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THE MOBILITY OF TOP BUSINESS EXECUTIVES IN CANADA

by

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ABSTRACT

The purpose of this thesis was to investigate the geographical and occupational origins, the educational backgrounds and the career patterns of the leading executives in Canadian corporations. This information should be of interest to firms concerned with executive selection and training. Since both the quality and quantity of managers affect the performance of the Canadian economy, the government should encourage their development.

Through well-known directories, a list of 332 large firms and their top executives was compiled. A twenty-three item questionnaire was mailed to the three most senior officers in each firm. The response rate of 49.6% compared favorably with other mobility studies.

After the coding and processing of the returns, computer print-outs were analyzed and compared with census statistics and other mobility studies to identify the significant items.

This research used the concept of proportional representation to measure movement into executives ranks. A ratio was calculated between the percentage of the respondents with a particular attribute, such as birthplace, education or father's occupation, and the proportion with the same attribute in the male work force.

The backgrounds of Canada's leading executives were not proportional to the general population. Urban centers, United States and the western provinces contributed more than their percentages in the Canadian population. Quebec was under-represented, even in its own province.

Probably the most significant factor distinguishing the respondents

from the general population was the educational level attained by the executives. The proportion with university degrees was eleven times the percentage of the male labour force in Canada. At the other end of the scale, it had more than twelve times more men who had not completed high school than the respondents.

While the advantage of a university degree seemed greater in Canada, the emphasis on high education was common to all mobility studies. It was more evident among the younger executives and the more recent studies. This study also indicated a growing emphasis on post graduate studies in business.

Other studies suggested two possible reasons for the under-representation of French Canadians at executive ranks: lower educational achievement and less emphasis on business and engineering courses in French language universities. Francophones with such training are now being offered higher starting salaries and prospects of faster progress into management.

Comparisons of the occupational origins of the executives with those of the labour force suggested that mobility into executive ranks was less open than in United States. Representation ratios of 8.5 for the managerial group and 4.5 for professional men were higher than in any recent mobility study of American leaders.

Because immigrants represent a large proportion of the Canadian executives and their forefathers, another analysis was made which was independent of national boundaries. By comparing the occupation of the executives' fathers with those of the grandfathers, the ratios of occupational stability were calculated. This ratio for the major executives in Canada was also higher than for American business leaders.

Despite the tendency to recruit executives from families already in the managerial or professional ranks, the responses indicated less influence from relatives and friends than in comparable American studies.

Questions about changes in mobility into executive rank and career development require additional research. Grants for business studies in Canada would develop managerial talent and preserve Canadian identity better than grants to foreign corporations to develop resources or build industrial plants.

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CHAPTER I

INTRODUCTION

THE PROBLEM AND ITS IMPORTANCE

This thesis is concerned with Canadian business leadership, that powerful, important occupational elite concentrated at the highest levels of business. Men occupying the major decision-making positions in major corporations have a large influence on the economic, social and political affairs of the nation. Although the corporations receive considerable attention and publicity, the executives themselves arouse little popular interest.

The corporations themselves and their executives are interested in leadership. An important characteristic of the corporation is its unlimited existence and hence it must be concerned with the training and succession of its top employees. Owners and potential investors are also concerned with the quality of its leadership.

The federal government is concerned with economic well-being and growth. Attention to both quality and quantity of managers can be important to the effective performance of the Canadian economy. The staff of the Economic Council of Canada has done some work on the supply and demand of managerial talent indicating a shortage of good managers and feels that additional research is required.¹

¹D.J. Daly, "The Changing Environment for Management in Canada" (mimeo, 1969), p. 35, 137.

Training of larger numbers of high quality managers has important ramifications for the universities. Academic institutions have already recognized this need and enlarged resources have been allocated to the task. New positions are being created in management education at a rate of about 100 per year in Canadian universities.²

The growth in size of corporations and the dispersion of ownership have brought about increasing interest in the executive from social scientists. Most of the studies have concerned themselves with the nature of the executive function, but several have dealt with social origins and business careers of executives. However there has been little attention given to the business executive in Canada and whether he differs from others studied.

The first of several primary purposes of this thesis was to study the social, educational and business background of the major executive in Canada. Data about his nativity, his occupational origins, education, marriage and business career was compiled from questionnaires to develop an external profile of the leading executive in Canada.

A second purpose was to find out how business executives reached their positions, what routes they took and how long it took to achieve their present position.

A major question arising from these primary purposes is: "Does the external profile provide a basis for distinguishing the major executive in Canada from the general population and from the executives in other countries?" Do seniority, status and family influence play an

²D.E. Armstrong, "The Manager of the Future" (Pulp and Paper Magazine of Canada, May, 1967).

important role in the selection of major executives? Does foreign ownership influence the selection of executives by nationality or business background?

THE EXTERNAL PROFILE

In collecting information about the background of executives, the research emphasizes the external profile of business leadership. It depicts in outline form the executive's personal and business background. It tends to reflect the situational theory of leadership which holds that the social and institutional background of the executive influences his role as a leader.

The main advantage of the external profile is that it is more readily quantified than such concepts as motivation, personality and attitudes. It can also be compared with other mobility studies to ascertain whether current patterns in Canada differ from previous studies on the business executive.

Such studies clearly de-emphasize personality and inward strengths, directing attention to the external aspects of the executive. Personality studies and psychological profiles obtained through depth interviews, pencil and paper tests, and projectives were not used. Other researchers have used these procedures to develop an internal profile of the motivations, attitudes, and orientations of the executive. Such studies are usually limited in geographical area and sample size.

A third profile which should be mentioned for purposes of contrast is the image profile that develops out of the popular concept of business leadership. Many stories have been written about the captains of industry

and the speculators and plungers who succeeded them at the turn of the century. Popular interest in executives has lagged, and they have not sought publicity or attempted to refute the popular image.

In Canada very little study has been made of the total business experience and training of the individuals who reach the top executive positions and how this is changing. This study attempts to shed some light on the questions raised on page 2 by presenting data gathered on the external profile of the Canadian executive and comparing it with that developed on executives elsewhere.

SCOPE AND LIMITATIONS

This thesis has already been identified as an objective study of the social, educational and business backgrounds of Canadian executives. For purposes of definition, the word "Canadian" as used in this study means resident in Canada, not citizenship or ownership. Non-resident managers were excluded. Under this definition, J.R. Gordon, president of the International Nickel Company of Canada (the nation's most profitable firm), was excluded although he was born in Ontario because he is now resident in New York.

As in Porter's earlier Canadian study,³ the prime concern was with the "dominant" corporations who hold the leading positions in Canada's economic activity. The concentration of economic power by such firms has been the subject of a number of academic studies. It is to the executives of such firms that the background questionnaires

³ John Porter, "The Concentration of Economic Power and the Economic Elite in Canada." (Canadian Journal of Economics and Political Science, Vol. XXIII, No. 2, May 1956).

were mailed.

The next question became, "Which executives?" Anticipating about a one-third response and hoping to get one response from each firm, it was decided to mail the questionnaires to the top three executives in each firm.

Consequently the data collected in the study describe a highly selected group of executives from Canada's largest corporations. The title of the thesis, "The Mobility of Top Business Executives in Canada", suggests these two restrictions on the scope of the research by the use of the words "top" and "in Canada" to modify the words "business executives". Nevertheless it should help identify those elements of a person's background which are most critical towards upward mobility in business.

In making comparisons with other studies it must be recognized that this research was more limited in scope than those with which the comparisons are made. The Canadian business picture is dominated by fewer firms with a narrower range of products. The financial assistance available to undertake the project was limited.

Another limitation of statistical studies is that the individual is lost among the crowd. A specific individual can be compared with a mean for the group because the statistical results deal in averages. Because of the questions asked, no conclusions about personality or motivation could be drawn. No statistical study could answer questions about how a particular executive might be selected. Conclusions about ability and methods of selection had to be made by inference.

ORGANIZATION OF THESIS

Chapter II discusses some other studies in the area of executive mobility. No specific footnotes are made here, as detailed and specific coverage is done in the next chapter. The pioneering study done at Harvard University in 1928 is mentioned. The classic study done by Warner and Abegglen to which all subsequent research makes reference is discussed. Newcomber did a three generation study of big business leaders in 1900, 1925 and 1950 that is the basis for her book. Early research in Canada was not aimed specifically at executive mobility but it is discussed as relevant background to the Canadian situation. Recent studies are oriented towards the differences in opportunities for French and English Canadians.

Methodology is the concern of Chapter III. It covers the selection of large firms and the executives. The development of the questionnaire is discussed with a review of the individual questions. This is followed by an analysis of the returns and discussion of their accuracy.

The next chapter developed the profile of the top business executive in Canada. First there is a review of his nativity by country, region and size of community in relation to census statistics. Then comes a report on the educational level achieved and the field of specialty. Next is a review of his career progress, showing his achievement pattern and interfirm mobility and discussing it in relation to his father's occupation and the influence of contacts. Then comes a review of his immediate family, his wife and children. After a discussion of his activities outside the board room comes a summary of his external profile.

Chapter V makes statistical comparisons with the results of other studies in such areas as educational achievement, career progress and inter-generational mobility.

Chapter VI draws some conclusions on the findings of the research and suggests some areas for further studies.

CHAPTER II

OTHER MOBILITY STUDIES ON EXECUTIVES

Preliminary research revealed some of the mobility studies on executives referred to in this chapter. Others were found after the questionnaire had been returned and tabulated. Had some of these been located sooner, the questionnaire would have been modified to make some additional useful comparisons. Nevertheless, the later research increased the depth of the study and made the comparisons more meaningful.

RESEARCH IN THE UNITED STATES AND OTHER COUNTRIES

An early study on the origins of business leaders was done by Professors Taussig and Joslyn of Harvard University in 1928.¹ In their pioneering work, they looked at both intergenerational mobility of parent and offspring, and career mobility--the social position of the same individual at different times. Their work provided the basis for the conception and methodology of later research. Many of the subsequent questionnaires are based on theirs so as to make comparisons in mobility and to identify trends. Data for their study was obtained from questionnaires completed by seven thousand recognized businessmen in the United States.

Warner and Abegglen used the earlier study as the foundation for

¹F.W. Taussig and C.S. Joslyn, American Business Leaders. (New York: MacMillan, 1928).

their research at the University of Chicago.² In 1952 executives were chosen from the largest firms in the country. Industries were represented according to their contribution to national income. A preliminary mailing was used to test the response to the survey and followed up with personal interviews to check the reliability of the data. More than 17,000 questionnaires were mailed direct to the executives' offices with a response rate of 48.8%.

Their results indicated that mobility had increased slowly between the two studies.³ However they also noted that men born to the top were more likely to succeed and to have more advantages than those lower down.

Warner and Abegglen followed up their questionnaire with personal interviews that provided the background for a more popular book.⁴ In it they described education as the "royal road to success". However it is the former book that provided the research results and is turned to as the authority in subsequent mobility studies, particularly of business leaders.

About the same time Newcomber was using a different approach to exploring the factors relative to executive success. She directed her research⁵ towards the president and chairman of the board for leading

²W.L. Warner and James C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955).

³Ibid., p. 35.

⁴W.L. Warner and James C. Abegglen, Big Business Leaders in America (New York: Harper, 1955).

⁵Mabel Newcomber, The Big Business Executive, the Factors that Made Him 1900-1950 (New York: Columbia University Press, 1955).

corporations in the years 1900, 1925 and 1950. Using biographical data, she developed information on the origin, education and business careers of the chief executives. While her sample was smaller, she was able to identify trends in the selection of top business leaders over three generations. She noticed a trend away from inheritors and organizers towards people with long experience with the firm and with a university education. Her study included the structure of the board of directors, executive compensation and the factors which lead to termination of office, something not often examined.

About the same time as the previous researchers were doing their work, Fortune Magazine printed an article on a group of top executives.⁶ They analyzed the backgrounds of the three highest paid men in the 250 largest industrial corporations, the 25 largest railroads and the 25 largest utilities. Although the article was short and lacked comparative data, it is referred to frequently and is the basis for a chapter in a book, compiled by their editors.⁷ It included graphs on birth-place, compensation, age and experience. Tables were shown on the first job with the firm, education and father's occupation.

Fortune editors must have observed considerable interest in their article and subsequent studies, because they sponsored another study on young executives.⁸ Questionnaires were distributed to successful

⁶"The Nine Hundred," Fortune, Vol. XLVI, No. 5 (November 1952), p. 132.

⁷Editors of Fortune, The Executive Life (Garden City, New York: Doubleday, 1956).

⁸Walter Guzzardi, The Young Executives (New York: New American Library, 1965).

administrators on the way up through the employing concern. Popular in style, it also asked about reading habits, car owners, holidays and politics. The objective may have been market research rather than serious academic study.

Mills wrote a well-documented sociological study on the organization of American society.⁹ It depicted the men and women at the pinnacles of fame, power and fortune in the United States. It included a chapter on the chief executives that discussed their background and training with frequent references to other research.

O'Donovan used the Warner and Abegglen approach to compare the backgrounds of executives and lower managers.¹⁰ While the scope of his investigation was limited to the examination of 326 questionnaires from only four corporations, he found a clear difference in the occupational origins. Only one in five executives came from lower occupations as compared with almost half the lower managers. More than twice as many executives as lower managers came from a high occupational level. Sixty-nine per cent (69%) of the executives were college graduates as compared with twenty-five per cent (25%) of the lower managers. The educational levels for all other members of the executive's family--father, mother, wife and brother--were higher than for the respective members of the lower manager's family.

Warner was the senior author of a study on government employ-

⁹C. Wright Mills, The Power Elite (New York: Oxford University Press, 1956).

¹⁰T. O'Donovan, "Differential Extent of Opportunity Among Executives and Lower Managers," Academy of Management Journal, August, 1962.

ees.¹¹ It was a comprehensive analysis of the background, education and experience of civil service and military leaders complete with a comparison with those in American business. Information from more than 13,000 questionnaires indicated that it was now less easy for top-level fathers to guarantee top positions for their sons as many leaders came from less favored origins. However, the emphasis on education was even greater among the federal executives than for the business executives of 1952. Subsequent studies often refer to this work as an authoritative source of information about the government bureaucrat.

In 1964 Scientific American sponsored a follow-up to the Newcomer study by Gould.¹² The author noted that only 10.5% of the top executives studied came from wealthy families compared with almost half in 1900. He emphasized that the percentage of those with science or engineering degrees increased five-fold between 1900 and 1964 while those with higher education had doubled.¹³ However he neglected to separate business administration training from social science and humanities.

Not all mobility studies are confined to the United States. However information on those conducted on business executives in other countries are not commonly available in Canadian libraries.

Malferrari directed the Warner approach towards American execu-

¹¹ Lloyd W. Warner, Paul P. Van Riper, Norman H. Martin and Orvis F. Collins, The American Federal Executive (New Haven: Yale University Press, 1963).

¹² Jay M. Gould, The Big Business Executive 1964: a Study of His Social and Educational Background (New York: Scientific American Inc., 1965), "Technicians Moving in at the Top," Business Week, (June 12, 1965) p.

¹³ Jay M. Gould, The Technical Elite (New York: Augustus M. Kelley, 1966).

tives serving overseas.¹⁴ His questionnaires were distributed through fifty-two (52) co-operating firms. While he did not have Warner's control over the population to be studied, his results may have some relevance to the postings of Americans to top positions in Canadian subsidiaries. He noticed that the overseas executive was younger and better educated than those of the earlier Warner study. In both sample selection and results his findings are comparable to the Guzzardi study mentioned earlier. A booklet appears to have been based on the same data.¹⁵

The most recent study reviewed utilized the Warner approach towards the academic field.¹⁶ 760 questionnaires completed by university presidents indicated that a disproportionate number came from the business-executive, business-owner and professional fields. Clergymen and teachers were particularly well represented among the fathers of the academic elite. All of the academic presidents were university graduates, nearly three-fourths with university doctoral degrees. The researcher concluded that while some university presidents were more advantaged than others, the educational and social systems did permit vertical mobility for a relatively large percentage.

Clements studied managers in Britain.¹⁷ Using data collected

¹⁴Carlose Jose Malferrari, "The American Executive Overseas: an external profile," (Unpublished Ph.D. thesis, Michigan State University, 1965).

¹⁵Richard F. Gonzalez and Anant R. Negandhi, The United States Overseas Executive: His Orientations and Career Patterns (East Lansing, Michigan State University, 1967).

¹⁶Michael R. Ferrari, "Origins and Careers of American Business, Government and Academic Elites," California Management Review, Vol. XII, No. 4 (Summer 1970).

¹⁷R.V. Clements, Managers, a Study of Their Careers in Industry (London: Allen and Unwin Ltd., 1957).

from 646 interviews in twenty-eight (28) firms, he developed tables on social origins, education and careers. Sixty-eight per cent of his executives were university graduates compared with only four per cent of his lower level managers. Seventy-eight per cent of the higher managers came from high social origins compared with only thirty-three per cent of the lower level. Sixty-seven per cent of the lower level managers came from manual and routine occupational origins.

There have been enough studies about mobility that it has been possible to generalize on the findings.

(1) Mobility studies uniformly show deviation from random distribution, that is, filial status is statistically and positively dependent on parental status . . . some of most classes of fathers are distributed throughout most of the status classes. The status of the father allows considerable variation in the status of the son.

(2) Sons are more highly over-represented in the diagonal cells representing continuity by the son of the parental status.

(3) Discussion is now centered over two questions:

- (a) Has the rate of mobility changed?
- (b) Do other societies show a lower rate of mobility than the United States?¹⁸

The first and second generalizations were consistent with the findings on the mobility of business executives referred to above. A comparison of the Tausig and Joslyn results with those of Warner and Abegglen and the Newcomber research indicated a slight increase in mobility to executive rank in the United States. Although the controls

¹⁸Herbert Goldhamer, "Social Mobility." International Encyclopedia of the Social Sciences (MacMillan Co. & the Free Press, 1968, Vol. XIV), p. 428-438.

over the executives sampled by Guzzardi and Malferrari, were not as rigorous, the backgrounds of their younger executives would indicate a further increase in mobility. Unfortunately, not enough studies on business executives in other societies were located to warrant comment on the last question. This thesis will compare the mobility of Canadian born executives with previous research on those born in the United States.

STUDIES OF CANADIAN EXECUTIVES

Porter conducted an analysis on the backgrounds of Canadian business leaders.¹⁹ Starting with a DBS list of establishments employing over 500 in 1948, he eliminated subsidiary firms and minor companies to develop a list of 183 "dominant corporations". To this group he added the chartered banks and the ten largest insurance companies in Canada. Then he used the Financial Post Directory of Directors as a source of names of board members. The ensuing list of 985 directors was designated the economic elite of Canada. Using reference books he obtained sufficient biographical data on 77.1% of his economic elite before drawing some conclusions. Family background and education were quite significant factors in the selection of top businessmen. He noticed a high degree of internal recruitment and the virtual disappearance of the independent entrepreneur. His original study of directors tended to overlook the influence of full-time company officials in determining company policy. In his later book he recognized the concentration of control in the

¹⁹ John Porter, "The Economic Elite and the Social Structure of Canada," (Canadian Journal of Economics and Political Science, XXII, No. 3, (Aug. 1957), p. 199-220.

hands of management.²⁰

Park and Park directed their analysis of intercorporate relations towards financial ownership and interlocking directorships in Canadian big business.²¹ They list about 260 names of men prominent in business in Canada and their firms. . Rather than seek to understand the development of the individual executive, they sought to criticize his power and control by suggesting illegitimate corporate behavior.

The Royal Commission on Canada's Economic Prospects recommended that foreign-owned companies use Canadian personnel and facilities wherever possible.²² The commissioners urged the companies to include independent Canadians on their boards, issue stock to Canadians and publish the financial results of their Canadian operations. They suggested that companies doing this be given a lower rate of withholding tax on dividends paid abroad. Walter Gordon tried to bring in legislation to do this in his abortive budget in 1963.

In 1960 the Canadian-American Committee reported on interviews with senior officials on the behavior of United States subsidiaries in Canada.²³ One aspect examined was the Canadianization of personnel. It concluded that Canadians already have an employment advantage over non-Canadians at the professional and technical levels. With respect

²⁰ John Porter, The Vertical Mosaic (Toronto: University of Toronto Press, 1965), p. 252.

²¹ Libbie C. Park and F.W. Park, Anatomy of Big Business. (Toronto: Progress Books, 1962).

²² Canada: Royal Commission on Canada's Economic Prospects, Final Report (Ottawa: Queen's Printer, 1958), p. 393.

²³ John Lindeman and D. Armstrong, Policies and Practices of U.S. Subsidiaries in Canada (Montreal: Private Planning Association of Canada, 1960).

to executive positions, there was a discernable preference for Canadians to fill the jobs available in Canada. Some company officials felt this policy might restrict opportunities for better jobs with the parent or other organization subsidiary. Even more important than the nationality of the executive or director would be the amount of authority which went with the position.

Safarian²⁴ directed some questions about leadership, boards of directors and authority to firms participating in his study of Canadian industrial ownership. He found that most of the 280 foreign-owned subsidiaries had policies favoring the use of Canadians in key positions. Forty-two per cent (42%) of the directors were associated with the parent or affiliates outside Canada, with the proportion diminishing for larger firms. However the boards of directors met less than once a month so could have little influence on day to day operations. His concern was with the extent of foreign influence on decision making rather than with the background or experience of the executives.

In 1968 results of a statistical survey on the Canadian executive were published.²⁵ The sample was drawn from a magazine's circulation list and responded at a rate of 41%. Responses to questions concerning education, family and activities may be compared with this survey, but like the Guzzardi study in United States, many of the questions had to do with spending habits. No interpretation of the statistical information

²⁴A.E. Safarian, Foreign Ownership of Canadian Industry (Scarborough: McGraw-Hill, 1966).

²⁵"Portrait of the Canadian Executive," Executive, the Magazine for Canada's Decision Makers. Southam Business Publication, Vol. X, No. 3 (March 1968), p. 48; No. 4 (April 1968), p. 53; No. 5 (May 1968) p. 53.

was attempted. The motive appeared to be primarily market research.

The Royal Commission on Bilingualism and Biculturalism was primarily concerned with the opportunities of French Canadians as compared with English Canadians.²⁶ The relationship between ethnic origin and occupation and religion was shown using 1961 census figures. Some of the supplementary research delved into the area of management opportunities between the two groups at greater depth particularly as they related to education²⁷ and cultural differences.²⁸

The Warner approach has been used to explore occupational mobility in Quebec.²⁹ As many of the same questions were used, it can be compared directly with the results of this research. Based on 386 returns from 1200 questionnaires, a response of 32.1%, the author observed that both English and French executives have higher education than the general population. He concluded that chances of reaching the upper echelon of business enterprises were as good for French Canadians as for English. In fact he suggested that the French Canadian occupational structure

²⁶Report of the Royal Commission on Bilingualism and Biculturalism, Book III, The Work World (Ottawa: Queen's Printer, 1969).

²⁷D.E. Armstrong, "Education and Achievement: Corporate Policies with Respect to Bilingualism and Biculturalism" (Montreal: McGill University, Unpublished manuscript deposited in National Library, Ottawa, 1966).

²⁸G.A. Auclair and W.H. Read, "A Cross-cultural Study of Industrial Leadership," (Montreal: Unpublished manuscript deposited in National Library, Ottawa, 1966).

²⁹Laurent Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec," (Unpublished Ph.D. dissertation, Michigan State University, 1967).

appeared more open than the English Canadian since clerical workers and foremen supply more than their share of business executives among French Canadians. He concluded that occupational origin was more important than ethnicity in opening the road to the summit of business enterprises.

