

# How Consumer CEOs in Canada Have Evolved Since 1999 — and Where They're Going Next



The consumer sector in Canada has transformed over the past 25 years thanks to new technology, the growth of e-commerce and changing consumer behaviours, amongst other factors, and the profile of consumer CEOs in Canada has in turn evolved. To understand this shift, we analyzed the universe of CEOs at consumer companies in Canada and benchmarked that against the landscape in 1999.<sup>1</sup>

The results provide a quantitative snapshot of consumer CEOs in Canada in 2023. More importantly, our analysis points to critical factors for consumer companies and boards as they assess their pipeline of future leaders and develop the key capabilities that CEOs will need to thrive.

---

<sup>1</sup> Our analysis includes consumer companies headquartered in Canada or the Canadian divisions of multinational companies — including retail, CPG, consumer manufacturing, food services and hospitality — with \$1 billion or more in annual revenue.

## Key findings

Our research looked at several dimensions of the CEO profile, comparing 1999 with 2023. Key findings include the following:

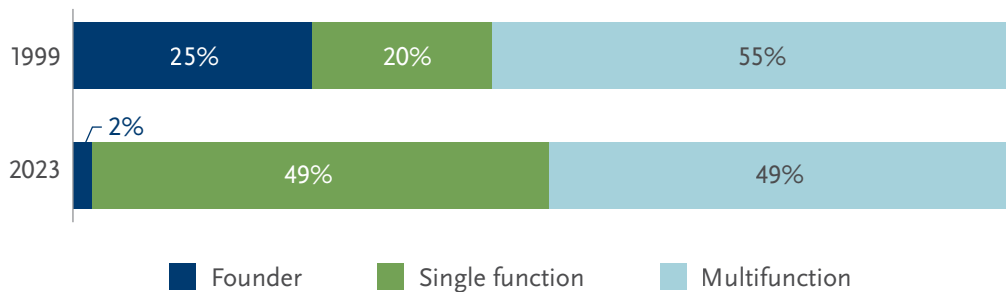
### The most common path to CEO is a multifunctional one

Our analysis shows that people in the top job continue to have a wider variety of experiences in their background prior to becoming CEO. In 1999 and 2023, those with multifunction experience made up half of all consumer CEOs, and the bulk of those individuals moved through operations and had prior P&L leadership experience. The remaining were a mix of founders and single-function experts. Of note, the number of founders leading large consumer companies dropped from 25% to 2% from 1999 to 2023, and the single function that sourced the greatest increase in CEOs was marketing.

2%

CEOs in 2023 who were founders vs. 25% in 1999

#### CAREER PATH TO CONSUMER CEO — 1999 VERSUS 2023



### CEO tenure has decreased

The tenure of consumer CEOs in Canada has shortened, from an average of 9.5 years in 1999 to 6.7 years in 2023. In 2023, 70% of the CEOs in our sample had been in their current role less than five years and 35% had been in place less than two years. In a business market characterized by ever-accelerating change and growing volatility, CEOs have less time to learn on the job and face greater demands from boards and other stakeholders to deliver results. It's crucial that CEOs arrive ready to succeed on Day One.

70%

CEOs in 2023 who had been in role less than 5 years; 35% in place less than two years

#### CONSUMER CEO TENURE — 1999 VERSUS 2023



## External CEO hires are more common

In 1999, 82% of consumer CEOs in Canada were appointed from within the company's ranks; by 2023, that number decreased to 73%. Moreover, the share of CEOs located outside of Canada — most commonly from the U.S. and maintaining a residence there — increased from 4% in 1999 to 7% in 2023. The increased reliance on outside leadership talent is a double-edged sword. Companies have access to a wider pool of potential candidates, but they also might lose their most promising senior talent if they aspire to the CEO role.

7%

CEOs residing outside of Canada in 2023, vs. 4% in 1999

### CONSUMER CEO INTERNAL HIRES — 1999 VERSUS 2023



## Female CEO representation has increased — but still has a long way to go

The share of women in CEO seats increased from 9% in 1999 to 13% in 2023. This shift is in line with other Spencer Stuart research into [the representation of women on the S&P 1500](#), where 13% of newly appointed CEOs in 2023 — and 7% overall — are women. In relative terms, the increasing number of women CEOs in Canada is noteworthy, but in absolute terms, it is still far too low.

