGE IS POSSIBLE

This year's Census demonstrated that certain companies are driving change while others lag. Women's representation in public companies remains stagnant, and many industries perform below the overall FP500 representation of women as corporate officers. In fact, all industries fail to adequately reflect the proportion of women in their available labour pool at the corporate officer level. While women represent almost one-half of Canada's labour force, they still hold less than one-fifth of the country's top jobs.

However, as the data also demonstrate, change is possible, and the momentum for further change is building. It is incumbent upon all organizations to commit to measurable initiatives to ensure diverse slates of corporate officers, redefine definitions of leadership, and open paths to advancement by expanding development opportunities for women.

An organization's investment in fostering diversity and inclusion has the potential to reap positive returns. The dividends of recruiting and retaining a diverse workforce include:

- Better organizational performance through enhanced problem-solving and access to a wider range of ideas and perspectives. Data support a correlation between greater gender diversity and organizational financial performance.⁵⁵
- The potential to expand market share in both business-to-business transactions and within the consumer base.
- The opportunity for improved customer loyalty, whether consumer or business-to-business, because of the goodwill generated by being a good corporate citizen.

The business case for change is powerful, and women want the top jobs. So in 2009, Catalyst calls on business leaders to ask, why not?

53. Laura Sabattini, *Unwritten Rules: What You Don't Know Can Hurt Your Career* (Catalyst, 2008).

54. Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004).

55. Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* (2004).

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