CHAPTER III

METHODOLOGY

The preliminary research indicated the overall pattern for this study of the mobility of top business executives in Canada. This chapter describes the modifications made in the questionnaire to suit the Canadian business situation and the differences which were thought worth investigating in this country, particularly the effects of foreign ownership. Then the method of selecting the firms and the executives to which the questionnaires were directed is reviewed. This chapter concludes with a discussion and summary of the responses to the questionnaire.

THE DEVELOPMENT OF THE QUESTIONNAIRE

The questionnaire employed in this research (included in the appendix in its original mimeo form, p.156f) consisted of four pages of items which were constructed to meet several criteria: First, it was necessary to duplicate items included in previous studies to provide accurate data for comparison.¹ Second, it was necessary that the items be phrased clearly enough that each response would be comparable to all other replies to that item. Further, it was desirable to maximum response that minimum demands be made on the respondent, preferably that he be

¹W.L. Warner and James C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 242-245. Carlos Jose Malferrai, "The American Executive Overseas: an external profile," (unpublished Ph.D. thesis, Michigan State University, 1965), p. 128-131.

able to respond by a simple check mark on possible answers previously arranged. This would also make the coding of the responses easier for computer analysis and summary. Finally the overriding importance of a high rate of return to the questionnaire required brief items to keep the total questionnaire as short as possible.

Previous questionnaires were reviewed to pick out the most appropriate phrasing for a questionnaire so that data obtained from Canadian executives would be comparable to that of other research. Those items for which significant modifications were made are discussed below.

The official title of the present business position was phrased as an open-ended question in item 4 to allow a wide range of response and to indicate clearly the level of the respondent in his organization.

Item 5 was taken from a published questionnaire² which contained many items similar to the Warner studies. It was intended to indicate with which branch of the organization the business executive was associated. Because the population studied was at the top of the organization structure, many of the respondents indicated more than one branch. Consequently it was not coded for analysis purposes.

The number of occupations and levels available under items 7 and 17 was reduced from previous studies to shorten the questionnaire and to allow the coding of the responses in a single IBM card column. When the responses were being coded, enough explanations of the "other" category indicated that military service and university studies were significant so that these two were coded as separate categories. Another

²D. Moment and A. Zaleznick, Role Development and Interpersonal Competence (Boston: Harvard University, 1963).

problem in the responses concerned the professional person who worked his way up the business hierarchy and indicated two answers. In this case his position in the hierarchy was given precedence over his status as a professional person.

The time points selected in item 7 were arbitrary, but consistent with those of previous studies so that comparisons of the rate of upward mobility could be made. Two indications of the father's occupation in item 17 were designed to provide data on mobility within the father's career. Another study³ published in 1963 but not seen before the questionnaire was prepared dropped the second indication of the father's occupation in favor of a response on the mother's father. It also expanded the number of responses available, particularly in the professional area.

Items 10 and 11 were used by Malferrai in his study of the American Executive Overseas.⁴ They were designed to uncover foreign experience that might be a factor in non-resident owned firms and to find out whether the firm was a recent entry into the Canadian business scene.

The value of total assets in Canada was used to assess the size of a business rather than the volume of sales as used in the American studies. The hope was to tie in with the criteria on business size and non-resident ownership used in CALURA.⁵ While this criterion is subject to question, it appears that no single standard of business size is totally satisfactory:

³W.L. Warner, Paul P. Van Riper, H. Norman Martin and O.F. Collins, The American Federal Executive (New Haven: Yale University Press, 1963).

⁴Malferrai, loc. cit.

⁵Annual Report, Corporations and Labour Union Returns Act, 1962 (Ottawa: Queen's Printer, 1965).

taxable income, reported net income before or after extra-ordinary items and owner equity might also be used. Because Porter had used the number of employees as a criterion for selecting his firms, this factor was also requested in item 12 for a further indicator of a firm's size in Canada.

Item 13 was designed to find out the amount of non-resident ownership. The categories selected were those used for CALURA.⁶

Item 14 dealt with the presence or absence of influential connections in the first employing firm and in the firm with which the respondent was now associated. Used in the 1952 questionnaire, it served as an index to over-all influence and connections in furthering the career on the Canadian executive.

Item 18 was concerned with the education of the business leader, his father, mother and wife. The categories used to indicate the formal education were comparable to census data and to other studies. Those who were college graduates were also asked to identify their college and their major field of study. Had the large number of responses indicating training in business administration and management been anticipated, this area of inquiry would have been extended as it was for the American Federal Executive.⁷

The extent of the community activities of the Canadian business leader was explored by item 19. The influence of such activities could be estimated from their responses. Many of the executives participated in more than one activity and the responses to this question had to be coded in order to get an idea of their relative importance.

⁶Ibid., p. 19.

⁷Warner et al, op. cit., p. 283.

The birthplace of the executives was the subject of item 20. The categories were established after a review of the census data. Item 21 sought information about the executive's family with the idea of looking at the birth rate as a factor in occupational mobility. Item 22 was intended to give an indication of the career choice of the sons.

Item 23 was used to determine whether the executive had completed similar questionnaires in the past so that comparisons could be made with the results.

SELECTION OF LARGE CANADIAN FIRMS

An early step in this research was to identify those executives in Canada which would be most typical of those participating in the research done in the United States by Taussig and Joslyn in 1928-29⁸ and by Warner and Abegglen in 1952⁹ and in Canada by Porter.¹⁰

Some criterion was needed to identify the firms whose executives would be sent questionnaires. In order to have an adequate response, it was decided to mail about 1,000 questionnaires hoping for a return of about 25%.

Initially it was decided to use those firms which had a minimum of \$25,000,000 in assets. The Dominion Bureau of Statistics reported 382 firms in this size group in 1962.¹¹ They held a total of

⁸F.W. Taussig and C.S. Joslyn, American Business Leaders. (New York: MacMillan, 1928).

⁹Warner and Abegglen, op. cit.

¹⁰John Porter, The Vertical Mosaic. (Toronto: University of Toronto Press, 1965).

¹¹CALURA, op. cit., p. 31.

\$27,000,000,000 in assets or 51.8% of the total for all corporations reporting.

These figures proved difficult to rely upon for three reasons:

(1) private corporations were not yet required to publish financial statements on their operations in Canada, (2) individual respondents are treated confidentially by DBS and the Income Tax Division, (3) Subsidiary firms may be treated as separate entities for DBS reports and tax purposes but consolidated for published annual reports to the public, e.g. Bell Canada.

The initial list of such firms came from a checklist of Canada's largest companies published in the Financial Post, January 15, 1966. Sales, assets and net income were recorded on cards for the 100 largest industrial firms with the most assets shown on published annual reports. Although that list came down to almost \$50,000 in assets, there were fewer firms than reported by CALURA in that size group.¹²

To that list were added eight retailing firms, ten banks, ten finance companies and the eleven largest insurance companies. The count of 139 was still well below the number of 182 reported by the federal government.

Well-known private companies like Eatons, General Motors, Continental Can Company of Canada and Mobil Oil Canada were added to the file.

The next source of firm names was the Financial Post Corporation Service. It contained condensed statements and market performance for all firms quoted on Canadian stock exchanges. Each card in its file was reviewed to add all firms showing assets in excess of \$25,000,000. The

¹²CALURA, loc. cit.

total number of firms was still significantly below the CALURA figure of 382.

Porter had published a list of 183 dominant corporations in the Canadian economy.¹³ That list was also reviewed to add additional firms to the file. For his original list the companys' names came from a DBS listing of manufacturers with over 500 employees. Such a procedure would include employers with large staff, but not necessarily high investment. His list included some labor intensive firms, especially in the garment industry, which did not meet the asset criterion above.

To try to pick up the names of additional significant private companies, the Canadian Trade Index was reviewed to include manufacturing firms with over 1,000 employees.

The card file now contained 332 names of the largest firms in Canada. It was decided that this would be adequate representation of large corporations in Canada.

SELECTION OF EXECUTIVES

The Financial Post Directory of Directors, 1967 was used to help identify the three top men for each firm selected above. For Canadian-owned firms, an obvious choice would be chairman of the board, president and executive vice-president. However titles for the top executives were by no means consistent from firm to firm. Sometimes the posts of president and chairman were combined. Sometimes there were only vice-presidents with no executive vice-president identified. For each firm

¹³Porter, op. cit., p. 581-595.

an attempt was made to select the three top executives from the titles given.

In the case of foreign controlled firms, the executives chosen had to be resident in Canada. For Pan American Petroleum Corporation the three top executives resident in Canada were a vice-president and the functional managers for the exploration and producing divisions. For Swift Canadian Company Limited no vice-presidents were shown so the three executives chosen were "president and general manager", "general sales manager" and "plant manager".

In the earlier stages of the research project it was thought that biographic data might be used to check the accuracy of the returns and to fill in gaps in the responses. In chapter II, it was mentioned that both Newcomber and Porter had used such information as sources for their research.

One of Canada's growth industries was selected for a trial run. Using the top executives listed in Nickle's Oil Register, 1966 for firms like Texaco Canada, Imperial Oil, British American (now Gulf), and Shell Oil, an attempt was made to develop biographical data on such men from Who's Who in Canada. However, this approach was abandoned when the coverage on the individuals concerned was either incomplete or non-existent.

Large studies of executive mobility conducted in the United States used mailed questionnaires as their prime source of data. In books published in 1955 and 1963,¹⁴ it was found through follow-up interviews that there was no significant difference in the backgrounds of those

¹⁴Warner and Abegglen, op. cit., p. 237; Warner et al., op. cit., p. 264.

who returned the completed questionnaire from those who did not.

For this study several steps were taken to encourage a high rate of return to the mailing: (1) Philip H. White, dean of the Faculty of Commerce and Business Administration, signed a covering letter endorsing the study and soliciting a response. (2) A return card was enclosed for those interested in a report of the findings on executive opportunity in Canada. (3) The return envelope was addressed to the Faculty of Commerce and Business Administration, University of British Columbia, so that the respondents would know that this was a university approved project handled in strict confidence. Because of the additional cost and handling involved, no offer was made to pay return postage.

A preliminary mailing to executives in Alberta and British Columbia indicated a response higher than originally anticipated. Consequently it was decided to proceed with the balance of the mailing before summer holidays would slow up the returns. Thoughts of follow-up interviews to check the phrasing of the items, the accuracy of the responses and the nature of those replying were discarded in favor of getting the questionnaires out and back as quickly as possible.

QUESTIONNAIRE RETURNS

The questionnaire, return card and covering letters were mailed to a total of 978 executives. Each questionnaire had been precoded with an identifying number for the firm. Each return was reviewed by the author and coded for punching on IBM cards. Comments from the respondents enabled him to make adjustments in some returns. Some comments concerned the handling of the survey and have been included in the appendix.

A total of 487 questionnaires were returned. Two of these responses were rejected because of incomplete returns to page 2 dealing with the size of firm, contacts and relatives' occupations. Eighteen mailings were acknowledged but not returned for a variety of reasons: deceased, retirement or contrary to personal policy. A few were professional people who did not feel they should be included in a study of business leaders.

The total number of usable returns was 485. This is a response of 49.6% for the total mailed. This return from a mailed questionnaire was higher than expected, comparing favorably with the 47.6% response to the study of American business leaders.¹⁵ It was gratifying considering the enormous volume of questionnaires and requests for information that cross the desks of key businessmen. Certainly the business executive's interest in opportunity and success helped account for the response. The return card offering a summary of the results also played a part as 288 cards were received back or 59.4% of those responding requested a report on the results.

The mailings and the returns are summarized by industrial grouping in Table 1. The highest rate of response came from the insurance companies and the lowest from the chartered banks. Further detail on the industrial classification, the questionnaires mailed and the response is shown in the appendix.

¹⁵Warner and Abegglen, op. cit., p. 224.

Table 1. Distribution of Mailings and Returns by Industrial Group

Industrial group	Mailed	Usable	Response Rate
Mining and oil exploration	132	62	46.9%
Food, beverage and clothing	181	97	53.6
Wood, paper and primary metal	110	48	43.6
Secondary manufacturing	290	149	51.7
Transportation and communication	112	54	48.2
Merchandising	51	23	45.0
Banking, finance and insurance	102	52	51.6
Totals	978	485	49.6%

An early step in the research had selected the large firms in Canada to whose executives the questionnaire would be addressed. Table 2 indicates the percentage of replies that came from each asset group in the questionnaire. Notice that over 89% of the responses came from firms with over \$25,000,000 in assets.

The size of a firm can also be classified by the size of its staff. Table 3 shows the percentage of responses by the number of employees in the firm. Ninety percent of the executives were from firms with more than five hundred employees and seventy-five percent from firms with more than one thousand employees. It would appear that the two criteria of size of staff and the amount of assets have restricted the responses to the executives of Canada's largest firms.

Table 2. Percentage of Returns by Amount of the Firm's Assets

Amount of firm's assets	Percentage of Returns
Under \$25,000,000	10.7%
\$ 25,000,000 - 49,999,999	23.8
\$ 50,000,000 - 99,999,999	24.3
\$100,000,000 - 499,999,999	29.8
Over \$500,000,000	11.4
Total	100.0%

Table 3. Percentage of Returns by the Number of a Firm's Staff

Number of employees	Percentage of Returns
Under 500	10.0
500 - 999	14.4
1,000 - 2,999	43.5
3,000 - 4,999	11.6
5,000 - 9,999	11.4
Over 10,000	9.1
Total	100.0%

Another way of analyzing the returns would be by the position in the hierarchy of a firm. As can be observed from Table 4 the questionnaires have been completed by the top level executives in Canadian firms. There were a few instances of questionnaires being passed on to other executives like the personnel manager for review and completion, but these cases were the exception, rather than the rule.

Table 4. Returns by Position in Firm

Position	Number	Per Cent
Chairman and/or president	225	46.4
Vice-president	197	40.6
Other officers: treasurer, secretary, salesmanager, personnel manager, etc.	63	13.0
Totals	485	100.0%

In the case of one of Canada's largest firms, the personnel manager had the questionnaire reproduced and circulated to other executives in the firm for completion. All twenty-one duplicated questionnaires received were excluded from the tabulations in order not to bias the results for this departure from the sampling procedure.

Following coding of the questionnaires and the production of computer runs summarizing the results, the Faculty of Commerce and Business Administration mailed a copy of the highlights of the findings to those executives who completed a return card. A copy of the highlights and covering letter from Dean P.H. White have been included in the appendix.

As mentioned earlier, the number of returns exceeded expectations. The high response was heartening, considering the time required of busy men to answer the many personal and confidential questions. Although that meant more work reviewing and coding the questionnaires, it also increased the validity of any conclusions that might be made from the data received.

Since 59% of the respondents asked to receive an abstract of the research findings and since many identified themselves despite given assurances of confidential treatment of all information, there was a high degree of commitment and interest on the part of the respondents. Therefore, the author feels the responses received were accurate, having been answered in good faith by many of Canada's leading business executives.

CHAPTER IV

THE PROFILE OF THE CANADIAN EXECUTIVE

After the questionnaires were tabulated came the job of analyzing the arrays of computer print-out to identify those items which were significant to display and discuss as relevant to the subject of the mobility of the leading business executives in Canada. The results of this analysis are shown in the tables and in the discussions on nativity, education, family background, career progress and community activities in this chapter. Some comparisons are made with census figures and Canadian material to help develop some generalizations about the background of the top executive in Canada. These are then summarized to conclude the chapter with an external profile of the top business executive in Canada.

NATIVITY

This section reviews the information about the birth and age of the executives responding to the survey. The average age of the respondents was 52.6 years with a standard deviation of 8.36 years. The range in ages was from 30 to 80 years or 50 years. However Table V shows that almost half fell into the age group between 45 and 55 years old.

All parts of Canada, and foreign nations as well, supplied executives for big corporations in Canada. Over 71% of the respondents were born in Canada. While all sections of the country were represented in the group, almost a third were born in Ontario. The next largest group came from the prairie provinces of Manitoba, Saskatchewan and

Alberta (17.5%). Quebec, the Atlantic provinces and British Columbia supplied smaller proportions of the Canadian business elite.

In order for these figures to tell an accurate story, we should know how they compare with the general population of these areas at the

Table 5. Age Distribution of the Respondents

Age	Percentage
24 - 34	6.6%
35 - 44	26.0
45 - 54	48.8
55 - 64	16.5
over 65	2.1
Total	100.0%

time of the executive's birth. The continuing migrations of the past years have changed the population to the extent that the 1921 census has been used to provide comparative figures in Table 6. A ratio of relative representation has been developed to relate the birthplace of the executives to the 1921 census to identify those areas which may be under or over represented.

Comparing the province of the executive's birth with the general population in 1921 indicates that the western provinces are heavily represented, but Quebec and the Atlantic provinces have not produced their proportion of executives.

Table 6. Birthplaces of Canadian Executives Compared with 1921 General Canadian Population

Place of Birth	Executive %	1921 Population %	Ratio of relative representation
Atlantic provinces	5.4	11.3	.47
Quebec	11.6	25.8	.45
Ontario	33.1	28.6	1.16
Prairie provinces	17.5	10.1	1.73
British Columbia	3.6	1.9	1.89
	<hr/>	<hr/>	<hr/>
Total Canada	71.2	77.7	.92
British Isles	8.8	12.2	.72
United States	16.3	4.3	3.79
Other	3.7	5.8	.65
	<hr/>	<hr/>	<hr/>
Totals	100 %	100 %	1.00

Mobility of Canadian born executives out of their region of birth has been high. As indicated by Table 7, the number from the Prairie and Atlantic provinces who hold executive positions in the region in which they were born was less than one third. Over three quarters of the executives born in Ontario were at head offices in that province. In Quebec, 53% of Canadian-born executives had moved in from other provinces.

Table 7. Canadian-born Executive's Movement out of Region of Birth into Present Region of Business

Birthplace	Head Office of Firm					Total	
	Atlantic	Quebec	Ontario	Prairie	B.C.	Number	%
Atlantic	7	9	8	-	1	25	7.6%
Quebec	3	35	13	1	1	53	16.2
Ontario	2	26	120	4	2	154	46.9
Prairie	-	12	38	23	6	79	24.1
British Columbia	-	3	2	3	9	17	5.2
Totals	12	85	181	31	19	328	100 %

As 55% of the firms had their head offices in Ontario and an additional 26% in Quebec, the relationship between the birthplace of the Canadian born executive and his present residence was examined in Table 8. The percentage born in Quebec was particularly low when compared with almost 26% of returns from that province.

Cities of over 25,000 in population produced a larger share of the executives born in Canada than did towns or rural villages. As indicated by Table 9, the larger centers produced 64% of the executives although the cities over 25,000 represented only 25% of the Canadian population in 1921. As the ratios of relative representation indicate, there was a marked size gradient. The large communities were the primary source of business leaders, with the smaller communities of relatively lesser importance. At the extremes, the larger cities were represented over two times more frequently

Table 8. Birthplace of Canadian-born Executive and Present Residence

Region	Head Office of Firm	Province of Birth
Atlantic Provinces	3.7%	7.6%
Quebec	25.9	16.2
Ontario	55.2	46.9
Prairie Provinces	9.4	24.1
British Columbia	5.8	5.2
Totals	100 %	100 %

in business leadership than their proportion to the Canadian population at the time of the respondent's birth would suggest, while the rural areas were represented less than half as frequently as would be expected.

Table 9. Size of Birthplace of Canadian-born Executive Compared with 1921 Census

Size of Birthplace	Cdn.-born Executive	1921 Census	Ratio of Relative Representation
Over 100,000	40.7%	18.9%	2.16
25,000 - 100,000	14.7	6.6	2.23
3,000 - 25,000	18.6	14.2	1.30
Rural and under 3,000	26.0	60.3	.43
Totals	100 %	100 %	1.00

American born executives were over-represented in relation to the general population, as indicated by Table 6. United States supplied 16.3% of the respondents although only 4.3% of the Canadian population in 1921 were born there. According to the 1961 census 1.6% of the Canadian population reported being born in the United States. Compared with the survey responses totalling 16.3% in Table 10 the over-representation of the U.S. born was almost ten times. Table 10 also showed a higher representation from the British Isles and lower from Canada and other than the 1921 comparison.

Table 10. Birthplaces of Respondents Compared with those shown 1961 Canadian Census

Place of Birth	Executive %	1961 Population %	Ratio of Relative Representation
Canada	71.2	84.4	.85
British Isles	8.8	5.6	1.57
United States	16.3	1.6	9.73
Other	3.8	8.4	.48
Totals	100	100	1.00

Because a large number of firms are owned in the United States, the amount of Canadian ownership was compared with the degree of Canadian born respondents. Table 11 indicated that there was a higher proportion of Canadian-born respondents in firms with a majority of Canadian ownership. Foreign owned firms, especially those with minority Canadian ownership,

Table 11. Canadian Ownership and Canadian-born Respondents

Canadian ownership	All Respondents	Born in Canada No.	%	Representation Ratio
Under 5%	124	84	67.6%	.87
5 - 49%	103	61	59.3	.77
50 - 94%	107	83	77.6	1.00
95% and over	138	108	78.2	1.02
Totals	472	336	71.3	.92
1921 general population - base year			77.7	1.00
1961 general population			84.4	

were more likely to have executives born outside Canada.

When a comparison was made of country of birth and age groups in Table 12, the proportion of executives born in the United States became larger with age. None of the respondents born in the United States was

Table 12. Birthplace of Executives by Age Group

Birthplace	Age Group				Number Responding
	Under 44	45-54	55-64	Over 65	
Canada	69.5%	75.4%	68.8%	55.0%	340
British Isles	13.1	4.6	11.8	-	42
United States	10.9	17.1	16.2	40.0	78
Other	6.5	2.9	3.2	5.0	18
Totals	100 %	100 %	100 %	100 %	
Number responding	92	175	187	20	474

under 35 years old although 6.6% of all respondents were. In all other age groups the proportion of United States born was higher than the 1.6% reported for the general population in 1961.

It would appear that big business in Canada has imported technical knowledge and organizational experience from the United States, particularly if control was owned outside Canada. Many of the American-born leaders were in industries which have experienced great expansion in Canada during the past 20 years: oil, chemicals and cement. Almost a third of the U.S. born respondents (25 out of 80) were employed by firms that have been in operation in Canada less than 20 years. Generally they were more highly educated than the average respondent, particularly in the fields of business administration and engineering. Consequently it appears that many American-born executives were brought into industries where Canada had neither time nor facilities to develop its own experts.

Table 13 provides further evidence that executives born in the United States were more likely to have experience working in other countries than those born elsewhere. Only 5% of the Canadian born had foreign experience compared with 82% of the U.S. born.

Of the Canadian-born executives, 70% were second generation Canadians at least. Of the 336 responding to both items, 237 had their fathers born in Canada also, as indicated in Table 14. There was a correlation of .65 between the birthplace of the executive and that of his father.

Going further back into the ancestry of the Canadian executive, 160 or 29% of the total respondents were third generation Canadians, as indicated in Table 15. The correlation of the grandfather's birth-

Table 13. Birthplace of Executive and Foreign Business Experience

Birthplace	Number of Executives	Number with Foreign Experience	Per Cent
Canada	340	67	5%
British Isles	42	14	34
United States	78	64	82
Other Countries	18	11	61
	—	—	—
Totals	478	156	30%

place to that of the executive was .54, still relatively high.