13%

Female CEO representation in 2023, vs. 9% in 1999

## The Canadian consumer company CEO of the future

The [attributes for CEO success](#) in all industries and geographic markets are changing fast. What made CEOs successful a decade or so ago is no longer sufficient. The business environment has become more complex and volatile, and leaders need a broader set of skills to succeed — not just technical skills in areas like data, analytics and AI, but also strong internal alignment and clarity around values, vision and strategy. They need “beneath-the-surface” qualities, which fit into two categories: capacity — what leaders can do — and character — how they respond when dealing with new challenges or the unknown.

**The attributes for CEO success in all industries and geographic markets are changing fast. What made CEOs successful a decade or so ago is no longer sufficient.**

Among consumer companies in Canada, our research highlights the critical steps for consumer companies and boards to successfully develop and identify the next generation of CEOs:

### Invest in rotational programs


Many consumer companies already have some type of rotational program in place, but our data on the multifunction career paths of leaders shows that leaders need the widest possible range of skills and experiences on their way to the CEO role. Rather than deep technical expertise in

any one area, CEOs need to be systems leaders who can see the interconnectedness of different areas and functions, from operations to finance to sales/marketing and human resources. They must be socially intelligent, digitally savvy, resilient and highly skilled at developing a future vision for the company and communicating that — consistently and coherently — to a wide range of stakeholders. Rotational programs, including international assignments where available, can help leaders on the executive track build this wider set of skills.

### Make succession planning an evergreen topic

Given shorter CEO tenures, the board can never stop thinking about succession planning. Some key activities include the following:

- » Building a well-structured succession process, including a wider range of development pipelines and increased focus on the evolving capabilities CEOs will need.
- » Creating a CEO success profile — the critical capabilities and experiences that candidates will need to support the organization’s long-term growth — and ensuring the board buys in. Revisiting the profile on an annual basis through the nominations committee or some other governance mechanism, and updating it as needed.
- » Early on in the CEO’s tenure, formally tasking that person with identifying and developing an internal successor and tracking progress as the board would with any other key objective; assigning meaningful financial rewards if it is ultimately met, and penalties if it is not.



**Companies that want more balanced and diverse leadership teams need to be proactive about identifying and developing high-potential leaders in middle management.**

## **Create room for homegrown talent**

The growing reliance on external hires and expats to run Canadian companies is understandable, but it risks squeezing out promising homegrown talent. Canada has historically welcomed leaders on expatriate assignment for CEO roles, as the country has been a proving ground for executive talent. It shares many characteristics with the U.S. but is smaller, making it a natural place for senior talent to build critical leadership skills before being moved to more senior positions elsewhere. Companies and boards want to cast the widest possible net for leadership talent, but in doing so, they may be reducing the opportunities for high-potential Canadian leaders to progress. Organizations should remain aware of this issue and launch leadership development activities as early as possible, helping to further groom internal talent, thereby increasing their chance at ascending to the top role.

## **Redouble efforts to develop executives from underrepresented groups**

Companies that want more balanced and diverse leadership teams need to be proactive about identifying and developing high-potential leaders in middle management. They must have objective data in place about the representation of such groups at all levels of the company, including in the selection for promotions and development opportunities. As one example, our experience has found that many companies have a gender gap that starts at surprisingly early stages of careers and becomes more pronounced in line with rising responsibility.

We have seen heightened levels of success when companies launch mentorship and sponsorship programs, so that leaders from underrepresented groups have an adviser and/or sounding board that can provide career guidance along the way. Overall, companies must continue to build diversity practices across HR programs, from sourcing and recruitment to engagement and development.

## Ensure development programs include key experiences

Two other aspects of leadership development are worth flagging. First, given the need for ongoing transformation at many companies, CEOs should have firsthand experience designing and implementing a large-scale change effort.

In addition, leaders need to be adept at crisis management. Prior to the pandemic, many CEOs did not have any direct experience leading an organization through a crisis, but those who did were better equipped to lead their companies with poise. Because of geopolitical tensions and increased cyber risks among other factors, the need for crisis management is paramount. It can be difficult to manufacture this experience as part of a leadership development program, but in cases where a potential CEO has less direct crisis-management experience, the board may want to ensure that the CEO has access to outside experts who can provide advice and counsel when the inevitable crisis occurs.



Our data shows multifunction experience is the most common path to the top job, but since 1999, a combination of shorter tenures, more external hires and an increase in the number of women leaders (albeit still well below where it needs to be) has reshaped the traditional profile of a Canadian consumer CEO. By understanding these changes, companies can tailor their leadership development processes accordingly — and build a pipeline of future leaders with the background and capabilities needed to succeed longer term.





## About Spencer Stuart

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

## Authors

**Carter Powis** (Toronto)

**Michelle Sharp** (Montreal)

**Philippe Letendre-Joachim** (Montreal)