When the analysis was restricted to fathers of Canadian born executives and their birthplaces compared with that of the father's father in Table 16

Table 14. Executive's Birthplace and Birthplace of Father

Executive's Birthplace	Birthplace of Executive's Father				Total
	Canada	U.K.	U.S.A.	Other	
Canada	237	76	9	14	336
United Kingdom	0	41	0	1	42
United States of America	10	3	57	7	77
Other Countries	1	2	0	15	18
	—	—	—	—	—
Totals	248	122	66	37	473

Table 15. Birthplaces of Respondents and Their Paternal Grandfather

Executive's Birthplace	Birthplace of Paternal Grandfather				Total
	Canada	U.K.	U.S.A.	Other	
Canada	160	150	4	21	335
United Kingdom	0	40	0	1	41
United States of America	5	8	50	13	76
Other	1	3	0	14	18
Totals	166	201	54	49	470

47% of the paternal grandfathers were also born in Canada. Most of the balance were born in United Kingdom, although two fathers had their fathers imigrate from the United States.

Table 16. Birthplaces of Canadian-born Fathers and Their Fathers

Father's Birthplace	Their Father's Birthplace				Total
	Canada	U.K.	U.S.A.	Other	
Canada	47.2%	22.1%	-	1.5%	70.8%
United Kingdom	-	21.8	-	.6	22.4
U.S.A.	.6	.6	1.2%	.3	2.7
Other	-	.3	-	3.9	4.2
Totals	47.8%	44.8%	1.2%	6.3%	100 %
Number responding	160	150	4	21	335

Ethnic origin rather than birthplace is the primary basis for reporting Canadian census statistics. In the author's opinion this procedure tends to emphasize racial origins such as French or British rather than create a Canadian identity. The stress on these two founding peoples is apt to ignore that thirty per cent of the male work force in 1961 had some other ethnic background.¹

Discussion of Table 10 has already indicated that the United States born were found in top executive positions in almost ten times their proportion to the total population. Under the Canadian census classification, a manager whose forefathers had lived in the United States for generations might be reported as British or Jewish rather than American. Those were the ethnic origins whose representation in the managerial occupation exceeded their participation in the male work force in 1961.²

It was mentioned earlier that the Quebec-born were under-represented at the top level of business, even in their own province. Table 17 suggested that the odds for obtaining management positions were weighted against the French-Canadians as there were only two-thirds as many Quebecers as one would expect if the selection were made on a random basis from the total population.³

Belanger sent out 1,200 questionnaires to examine the differences in occupational mobility between French and English in the business elite

¹Report of the Royal Commission on Bilingualism and Biculturalism, Book III, The Work World (Ottawa, Queen's Printer, 1969), p. 38.

²Ibid.

³D.E. Armstrong, "Education and Achievement, Corporate Policies with Respect to Bilingualism and Biculturalism" (Montreal: McGill University, 1966, Unpublished paper on deposit at National Library, Ottawa.), p. 106.

of Quebec. Included were questions on the importance of ethnic origin and religion in the career progress of the respondents. Ethnic origin was not important according to 65% of the English managers and 56% of the French. Larger proportions, 70% of the English business leaders and

Table 17. Managerial Representation in Quebec by Ethnic Origin
(Those Earning \$10,000 per year and over)

Origin	Labour	Managers		Professionals	
	Force	%	Ratio	%	Ratio
French	75.4%	44.3%	.59	48.7%	.65
British Isles	12.8	33.0	2.58	32.1	2.51
Other	11.8	22.7	1.92	19.2	1.63

63% of the French, replied that religion was not important.⁴

What then made the difference? The answer appears to be education, particularly in management and business.

EDUCATION OF THE CANADIAN EXECUTIVE

Formal education has become increasingly important in life.

Instead of starting in a business and working their way up, more and more men use a college education to further their careers. Technical and business school training is taken more often today than in the last generation by men ambitious to succeed.

Probably the most significant factor distinguishing the respon-

⁴Laurent Belanger, "Occupational Mobility of French and English-Canadians Business Leaders in the Province of Quebec," (Unpublished Ph.D. thesis, Michigan State University, 1967), p. 138.

dents from the general population of Canada was the educational level attained by the executives. Over 65% had graduated from university, many with second degrees. This is much higher than the 8.4% reported for the managerial occupation in staff studies done by the Economic Council of Canada.⁵ However that study concerned itself with over 440,000 males classified as managerial in the 1961 census whereas this study deals with an elite group of top executives.

Comparing the education level of the respondents with the Canadian male labour force in Table 18, those who completed their university training were over eleven times as likely to be top executives. Whereas 79 out of every 100 of the executive respondents had gone to university, only 16 out of 100 males in the general population had any university training.

Comparisons at lower education levels were perhaps even more forceful. Less than 1% of the executives had not entered high school compared with almost 44% of the Canadian male labour force. Another 5 percent of the executives had not completed high school as compared with 30% of the labour force. There were about 12 times more men of meager education in the general population than in the elite.

Emphasis on educational achievement was even more evident among younger executives. While some increase might be expected because the average educational level of the Canadian population is improving, the standards achieved exceed what would be expected. Notice from Table 19 that the level of education of the respondents increased with their youth.

⁵Gordon Bertram, The Contribution of Education to Economic Growth (Ottawa: Staff Study No. 12, Economic Council of Canada, 1966), p. 8.

Table 18. Educational Level of the Canadian Executive Compared with the Canadian Male Labour Force, 1961

Educational Level	Canadian Executive	Canadian Male Labour Force Ages 25-64 1961	Representation Rates
Less than high school	.8%	45.9%	.02
Some high school	5.4	29.7	.18
High school graduate	14.5	8.7	1.6
Some college	14.2	10.1	1.4
College graduate	42.6	5.6	11.6
Post graduate	22.5		
Totals	100 %	100 %	1.0

The percentage with complete university increased from 30% for those over 65 to 79.3% for those under 44 years of age. In fact, for the under 44 age group, there were more executives with two degrees than with none.

Another indication of the growing emphasis on education was the higher level achieved by the vice-presidents of the firm as compared with the president and other executives shown in Table 20. 70% of the vice-presidents had completed university as compared with 63% of the chairmen and presidents and only 56% of the other executives responding. This analysis of education and position suggested that the top executive would likely be replaced by someone with more education.

To try to assess a trend in education, the replies were divided into groups below and above 50 years of age. 76% of the younger group

Table 19. Education of Executives by Age Group

Educational Level	Percentage of Executives in Age Group			
	Under 44	45-54	55-64	Over 65
Less than high school	-	.6	.6	5.0
Some high school	1.0	5.1	6.4	20.0
High school graduate	5.3	17.7	16.1	20.0
Some college	14.4	13.2	14.5	25.0
College graduate	39.1	43.4	45.2	20.0
Post graduate study	40.2	20.0	17.2	10.0
Totals	100 %	100 %	100 %	100 %
University graduate	79.3%	63.4%	62.5%	30 %

Table 20. Education Level by Rank of Executive

Education Level	Chairman or President	Vice- president	Other
Incomplete high school	8.5%	3.6%	11.1%
High school graduate	12.4	16.2	15.9
Some college	16.4	10.1	17.5
University graduate	43.1	44.2	33.3
Post graduate	19.6	25.9	22.2
Totals	100 %	100 %	100 %

and 61% of those under 50 had university degrees.

Comparing the field of study for those under and over 50 in Table 21 showed a growing emphasis on education in commerce and business administration, especially at the graduate level. Twice as large a proportion of respondents took post graduate studies in business as did undergraduate studies in that area.

Further research should be done on business education of the type that does not lead to a university degree, e.g. that done by university extension departments, Advanced Schools of Management and professional

Table 21. Fields of University Study for Respondents Under and Over 50

Field of Study	Undergraduate		Graduate	
	Under	Over	Under	Over
Arts, languages, humanities	12.8%	13.0%	5.6%	3.5%
Geology, biology, zoology	6.0	4.7	5.7	10.5
Social sciences	5.1	3.6	3.8	7.0
Mathematics, physics, chemistry	5.1	8.3	3.8	7.0
Engineering	39.3	42.0	13.2	14.0
Commerce and business administration	22.3	119.6	49.8	19.3
Chartered accountancy	5.1	4.2	14.8	12.3
Law	4.3	4.6	3.8	21.1
Others not included above	-	-	-	5.3
Totals	100 %	100 %	100 %	100 %
Number responding	117	193	53	57

societies. Twenty-six Chartered Accountants indicated their qualifications and have been shown separately in the tables. Some respondents indicated a second degree, such as law or graduate studies. The latter interpretation has been included with studies at the Master's or Doctor's level.

The emphasis on post graduate education is particularly noticeable among the younger executives. Only 23% of the executives over 50 had post graduate studies but 34% of the younger executives with university graduation went on to post graduate studies, almost half in commerce and business administration.

At what universities did these Canadian executives earn their degrees? Almost 20% did not give the name of the university from which they graduated and also 30% did not name their post graduate university. Those which were identified were shown on Table 22. Canadian institutions were shown in 74.1% of the cases, just slightly under the representation of Canadian-born in the respondents. The University of Toronto was named most frequently, in 21.2% of the cases. Of the Canadian-born, 95% took their undergraduate studies in Canada, but 18% went outside for their post graduate degree. This might be an indication of either limited funds or limited facilities for graduate work in Canada.

Harvard got a strong preference from the respondents for its graduate school of business while Western Ontario was the prominent Canadian university in that field. Respondents from the United States did not show the same tendency to come from Ivy League colleges such as Harvard, Yale and Princeton that was evident in Warner's sample⁶

⁶W.L. Warner and J.C. Abegglen, Big Business Leaders in America (New York: Harper & Bros., 1955), pp. 50-55.

Table 22. Universities Attended by Respondents

University Attended	All Executives		Canadian Born	
	Undergrad	Graduate	Undergrad	Graduate
Atlantic universities	12	4	12	4
Quebec French	2	2	2	2
McGill, Sir Geo. Williams	35	11	35	10
University of Toronto	57	10	54	10
Ontario private ^a	30	6	28	6
Ontario religious	2	0	2	0
Prairie universities	28	5	25	5
University of British Columbia	6	1	5	1
Chartered Accountancy	14	12	12	12
Big Ten (U.S.A.) ^b	8	4	1	3
Other State Colleges	27	3	5	2
Ivy League ^c	10	15	1	6
Other U.S. Colleges	7	4	2	0
European Universities	13	5	0	0
Totals	251	82	184	61

^aMcMaster, Queens, Western Ontario and Carleton.

^bMichigan State, Michigan, Indiana, Purdue, Illinois, Iowa, Wisconsin, Minnesota, Ohio State and Northwestern.

^cBrown, Columbia, Cornell, Dartmouth, Harvard, Pennsylvania, Princeton and Yale.

or Newcomber's research.⁷

Table 23 indicated that executives born on the prairies had the highest education level while those born in B.C. had the lowest. This did not agree with census statistics for educational levels achieved in each region. Rather than reflect census figures, the difference suggested that highly educated people migrated to the provinces of Ontario and Quebec where most of the head offices are located. As pointed out earlier in the section on Nativity, Quebec was under-represented in executive ranks according to its population. Table 7 gave statistics on the migration of executives out of their region of birth.

Examining the birthplace of Canadian-born respondents vis-a-vis the locus of their university training, we found that 64% of the Atlantic born stayed there for their education. Two-thirds of the Quebec born

Table 23. Education of Canadian-born Executives by Birthplace

Educational Level	Region of Birth				
	Atlantic	Quebec	Ontario	Prairie	B.C.
High school or less	0 %	5.7%	7.8%	5.1%	5.9%
High school graduation	12.0	9.4	19.0	11.4	17.7
Some college	24.0	17.0	10.5	7.6	23.5
University graduate	48.0	39.6	44.4	48.1	35.3
Post graduate	16.0	28.3	18.3	27.8	17.6
Totals	100 %	100 %	100 %	100 %	100 %
U grad or better	64.0%	67.9%	62.7%	75.9%	52.9%

⁷Mabel Newcomber, The Big Business Executive, the Factors that Made Him 1900-1950 (New York: Columbia University Press, 1955), p. 79.

went to the English University of McGill. Of the Ontario born 46% went to the University of Toronto and 31% to Western, Queens or McMaster. Of the prairie born, 46% went to regional universities, but 21% went to the University of Toronto. British Columbia educated 38% of their potential executives, but 25% went east to McGill. Over half of the Chartered Accountants who started their training after high school were born on the prairies. In Ontario nine respondents took another degree before proceeding to their professional training.

In the section on nativity, it was observed that the United States born were over-represented in relation to their proportion to the general population and that this was also increased with the foreign control. Table 24 comparing the education and nativity of Canadian executives showed that 75.2% of the executives from the U.S.A. and 72.1% of the executives born in other countries (usually continental Europe) were university graduates compared with 65.8% of the Canadian born and only 38.1% of those born in the United Kingdom. This relationship was consistent with that found in Porter's earlier Canadian study. He observed university training in 71% of the U.S. born, 62.5% of the Canadian born and 44% of those born in U.K.⁸

As indicated by Table 24, the country of birth had some influence on the percentages of executives who had graduated from university: United States, 75.2%; other countries, usually continental Europe, 72.1%, Canada, 65.9% and of those born in the British Isles, 38.1%, well below the average of 65.1%. All areas showed larger percentages with post-graduate studies than the Canadian-born.

⁸John Porter, The Vertical Mosaic (Toronto: University of Toronto Press, 1965), p. 283-284.

Table 24. Education and Nativity of Respondents

Educational Level	Country of Birth				Total
	Canada	U.K.	U.S.A.	Other	
Incomplete high school	5.8%	11.9%	5.0%	5.6%	6.2%
High school graduate	14.9	21.4	11.1	5.6	14.5
Some college	13.4	28.6	8.7	16.7	14.2
University graduate	44.8	16.7	47.6	38.8	42.6
Post graduate	21.0	21.4	27.5	33.3	22.5
Totals	100 %	100 %	100 %	100 %	100 %
Number Responding	344	42	80	18	484

It may be concluded that firms in Canada have imported university trained talent to manage their business.

The only significant difference in fields of training for Canadian and U.S.A.-born respondents was that a larger proportion of the United States-born had taken post graduate study in business administration. This was the educational field in which Canada was farthest behind the United States, according to Dr. D.E. Armstrong.⁹ His study indicated that in relation to population Canada has about 30% in undergraduate business programs and 14% in the graduate level compared with U.S.A.

The proportion of university graduates in executive positions varied considerably by industry. The chemical, oil and mining industries

⁹D.E. Armstrong, "The Threat of New Revolutions in Management and Education" (Montreal: McGill University, Mimeo, 1968), p. 9.

had the highest proportion of university graduates. In these industries were relatively young firms with a high percentage of executives born in the United States. Banking, trust and loan, textile and food firms had the lowest proportion of university graduates. Table 25 portrayed the percentage of university graduates by industrial group together with the number of percentage points different from the average.

Table 25. University Graduates by Industrial Group

Industrial Group	Percentage	Difference From Average
Mining and oil exploration	81.2%	+16.1
Food, beverage and clothing	54.8	-10.3
Wood, paper and primary metal	67.3	+ 2.2
Secondary manufacturing	65.1	0
Transportation and communication	68.2	+ 3.1
Merchandising	65.2	+ .1
Banking, finance and insurance	55.0	-10.1
All respondents	65.1%	

The statistics from Table 26 suggest that foreign-owned firms placed a higher value on education than did the Canadian-owned firms. The percentage of the university graduates among the respondents from wholly owned Canadian firms was 58% or 7 per cent below the average. In corporations with a majority of Canadian ownership the percentage of graduates was 65% or average. In those firms which were from 5 to 49% Canadian owned

Table 26. Educational Level by Amount of Canadian Ownership

Educational Level	Canadian Ownership			
	Over 95%	50-95%	5-49%	Under 5%
Less than complete high school	6%	4%	4%	6%
High school graduation	14	21	11	11
Some university	22	10	8	15
University graduate	43	37	54	45
Post graduate	15	28	23	23
Totals	100%	100%	100%	100%
Percentage university	58	65	77	68
Difference from average	-7	0	+12	+3

the percentage of executives with university graduation was 77% or 12% above the average of all responding. With firms where Canadian ownership was negligible, the graduates were 68% or 3 per cent above the average.

When the size of firm by its assets was compared with the amount of education held by the responding executives in Table 27, the middle sized firm had a slightly higher proportion of university graduates. Respondents with university graduation or better were 61%, 57%, 67%, 73% and 65% as the firms' assets increased. One explanation for the low percentage of university graduates in firms with over half a billion in assets could be the influence of banks and financial concerns that had lower levels of executive education. It should be noted that the largest proportion of executives with post graduate studies was found in the

Table 27. Educational Level by Amount of Firm's Assets

Educational Level	Size of Firm's Assets in Millions of Dollars				
	Under 25	25-50	50-100	100-500	Over 500
Less than high school	7%	7%	7%	3%	5%
High school graduate	15	14	13	15	17
Some college	17	22	13	9	13
University graduate	39	40	43	50	36
Post graduate	22	17	24	23	29
Total	100%	100%	100%	100%	100%

firms with the most assets.

There was not any clear relationship between the amount of education and the number of employees in the firm. Table 28 indicates that firms with between 3,000 and 5,000 employees had only 46% of executives with university graduation or better. Firms with fewer than 500 employees had 78% of their executives with university graduation while firms with over 10,000 employees had 81% of their executives with university graduation together with the highest proportion of post graduate study of any size or category of firm. Consequently it would appear that the largest firms in terms of number of employees or amount of assets put the highest premium on post-graduate education for their leading executives.

The educational attainment of the family is an important factor in determining the educational achievement of the children. Most Canadians advance beyond the educational level of their parents. Did this apply to

Table 28. Number of Employees in Firm and Educational Level

Number of Employees	Educational Level of Respondents				
	Incomplete High School	High School Graduate	Some College	University Graduate	Post Graduate
Under 500	4%	10%	8%	52%	26%
500 - 1,000	5	16	16	38	25
1,000 - 3,000	6	17	15	43	19
3,000 - 5,000	12	9	33	30	16
5,000 - 10,000	3	16	3	51	27
Over 10,000	2	13	4	48	33
	—	—	—	—	—
All executives	6	15	14	43	22

the Canadian executives? Table 29 helped to answer this question. The four vertical columns gave the education levels of the Canadian executives, of their mothers, of their fathers and of the Canadian male labour force, 25-64 years of age in 1921. The percentage of the respondents' fathers with less than high school education (27%) was between one third and one half of the labour force and the percentage who were college graduates or had gone to college (35.9%) was more than six times that of the 1921 labour force. The executives' mothers also achieved a higher level of education than customary. They were almost six times as likely to have high school graduation or better than the 1921 male labour force. Still their sons far outstripped them. The percentage of college graduates among the sons was three times as great as among the fathers and ten times

Table 29. Education of Parents Compared with Their Sons and the Canadian Labour Force in 1921

	Labour Force 1921	Fathers	Mothers	Canadian Executives
Less than high school	70.2%	27.3%	23.9%	.8%
Some high school	20.1	21.5	23.1	5.4
High school graduation	4.4	18.3	38.8	14.5
Some college	2.1	10.7	8.1	14.2
University graduation	3.2	22.2	6.1	65.1
Totals	100 %	100 %	100 %	100 %

the mothers. The percentage of those who failed to finish high school was only about one eighth the percentage of the fathers or mothers.

To some extent the educational level was related to the social class to which the executive was born. Consequently a discussion of the educational levels achieved by the executive's parents lead to a discussion of his social origins in the next section.

SOCIAL ORIGINS

Table 30 showed some relationship between the father's occupation and the educational level achieved. Nevertheless, over half the respondents got to university regardless of the father's occupation. They did much better than the male labour force where only 16% got that far. However it would be unwise to generalize on the educational achievements by social class because all the questionnaires went to successful managers.

Table 30. Father's Occupation and Level of Education of Respondents.

Father's Occupation	Educational Level of Respondents				
	Incomplete high school	High school graduate	Some College	University degrees	Post graduate ^a
Hourly worker	22%	28%	10%	40%	18%
Farmer	10	20	7	63	23
White collar	5	22	11	62	21
Small owner	7	18	18	57	18
Medium, large business owner	4	17	17	62	21
Foreman, first level supervision	3	23	10	63	20
Minor executive	6	8	18	68	20
Major executive	0	9	22	69	22
Professional	5	4	9	82	36
	—	—	—	—	—
All respondents	6	15	14	65	23
Male labour force 1961	75	9	10	6	

^aPost graduate percentages included in total for university degrees.

Those showing fathers as hourly workers had the lowest level of education, followed by farmers and white collar workers. The sons of professional men had the highest percentages of university degrees and post graduate studies. The sons of major executives were next at both those levels and all had completed high school. How the other groups would

rank would depend on what was chosen as the best indicator of achievement level.

The latter table used the father's occupation when the respondent became self supporting. The questionnaire also obtained his position at the time the son was in grammar school. However, as Table 31 indicated, there was not much change during that period: some owners increased their business and some first line supervisors and minor executives moved farther upward. Also introduced in Table 33 was the paternal grandfather's occupation to give some idea of mobility over three generations. Since the Canadian census used different classes from the questionnaire to cover the managerial occupation, the first five groups have been subtotaled to provide figures readily comparable to Canadian census statistics.

Previous sections have shown representation ratios comparing census statistics with the country of birth, size of birthplace and educational level. The same technique has been used in Table 32 to relate the fathers' and grandfathers' occupations shown in the previous table to census statistics. Other occupations were dropped and the percentages rounded to simplify the presentation as the ratios were the key concept examined in this table.

The managerial occupation was greatly over-represented among both the grandfathers and the fathers of the Canadian executives responding to this item. The two ancestors were in the managerial group seven, and eight and a half times respectively the proportions of that class in the male populations of their periods. Professional men were over-represented about four and a half times. Meanwhile the other occupations

Table 31. Occupational Distribution of Fathers and Fathers' Fathers

Occupation	Father When Son in School	Self-supporting	Father's Father
Small business owner	18.7%	16.7%	21.2%
Medium, large owner	3.9	5.6	4.9
First line supervisor	7.1	6.4	2.3
Middle line executive	12.9	10.9	3.5
Major executive	9.4	14.6	4.6
	<hr/>	<hr/>	<hr/>
Total managerial	52.0%	54.2%	36.5%
Professional	17.8	16.5	11.4
White collar	12.1	12.0	9.8
Hourly worker	9.6	8.6	11.2
Farmer	7.1	6.4	30.5
Other	1.4	2.3	.7
	<hr/>	<hr/>	<hr/>
Totals	100 %	100 %	100 %

were under-represented among the antecedents of the respondents. Lowest among the groups shown was the hourly worker or labourer with less than a quarter of his proportion among the forefathers.

Advocates of a free and open class structure in Canada would be disappointed in the apparent trend towards less mobility into executive rank in Canada. Most ratios were farther away from the hypothetical "1.0" for the fathers of the business leaders than for their grandfathers. This would be expected since the grandfathers are another generation removed from the respondents.

Table 32. Occupational Mobility Rates for Fathers and Paternal Grandfathers

Occupation	Comparison for Fathers			Comparison for Grandfathers		
	Work	1931 males ^a	Ratio ^b	Work	1911 males ^a	Ratio ^b
Managerial	54% ^c	6% ^c	8.5	36%	5%	7.0
Professional	17	4	4.5	11	2	4.6
White collar	12	14	.85	10	10	.94
Farm	6	35	.56	31	40	.76
Labourer	9	40	.24	11	41	.27

^aDominion Bureau of Statistics, 1961 Census of Canada (94-501, Table 3).

^bProportional representation = 1.00

^cPercentages have been rounded to simplify presentation.

Considerable movement from rural areas to cities and towns has taken place over the past sixty years. In both the fields of educational achievement and movement into executive ranks, those of farming origins have done better than those of labouring origins.

Generalizations about the rigidity of the social structure in Canada based only on Table 32 would ignore the significant changes that have taken place through immigration. It has already been pointed out that a large number of the executives and their ancestors were born outside Canada. Percentages were as follows: respondents, 29%; their fathers, 51%; their grandfathers, 64%. Generalizations would assume a similar occupational distribution in their native countries.

Another assumption inherent in comparisons like those in the last

table is that fathers of all occupational groups provide an equal number of sons in the succeeding generation. As is well known, the lower groups have proportionally more offspring than the upper classes of most western societies. This differential fertility is almost impossible to adjust for statistically. The result is that the proportions of sons from lower occupations are underestimated while those of upper occupations like professionals are overstated. The fertility rate of the Canadian executives is discussed later in the section on marriage and family.

Most studies of intergenerational mobility follow the movement in each of the occupational groups as the family unit shifts its position in the occupational structure. Thus Table 33 presents the distribution of the fathers of the Canadian executives for each occupational group, by the occupations of the fathers' fathers in each group.

To explain further, the first column of Table 33 indicates that 80% of the fathers who were hourly workers were the sons of hourly workers. Another 10% had fathers who owned businesses and the balance were in other occupations. The diagonals have been underlined because they represented occupations in which there had been no movement from grandfather to father. If mobility took place in a random fashion and the paternal grandfathers' occupation did not influence the fathers' choice of work, then all the vertical columns would approximate that on the extreme right. Despite the fact that all the respondents were from executive rank, the table conformed with the two generalizations on mobility quoted on page 14.

Ratios of occupational stability have been calculated by dividing each column in Table 33 by the last column of the same table. These are

Table 33. Distribution of Fathers in Each of Eight Occupational Groups According to Occupation of Paternal Grandfather

Occupation of Grandfather	Occupation of Father							Distri- bution of grand- fathers in groups of occupations
	Labourer	Farmer	White Collar	Business owner	Supervisor or minor executive	Major executive	Professional	
	percentages							
Labourer	<u>80.0</u>	41.4	32.1	26.2	18.8	15.4	28.2	30.9
Farmer	0	<u>41.5</u>	11.3	8.2	10.6	2.6	7.7	11.2
White-collar	3.3	4.9	<u>18.9</u>	11.4	9.4	12.8	6.4	9.8
Business owner	10.0	7.3	22.5	<u>42.8</u>	30.6	28.2	19.2	26.3
Supervisor or minor executive	3.3	4.9	5.7	3.1	<u>12.9</u>	2.6	5.1	5.8
Major executive	0	0	1.9	1.0	5.9	<u>20.5</u>	6.4	4.6
Professional	3.3	0	7.6	7.3	11.8	16.4	<u>25.6</u>	11.4

shown on Table 34. The ratio on the diagonal indicated the tendency of the father to follow his father's occupation. It was the highest ratio in each row and because of its significance it has been underlined. This ratio of continuity was the highest for the cell indicating the father following his father in the major executive position. Since the father's occupation was used at the grammar school position, the ratio slightly understated the father's movement into major executive rank from a lower supervisory

Table 34. Ratios of Movement of Fathers from Paternal Grandfathers' Occupation

	Occupation of father							
Occupation of Grandfather	Labourer	Farmer	White collar	Business owner	Supervisor or minor executive	Major executive	Professional	Average Mobility out of occupation
percentages								
Labourer	<u>2.59</u>	1.34	1.04	.85	.61	.50	.91	.88
Farmer	-	<u>3.71</u>	1.01	.73	.95	.23	.69	.72
White collar	.34	.50	<u>1.93</u>	1.16	.96	1.31	.65	.82
Business owner	.38	.28	.86	<u>1.63</u>	1.16	1.07	.73	.74
Supervisor or minor executive	.57	.84	.98	.53	<u>2.22</u>	.45	.88	.71
Major executive	-	-	.41	.22	1.28	<u>4.46</u>	1.39	.82
Professional	.29	-	.67	.64	1.04	1.46	<u>2.25</u>	.79
Diagonal mean 2.68 Average mobility out of occupation								.78

position.

The other ratios gave clues to the movement out of that background into other occupations. As an indication of overall mobility out of a given occupation, the average has been shown in the extreme right column. Both the ratios of occupational stability and the average of the other ratios have been used in the next chapter for comparison with other mobility

studies on executives.

BUSINESS CAREER

The chain of events which brings a man into executive leadership begins as far back as his grandfather's generation. The occupational and social characteristics of his forebearers enhance or reduce his chances for movement into high position. The size of his birthplace and its geographic region play a part; the educational level he attains, the field of study he elects, and the college he attends are all part of the long selection process which determines whether he will become a business executive. Such antecedent characteristics are not an iron mould that controls his subsequent career, however. The process goes on after he finds his first job, a process related to the executive's own volition, his ability and his energy resources.

Information was gathered at specific points on the main career lines from the first occupation to the present position to find out the route to becoming a top business executive.

The average respondent to our questionnaire on Canadian executives became self-supporting at age 20 with a standard deviation of 3.03 years. The educational level attained naturally influenced the age at which he became self-supporting. If he had less than high school, the mode was 16 years old; some high school, 17; high school graduate, 18; some college, 19; university graduate, 21; and post graduate 22 years.

The occupational sequences of the respondents were shown in Table 35. More than half the entire group were included in the lower white collar occupations at the time of first employment. The professions

Table 35. Occupational Sequences of Canadian Executives

Occupation	First Occupation	5 years later	10 years later	15 years later
Farmer	1.0%	.4%	.0%	.2%
Hourly worker	16.1	4.2	.0	.0
White collar	52.2	27.6	6.0	1.4
Owner of small business	1.7	1.5	2.2	.5
Owner of medium or large business	.4	4.0	2.2	1.6
First line supervisor	2.1	27.6	22.6	7.0
Middle line supervisor	1.5	13.6	43.1	30.3
Major executive	0.0	.2	11.7	52.3
Professional person	13.0	11.8	9.2	6.1
Military service	9.2	5.3	2.0	.5
Other	2.7	3.7	.9	.2
Totals	100 %	100 %	100 %	100 %
Number answering	477	456	446	442
No response (of 485) percentage	1.7	6.0	7.9	8.7

involved another 13%. Only 16% of the executives studied began their careers in the hourly worker class. The office, rather than the shop, provided the first employment for most of the respondents. It should be noted that 2% began their careers as owners of business.

Further examination of the career sequence indicated that 41.4% had moved up into a supervisory position by the time they were employed

for five years. After ten years most of them were in middle-line supervisory or major executive positions with all other occupational categories decreasing in size. By the time they had been employed fifteen years, 52.3% were major executives and 30.3% were middle line executives. They had moved out of the laborer and white collar occupations quite decisively.

Table 36 showed a breakdown of the career sequences by educational level. While university studies may have delayed the respondent's employment, they accelerated his advancement afterwards. Within five years all with post graduate studies and three quarters of those with a degree had left the hourly ranks. Half of those employed in salaried ranks who went to university had also moved into supervisory and executive ranks.

By the time ten years had passed, none of the respondents remained in farming and labouring ranks, and the salaried employees were a ninth of what had been first employed in white collar positions. The percentages reaching minor or professional levels were 74% for the post graduate, 67% for graduates, 58% for some university and 47% of those with lower educational levels. The rank achieved was directly related to his educational achievement.

By the time fifteen years of employment had passed, over eighty per cent of the graduates had reached executive levels with smaller proportions of those at lower educational levels.

At the degree level the fields of languages and humanities appeared to progress fastest followed by engineering. Masters of Business Administration moved into supervisory ranks within five years, faster than any other graduate field. After ten years there was a larger proportion of such graduates at the executive level than any other field.

Table 36. Educational Levels and Occupational Sequences

Occupation	Incomplete high school	High School graduate	Some college	University degree	Post grad.	Totals
<u>First occupation</u>						
Farmer	1	3	1	0	0	5
Hourly worker	4	17	8	36	11	76
Salaried worker	22	44	38	91	52	247
Small owner	1	1	4	1	1	8
Medium, large business owner	0	0	1	0	1	2
First level supervision	0	0	1	7	2	10
Minor executive	0	1	2	2	2	7
Professional	1	1	3	34	23	62
Other	0	3	8	30	16	57
Totals	29	70	66	201	108	474
<u>Five years later</u>						
Farmer	1	1	0	0	0	2
Hourly worker	2	7	2	8	0	19
Salaried employee	8	27	20	44	25	124
Small owner	1	3	1	1	1	7
Medium, large business owner	1	2	5	8	1	17
First level supervision	4	18	18	59	27	126
Minor executive	3	7	7	27	18	62
Major executive	0	0	0	0	1	1
Professional	1	0	3	30	20	54
Other	3	1	4	21	12	41
Totals	24	66	60	198	105	453

(Continued)

Table 36. Educational Levels and Occupational Sequences (Continued)

Occupation	Incomplete high school	High School graduate	Some college	University degree	Post grad.	Totals
<u>Ten years later</u>						
Salaried employee	1	10	1	7	8	27
Small owner	1	3	1	4	1	10
Medium, large business owner	1	2	2	5	0	10
First level supervision	5	18	21	44	11	99
Minor executive	12	22	29	80	49	192
Major executive	2	7	6	21	16	52
Professional	2	0	0	26	13	41
Other	0	3	0	3	6	12
Totals	24	65	60	190	104	443
<u>Fifteen years later</u>						
Salaried employee	1	3	0	1	2	7
Small owner	1	1	0	0	0	2
Medium, large business owner	1	2	1	2	1	7
First level supervision	1	10	5	9	6	31
Minor executive	5	28	20	65	14	132
Major executive	13	24	35	94	64	230
Professional	1	0	0	17	9	27
Other	0	0	0	0	3	3
Totals	23	68	61	188	99	439

Another factor that accelerated progress into executive rank was experience in foreign countries. The two-thirds of the respondents that had no foreign experience moved into middle or major rank more slowly: 36% reached that level in five years, 49% in ten. For executives with foreign experience, the percentages were 45% in five years and 55% in ten. That trend should encourage people to seek transfers to the United States or elsewhere to advance their progress in the firm.

There was a relationship between education and foreign experience. Of those with incomplete high school, 23% had foreign experience and the percentage increased with further education until 44% of the post graduates had foreign experience.

Canadian born were less likely to have foreign experience: only one in five as compared with five out of six of the United States born.

Foreign ownership also influenced the degree of experience in other countries. Only 14% of the executives of wholly-owned Canadian firms worked outside of Canada, but 48% of the executives in foreign owned firms had foreign experience.

Firms that have operated in Canada less than twenty years were more likely to be foreign controlled with Canadian participation in ownership. They had fewer employees than the average but placed a higher emphasis on education. Executives of such firms were twice as likely to be born in the United States or continental Europe as the total sample. One must conclude that new firms in Canada have made extensive use of foreign money and talent.

The mobility of the father while the respondent progressed from grammar school to self-supporting was significant only in a few areas.

Middle executive rank was achieved by 21% of the first line supervisors while 31% of the minor executives advanced to major roles. For 83% of the respondents, there had been no change in the fathers' occupations.

Because the occupational classifications were different from those of United States and the questionnaire, a comparison with census figures was awkward. However, almost ten times the number of executives that would be expected came from the managerial class of the 1931 census. The only other group with above average representation in the fathers of the executives was the professional group with 4.5 times its proportion in the labour force. All other groups were under-represented in the populations studied.

The age at which the respondent entered his present organization ranges from 13 to 64 years of age. Despite the fact that the highest frequency for becoming self supporting occurred at age 22, the mean for entering his present organization was 30 years with a standard deviation of 10.45 years. Table 37 shows the age group at which the executives joined their present firm. Plotting the frequencies for this distribution would show a curve skewed towards the lower ages.

The word "organization" used in these questionnaires proved ambiguous in view of taker-overs; i.e. An executive from Gulf Oil might consider his organization new in Canada, but someone from British-American would consider the same firm old. This weakness in phrasing the item was a more serious problem in this Canadian study than those in which it had been used previously because of the large numbers of take-overs of Canadian enterprises by non-residents.

Another aspect of the business career closely related to mobility

Table 37. Age of Entering Present Organization

Age	Number	Percentage
Under 24	179	37.5%
25 - 34	163	34.1
35 - 44	81	16.9
45 - 54	40	8.3
Over 55	15	3.2
Totals	478	100 %

from one occupation to another is the movement from one business firm to another. Jennings suggested that "The old saw of hard work and devotion to corporation is disappearing rapidly. To be mobile, one must not become permanently identified with any one corporation."¹⁰ The extent of this interfirm mobility was shown on Table 38. Of the respondents 27% have been with the same firm throughout their careers, while 22% have been associated with four or more firms. The average number of firms served was 2.4 and 1.7 as an executive. This was less interfirm mobility than found in Warner's study.¹¹ He showed 25% staying with one firm and 30% associated with four or more firms. When it came to association as executives, 48% of the Americans had been associated with one firm compared with 58% of the Canadian respondents.

¹⁰ E.E. Jennings, The Mobile Manager (East Lansing, Michigan State University, 1967), p. 24.

¹¹ Warner and Abegglen, op. cit., p. 127.

Table 38. Number of Firms Associated With

Number of Firms	As Employee	As Executive
1	27%	58%
2	27	24
3	24	11
4	9	5
5	6	.6
6	3	.4
7 or more	4	.4
Totals	100%	100%

Influential connections played no part in obtaining the first job for three quarters of the respondents. In the case of starting employment, the following connections were present: relatives, 12.3%; friends, 11.9% and business associates, 4.6%.

In the case of the current firm, influential connections were present for 29% of the respondents. Where such contacts did exist, they benefitted the man who was in the president's or chairman's post most frequently, as shown in Table 39. Only when the father was often a major executive or the owner of a medium or large business did the percentage of respondents with connections exceed the average of 29.3%. As the average president or chairman was older than the average vice-president, such figures suggest a decline in family influence in the future. As presidents are often chosen for their ability to get along with others

Table 39. Influential Connections in Present Firm

Position	Relatives	Friends	Business Associates
President or chairman	11.8%	13.7%	17.1%
Vice-president	8.4	8.0	14.1
Other officers	4.9	11.7	13.3
All executives	9.5	11.1	15.5
U.S.-born respondents	6.3	11.4	12.7

it would be unwise to extend that conclusion to the other contacts mentioned.

These statistics indicated that influential connections played a small part in Canada. Those with no connections were 70.7% for all respondents and 75% of the U.S. born. Another observation from this study was that the U.S. born respondents had even fewer connections than the proportions for all respondents.

MARRIAGE AND FAMILY

Median age for the respondents' first marriages was 26 for those over 50 and 24 years for those under 50 years old. As the average age of males marrying in 1939 was 29, the executives married younger than the general population. Less than one per cent stayed single as compared with more than ten per cent of the male population in Canada. Table 40 indicated that there were also fewer widowed or divorced. One can only conclude that the executive is more likely to be happily married.

Table 40. Marital Status of Respondents

Status	Males 45-54 1966 Census	Canadian Executives
Single	10.6%	.8%
Married	84.4	97.8
Widowed	4.4	.6
Separated or divorced	.6	.8

Data collected about the occupational origins of the women who marry Canadian executives was displayed in Table 41. Business and professional backgrounds supplied 62% of the wives as compared with 70% for the respondents. Only 8% of the wives' fathers were major executives compared with 14% of the executives' fathers. Farms were the origin of 13% of the wives compared with six per cent of the executives. Further analysis indicated that the executives married women from their own or the adjacent classes more than half the time. The respondents married women of lower status almost 30% of the time and women from higher socio-economic origins less than 20% of the time.

Managerial occupations were represented about eight times and professional about four times in the wives' fathers as compared with their proportion in the 1931 male labour force. The other occupations were not under-represented as much as among the executives' fathers.

Only about 10% of the executives married wives outside their occupational origins. The Canadian executives were less likely to marry women of lower rank than those of the Warner study. Compared with 62% in

Table 41. Male Labour Force of 1931 Census Compared with Occupations of Wives' Fathers and Respondents' Fathers

Occupation	1931 Male Labour Force	Wives' Fathers	Fathers
Owner, small business		21.4%	16.8%
Owner, large business		3.4	5.6
First line supervisor		6.2	6.4
Middle line executive		10.4	11.0
Major executive		8.0	14.4
Total Managerial	6.4%	49.4%	54.2%
Professional	3.7	13.4	16.4
Farmer	33.7	12.7	6.4
Hourly worker	41.7	10.2	8.6
Clerk, salesman	14.2	12.9	12.0
Other	.3	1.4	2.4
Totals	100 %	100 %	100 %

this study,¹³ 51% of the wives in that research came from business and professional origins.

Wives chosen were more highly educated than the average Canadian female. They were also better educated than their fathers, but not as highly as the respondents, as shown in Table 42.

Their marriage produced an average of three children, which was

¹³Ibid., p. 179.

Table 42. Education of Executive and his Wife

Education level	Canadian Executive	Wife
Incomplete high school	6.2%	10.1%
High school graduation	14.5	40.1
Some college	14.2	22.2
University graduate	42.6	23.9
Post graduate	22.5	3.7
Totals	100 %	100 %

higher than Canadian census statistics show. Moreover, there was a trend toward larger families among the younger executives evident in Table 43.

The executives' marriages produced 755 sons or 1.58 per respondent. Warner's study found only 1.01 sons per business leader although the ratio was higher for owners of large businesses and major executives than for those who moved up from lower status positions.¹⁴ The high fertility rate for Canadian executives may be one reason why there appeared to be less mobility here than in the United States. For our southern neighbor, there were barely enough sons to fill the occupational positions of the business leaders. In this study there were 58% more than necessary to fill the respondents' places. The trend towards larger families among the younger executives might make movement from other occupational origins into executive ranks more difficult in the future.

¹⁴Ibid., p. 250.

Table 43. Number of Children

Number	Under 50	Over 50
1	5.8%	14.2%
2	23.7	42.2
3	34.6	21.4
4	16.0	16.2
5	12.2	4.3
6	3.9	1.0
7 or more	3.8	.7
Totals	100 %	100 %
Respondents reporting children	156	303

As to son's careers, 231 were employed as indicated in Table 44. A larger proportion gained professional employment than for the respondents when they became self-supporting. Many have salaried employment, similar to the way their fathers started out. The percentage who were business owners or partners was only half of what Warner showed.¹⁵ As the response categories for the questions were slightly different, it is not possible to show an exact comparison for the up-coming generation.

¹⁵Ibid., p. 205.

Table 44. Careers of Executives' Sons

Occupation	Number	Percentage
Farmer	10	4.4
Hourly worker	10	4.4
Salaried worker	86	37.5
Business owner or partner	15	6.5
Professional	101	44.6
Government Service	9	2.6
Totals	231	100 %

COMMUNITY ACTIVITIES

Most mobility studies do not deal with community activities. However, Porter discussed the activities of his economic elite outside the board room, at some length.¹⁶ Question 19 was intended to discover the involvement of major executives in philanthropy, religion and other activities outside the firm for comparison with the earlier Canadian study. Because his book is often used as a text or reference for university courses on Canadian society, it was thought worthwhile to include such comparisons which might apply to the Canadian executive. The responses might indicate whether such organizations helped train an executive and/or made use of his managerial ability.

¹⁶Porter, op. cit., p. 296-303.

Table 45. Importance of Participation in Social Organizations

Types of Social Organizations	Helps			Neither Helps nor Hinders	Don't Know
	Much	Some	Little		
Country Clubs and Businessmen's Clubs	9.5%	42.9%	9.5%	38.1%	-
Military Clubs	-	42.9	28.6	14.2	14.3%
University Alumni and Fraternities	12.5	75.0	-	12.5	-
Sporting Clubs	25.0	-	25.0	50.0	-
Other	8.3	58.3	-	33.3	-
None	7.8	31.3	18.6	31.4	10.9

Table 45 has been adapted from a study including the attitudes of executives towards social organizations.¹⁷ Although space was provided for answers from the executives on whether such activities might hinder promotion, none thought such participation would. Even those who were not active generally felt that such projects did help progress.

When they commented on the companies' attitudes towards such participation, 55% said that their employers had no policies in this regard and exerted no pressure. Another 18% did not know what their employers' attitudes were. Some felt the company was favorable to participation and in a few instances actually paid for some of the

¹⁷R.L. Powell, Race, Religion and the Promotion of the American Executive (Columbus: Ohio State University, 1969), p. 56.

memberships. Another small percentage said the firm had no objection to membership. The conclusion was that the majority of executives saw value in joining social clubs, but did not feel compelled to join by their employer's attitude.

Over 85% of the respondents were active in at least one community activity and frequently served as an officer as indicated by Table 46. Industry, ownership or location of head offices seemed to have little bearing on the extent of their outside activities.

Table 46. Executive Participation in Community Activities

Number of areas	Currently Active	Presently or formerly an Officer
0	14.2%	22.9%
1	13.8	19.2
2	23.9	22.9
3	21.2	18.2
4	18.4	10.5
5	5.0	4.7
6 or more	3.5	1.6

When the number of activities was related to the executive's birth-place, the Canadian born was more active while those born in a non-English speaking country were the least likely to be active or hold office. Over-representation in executive ranks by United States born was not reflected in community action where their participation rate was slightly less than for Canadian-born. Those born in other foreign countries had a lower

activity level and less officer experience than those born in English speaking countries. The section on nativity had indicated that the latter group was under-represented in the top executive ranks. Language difficulties, cultural differences and prejudice might all play a part in this lower level of representation.

The executive over 50 was slightly more active than his younger colleague with an average of 2.5 activities compared with 2.3 for those under 50. The older man had slightly more experience as an officer. He had served in that capacity in 2.1 areas compared with 1.6 for respondents under 50. Of course there had been more time for his capabilities to be recognized and utilized.

Rank in the executive hierarchy was also reflected in experience as an officer in community organizations. The president and/or chairman had served as officer in an average of 2.1 groups compared with 1.8 for the vice president and 1.7 for other officers.

Table 47 indicates the relative participation in various types of community activities by the respondents. Professional bodies and trade associations had the highest rate, followed by charity drives and religious organizations. Political and local government activity was lower than expected.

Professional and trade organizations provide the executive with opportunities to stay current in his field through business magazines, conferences and short courses and give him contacts with others in the same area. Of the respondents over 50, 42.8% were serving as officers at the time of the survey and another 9.5% had served a term previously. Another 20.8% were currently active. While almost as large a proportion

Table 47. Community Activities Participated In

Type	Active	Active and Officer	Formerly an Officer	None
Professional and trade organizations	24.3%	38.8%	8.5%	28.4%
Charity drives	26.8	24.3	12.4	36.5
Church or synagogue	22.1	21.6	8.9	47.4
Educational bodies	15.0	12.4	7.0	65.6
Parent activities	6.2	12.8	12.1	68.9
Service clubs	11.1	10.7	8.3	69.9
Other	3.1	6.4	1.9	88.6
Political organization	2.9	2.3	1.0	93.8
Local government	1.9	1.2	1.2	95.5

of those under 50 (62% as compared with 63.6%) were active, 30.4% were currently serving as officers with another 6.3% having an earlier term.

The chief executive was more likely to have an office in a professional or trade organization: 40.4% were serving at the time of the questionnaire and 10.2% earlier, as compared with 38.6% and 7.6% for vice-presidents, and 33.3% and 4.8% for other officers. It would appear that such organizations are making use of the skill and prominence of the chief executive.

Porter suggested that professional and trade bodies serve as an extension of economic power in that they often serve as pressure

groups serving the interest of the members.¹⁸

Similarly, 73.3% of the chief executives have worked on charity drives as compared with 58.4% of the vice-presidents and 44.4% of the other respondents. Of the executives over fifty, 69.4% have been involved compared with 51.3% of those under fifty. Wealth, prestige and experience put their services in demand in this area.

Porter described organized philanthropy as governed by the corporate elite of Canada. They supplied funds and recruited younger executives to help on the campaign. He claimed such activity has passed from the control of religion to the control of big business.¹⁹

Religion was ranked third highest of the community activities. At the time of the survey, 43.7% of the executives were active in church activities, 21.6% as officers. Another 9.5% had served as officers previously. Although rank in the hierarchy seemed to make no difference in participation, those respondents under 50 showed 3% less activity in this area. No attempt was made to identify religious denomination.

Service on school boards, university senates etc. of educational bodies was performed by 34.4% of the respondents. In this way 40.7% of the older executives and 21.5% of the younger executives had been active. The chief officer was more likely to sit on such bodies--47.1% as compared with 25.4% for vice presidents and 21.5% for other officers. Porter had commented that members of the business elite were often chosen to honorific roles on educational bodies.²⁰

In the area of parent activities, the younger executive was more

¹⁸Porter, op. cit., p. 300.

¹⁹Ibid., p. 302.

²⁰Ibid., p. 300.

active. In such groups as the P.T.A., Boy Scouts, Little League etc. 28.8% were currently active as compared with only 14.7% of those over 50. This could be related to the trend towards more children noted in the section on marriage and family. The chief executive has been less active as an officer in parent organizations. In such a capacity 20% have served as compared with 28.9% of the vice presidents and 30.2% of the other officers responding to the survey.

The other officers were more active in service clubs like Lions, Kiwanis, Shriners, etc. including the acceptance of officer position. Generally the executives over 50 were more active now and formerly as officers in this class of activity. In other

In other groups like hospital and library boards 11.1% of the executives were active. Age did not make much difference although the chief officer was currently more active than the vice-president or other officers.

Participation in political activities was limited to 6.2% of the respondents which was lower than one would expect from other studies. Porter was able to identify the political party affiliation of almost 27% of his business elite from biographical information, although he acknowledged that directors were more likely to have membership than full-time officers who were the prime subjects of this study.²¹ In another Canadian survey done 32.6% of the presidents indicated that they personally made a contribution to a political party.²² However financial contributions were less "active" than participation shown in this study.

²¹ Ibid., p. 297.

²² Executive, the Magazine for Canada's Decision Makers (Southam Business Publications: May 1968, Vol. 10. No. 5.), p. 58.

Newcomber was able to identify the political affiliation of 52% of her big business presidents of 1950 from biographical data. However the U.S. system of primaries requires more commitment to specific parties than does Canada's political system. Moreover any U.S. executive in Canada would lose his American citizenship if he engaged in any political activity, even voting.

Participation in local government is limited to 4.5% of the executives and age or rank do not appear to make much difference in the extent of such activities.

One function expected of a chief executive is participation in public affairs. The study quoted at the start of this section indicated that many executives feel that such activity helped their progress although they did not feel compelled to participate by any company policy. This section has tried to give an idea of the kinds of social organizations in which Canadian executives share. Not intended to be all-inclusive, the questionnaire item did not include all the types of activities possible. However it did give an indication of the number and type of community activities in which big business executives take part and hold offices.

SUMMARY OF THE EXTERNAL PROFILE

The objective of this section is to bring together the main items of the chapter into an ordered summary so the outstanding factors learned about the top executive in Canada were reviewed prior to making a comparison with some of the other mobility studies that have been conducted on executives.

Table 48 attempted to take the information from the returns and

Table 48. Chronology of Events and Corresponding Ages for Canadian Executives

Year	Event	Age
1914	Birth	-
1934	Became self-supporting	20
1935	Graduated from University	21
1939	Married	25
1940	Entered supervisory ranks	26
1944	Joined present firm	30
1945	Entered middle management ranks	31
1949	Became major executive	35
1960	Assumed present position	46
1967	Answered questionnaire	53

convert the averages into years and ages in order to make a summary of the external profile of the Canadian executive more meaningful in terms of historical events.

Since the questionnaire was completed in mid 1967, the average age of 52.6 years gave a birth date of 1914. The average respondent was most likely born in an urban center in Ontario. The chances are better than average that he may have been born in United States or western Canada. He was less likely to have been born in Quebec, the Atlantic provinces or Europe than the total population suggested. The average respondent has been geographically mobile. Only 25% of the returns came from the same province in which the executive was born.

The average executive came from middle or upper class parents who

immigrated to Canada prior to World War I.

Perhaps because of his family background, the executive did get a good education although it was completed during the depression when money and jobs were scarce. He went to university and was over eleven times as likely to have graduated as the total male labour force in 1961. Nothing distinguished the top executive from the general population as much as the high level of education achieved. Moreover it would appear that the emphasis on university education has increased as there were more respondents under 44 with two degrees than with none.

The respondent was three times as likely as his father to complete a university degree despite the fact that both his parents were also better educated than the labour force of their time.

Although age 21 was the most frequently mentioned age for becoming self-supporting, followed by 22, then 18, the mean or average was 20. This age was used in the chronology to allow for those who contributed to the cost of their education by scholarships and working. One in twenty respondents was a full-time student after becoming self-supporting.

Although military service was not mentioned on the questionnaire, over 15% of the respondents wrote in that occupation as the first job or at the five year point. Actual numbers were probably higher. Consequently the war affected the careers of a significant number of the respondents despite the fact that Canada has no compulsory military service.

An average age for marriage of 25 would give 1939 as the year for that event. That was younger than the 29 year old average for Canadian males that year. Fewer respondents were single, divorced or widowed than for the male population over 25 in the 1966 census.

The marriage produced three children, again above the Canadian average. Almost 45% of those sons that were employed had professional occupations, a much higher percentage than for the respondents when they started their career. Salaried employment involved 37% of the sons, but few were owners. It would appear that the sons were following the high educational and occupational status achieved by their fathers.

The average age for entering the present organization was used in the chronology although other ages appeared more frequently in the responses. On an integer basis, the number of interfirm moves was one prior to becoming an executive.

Influential connections, contacts, pull or whatever term might be used had little effect on getting the first job or any subsequent appointment the respondent may have received.

Although some of the respondents were in supervisory ranks within five years after starting work, the median passed that point shortly after. Movement then was quite rapid as over half were at the executive level within ten years and major executives by fifteen. The points selected for the chronology reflect this rapid upward progress.

There were two major factors that distinguished the external profile of the top executive from the male labour force in Canada. One was the relatively high occupational status of his father. Over 70% of the respondents came from managerial or professional origins. In relation to population, he was over eight times as likely to have a father in the managerial or owner classification of the census and almost four and a half times one from a professional occupation. However influence played little part in securing his appointment. Chances were less than one in five that his father had a

farm or labouring job.

The other factor was the high level of education achieved. Over 65% of the respondents were university graduates as compared with only 5.6% of the male labour force in 1961. The proportional representation was eleven times what would be expected on a random basis. At the other end of the scale, 6.2% of the executives had not completed high school contrasted with 73.6% of that labour force. The representation was only one-twelfth what might be expected. One respondent suggested that a high school graduate of the 1960's would not be able to advance to a senior executive position because the emphasis on high educational levels would prevent him from entering the stream.

The external profile which has been developed in this chapter has outlined the relevant characteristics of the top executive in Canada. Some generalizations have been made about his environment and the forces that were significant during his life, particularly during his business career. Filling out his social, educational and business background was one of the primary purposes of this thesis mentioned in Chapter I. There has also been some discussion of how he reached his position and the route taken.

Another use for this profile was to compare it with those of other executive types as proposed initially for this research. This is done in the next chapter.

CHAPTER V

COMPARISON WITH OTHER STUDIES

The objective of this chapter is to compare the external profile of the Canadian executive developed in the last chapter with that of other mobility studies to identify similarities and differences in Canadian business leadership.

The discussion in Chapter II mentioned numerous studies done on executives. In order to restrict the comparisons to a manageable size, it was decided to confine tabular presentations to those using the Warner approach. However discussions of Clements' book on British managers¹ and Canadian studies on bilingualism and biculturalism have been included because there were few studies available on executives born in countries other than United States.

Topics covered in the chapter are birthplace and nationality, education, social origins, and business career. The areas of immediate family and outside activities have been adequately discussed already.

BIRTHPLACE AND NATIONALITY

Although sixty percent of Canada's population lived in centers of under 3000 people in 1921, the Canadian born respondents showed the same tendency to come from larger population centers that had been observed in American mobility studies. Considerable urbanization has taken place

¹R.V. Clements, Managers, a Study of Their Careers in Industry (London: Allen and Unwin Ltd. 1957).

since that census, but the majority of the Canadian executives replying came from cities, not from rural areas. Despite the fact that the Canadian census used 3000 for a dividing point, between categories, calculations resulted in similar ratios of representation in Table 49.

Table 49. Size of Birthplaces Compared

Size of Community	Warner ^a		American ^b		Overseas ^c		Canadian		Canadian	
	%	R	Federal %	R	%	R	Can. born %	R	U.S. born %	R
400,000 and over	26	2.4	21	1.9			25		15	1.4
100,000 - 400,000	14	1.5	12	1.5	39	1.5	15	2.2	10	1.3
25,000 - 100,000	12	1.5	12	1.5	19	1.9	15	2.2	13	1.3
2,500 - 25,000	22	1.5	21	1.4	25	1.6	19	1.3 ^d	25	1.6
Under 2,500	26	.6	34	.6	17	.4	26	.4 ^d	37	.8
Census year used	1900		1910		1920		1921		1920	

^aW.L. Warner and J.C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 87.

^bW.L. Warner et al., The American Federal Executive (New Haven: Yale University Press, 1963), p. 58, 333.

^cC.J. Malferrari, "The American Executive Overseas: an External Profile" (Unpublished Ph.D. Thesis, Michigan State University, 1966), p. 38.

^dCanadian census ends this group at 3000. Correct ratio would be closer to 1 than shown.

The only group to show more of a tendency to come from towns and small rather than large cities was the U.S.-born respondents serving in Canada. It was almost as though such a background was more suitable to

the Canadian operations. However it may be unwise to generalize as the number of U.S. born answering this item was only 78.

The proportion of Canadian executives who were foreign born exceeded expectations. Porter had shown 19.6% of his economic elite of 1950 as foreign born, half of them from United States.² Although he suggested that a sizable share was foreign, his figures were lower than the 28.8% foreign-born and 16.3% from U.S.A. for the Canadian executives shown in Table 6, page 36. The proportion of American-born respondents was about ten times the proportion of U.S. born recorded in the 1961 census. The percentage increased with the degree of foreign ownership. During the period between the two studies, the amount of foreign ownership of Canadian firms grew from 25% to over 34%.³

The official policy of most multi-national corporations is to hire as many local nationals as possible. A quote similar to the following might be found in many books on international business:

Most companies compel a firm to employ at least 85% of nationals . . . The attitude of American business is that a company should use a minimum of Americans necessary to protect the interest of the owners and hire the maximum number of local nationals.⁴

That source gave ratios for the number of Americans in relation to the total staff employed overseas: developed countries, 1:107; semi-developed

²John Porter, The Vertical Mosaic (Toronto: University of Toronto Press, 1965), p. 287.

³Financial Post, Feb. 27, 1968, p. 21.

⁴Harland Cleveland et al, The Overseas Americans (New York: McGraw-Hill, 1960), p. 115.

1:147; undeveloped countries, 1:29.⁵

One study indicated that nine percent of the U.S. overseas executives were in Canada, but the only comment on their backgrounds was that Canada had the largest percentage of university graduates of any country reported on.⁶

The Royal Commission on Canada's Economic Prospects recommended that foreign-owned firms include independent Canadians on their boards, sell stock to Canadians and publish annual reports on their operations. The Commissioners suggested a lower rate of withholding tax for companies following such practices.⁷ Walter Gordon's budget of 1963 reduced the withholding tax on dividends from 15% to 10% for firms with at least 25% of their directors resident in Canada and 25% of the voting stock owned by Canadians. Proposed increases in such taxes for firms not meeting those standards were dropped within a year.

Officials of U.S. subsidiaries interviewed on their Canadian operations were aware of the Canadian feeling that Canadians should occupy the top positions. However they felt that the degree of autonomy enjoyed by Canadian management was more related to the personality of the senior executives in Canada than to their nationality. In many cases the Canada operation was more like a branch of the American firm than a separate enterprise. Some officials felt that free movement across the border

⁵Ibid.

⁶R.F. Gonzalez and A.R. Negandhi, U.S. Overseas Executive, Orientations and Career Patterns (East Lansing: Michigan State University, 1967), p. 63.

⁷Royal Commission on Canada's Economic Prospects, Final Report, (Ottawa: Queen's Printer, 1958), p. 39.

left more opportunity for personal advancement.⁸

Returns from 280 foreign controlled subsidiaries indicated that in many cases the boards of directors met infrequently and had little authority, particularly in the case of small firms. The parent organization and affiliates were often represented on such boards. In only 18% of the cases was the board chairman shown as an active resident in Canada. A total of 158 presidents or 57% were resident in Canada although some were nationals of the company of the affiliate.⁹

Since 1962 the Corporations and Labour Union Returns Act has required firms with over \$500,000 in revenue or \$250,000 in assets to provide financial and ownership data for purposes of economic analysis and public information. The first annual report disclosed 66.7% of the directors of 217 firms with assets over \$25,000,000 were resident in Canada. Both the percentage of directors who lived in Canada and who were Canadian citizens increased as the proportion of Canadian ownership increased.¹⁰ Table 11, page 40 of this study indicated a similar relationship for Canadian-born executives. Subsequent reports omitted figures on the citizenship and residence of the directors and officers. A later amendment blocked access to information on private firms for surveillance purposes. However changes in the Corporations Act made in 1971 require

⁸John Lindeman and D.E. Armstrong, Policies and Practices of U.S. Subsidiaries in Canada (Montreal: Private Planning Association of Canada, 1960), p. 36-37.

⁹A.E. Safarian, Foreign Ownership of Canadian Industry (Toronto: McGraw-Hill, 1966), p. 57.

¹⁰Corporations and Labour Unions Returns Act, Annual Report, 1962 (Ottawa: Queen's Printer, 1965), p. 35, called CALURA in subsequent footnotes.

federally-incorporated private firms to disclose their financial position to the public in the future.

Safarian's statistics on the composition and operation of boards of directors of Canadian firms have been used as the basis for Table 50.¹¹ Firms owned in the United States had slightly higher percentages of inside directors than the average for non-resident firms, and fewer resident directors. The average number of meetings per year was greater for all

Table 50. Composition of Boards of Directors

Composition	Assets over a million		Over \$25 million
	resident-owned	non-resident owned	
Management of company	33.8%	36.5%	34.9%
Foreign affiliates	-	40.8	37.3
Inside directors	33.8%	77.3%	72.2%
Other significant owners	22.4	2.4	3.7
Resident outside directors	37.6	16.8	19.1
Others	6.2	3.5	5.0
Number of directors	806	1036	356
Percentage resident in Canada	95 %	55 %	60 %
Number of firms	90	122	32
Average number of directors	8.9	8.4	11.4
Number of meetings per year	7.0	5.1	7.6

¹¹ Safarin, op. cit., p. 271, 314.

firms with over \$25,000,000 in assets at 7.6 per year. The number of directors was also larger with an average of 11.4 for the bigger firms. CALURA reported 66.7% of the directors as residents in Canada for that size of firm with an average size board of 10.¹²

The question of Canadianizing top personnel and outside Canadian directors came up again in guidelines for American controlled firms in 1966.¹³ However, the question of outside directors was examined by an extensive study of performance using profits, market share and other factors for many large American firms. That author concluded:

Outside-type directors seem to be an evolutionary remnant of an era when financier-speculators were prominent in business development. Under present conditions this type of control seems to be having serious difficulty in adapting and perhaps in surviving.

Inside-type directorates are far more suited for effective performance in modern business endeavor because they provide the competency, initiative and dedication that are so essential to today's intensified competition. In addition, this type of control is best suited for bargaining and compromising, which assume greater importance as business decision-making becomes more and more democratized.¹⁴

Safarian had returns on the number of presidents having foreign experience with affiliates. They range from 12% for firms with under \$1 million in assets to 44% for firms between \$10 and \$25 million with an average of 22%. For the next three officers the average was 21%.¹⁵ All three percentages were less than the 48% found for presidents responding

¹²CALURA, op. cit., p. 35.

¹³Financial Post, April 23, 1966, p. 23; August 9, 1966, p. 5.

¹⁴Stanely C. Vance, Boards of Directors: Structure and Performance (Eugene: University of Oregon, 1964), p. 3.

¹⁵Safarian, op. cit., p. 58, 60.

to this survey despite the fact that the questionnaires were not restricted to foreign-owned firms.

Political pressure for more Canadian influence in management has continued. In June 1972, Ontario passed an amendment to its Business Corporations Act requiring all Ontario-incorporated companies to have a majority of resident Canadians on their boards of directors.¹⁶

Gray's report on Foreign Direct Investment in Canada made a mild recommendation that the government appoint some directors to the boards of multinational corporations in Canada to represent the public interest.¹⁷ Both these proposals tend to ignore the gradual erosion by executive management of the power of the board of directors as the decision making body.

It has been reported that some officials feel that free movement across the border allows more room for personal advancement. Movements of executives to U.S.A. or other countries was difficult to trace because Canada does not record the occupation of emigrants. An extensive survey on immigration and emigration of professional manpower sponsored by the Economic Council of Canada indicated a net loss of over four thousand managers to the United States between 1958 and 1963.¹⁸ In fact this was the only occupational group for which emigration to the U.S.A. was not counter balanced by immigration from other countries. The author said later:

¹⁶Financial Post, July 22, 1972, p. 5.

¹⁷Ibid.

¹⁸Louis Parai, Immigration and Emigration of Professional and Skilled Manpower During the Post-War Period (Ottawa: Queen's Printer, 1965), p. 57.

Often, the movement of some of these people is from one branch plant to another, and such movements are at times a necessary part of the training and organization of the particular firm. In so far as this is true, the movements of such personnel are essentially a matter of company planning and policy, rather than one of migration motivated by superior economic opportunities.¹⁹

One of the studies done in United States picked up the movement of Canadian executives southward. Although foreign born represented only six percent of the presidents and chairmen compared with 11.5% of the total population, Newcomber noticed a high representation of Canadians:

In fact, the proportion of Canadians in the 1950 group far exceeds the proportion of Canadian-born in the population. No French Canadians are found among the executives.²⁰

The Royal Commission on Bilingualism and Biculturalism noted that 8.9% of the French Canadians were in the managerial group as compared with 13.9% for those of British origin. The average for the total labor force in Canada was 10.9%. The percentages of Italians and Ukrainians in managerial ranks were even smaller.²¹

The next section suggests that one of the reasons for lower French-Canadian representation in executive ranks was the lower level of education achieved and less emphasis on business oriented courses like commerce and engineering.

¹⁹Ibid., p. 93.

²⁰Mabel Newcomber, The Big Business Executive (New York: Columbia University Press, 1965), p. 42.

²¹Royal Commission on Bilingualism and Biculturalism: Book III, The Work World (Ottawa: Queen's Printer, 1969), p. 47.

EDUCATION

Chapter IV has already indicated that the respondents were over eleven times as likely to have a university education as the male labour force. In the age group under 44 and for firms with over 10,000 employees there were more executives with two degrees than with none. There was also an increasing emphasis on the business administration field, particularly at the graduate level.

The Commission on Bilingualism and Biculturalism presented figures that indicated the French Canadian male had received 7.1 years of school compared with 9.4 for a male of British origin and a Canadian average of 8.4 years. The proportion of people between fifteen and nineteen years of age attending school was lower in Quebec than any other province in 1961.²²

Two supplementary studies zero in on the differences in specific terms:

Canadian business organizations today are acutely aware of the dearth of French-Canadians in higher management positions, and have naturally attempted to discover the reason for it. One factor which has been suggested as the chief cause for this significant shortage is the lower level of education attained by the average French Canadian in comparison to his English Canadian colleague, a factor which has, it is proposed, essentially disqualified many otherwise prime candidates among the French Canadian groups for middle and high posts in Canadian industry . . .

Another causal factor proposed has been that the type of educational system to which French Canadians have been exposed is essentially different from that of English Canadians. The French Canadian

²²Ibid., p. 28.

system prepared members of this ethnic group for professional or theological careers rather than for the demands of business.²³

Compared with English-language schools, the French language institutions granted a considerably higher proportion of their total degrees in the arts and social sciences. Relatively fewer French had either the level or the kind of educational qualifications required for managerial and professional functions in modern industry. This is particularly true for those disciplines geared to provide entry into business careers: commerce and business administration, sciences and engineering.²⁴

Not only was there the question of field of study but also of the choice of employment after graduation. Most of the French speaking chartered accountants (90%) went to work for the provincial and municipal governments while 40% of the English speaking found jobs in industry and commerce. One quarter of the French engineers went into private industry and 19% into consulting as compared with 70% and 12% of the English speaking graduates respectively.²⁵

Armstrong devoted much of his study to a comparison of salaries for English and French graduates employed in business, concluding that the French salaries are as good or better than for the English graduates. The author commented optimistically on the French Canadian prospects in the future:

²³G.A. Auclair and W.H. Read, "A Cross Cultural Study of Industrial Leadership" (Royal Commission on Bilingualism and Biculturalism, 1966, Unpublished paper on deposit at the National Library, Ottawa), p. 335.

²⁴D.E. Armstrong, "Education and Achievement--Corporate Policies and Practices With Respect to Bilingualism and Biculturalism." (Montreal: McGill University, 1966, Unpublished paper on deposit at the National Library, Ottawa), p. 472.

²⁵Ibid., p. 474.

Ethnicity or rather lack of fluency in English may at one time have been something of a disadvantage to the French Canadian, but now that ethnicity per se has become a factor in corporate practices and policies of firms operating in Quebec and that it works to the advantage of the French-Canadian who is young or who has a good knowledge of English . . . Other things equal, a bilingual French Canadian is paid a premium for his ethnic origin on today's market.²⁶

Another study obtained returns from 41 large manufacturing firms employing over 4,000 people each. Discussion of their employment practices also contained some optimistic comments about Francophone trends:

The availability of French Canadian university graduates in those disciplines logically related to business has increased markedly in the last five years or so . . . Demand for those people is so high that French-Canadians can now demand and receive a salary premium. . . .

Sample firms are not neglecting the French-language universities in their search for new employees. In fact, for engineering and commerce, the average number of firms visiting each French language university (23) is more than double the average number of firms visiting each English language university.²⁷

Auclair and Read did an attitude study of management at three levels of seven large industrial firms with employment totalling over 250,000. They commented that they found "no significant differences between French and English Canadian management groups."²⁸ This author has reservations about that conclusion after reviewing some of their data.

²⁶ Ibid., p. 101-102.

²⁷ R.N. Morrison, "Corporate Policies and Practices of Large Manufacturing Firms" (Royal Commission on Bilingualism and Biculturalism, 1966, Unpublished paper on deposit at the National Library, Ottawa), p. 124.

²⁸ Auclair and Read, op. cit., p. 48.

Analysis of their table on the number of years of education²⁹ weakened that argument. With the exception of a large French only firm with high education levels, the Francophone averaged about six months less than the English speaking. In nearly all groups the French standard deviation was larger. The French constituted 61% of those at the first level earning less than \$9,000, 46% at the middle level and 25% of those earning \$18,000 per year. The average years of education increased at each level of supervision. Such figures would imply that the French may be at the lower end of each level and that their educational accomplishments were less.

However the authors of that B & B study concluded that a change in attitudes was required rather than more education: They recommended the use of something similar to sensitivity groups introduced by French Canadian executives at the top level.

The results of this study . . . indicated that French Canadians as a cultural group, are not ready to assume the responsibilities of top management positions because they are not sufficiently economic-oriented. They do not identify with the primary goals of business organizations because role conflicts, which the organizational climate engenders, create powerful forces of resistance that cannot be broken. Others, in recognizing that French Canadians have not changed sufficiently, suggest that until the French Canadian educational system changes, one should not expect too much from training . . . it is our contention that French Canadian managers have not changed enough because management training programs in industry have not provided the proper climate to induce change in the desired direction. They have not been aimed at dealing with the role conflicts that the French Canadian manager experiences.³⁰

Porter made few references to fields of study or universities attended in his book. However, he did mention that almost all of the

²⁹Ibid., p. 146.

³⁰Ibid., p. 337-8.

engineers and scientists in his economic elite were university graduates in those fields. McGill was first choice for the training of 35.6% of the Canadian born with the University of Toronto in second place with 29.6%.³¹ In this study, the latter was named most frequently with 21% and McGill next with about 16%. Smaller percentages came from Ontario private colleges like McMaster, Queens and Western Ontario, and the prairie provincial universities.

Another Canadian study covered 591 executives in the Federal Public Service.³² They had a higher level of education than the Canadian business leaders, with 81% having at least one university degree, 30% with a masters and 14% with Ph.D.'s. The University of Toronto granted the highest percentage of degrees with 18.4%, lower than found in this study.

Armstrong reported an analysis of the education levels achieved by executives according to the number of employees in a firm: for those with 50-500 employees, 38% of the executives had university degrees; 52% in the middle-sized firm and 68% of those with over 1000 employees.³³ Size influenced the proportion of executives with university degrees even more decisively than in this study.

In the last chapter it was noted that the Quebec born were under-represented among the top executives, even in their own province. Belanger noted that 78% of his English executives were born outside Quebec, but

³¹Porter, op. cit., p. 277.

³²Phil Chartrand and Ken Pond, "Executive Career Paths in the Public Service of Canada". (The Canadian Personnel and Industrial Relations Journal, Vol. 16, No. 3, May 1969), p. 21.

³³Armstrong, op. cit., p. 111.

only 7% of his French Canadians.³⁴ Education played a part in the import of anglophones: only 67.6% of his French managers were university graduates; of the English, the percentages with university degrees were 72.6% of those born in Quebec; 75% from Ontario, 79% from the rest of Canada and 83% of the immigrants. Aside from those facts, he made no further reference to the 29% of his so-called English-Canadians that were born outside Canada. It would appear to this author that University training influenced the movement of many of the potential executives to Montreal.

This section has followed the question of birthplace with a discussion of ethnic origin and the education of managers with specific references to Canadian research in this area. It would now be appropriate to extend the comparison of the mobility study to others.

Table 51 compared the educational levels achieved by Belanger's respondents,³⁵ those of this study and those of O'Donovan's executives and lower managers.³⁶ The education acquired by the anglophone and Canadian executives was similar to that of O'Donovan's executives.

About 19% of the French Canadian and lower managers had incomplete high school. Those with university degrees were closer to the executive level than the lower managers. This would tie in with the large standard deviation for the education level of French managers already noted in the Auclair and Read Study.

Because of the lower educational levels achieved in Quebec and

³⁴Belander, op. cit., p. 87.

³⁵Ibid., p. 87.

³⁶T. O'Donovan, "Differential Extent of Opportunity Among Executives and Lower Managers" (Academy of Management Journal, August 1962), p. 145.

Canada, the representation ratios for university graduates among the respondents as compared with the general population were even greater than found by O'Donovan: the anglophone leaders in Quebec were 13.1 times as likely to have graduated from university, the French, 10.5 times; the Canadian executive, 11.6 times; O'Donovan's executive, 7.8; and his lower manager, 2.8 times. The advantage given by a university degree was even greater for seeking executive promotion in Canada than in the United States.

Table 51. Education Levels of Quebec and Canadian Executives Compared With O'Donovan's Executives and Lower Managers

Educational level	Quebec Exec's ^a			O'Donovan ^b	
	French	English	Cdn.	Exec.	Lower Mgr.
Less than complete high school	19.8%	4.6%	6%	3%	19%
High school graduate	12.6	16.0	14	7	22
Some college	13.2	13.7	14	21	34
College graduate	54.5	65.7	65	69	26

^aL. Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec" (Unpublished Ph.D. thesis, Michigan State University, 1967), p. 87.

^bT. O'Donovan, "Differential Extent of Opportunity Among Executives and Lower Managers" (Academy of Management Journal, August 1962), p. 145.

Another area where Belanger's respondents resembled O'Donovan's lower managers was in the response rate. For all four firms, the latter's response rate was significantly lower for his lower managers than his

executives.³⁷ Only 28% of Belanger's French Canadians and 36% of his English Canadians returned their questionnaires, whereas the response rate for this survey and Warner's business leaders was about half.

Belanger's French respondents had a lower status than the anglophones: only 21.2% of the French managers were employed by firms with over \$50,000,000 in assets, the minimum initially set for this research, compared with 43% of the English. In the group between \$10 and \$49 million, there were another 35% and 27% respectively.³⁸

The Economic Council of Canada has commented on the lower educational achievements of the managerial group in Canada:

There is evidence from the 1961 census of Canada and the 1960 census of United States to suggest that the educational attainment of the owner and management group is very significantly lower in Canada than in the United States. The average differences between the two countries in this regard appear to be wider than in almost all other major categories of the labour force. Furthermore, interviews undertaken by members of our staff indicate that there is increasing recognition and concern about the need for higher educational levels for future management in Canadian business firms.³⁹

Table 52 indicated the educational levels found in four different mobility studies.⁴⁰ As the four questionnaires were completed over a fifteen year period, the year of return was also shown. A ratio of proportional representation was also indicated along with the census year used for its calculation. The three American studies indicated that post

³⁷Ibid., p. 140.

³⁸Belanger, op. cit., p. 104.

³⁹Economic Council of Canada, Second Annual Review (Ottawa: Queen's Printer, 1965), p. 62.

⁴⁰W.L. Warner and James C. Abbeglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 100; W.L. Warner, et al., The American Federal Executive (New Haven: Yale University Press, 1963), p. 354, 355; Carlos Jose Malferrari, The American Executive Overseas, an External Profile (Unpublished Ph.D. thesis, Michigan State University, 1965), p. 57.

secondary education has now become a virtual prerequisite for entry into and administrative career in the United States. Despite a large proportion of American born in the respondents, the Canadian level would appear about twelve years behind United States. Because the overall level of education was lower, the advantage of a university degree was even greater in Canadian business.

One of the problems in assessing a comparison such as that in Table 52 was the different methods by which the executives were selected. The business leaders and Canadian executives were executives whose names and firms were available in various business directories and the questionnaires were mailed direct to them. The Federal executives represented all the employees of the United States government at a grade level of GS-14 and higher. With the exception of certain classified military personnel, the questionnaires were also mailed directly to the executives. Distribution to the overseas executives was made by fifty-two cooperating multinational corporations. Hence that research had the least control over the selection of the population studied. Furthermore, all the responses from non-U.S. born were eliminated from that analysis because there were no comparable statistics available on such respondents. Such selection would tend to favor men who were on the way up in the organization rather than those who had already achieved prominence. This difference in methodology may account for the younger age and higher educational achievements of the overseas executives.

The average age of the respondents was 52.6 years compared to 53.7 and 49.4 in the Warner studies and 40.7 in the Michigan study.

Table 52. Education Levels of United States and Canadian Executives

Education Level	Business ^a Leaders		Federal ^b Executive		Overseas Executive		Canadian Executive	
	%	R*	%	R	%	R	%	R
Incomplete high school	13	.3	1	.06	0	.02	6	.2
High school graduate	11	.7	4	.2	3	.1	14	1.6
Some college	19	3.2	14	2.0	17	1.7	14	1.4
College graduate	57	8.1	81	9.0	81	9.0	65	11.6
Average age	53.7		49.4		40.3		52.6	
Year returned	1952		1959		1963		1967	
Base year of ratio	1950		1957		1960		1961	

*R - ratio of proportional representation

^aW.L. Warner and James C. Abbeglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 100.

^bW.L. Warner et al., The American Federal Executive (New Haven: Yale University Press, 1963), p. 359.

^cCarlos Jose Malferrari, "The American Executive Overseas, an External Profile" (Unpublished Ph.D. thesis, Michigan State University, 1965), p. 57.

Respondents in this survey were more highly educated with 79.1% having attended university than the 62.7% indicated in "Portrait of a Canadian Executive".⁴¹ The sample for that statistical study was drawn from the circulation file of the magazine in which it was published. Its respondents included executives lower on a firm's hierarchy with greater emphasis on those in service, retail and wholesale and less on

⁴¹"Portrait of the Canadian Executive," Executive, The Magazine of Canada's Decision Makers (Southam Business Publications, Vol. 10, 1968, March), p. 49.

industry and finance than found in this study.

Clements based his book on 670 interviews in 28 industrial firms. Consequently his tabulations covered a more restricted sample, but went further down the organization structure to include lower level managers. However, it did give some background on managers in England which was not available elsewhere. University graduates represented 27% of the total British managers, but 68% of those at upper levels,⁴² so his results indicated a similar emphasis on higher education for those at the top level of management. Because there was no comparison between the educational levels and census figures for the British Isles, it could not be determined whether the low level of education found in British-born Canadian executives was typical of all managers born in the British Isles.

Gonzalez observed in his book on executives born in U.S.A. and serving in foreign countries that those in Canada had the highest proportion of university graduates of any area at 89% which was higher than the 75% shown in Table 24, page 54. The common market countries were next with 86%. Latin America, the Middle East and Far East all had 83%. Other European countries had 81%, Japan 76% and other areas 66%.⁴³

Table 21, page 49 gave an indication of the growing importance of university studies in business among the younger executives. This was a change from what Porter suggested for his business elite in Canada: "comparatively few were trained in commerce and administration".⁴⁴ It should be remembered that the original data on which his conclusions were based were accumulated in 1953 and that his elite were directors, not full-

⁴²Clements, op. cit., p. 175.

⁴³Gonzalez and Negandhi, op. cit., p. 62. ⁴⁴Porter, op. cit., p. 277.

time managers. Many changes have taken place in university programmes and the business leaders since.

Over one-fifth of the respondents to a Canadian magazine survey indicated that their university degrees were in science, and only 4.6% held an MBA. The main courses studied were engineering 17%, economics 16%, then business administration 10%, accounting and finance 8% and commerce 7%.⁴⁵ If the last three or four fields had been combined, the total would have exceeded that of engineering and other sciences.

Gould showed a similar trend towards increased education among younger business executives, especially at the post graduate level,⁴⁶ as was found for the Canadian executives in Tables 19 and 21, pages 48 and 49 respectively. However, he may have erred in separating technical degrees from law and all other degrees in his analysis and concluding that "within another decade or two, the majority of the country's 'captains of industry' will be men who speak the language of science and engineering."⁴⁷

Armstrong's research has indicated the value of management education. He wrote that education in this field has been badly neglected in Canada, compared to the United States.

By the time they are in their 50's, engineers in business in Ontario and Quebec with MBA's earn about \$9,000 per year more than the same kind of engineers with Ph.D.'s (also in business) despite the fact that the Ph.D.'s have more years of formal education. . . .

⁴⁵"Portrait of a Canadian President", Executive, the Magazine for Canada's Decision Makers (Southam Business Publications, Vol. X, No. 5, May 1968), p. 54.

⁴⁶Jay M. Gould, The Technical Elite (New York: August M. Kelley, 1966), p. 165.

⁴⁷"Technicians moving in at the top," Business Week, June 12, 1965, p. 118.

The ratio of current output of graduates in the United States and Canada per 1000 of population is somewhere between three to four to one at the bachelor level, seven to one at the master level, and virtually infinity at the level of the Ph.D.⁴⁸

The returns from top business executives in Canada indicated a strong trend towards management education, especially among the younger executives. An early article in Fortune had noticed that the proportion of executives who graduated from science and engineering declined from 45% to 29% for those under 50 while those from business and economics increased from 31% to 38%.⁴⁹ Similarly Malferrari found a preference among his overseas executives for business administration at 28% compared to 17% for engineering. However the first preference of his respondents went to a liberal arts education with 45%.⁵⁰ It could be that languages and social sciences were more valuable to the overseas executives than others.

Without giving any statistical evidence or references for proof, Jennings had some definite recommendations about fields of study for the upward mobile:

Today, 75% of the most mobile men have bachelor's degrees in engineering or science and master's degrees in business administration. Men with this combination of degrees are out-distancing any other combination.⁵¹

⁴⁸ D.E. Armstrong, "The Manager of the Future," (Pulp and Paper Magazine of Canada, May 1967).

⁴⁹ Fortune Editors, Executive Life (Garden City, N.Y.: Doubleday, 1956), p. 34.

⁵⁰ Malferrari, op. cit., p. 112.

⁵¹ E.E. Jennings, The Mobile Manager (East Lansing, Michigan State University, 1967), p. 21.

Richman had a chapter on management development in the United States. He referred to four separate studies to provide evidence of a trend toward more and probably better education among the business managerial class, particularly at higher levels. While he admitted that the proportions of top level managers who had majored in business administration were small, he explained that formal courses in business were relatively new, so graduates had not yet had enough time to reach the top levels. He described graduate training in business and management as emerging as a major force in America only in the past several decades.⁵²

Unfortunately Warner's study on business executives did not discuss field of study so his major work was not available for comparison. Much the same problem was found in Belanger's study of Quebec business leaders. However other research has reinforced the findings of this study--an increased emphasis on courses in management and administration.

The section on education started with a discussion of education levels in Quebec. It may be appropriate to end with some comments on education fields in that province.

Armstrong reported less emphasis on commerce courses in the French universities of Quebec than in the English. Their orientation was towards the classics and liberal arts. Generally he found a lower ranking for graduates from church universities on the Admission Test for Graduate Study in Business.⁵³

If there is concern about American business leadership in Canada

⁵²Barry M. Richman, Management Development and Education in the Soviet Union (East Lansing: Michigan State University, 1967), p. 32.

⁵³Armstrong, op. cit., p. 51.

or about English speaking executives in Quebec, a possible solution would be to increase the number of university courses with business orientations. University training, particularly in business, was where the gaps between the different ethnic or national origins appeared to be the widest.

SOCIAL ORIGINS

Discovering the social origin of the Canadian executive and comparing it with that of other executives were among the objectives stated for this study in the first chapter. This section relates the occupational background discussed in the last chapter to other mobility studies. The next research referred to served as a convenient tie between educational and occupational backgrounds even though a direct comparison was not possible.

Because Clements accumulated his data from personal interviews in a limited number of firms and because the occupational classifications were different, it was not possible to make side-by-side comparisons of his results⁵⁴ with those of mobility studies done on the Warner format. Nevertheless Table 53 suggested great over-representation of executive and professional fathers and much under-representation of manual and routine occupations. The four key groups that provided 87% of the British managers represented only 30% of the British males in those classes. The remaining 13% had fathers in routine or manual occupations, which represented 70% of the British males. Unfortunately, he did not give

⁵⁴Clements, op. cit., p. 177.

the census year from which he took the percentages for the male labour force.

Table 53. Occupational and Educational Background of British Managers^a

Father's occupation	Managers	Males In Class	Represent- ation ratio	University graduates
Professional and high administrative	34%	3%	11.3	47%
Managerial and executive	26	5	5.2	35
Higher inspectional and supervisory	12	10	1.2	37
Lower inspectional and supervisory	15	13	1.15	15
Skilled manual and routine non-manual	10	10	.25	8
Semi-skilled and unskilled	3	29	.17	6
Totals	100%	100%	1.00	25%

^aR.V. Clements, Managers, a Study of Their Careers in Industry (London: Allen & Unwin, 1957), Table 10, p. 177.

The first three groups also had larger percentages of university graduates than those of all British males or of the other managers. The figures suggested that university graduates often became managers in British industry, although the overall proportion of university graduates was lower than that of any other study of business leaders referred to. That may have some relationship to the comparatively low percentage of Canadian executives who were born in the British Isles and had university degrees.

If the managers of Clements' study were typical of the British Isles, the ratios shown indicated a class structure more rigid than that found by any other study of managers referred to.

Table 31, page 62 gave information on the occupations of the antecedents of the top Canadian executives. It indicated that the respondent was more likely to come from a managerial or professional background and unlikely to have a father from labouring or farming ranks although it was more possible for his grandfather to have worked in those occupations.

Table 54 provided a comparison of the mobility of the Canadian respondents with that of two studies done on American leaders over two generations and one on Quebec business leaders. Unfortunately the latter's questionnaire did not have an item on the grandfather's occupation, so the trend into business leadership from farming and labouring ranks evident in the other three studies could not be confirmed from data available on the Quebec managers. Each of the other studies showed considerable movement into executive rank between grandfather and father.

The percentages of Canadian executives who indicated that the father was a major executive, big business owner or professional were the highest of any. The overseas executives showed the highest percentage with antecedents who were small business owners or foremen, and the smallest percentage with antecedents from farming backgrounds. Quebec anglophone leaders were similar to the Canadian executives except that more came from professional and white collar fathers and less from major executive ranks. Quebec francophones had fewer fathers from big business and professional ranks, but the largest proportion of any whose fathers were labourers or small business owners. This author has suggested that the francophone

Table 54. Mobility into Business Leadership over Three Generations Compared

Occupation	a		b				c	
	Warner G ^d	Fe	Overseas G	F	Canadian G	F	Quebec EF ^f	FF ^g
Major executive or big business owner	12%	31%	18%	32%	13%	32%	27%	19%
Small business owner or foreman	20	21	28	27	23	23	22	28
Professional	10	14	13	15	12	16	17	11
White collar	2	8	11	13	9	12	15	11
Farmer	35	9	16	2	31	6	5	4
Labourer	19	15	13	11	11	9	10	22
Other	2	2			1	2	4	5

^aW.L. Warner and James C. Abbeglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 54.

^bCarlos J. Malferrari, "The American Executive Overseas: an External Profile" (Unpublished Ph.D. dissertation, Michigan State University, 1965), p. 51.

^cLaurent Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec" (unpublished Ph.D. thesis, Michigan State University, 1967), p. 58.

^dG - grandfather's occupation.

^eF - father's occupation.

^fEF - Anglophone's father's occupation.

^gFF - Francophone's father's occupation.

leaders were from smaller firms or were lower in business organizations.

Each of the authors on mobility included on the last table calculated occupational representation ratios for the fathers of the business leaders based on the percentages shown in relation to the census year nearest to the average year of birth for the executive being studied. In addition to those ratios, Table 55 showed the results from two other groups of administrators; federal executives⁵⁵ and college presidents.⁵⁶ Since a university degree would be a prerequisite for becoming the top administrator of a post-secondary institution, that study was not used in comparing educational levels. However, such calculations were more valid when discussing occupational mobility. The ratios were arranged to show the academic presidents first, and next the federal executives. Then the four types of business executives were grouped together for internal comparison and contrast with the other two administrators.

As might be expected, the business leaders were more likely to have a father already in the managerial occupation. College presidents were most likely to have their fathers in the professions of teaching or clergy.⁵⁷ Although some federal executives came from labouring fathers, the elites were unlikely to come from farming, labour or white collar groups.

⁵⁵W.L. Warner et al, The American Federal Executive (New Haven: Yale University Press, 1963), p. 322.

⁵⁶Michael R. Ferrari, "Origins and Careers of American Business Government and Academic Elites" (California Management Review, Vol. XII, No. 4, Summer 1970), p. 28.

⁵⁷Ibid.

Table 55. Occupational Representation Ratios of Fathers Compared

Occupation of Father	College ^a President	Federal ^b Exec.	Business ^c Leader	Overseas ^d Exec.	Canadian ^c Exec.	Quebec English ^e	French ^e
Major executive and Big Business Owner	2.0	5.7	7.8	3.8	8.5	6.3	8.5
Small business owner and first level supervision	2.3	2.2	2.0	1.4			
Professional	6.2	4.8	3.5	2.5	4.5	2.3	3.1
White collar	.4	.8	.8	1.0	.9	.7	1.3
Farmer	.7	.9	.4	.1	.2	.5	.3
Labourer	.6	1.1	.5	.4	.6	.2	.2
Census base	1940	1930	1920	1930	1931	1931	1931

^aMichael R. Ferrari, "Origins and Careers of American Business Government and Academic Elits." California Management Review, Vol. XII, No. 4, Summer 1970, p. 28.

^bW.L. Warner et al, The American Federal Executive (New Haven: Yale University Press, 1963), p. 322.

^cW.L. Warner and J.C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 41.

^dC.J. Malferrari, "The American Executive Overseas, an External Profile"(Unpublished Ph.D. thesis, Michigan State University, 1963), p. 47.

^eLaurent Belanger, "Occupational Mobility of French and English Business Leaders in the Province of Quebec"(Unpublished Ph.D. thesis, Michigan State University, 1967), p

The extremes were found in the representation of the Canadian executive, ranging from .2 for labour to 8.5 for the supervisor, owner and executive. The difference would be even greater if the small owner and foreman were separated on the Canadian census.

The Quebec business leaders were not too far behind with ratios ranging from .2 to 8.5 for the francophone and .2 to 6.2 for the anglophone for the same occupational groups. Belanger's results reinforced the findings of this author.⁵⁸ One can only conclude that Canadian business was less likely to recruit outside the families of the business elite, particularly from farming and labouring backgrounds.

American business leaders showed more vertical mobility than the Canadian executives. Belanger's Quebec business leaders also indicated more upward movement than did those responding to this survey, and the French more so than the English. He concluded:

"Sons of men in lower occupational strata are under-represented in the United States as well as in the English and French elite of Quebec. However the French-Canadian occupational structure appears more open than the English Canadian, since French-Canadian clerical workers and foremen supply more than their share of business executives. . . . occupational origin is more important than ethnicity in opening the road to the summit of business enterprises."⁵⁹

For a number of reasons it was difficult to make direct comparisons with Porter's economic elite. His work emphasized corporate directors who might have been outsiders brought in to give advice in the fields of finance or law. A number of such people declined to answer the questionnaire in this survey because they did not consider themselves business

⁵⁸Belanger, op. cit., p. 61.

⁵⁹Belanger, op. cit., p. 69.

executives. Also this survey used a questionnaire approach whereas Porter used library research to obtain background information on his executives.

However Porter mentioned a high degree of family continuity within the management of particular corporations.⁶⁰ Comparisons with other mobility studies indicated that such trends were not as powerful as in previous studies. However it was still true that the number of men in the economic elite whose fathers were also in it, was much greater than it would be on a chance basis. Porter showed with some accuracy that at least a third of his economic elite came from families already established in the upper classes.⁶¹ Tables 53 and 54, pages 117 and 119 respectively, showed a higher percentage from that class for Canadian executives than for any of the others. It would indicate less mobility in Canada than in United States.

Porter suggested further that there had been a decline in upward mobility in Canada.⁶² When the findings of this thesis were placed alongside those of Warner and the pioneering study of Taussig and Joslyn in Table 56 they appeared to suggest a continuation of the same trends. There were further declines in the percentages of fathers from farm, owner and major executive ranks. Percentages of white collar workers, professionals, first line supervisors and minor executives increased over the forty years.

However some of these changes may have been the result of changes taking place in the labour force. It is common knowledge that farming

⁶⁰Porter, op. cit., p. 274.

⁶¹Ibid., p. 291.

⁶²Ibid., p. 294.

now employs a smaller proportion of the labour force than in previous years. Hence it was desirable to extend that comparison to figures for the entire labour force to make valid conclusions about trends. Since there was no early Canadian study on business executives done on the Warner approach, the comparison was made with earlier American studies.

Table 56. Occupations of Fathers of the 1928, 1952 and Canadian Business Leaders

Occupation of father	1928 ^a Leader	1952 ^b Leader	Canadian Executive
Farmer	12%	9%	6%
Hourly worker	11	15	9
Clerk, Salesman	5	8	12
Owner of business	34	26	22
First and middle line executive	7	11	18
Major executive	17	15	14
Professional	13	14	17
Other	1	2	2

^aF.W. Taussig and C.S. Joslyn, American Business Leaders (New York, 1932) as quoted in "b".

^bW.L. Warner and J.C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 45.

The comparison of occupational mobility ratios over the years in Table 57 shows increased mobility for only two occupations in Canada: white collar and farming. Only the latter was significant. The Canadian

ratio for the managerial field was closer to the 1928 study, which showed a high degree of over-representation in that category. For the professional group, Canadian over-representation was higher than either of the earlier studies. Representation of the labouring group was low in all three periods. Canadian figures for the two top classes were closer to the 1928 study than the 1952 one.

Table 57. Occupational Representation Over the Years

Occupation of Father	American ^a		Canadian
	1928	1952	1967
Managerial	9.7	4.7	8.5
Professional	4.3	3.5	4.5
White collar	.71	.80	.85
Farming	.32	.33	.56
Hourly worker	.32	.33	.24
Census base	1900	1920	1930

^aW.L. Warner and J.C. Abegglen, Occupational Mobility (Minneapolis: University of Minnesota Press, 1955), p. 48.

Because so many of the Canadian executives and their ancestors were born outside Canada, another approach was used to compare mobility into executive rank that would ignore the nation of birth. In Chapter IV, ratios of occupational stability and movement were calculated for the executive's father in relation to the grandfather's occupation. Table 58 showed the comparison of these ratios with other mobility studies. The selected occupations were listed according to the amount of occupational

Table 58. Ratios of Occupational Stability and Movement Compared

Selected Occupations of Fathers	Canadian	1928 ^a	1952 ^a	Overseas ^b	Federal ^c
<u>Ratios of Occupational Stability</u>					
Major executive	4.46	4.17	3.60	2.5	5.72
Farmer	3.71	2.32	2.40	4.9	1.96
Labourer	2.59	4.08	2.74	3.5	2.31
Professional	2.25	3.17	2.70	2.1	2.50
White collar	1.93	3.20	2.00	2.0	2.00
Business owner	1.63	1.69	1.56	1.7	1.94
Average	2.68	3.10	2.50	2.8	2.74
<u>Average Ratios Out of Occupation</u>					
Major executive	.82	.37	.40	.54	.64
Farmer	.72	.81	.86	.82	.79
Labourer	.88	.60	.65	.66	.66
Professional	.78	.63	.70	.61	.76
White collar	.82	.68	.67	.66	.94
Business owner	.74	.60	.74	.82	.79
Average	.76	.62	.67	.84	.77
Proportional representation = 1.00					

^aW.L. Warner and James C. Abbeglen, Occupational Mobility (Minneapolis: University of Minnesota Press, 1955), p. 65.

^bC.J. Malferrari, "The American Executive Overseas, an External Profile" (Unpublished Ph.D. Thesis, Michigan State University, 1965), p. 147.

^cW.L. Warner et al, The American Federal Executive (New Haven: Yale University Press, 1963), p. 74.

stability shown for the fathers of the Canadian executives. For each study the ratio for the occupation showing the most stability has been underlined.

All the ratios of 1952 were closer to proportional--i.e. one -- than those of 1928. Hence they supported Warner's conclusion that there had been an increase in mobility during the generation.⁶³ The later study of Federal executives showed an even higher ratio of 5.72 for the fathers of executive rank that continued in their fathers' occupation.⁶⁴ There was no comment on the effect that might have on the earlier conclusion. Again there was a high degree of continuity shown by the ancestors of the Canadian executive. The ratio of 4.46 was the highest shown by any of the studies of business leadership. Compared to the low mobility out of executive ranks shown by other studies, the Canadian ratio appeared high.

If the relatively high number of children shown for the Canadian executives has extended over several past generations, the fertility rate could be forcing some sons out of executive ranks. In Canada increasing foreign ownership could also be a factor.

Looking back on Tables 34 and 35, pages 66 and 68 respectively, where these ratios were first illustrated might suggest another explanation. No executive sons moved into farming or labouring ranks according to the responses to this survey, so no ratios could be calculated for those fields. Another contributing factor was the relatively high movement into the two neighboring classes of professional and of supervision and

⁶³Warner and Abegglen, op. cit., pp. 25, 35, 69.

⁶⁴Warner et al, op. cit., p. 74.

middles executive. Unfortunately, Belanger did not include a grandfather item on his questionnaire so no check was available from his research. The correct explanation may await another mobility study of executive ranks in Canada.

The occupational continuity shown for farming in Canada was the highest of the studies shown. It was associated with the lowest movement out of farming. It could be that the trend to urbanization was later affecting Canada than the United States.

Hourly workers came next in terms of continuity, but ranked second in three other studies. They also showed low means for movement out of the field except for the Canadian study. The census figures indicated about 40% of the male work force in this group. The small number of Canadian respondents with grandfathers in this field (42) may have introduced some bias in the results.

For the Canadian executives, the ancestors in the professions showed significant mobility into management ranks and little into other occupations.

For the white collared workers, there appears to have been a decline in mobility since the 1928 questionnaire. Since census figures show this to be a growing field of employment, such a trend appeared reasonable.

For all studies the ratio of continuity was the lowest for the business owner. This could be associated with the growth of corporate enterprise by incorporation of small firms and outright purchase. The average ratios for movement out of that field varied, but there appeared to be a trend towards more proportional representation in the United States.

In summary, the antecedents of the Canadian executive showed more

continuity in managerial roles and farming than most of the other studies. Although there were differences in other occupations, they were not as pronounced. All five studies showed the lowest continuity for the business owner.

Generally speaking there was less mobility into executive rank in Canada than was found in comparable studies done recently in the United States. It would now be appropriate to look at how the business executive progressed in his career.

CAREER PROGRESS

Comparisons of career sequences found in four different mobility studies of business leaders were shown on Table 59. The largest percentages of business leaders started in white collar ranks followed by labouring and professional fields. For Warner's study and Belanger's, the professions were second and labourers third. Labouring was the starting field named, second most frequently by both the overseas and Canadian executive.

To shorten the table, labour and farm occupations were combined, then dropped from the fifteen year point because there was less than half a per cent left in that group. Belanger's study did not show separate figures for business owners or military, so the spaces were left blank on his tables. Other occupations and no responses were also left blank for overseas executives because the information was not reported in the book published on those executives.

Over a third of the leaders had already started to move up the ladder before they were employed five years. Many had left white collar and labour ranks, although the French leader of Quebec had made less progress

Table 59. Comparisons of Business Leaders' Career Sequences

Occupation	Warner ^a	Overseas ^b	Canadian	Quebec ^c	
				English	French
percentages					
<u>First Occupation</u>					
Major executive	1	0	0	0	0
Minor executive	10	7	4	11	11
Professional	24	5	13	28	34
White collar	43	53	52	44	36
Business owner	1	1	2		
Labourer	15	23	17	14	11
Military	2	11	9		
Other	5		3	3	2
No response	3		2	0	4
<u>5 Years Later</u>					
Major executive	6	1	1	5	11
Minor executive	39	50	41	36	15
Professional	21	6	12	24	27
White collar	25	27	28	25	37
Business owner	2	4	5	5	
Labourer	3	6	4	23	6
Military	2	6	5	7	
Other	2		4	7	4
No response	4		6	4	11
<u>10 Years Later</u>					
Major executive	26	10	12	31	34
Minor executive	46	74	66	42	42
Professional	14	3	9	14	17
White collar	8	9	6	7	4
Business owner	3	2	4		
Labourer	1	1	0	1	0
Military	1	1	2		
Other	1		1	5	3
No response	6		8	7	3

(Continued)

Table 59. Comparisons of Business Leaders' Career Sequences (Continued)

Occupation	Warner ^a	Overseas ^b	Canadian	Quebec ^c	
				English	French
percentages					
<u>15 Years Later</u>					
Major executive	57	32	52	62	64
Minor executive	26	63	37	24	15
Professional	10	2	6	9	18
White collar	3	2	2	2	0
Business owner	3	0	2		
Military	1	1	1		
Other	0		0	3	3
No response	10		9	11	13

^aW.L. Warner and J.C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955), p. 116.

^bR.F. Gonzalez and A.R. Negandhi, The U.S. Overseas Executive, Orientations and Career Patterns (East Lansing: Michigan State University, 1967), p. 39.

^cLaurent Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec" (Unpublished Ph.D. thesis, Michigan State University, 1967), p. 97.

during the first five years. Nevertheless, the franchophone made up for slow progress and had the largest percentage at major executive rank after ten years. At all times, the francophone showed the largest percentage of professionals. Whether this reflects their training or the esteem with which that field is regarded by the French Canadian would be a matter of conjecture without further research.

The French respondents also showed the largest percentage at the

major executive rank at each point after starting employment. This could be a question of terminology in translation or the method of grouping occupational classifications used by the researcher. Belanger's English-Canadians also showed a higher percentage of responses for the major executive position at the ten and 15 year point.

Belanger's results appear to contradict the statement made in the highlights mailed out for this thesis that "A comparison with the Warner study indicates that career progress (for the Canadian executives) was not as rapid as for the American business leader." That conclusion was based on the lower percentages of Canadian executives classifying themselves as major executives at the five and ten year points on the career progress question. Belanger's research was not located until after the highlights were mailed.

Besides the possibility of interpretation mentioned, Belanger's Quebec Business leaders came from smaller firms than the Canadian respondents. Many of his respondents came from firms too small to be included in this analysis. Less than half his French managers and just over half his English respondents in Quebec came from firms large enough to meet the size criteria established for this thesis.

One of the things to be noted in the career sequences was the virtual disappearance of the independent entrepreneur. Few of the business leaders achieved their prominence by owning their own business. The high point for the Canadian executive was five percent. It was even lower for the American business leaders.

Newcomber has compiled data over half a century that documents the disappearance of the entrepreneur. The percentage of entrepreneurs

among her business leaders shrank from 31% in 1900 to 10% in 1950. Over the same period the capitalists, those who inherited or bought existing businesses, shrank from 12.5% to 4.9%.⁶⁴

Different authors have used various approaches to link educational levels and career progress. The career sequences used in the last chapter and by Warner to relate status and educational levels were patterned after Taussig and Joslyn's pioneering work. Newcomber related the age at which the present position was achieved to educational level and found that education was a short cut to promotion.⁶⁵ Malferrari phrased one of his questions to get the age at which his overseas executives assumed positions at different levels of the hierarchy. He was then able to determine the average age at which the respondents reached each position in relation to the level of education. He found education reduced the age at which the executive reached each level of responsibility.⁶⁶

Belanger asked the Quebec business leaders at what age they assumed their present position. This was then converted to average ages for comparison with other items. Belanger found that education speeded progress through the levels of business organization.⁶⁸

Regardless of the father's occupation, the francophone achieved his present position an average of 6.2 years earlier than the anglophone. In both ethnic groups the son of a major executive or large business owner reached his present position soonest. In the case of the English, it was the labourer's son who took the longest to reach his present position; but

⁶⁴Mable Newcomber, op. cit., p. 90.

⁶⁵Ibid., p. 77.

⁶⁶Malferrari, op. cit., p. 40.

⁶⁷Belanger, op. cit., p. 77.

the professional's son was the slowest among the French. Those two occupations provided the widest ranges between the founding nationalities of Canada. The French of professional origin "arrived" only two years before the English, while the French of labouring origin achieved his present position 9.7 years before his English counterpart.⁶⁹

While it took both ethnic groups longer to reach their present positions in large firms than in small, the time advantage for the francophone to achieve his present position was greater in large firms.⁷⁰ It would suggest that the larger firm may be more conscious of Quebec national feeling and may be trying to do something about encouraging French management. Unfortunately the number of respondents or the level of significance were not shown, so it may not be correct to do more than conjecture.

Executives in Canada's Public Service showed higher levels of education at the more senior levels, something which did not apply to the top level of Canadian business executives. Although the deputy minister or department head was older, he spent less time at the team leader position before moving into management levels.⁷¹ A trend towards younger appointments to executive ranks did not appear among the government executives.

Another interesting observation from that study was that transfers between departments aided upward progress, but service outside the government tended to slow down progress in relation to the time spent in such areas.⁷²

Interfirm movement was something that could be readily compared

⁶⁹Belanger, op. cit., p. 114.

⁷⁰Ibid., p. 123.

⁷¹Chartrand and Pond, op. cit., p. 20.

⁷²Ibid., p. 25.

between the various mobility studies. Unfortunately, none of the research tried to relate such moves directly to career progress in the same way that it was done in the report on the public service. Table 60 showed a comparison of such moves for various mobility studies.

Table 60. Interfirm Mobility of Business Executives

Number of Firms	Warner ^a	Overseas ^b	Canadian	Quebec ^c	
				FC	EC
1	25	41	27	24	18
2	23	25	27	25	20
3	22	17	24	21	22
4	13	18	9	16	12
5 or more	17	9	13	14	28
Totals	100 %	100 %	100 %	100 %	100 %
Average number of firms	2.9	2.2	2.4	2.5	3.3

^aW.L. Warner and J.C. Abbeglen, Occupational Mobility (Minneapolis: University of Minnesota Press, 1955), p. 127.

^bR.F. Gonzalez and A.R. Negandhi, U.S. Executive Overseas (East Lansing: Michigan State University, 1967), p. 99.

^cL. Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec" (Unpublished Ph.D. thesis, Michigan State University, 1967), p. 106.

Of the five different groups of executives, the Overseas executive made the fewest moves between firms followed by the Canadian executive of this study. The French-Canadian business leader in Quebec made the next largest number of moves followed by the big business leader of Warner and

Abegglen. The English-Canadian business leader in Quebec made the most moves, in sharp contrast to the American executive overseas, who might also be considered to be working in an alien environment. It was also quite a contrast with the results of this study in which 126 or about a quarter of the responses came from the province of Quebec. It could be that some of those answering Belanger's questionnaire also answered this one, although none identified it on the last item of this questionnaire.

Another item worth comparing would be the influence of friends, relatives and associates on one's career. Unfortunately this proved more difficult than anticipated despite the similarity of questionnaire items. Warner and Abegglen grouped their responses differently when reporting the results, while Belanger combined three different categories into one and Malferrari omitted the item entirely. However some comparisons can be made for those having no connections: Warner, 66%;⁷³ Canadian executives, 71% but 75% for U.S. born; and Belanger, 71% for his English Canadians and 81% for his French.⁷⁴

In the Canadian studies the percentages shown as having friends and relatives in the same firm were quite low, particularly since 55% of the respondents indicated their fathers were in supervisory, executive or ownership roles in business. In this connection, Belanger made this comment concerning influence: "Pull or nepotism does exist within hierarchical structures, but it was not widespread."⁷⁵

The phrasing of Belanger's questionnaire gave him information to

⁷³ Warner and Abegglen, op. cit., p. 162.

⁷⁴ Belanger, op. cit., p. 126.

⁷⁵ Ibid., p. 218.

construct tables showing the average ages at which the respondents entered business and assumed their present positions. The differences represented the number of years required to reach their present positions. By doing this for both the language groups in business leadership in Quebec, he was able to determine the differences based on education, father's occupation, size of business and other factors that might influence career progress. He found that the francophone achieved his present position an average of six years faster than the anglophone and the difference was even greater for larger firms.⁷⁶

Malferrari designed his questionnaire to obtain the age at which the overseas executive was appointed to three different levels of hierarchy: first level supervision, minor executive, and major executive. This was the most useful approach for analyzing the relative effects of education, birthplace and father's occupation on career progress. In addition to having upward mobility at the 5, 10 and 15 year points, he had the specific ages for reaching each level. He was then able to determine percentages, means and standard deviations for various factors that might affect career progress.⁷⁷

Occupational origin, education, foreign experience, birthplace of the executive all played a part in the upward movement of the executive. Brief mention was made in the last chapter of the size of firm, its ownership and the type of business as minor factors affecting the upward mobility in business organizations. Next comes a summary of the findings and the possible implications for prospective leaders of Canadian corporations.

⁷⁶Ibid., p. 114.

⁷⁷Malferrari, op. cit., p. 93.

CHAPTER VI

CONCLUSIONS AND AREAS FOR FURTHER STUDY

This chapter briefly reviews the findings of the previous two chapters and suggests some possible areas for future research.

The leading executives of Canadian business have not emerged proportionately from the general population. Geographically they have been quite mobile. Only forty percent of those replying were born in the province or area where they now occupy major decision-making positions influencing the economic affairs of the nation.

The western provinces have contributed more than their share while Quebec and the Atlantic provinces have not produced their proportion. Large numbers born in these areas have migrated to head offices in Ontario and Quebec. About a quarter of those responding from the latter province were born within its boundaries. In contrast, over three quarters of the executives born in Ontario were at head offices in that province. Educational and cultural differences probably contributed to the disparity.

Urban centers produced a disproportionately large share of the Canadian born executives. Over 54% of the executives were born in cities over 25,000 but only 25% of the Canadians were city dwellers at that time. Other mobility studies reviewed made similar observations about the origins of managers. Both social backgrounds and educational opportunities may have played a part in this situation.

United States born executives held leading positions in Canadian business in disproportionately large numbers. That country supplied 16.3%

of the respondents although only 4.3% of the Canadian population in 1921 had been born there. In 1961 only 1.6% of the Canadian population reported a U.S. birthplace. Many of the U.S. born executives were found in industries which have experienced great expansion in Canada during the past 20 years - oil, chemicals and cement. The percentage also increased with the degree of foreign ownership. In the firms that have been in operation in Canada less than 20 years, 31.3% of their executives were born in the United States. On the average, the American immigrants were more highly educated, particularly in the fields of business administration and engineering. Consequently, it appears that these executives were brought into industries where Canada had neither time nor facilities to develop its own experts. This may be placing Canadian owned firms at a competitive disadvantage in growth areas.

Probably the most significant factor distinguishing the respondents from the general population of Canada was the educational level attained by the executives. The proportion with university degrees was eleven times the percentage in the male labour force. At the other end of the scale, only 6% had not completed high school as compared with over three quarters of the labour force in 1961. There were more than twelve times more men of meager education in the general population than among the elite. Education certainly appears to be a prerequisite for promotion to executive ranks.

The importance of education was even more evident among the younger executives and in firms with over 10,000 employees. In both groups of executives, there were more respondents with two degrees than with none. This trend towards more education was apparent in executive backgrounds in all the studies reviewed.

Also evident in this study was increased emphasis on post graduate studies in business administration and commerce. Almost half the younger respondents with post graduate training indicated this field. It has been described by Armstrong as the area of education in which Canada lags farthest behind United States.¹ The trend observed in this study indicates that further research should be made into increasing the quality and number of Canadians educated in this field.

Lower educational achievement was one of the reasons why French Canadians appear under-represented at management ranks.² Studies done for the Royal Commission on Bilingualism and Biculturalism indicate that field of study was another. The French language universities emphasize classics and liberal arts. The French speaking graduate with training in commerce or engineering is now being offered a premium for his ethnic origin by large firms.³ There was also some evidence in Belanger's study that the career progress of such individuals was more rapid than for English Canadian managers in Quebec.⁴ Perhaps the rewards now being offered the French Canadians may bring about changes in the educational programmes of that province.

However, the rest of Canada cannot afford to be complacent about management education by making comparisons with Quebec. Still larger

¹D.E. Armstrong, "The Manager of the Future," Pulp and Paper Magazine of Canada (Gardenville, Quebec: May 1967).

²Royal Commission on Bilingualism and Biculturalism, Book III, The Work World (Ottawa: Queen's Printer, 1969), p. 93.

³R.N. Morrison, "Corporate Policies and Practices of Large Manufacturing Firms" (Royal Commission on Bilingualism and Biculturalism, 1966. Unpublished paper on deposit at National Library, Ottawa), p. 24.

⁴L. Belanger, "Occupational Mobility of French and English Canadian Business Leaders in the Province of Quebec" (Unpublished Ph.D. thesis, Michigan State University, 1967), pp. 114, 123.

percentages of American executives have university degrees according to recent mobility studies. If the comparable percentages from this study were placed on a trend line from the Warner study to more recent ones, it would appear that the Canadian respondents are about twelve years behind United States despite the number of well educated executives who were born in that country.

Comparisons of occupational origins would suggest that mobility into Canadian executive ranks is less open than in United States. Seventy percent of the respondents indicated that their fathers were business owners, foremen, executives or professionals compared with only ten percent of the 1931 male labour force. Representation ratios of 8.5 for the managerial group and 4.5 for the professional were higher than any recent American study of business managers.

Because immigrants represent a large proportion of the Canadian executives and their antecedents, another check on mobility was made that would be independent of national boundaries. By comparing the occupation of the executives' fathers with those of the grandfathers, ratios of occupational stability were calculated. The Canadian ratio for the executive rank was higher than that of any study of American business leaders. That observation tends to confirm the earlier comment about less mobility into Canadian executive ranks than in United States.

Based on the results of two mobility studies in United States, Warner concluded that there had been an increase in mobility into executive ranks in that country over a generation.⁵ Porter suggested that mobility

⁵W.L. Warner, and J.C. Abbeglen, Occupational Mobility (Minneapolis: University of Minnesota Press, 1955), pp. 35, 65.

into executive ranks in Canada had declined.⁶ The findings of this thesis alone were not enough to conclusively refute or support his comments. Additional research will be required to ascertain the true situation in this area.

An influencing factor mentioned in this thesis would be the large number of sons reported by the Canadian executives. Their marriages produced an average of 1.58 sons, which would be more than enough to fill their fathers' jobs. If the high rate of fertility and the high rate of continuity continues in high executive ranks in Canada, it may make upward mobility difficult in the future. In comparison, Warner observed only 1.01 sons per executive in his respondents, barely enough to succeed their fathers.⁷

Despite the observations made in the last paragraph, the responses to both this study and Belanger's indicate less influence from relatives and friends than had been found in the Warner and Abbeglen research. All mobility studies had noticed that the ratios of continuity were the lowest for business owners. The decline of the individual proprietor in favor of the corporate form of organization is fairly common knowledge.

In view of this, why the high degree of continuity among the executives? How do Canadian corporations recruit their managers and prepare them for executive roles? Although the answers to such questions were part of the goals of this thesis, no satisfactory explanation developed--another possibility for additional research.

The social, educational and business backgrounds of major executives

⁶John Porter, The Vertical Mosaic (Toronto: University of Toronto Press, 1965), p. 294.

⁷Warner and Abbeglen, op. cit., p. 250.

in Canada should be of interest to corporations concerned with the training and succession of their top employees. The universities have a responsibility to provide the facilities and programmes for their academic training. Since both the quality and quantity of managers affect the performance of the Canadian economy, the government should encourage their development.

This research has indicated the value of university training in business. Corporations and governments could encourage the development of courses and prospective managers by providing grants to investigate further the development of managerial skills and the various approaches which might be used to encourage their growth.

This is an area of education in which Canada lags far behind the United States. Would providing funds for developing such human resources be a better way to preserve a Canadian identity than giving grants to corporations to develop resources and build industrial plants?

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APPENDIX

Table 61. Analysis of Mailings and Responses by Industrial Classification

Industry	No. of Firms	No. of Mailed	Questionnaire Returned	Response Rate
Mines	28	78	29	37.1%
Mineral fuels	19	<u>54</u>	<u>33</u>	<u>61.1</u>
		132	62	48.5
Foods	33	94	52	54.2
Beverages and Tobacco	9	27	12	44.4
Rubber and leather	10	30	19	63.3
Textile and clothing	10	<u>30</u>	<u>14</u>	<u>46.6</u>
		181	97	51.9
Wood, paper & lumber	22	67	26	38.8
Printing and publishing	6	18	9	50.0
Primary metal	9	<u>25</u>	<u>13</u>	<u>52.0</u>
		110	48	43.6
Metal fabricating	10	30	13	43.3
Machinery	10	30	16	53.3
Transportation equipment	17	50	24	48.0
Electrical products	14	42	24	57.1
Cement	9	28	16	57.1
Refining	11	32	17	53.1
Chemical	12	35	20	57.1
Miscellaneous manufacturing	15	<u>43</u>	<u>20</u>	<u>46.5</u>
		290	150	51.7
Construction & other	6	18	7	38.8
Transportation and communication	31	<u>94</u>	<u>47</u>	<u>50.0</u>
		112	54	48.2
Wholesale & retail trade	17	51	23	45.1
Banking	8	24	5	20.8
Finance	8	25	14	56.0
Trust & loan	7	21	12	57.1
Insurance	11	<u>32</u>	<u>21</u>	<u>65.6</u>
		102	52	51.0
Usable replies			485	49.6%
Discarded as incomplete			2	.2
Refusals			18	1.8
Totals	332	978	505	51.6%

QUESTIONNAIRE COMMENTS

"I went to university during the day and worked nights and weekends--it can be done!"

"I believe executive opportunity in Canada is very great. It seems to us that the opportunities considerably exceed the supply of competent people.

In the Atlantic region, the difficulty of keeping or attracting first class management is having a serious negative effect on our development. It seems to be very difficult to keep or attract good managers to this region unless they have a personal interest here, such as family connections.

There are constant opportunities and pressures for good managers here to accept positions in Central Canada or the U.S.A. They are very hard to deny."

- President, Maritime Telephone and Telegraph

". . . many of your questions seem quite superfluous if the title of your thesis is "Mobility of Business Executives in Canada". If you are interested in the how and why of 'Executive opportunity in Canada' you surely would be more concerned with the why and how a man succeeded in attaining his present job rather than where one was born and the sex of one's children etc."

- from an executive born in Russia

"More important than all the foregoing are hard work, desire to lead, sense of responsibility and flexible attitude--following of proper degree education."

"There is an insatiable demand for honest young people of average intelligence who are prepared to dedicate themselves to the success of their firm knowing intuitively that their personal success can only come with or after their firm's success--never before."

"Many subscribe to the theory that 'luck' plays a key role in an individual's success. If 'luck' bears the following definition, then I subscribe to the theory:--'Luck is when good planning meets opportunity'. More than ever before, the opportunity for a full and successful life time is available to more and more Canadian youth. It requires good planning, a creative mind and a generous amount of hard work."

Questionnaire comments 2

"A breakdown of the specific industry might be enlightening. For example the oil business has developed most since 1947. Time is required to train nationals for key positions . . . Another point you might find of interest is the reason a person entered that particular field. You have ascertained the family-friend connection but could you not have researched the original motivation.

Why was remuneration omitted? Should you not at least check the remuneration at the time of starting employment, as related to remuneration available in other fields?"

- President, Great Plains Oil & Gas

"Do not underestimate the role of the services in providing opportunity in handling people and in administration. Despite the overall horror of war, many of my generation would not have advanced as far as we have without the education and experience, however informal, of the service.

I doubt that 'advancement to senior executive position' will be possible for high school (only) graduates of the 1960's. Not because some might not be smart enough, but because of our demands on starting educations which will deny to many the opportunity to enter the stream."

"For students seeking a career in sales of a professional nature such as chemical or mechanical engineering, I consider the following steps important:

1. Obviously attain as high an academic education as possible. (The main contacts are with high calibre professional engineers.)
2. Gain practical experience in the related field (such as an apprenticeship). You then can discuss manufacture intelligently as well as the technical aspects)..
3. Never stop learning and keep in touch with new procedures.

High pressure salesmanship is not required and is in fact frowned upon, but complete technical and practical knowledge is a must.

With enjoyable hard work and constant study, this is a very rewarding and worthwhile career with unlimited opportunities for individual advancement."

- Industrial Sales Manager

"There are three requirements for success as an executive and in this order: 1. Integrity, 2. Brains, 3. Energy. If education is available it helps in proportion to the amount. These qualities however are more essential than education, breeding, social position, colour, pull, or any other."

- President, Dunlop Rubber

Questionnaire comments 3

"Data developed from this survey would probably reveal a different pattern for the years 1947-67 (20 years) than for the previous 20 years 1927-1947. The information developed might be more meaningful if reported as separate or subtotals. Trend might be more discernable."

"The factor of 'being in the right place at the right time' should not be overlooked. It has some importance in one's progress."

"Have been a director and senior executive in a large U.S. firm for 25 years. This firm owns 80% of the Canadian company of which I am now president, through its Canadian subsidiary. \$240 million have been expended in building the plant, more than 90% of which was raised in the U.S. All of the funds are guaranteed by the U.S. parent company, hence its interest in having the new company under supervision of one of its senior executives."

- President, Great Canadian Oil Sands

"Following graduation from university, I was employed by a U.S. company in the U.S.A. Years later that company acquired control of a Canadian company of which I became a director, then vice-president, then subsequently president, returning to Canada to reside and work."

"As a matter of general reflection, I did not know any person in any of the four companies in which I have been employed when I joined each company."

"Looking back, I would say that any success I have had was due in part to:
1. I had to make an effort if I were going to be regarded as a "success" by the standards of my time, 2. The college courses I selected, namely, Mathematics and Physics are most interesting disciplines. I learned to develop formulas rather than, as engineers do, use formulas. The study of Mathematics forces one to think in the abstract and to think clearly, 3. I was blessed, or otherwise, with an innate drive which some people lack.

The above three points are all wrapped up in the French system whereby top students who have acquired their senior matriculation (Baccalaureat in France) if they had the above three requirements and have done particularly well in their Baccalaureat, they spend two years cramming for the examinations which will admit them to the Ecole Polytechnique in Paris.

Questionnaire comments 4

Three hundred are accepted each year. As graduates they are known as Les "X". Alumni of the "X" wind up running most of France's biggest private and state-owned companies. The Polytechnique's curriculum is based upon Mathematics and Science and problems are dealt with in abstract terms.

I suspect that such an approach is tougher but more valuable than the Business Administration Course given today even the top ones such as the Harvard Business Administration School.

- President, Cement Lafarge

Study of Business Leaders In Canada
Faculty of Commerce and Business Administration
University of British Columbia

STRICTLY CONFIDENTIAL

Industry code _____ 1-5

1. What is your present age? _____ 6-7
2. At what age did you enter your present organization?.. _____ 8-9
3. How many years have you been at your present level of job responsibility? _____ 10-11
4. What is the full official title of your present business position? _____ 12
5. Which of the following categories most clearly describes the kind of work done by you or the people under you?
- | | | |
|-------------------------------|---------|-----|
| production | _____ 1 | |
| sales, promotion | _____ 2 | |
| accounting, control | _____ 3 | |
| finance, credit | _____ 4 | (13 |
| engineering | _____ 5 | |
| research | _____ 6 | |
| personnel | _____ 7 | |
| other (please specify) _____ | _____ 8 | |
6. At what age did you first become self-supporting? . . . _____ 14-15
7. After becoming self-supporting, what occupation did you engage in? (Please check the most appropriate category. If you have not been self-supporting as long as the column indicates, leave blank).

	When you first became self- supporting 16	5 years later 17	10 years later 18	15 years later 19
farmer	_____ 1	_____ 1	_____ 1	_____ 1
hourly worker.	_____ 2	_____ 2	_____ 2	_____ 2
salaried employee (non- supervisory)	_____ 3	_____ 3	_____ 3	_____ 3
owner of small business.	_____ 4	_____ 4	_____ 4	_____ 4
owner of medium or large business	_____ 5	_____ 5	_____ 5	_____ 5
First line supervisor.	_____ 6	_____ 6	_____ 6	_____ 6
middle line executive.	_____ 7	_____ 7	_____ 7	_____ 7
major executive	_____ 8	_____ 8	_____ 8	_____ 8
professional person.	_____ 9	_____ 9	_____ 9	_____ 9
other (please specify)	_____ a	_____ a	_____ a	_____ a

8. How many firms have you been associated with during your business career (including your present firm)? . . _____ 20
9. How many firms have you been associated with at the job level of minor or major executive (including your present firm)? _____ 21

10. Have you been a resident outside Canada while employed by business? yes 1
no 2 (22
If yes, in how many countries? 23
11. How many years has your present organization been conducting business in Canada? 24-25
12. What is the approximate size of this organization's activities in Canada? . . .
approximate value of total assets in Canada: under \$25,000,000 1 (26
\$ 25,000,000- 50,000,000 2
\$ 50,000,000-100,000,000 3
\$100,000,000-500,000,000 4
over \$500,000,000 5

approximate number of employees in Canada: under 500 1
500-1,000 2
1,000-3,000 3
3,000-5,000 4 (27
5,000-10,000 5
over 10,000 6
13. To what degree is the voting stock of your organization owned in Canada? over 95 per cent 1
50 - 95 per cent 2 (28
5 - 49 per cent 3
under 5 per cent 4
14. Were any of the following owners or executives:
- | | in the business which
you first entered | | in your present firm
when you entered it | |
|---------------------|--|---------------|---|---------------|
| | yes
(1) | no
(2) | yes
(1) | no
(2) |
| relatives | <u> — </u> | <u> 29 </u> | <u> — </u> | <u> 32 </u> |
| friends | <u> — </u> | <u> 30 </u> | <u> — </u> | <u> 33 </u> |
| business associates | <u> — </u> | <u> 31 </u> | <u> — </u> | <u> 34 </u> |
15. Are you single? 1
 married? 2
 separated? 3
 divorced? 4 (35
 divorced &
 remarried? 5
 widowed? 6
16. In what year were you first married? 19 (36-37)
17. What is (was) the principal occupation of the following:
- | | your father
when you were
in grammar
school | your father
when you became
self-supporting | your
father's
father | your
wife's
father |
|--|--|---|----------------------------|--------------------------|
| | 38 | 39 | 40 | 41 |
| farmer | <u> 1 </u> | <u> 1 </u> | <u> 1 </u> | <u> 1 </u> |
| hourly worker | <u> 2 </u> | <u> 2 </u> | <u> 2 </u> | <u> 2 </u> |
| salaried employee (non
supervisory) | <u> 3 </u> | <u> 3 </u> | <u> 3 </u> | <u> 3 </u> |
| Owner of small business | <u> 4 </u> | <u> 4 </u> | <u> 4 </u> | <u> 4 </u> |
| owner of medium or large
business | <u> 5 </u> | <u> 5 </u> | <u> 5 </u> | <u> 5 </u> |
| first line supervisor | <u> 6 </u> | <u> 6 </u> | <u> 6 </u> | <u> 6 </u> |
| middle line executive | <u> 7 </u> | <u> 7 </u> | <u> 7 </u> | <u> 7 </u> |
| major executive | <u> 8 </u> | <u> 8 </u> | <u> 8 </u> | <u> 8 </u> |
| professional person | <u> 9 </u> | <u> 9 </u> | <u> 9 </u> | <u> 9 </u> |
| other (please specify) | <u> a </u> | <u> a </u> | <u> a </u> | <u> a </u> |

(If deceased or retired, please indicate previous occupational level.)

18. What was the highest level of schooling attained by yourself and certain members of your family:

	yourself	father	mother	wife
Less than high school	— 1	— 1	— 1	— 1
some high school	— 2	— 2	— 2	— 2
high school graduate	— 3 (42	— 3 (43	— 3 (44	— 3 (45
some college	— 4	— 4	— 4	— 4
college graduate	— 5	— 5	— 5	— 5
post graduate study	— 6	— 6	— 6	— 6

If you are a college graduate, please answer the following questions.
If not, please skip to question 19.

Name of college or university
awarding undergraduate degree: If you have done graduate work, name
university awarding highest degree:

		46	47
Please indicate	undergraduate major field	graduate field	
arts, languages, humanities	— 1	— 1	
biology, zoology	— 2	— 2	
social sciences	— 3	— 3	
physics or chemistry	— 4	— 4	
engineering	— 5 (48	— 5 (49	
business administration	— 6	— 6	
medicine	— 7	— 7	
law	— 8	— 8	
other*	— 9	— 9	
*please specify			

19. What are your community activities?	check here if active	check here if you are or were an officer
parents' activities:		
P.T.A., Boy Scouts, Little League, etc.	— 1	— 1
Service organizations:		
Lions, Kiwanis, Shriners etc.	— 2	— 2
Church or synagogue	— 3	— 3
Charity drives, United Fund, etc.	— 4	— 4
Educational bodies:	— (50	— (51
school board, university senate etc.	— 5	— 5
Professional or trade associations	— 6	— 6
Local government	— 7	— 7
Local political organization	— 8	— 8
Other*	— 9	— 9
* please specify		

20. Place of birth	self	father	father's father
Canada	— 1	— 1	— 1
British Isles	— 2 (52	— 2 (53	— 2 (54
United States	— 3	— 3	— 3
Other *	— 4	— 4	— 4
* please specify			

If born in Canada or United States, in which state or province were you born?

What was the approximate size of your birthplace at the time you were born?	over 400,000 (or suburb)	— 1
	100,000-400,000(or suburb)	— 2
	25,000-100,000	— 3 (55
	2,500-25,000	— 4
	rural or under 2,500	— 5

PAGE 4

21. How many children do you have?

boy(s) ____ 56 girl(s) ____ 57

22. What career has your son(s) entered? If more than one son is self supporting, please indicate the number in each career.

not entered career as yet	__ 1
farmer	__ 2
hourly worker	__ 3
salaried worker	__ 4 (58
business owner or partner	__ 5
profession	__ 6
government service	__ 7

23. Do you recall participating in a similar scientific study of business leadership?

Yes	__ 1
no	__ 2 (59

If yes, please indicate under whose auspices it was conducted. _____

60

(If you have any further remarks about these matters, they would be helpful. Please use the space on the reverse side for any comments you would like to make.)

PRINTED CARD ENCLOSED WITH QUESTIONNAIRE

Please forward a summary of the thesis "The Mobility
of Business Executives in Canada," by W. G. Daly to:

NAME

FIRM

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FACULTY OF COMMERCE
AND BUSINESS ADMINISTRATION
UNIVERSITY OF BRITISH COLUMBIA
VANCOUVER, B.C.

CHARACTERISTICS OF SENIOR BUSINESS EXECUTIVES IN CANADA

Highlights from thesis research done by W. G. Daly for the degree of Master of Business Administration at the University of British Columbia.

The excellent response of Canadian executives to our questionnaire made this report possible. Executives receive numerous requests to cooperate in various types of surveys. We realize, too, the heavy cost in executive time, of answering every request. Knowing this, we particularly appreciate the fact that so many cooperated and took time to complete our questionnaire. Our sincere thanks to all our participants. I regret that economic pressure forced me to take a job and delayed progress on the research and this report.

From the 986 questionnaires mailed out, 485 usable replies were processed, or 49.2%. The executives to whom they were addressed head the largest business concerns in Canada. To the list of 100 largest manufacturing firms published by the Financial Post were added others with over 500 employees or assets over \$25,000,000. 90% of the responses came from firms with assets over \$25,000,000 and 75% from those with over 1000 employees.

In some public corporations the selection of three top officers was straight-forward: chairman, president and executive vice-president. However the use and meaning of titles is by no means consistent from one firm to another. Sometimes the author made an arbitrary choice based on the title and Canadian residence of the executive. A summary of those replying is shown on the next page to indicate the authority of those included in this report:

Composition of Sample by Position in Hierarchy

	Number	Per Cent
Chairman or president	225	46.4
Vice President	197	40.6
Other officers: treasurer, secretary, sales manager, personnel manager, etc.	<u>63</u>	<u>13.0</u>
Totals	485	100%

To indicate the representation by different segments of the economy, a summary of the returns by industrial classification has been provided:

Composition of Sample by Industrial Classification

	Number	Per Cent
Mining and oil exploration	65	13.4
Food, beverage and clothing	94	19.4
Wood, paper and primary metal	48	9.9
Secondary manufacturing	148	30.8
Transportation and communication	54	11.1
Merchandising	23	4.8
Banking, finance and insurance	<u>52</u>	<u>10.7</u>
	485	100%

Probably the most significant factor distinguishing the respondents from the general population of Canada was the educational level attained by the executives. 64.8% graduated from university, many with second degrees. This is much higher than the 8.4% reported for the managerial occupation in staff studies done by the Economic Council of Canada.¹

Educational Level of the Canadian Executive
Compared with Canadian Labour Force (Male)

Educational Level	Canadian Executive	Canadian Male ¹ Labour Force Ages 25-64
Less than high school	.8	43.8
Some high school	5.4	29.7
High school graduate	14.7	8.7
Some college	14.3	10.1
College graduate	42.4	5.6
Post graduate	<u>22.4</u>	<u>—</u>
Totals	100%	100%

¹ Bertram, Gordon W., The Contribution of Education to Economic Growth, Staff study No. 12, Economic Council of Canada, 1966. Page 8.

Compared to the educational level of the Canadian male labour force, those who have completed their university training are over eleven times as likely to be top executives.

This relationship is in agreement with previous studies done on executives born in the United States. The proportion with degrees is higher than the 57% observed by Warner and Abegglen in their study of 1952 American executives.² However it is not as high as the 81% shown by a Michigan study for executives born and educated in the United States, but serving their corporations overseas in 1962.³

In the Michigan study the executives to whom the questionnaires were sent out were selected by the overseas division of the cooperating firm. Consequently the distribution would tend to favor men who were on the way up in the organization rather than those who had already achieved prominence. This difference in methodology probably accounts for much of the younger age and higher educational achievements of the overseas executives.

Average age of the respondents was 52.6 years compared to 53.7 in the Warner Study and 40.7 in the Michigan study referred to above. To try to assess a trend, the replies were divided into groups below and above 50 years of age. 76% of the younger group and 61% of those over 50 had university degrees.

Respondents in this present survey were also more highly educated (79.1% had attended university) than the 62.7% indicated in "Portrait of a Canadian Executive"⁴. The sample for that statistical study was drawn from the circulation file of the magazine in which it was published. Compared with the cross-section used in this study, their respondents included executives lower on a firm's hierarchy with greater emphasis on those in service, retail and wholesale and less on industry and finance than does this study. More questionnaires were processed despite the fact that response rate had been less. Motivation for the research appeared to be market studies rather than probing the backgrounds of executives to determine career progress and opportunity.

Analyzing the field of study under the age groupings mentioned above showed a growing emphasis on education in commerce and business administration, especially at the graduate level. Further research should be done on business education of the type that does not lead to a university degree, eg. that done by university extension departments, Advanced Schools of Management and professional societies. Nineteen Chartered Accountants indicated their qualifications and have been shown separately in the tables below. Some respondents indicated a second degree, such as law or graduate studies. The latter interpretation has been included with studies at the Master's or Doctor's level.

² Warner, W. Lloyd, and Abegglen, James C., Occupational Mobility in American Business and Industry. Minneapolis: University of Minnesota Press, 1955.

³ Malferrari, Carlos Jose, The American Executive Overseas: An External Profile. (Unpublished Ph.D. dissertation, Michigan State University, 1965)

⁴ "Portrait of the Canadian Executive", Executive, The Magazine of Canada's Decision Makers. Business Publications, Vol.10, 1968, March, p.48-53, April, p.53-61, May, p.53-58.

Educational Fields of Study for Canadian Executives

Field of Study	undergraduate		graduate	
	under	over	under	over
Arts, languages, humanities	12.8	13.0	5.7	3.5
Geology, biology, zoology	6.0	4.7	5.7	10.5
Social sciences	5.1	3.6	3.8	7.0
Mathematics, physics, chemistry	5.1	8.3	3.8	7.0
Engineering	39.3	42.0	13.2	14.0
Commerce and business administration	22.2	19.6	49.3	19.3
Chartered accountancy	5.1	4.2	14.8	12.3
Law	4.3	4.7	3.8	21.1
Others not included above	-	-	-	5.3
Totals	100%	100%	100%	100%
Number responding	117	193	53	57

No relationship was found between the number of employees in a firm and the educational level of its top executives, but the results suggest that firms with greater total asset values had top executives with greater educational achievements.

An examination of the career sequence of top Canadian executives indicates that 41.4% started to move up into a supervisory position by the time they were employed for five years. After ten years most of them were in middle line or major executive positions. By the time they had been employed fifteen years, 52.3% were major executives and 30.3% were middle line executives.

Trends of Occupational Advancement

Occupation of Canadian Executive	First occupation	5 years later	10 years later	15 years later
Farmer	1.0	.4	.0	.2
Hourly worker	16.1	4.2	.0	.0
White collar	52.2	27.6	6.0	1.4
Owner of small business	1.7	1.5	2.2	.5
Owner of medium or large business	.4	4.0	2.2	1.6
First line supervisor	2.1	27.6	22.6	7.0
Middle line supervisor	1.5	13.6	43.1	30.3
Major executive	0.0	.2	11.7	52.3
Professional person	13.0	11.8	9.2	6.1
Military service	9.2	5.3	2.0	.5
Other	2.7	3.7	.9	.2
Totals	100%	100%	100%	100%
Number answering	477	456	446	442
No response (of 485) percentage	1.7	6.0	7.9	8.7

A comparison with the Warner study indicates that career progress was not as rapid as for the American Business leader.⁵

Nevertheless a comparison of the occupations of the executives' fathers with such previous studies suggested greater upward mobility in that a larger proportion of the top executives had fathers who were laborers or first line supervisors.

Relatives, friends and business associates did not influence the career progress of over 70% of the executives. However, where such contacts did exist, they benefitted the man who was in the president's or chairman's post most.

Influences of Others on Career Progress

In Present Firm	Relatives	Friends	Business Associates
President or chairman	11.8	13.7	17.1
Vice President	8.4	8.0	14.1
Other position	4.9	11.7	13.3

⁵ Warner and Abegglen, p. 116.

As the average president or chairman was usually older and less well educated than the average vice-president, such figures might suggest a decline in family influence in the future. As presidents are often chosen for their ability to get along with others, it would be unwise to extend such a conclusion into the other two major classes of contacts covered in the questionnaire.

An analysis of the birthplaces of the top executives indicates that Quebec and the Atlantic provinces are under-represented in relation to their populations. The ratio born in Quebec seems particularly low when 25.7% of the responses came from that province.

Birthplaces of Canadian Executives Compared
With 1961 General Canadian Population

Place of Birth	Executive %	1961 Population %	Ratio of Relative Representation
Atlantic	5.4	11.3	.47
Quebec	11.6	25.8	.43
Ontario	33.1	28.6	1.16
Prairies	17.5	10.1	1.11
British Columbia	<u>3.6</u>	<u>4.7</u>	1.31
Total Canadian Born	71.2	84.4	.85
British Isles	8.8	5.6	1.57
United States	16.3	1.6	9.73
Other Europe	3.8	8.0	.48
Elsewhere	<u>-</u>	<u>.4</u>	<u>-</u>
Totals	100%	100%	100%

Because of the over representation of American born executives, further research was done to compare their background with that of the Canadian born executives. The United States born were more highly educated, particularly in the fields of commerce and engineering. Many of them were in the industries which have experienced great expansion during the past 20 years; oil, chemicals and cement. None of the American born executives were under 35. Consequently it appears that these men have brought considerable experience and knowledge to fields where Canada has not been able to develop its own business executives.