

THE FOURTH ANNUAL "CANADA'S MOST RESPECTED CORPORATIONS" SURVEY

- CEOS CHOOSE ROYAL BANK AS MOST RESPECTED
CORPORATION --**
 - CEOS BULLISH ON COMPANY, ECONOMIC GROWTH --**
 - COMPANION PUBLIC SURVEY INDICATES CAUTIOUS
OPTIMISM --**
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This year's Fourth Annual Angus Reid Group/Report on Business Magazine survey asked CEOs and the general public for their opinions on the most respected corporation as well as various business and economic issues.

This press release is divided into three sections. In the first section, *CEOs Speak*, the results to the questions that were only asked of CEOs are outlined. In the second section, *The Public Speaks*, the general public's rankings of Canadian corporations are detailed. The third section, *Making Some Comparisons*, compares the common elements of the CEO and general public surveys.

The CEO component of this Report on Business/Angus Reid survey was conducted by telephone between December 10th, 1997 and December 23rd, 1997 among a representative cross-section of 301 CEOs.

The general public component of this Report on Business/Angus Reid survey was conducted by telephone between December 29th 1997 and January 6th 1998 among a representative cross-section of 1500 adult Canadians.

Complete details on the survey methodology can be found at the back of this press release.

CANADA'S MOST RESPECTED CORPORATIONS

-- CEO AND GENERAL PUBLIC SURVEYS --

PART 1

CEOs SPEAK

CEOs RANK ROYAL BANK THE MOST ADMIRERD AND RESPECTED COMPANY IN CANADA

In an aggregate of the categories that were measured in this year's Angus Reid Group/Report on Business Magazine "Canada's Most Respected Corporations" survey, the Royal Bank inspired the most respect among the most CEOs (displacing last year's top choice of Bombardier to second place). In fact, Royal Bank ranked first or second across all of Canada. Bombardier, Northern Telecom, Magna, the Bank of Montreal, BCE, CIBC, Newbridge, Imperial Oil and the Bank of Nova Scotia fill out the top-ten on a national basis (see Figure 1 "Honour Roll" for the top 25 and details on the scoring system that was employed).

TOP OF MIND, MOST CEOs CHOOSE BOMBARDIER AS THE MOST RESPECTED COMPANY NORTHERN TELECOM AND ROYAL BANK PLACE SECOND AND THIRD

Asked to name the one company in Canada, other than their own, that they most admire or respect, Bombardier is ranked number one by Canadian CEOs. Northern Telecom and Royal Bank place second and third respectively. *Figure 2* outlines the top ten most admired and respected corporations in Canada in terms of CEOs' top of mind assessments.

BANKS HAVE A STRONG SHOWING IN THE BEST LONG TERM INVESTMENT CATEGORY

Asked specifically about Canadian companies' long-term investment values, CEOs once again choose Royal Bank as the most admired and respected. In this category, the Royal Bank is followed by Bombardier in second place (up from third place last year), BCE in third place (down one spot from second place last year), Northern Telecom in fourth place (up from fifth last year) and CIBC in fifth place (up from tenth last year). *Figure 3* outlines the top ten most admired and respected corporations in Canada in terms of how CEOs perceive their long-term investment value.

HUMAN RESOURCES MANAGEMENT

By a slim margin, CEOs choose the Royal Bank as the most admired and respected company in terms of human resources management (up from third place last year). The Bank of Montreal follows closely behind in second place (down from first place last year) with Magna ranking third (up one), Northern Telecom ranking fourth (up one) and Bombardier ranking fifth (down three). *Figure 4* outlines the top ten most admired and respected corporations in Canada in terms of how CEOs perceive their human resources management.

CORPORATE SOCIAL RESPONSIBILITY

The Royal Bank continues to be the most admired corporation in terms of its corporate social responsibility and holds the number one spot among CEOs. It is held in much higher regard than the second place company, the Bank of Montreal. BCE, CIBC and Imperial Oil place third, fourth and fifth respectively. *Figure 5* outlines the top ten most admired and respected corporations in Canada in terms of how CEOs perceive their corporate social responsibility.

BANKS ARE HELD IN HIGH REGARD IN TERMS OF THEIR FINANCIAL PERFORMANCE

ROYAL BANK AND BOMBARDIER RANK FIRST AND SECOND

The Royal Bank and Bombardier once again capture the first and second place rankings among CEOs regarding their financial performance. They are followed by the CIBC, the Bank of Montreal and Magna who hold the third, fourth and fifth spots respectively. *Figure 6* outlines the top ten most admired and respected corporations in Canada in terms of how CEOs perceive their financial performance.

INNOVATION AND PRODUCT/SERVICE DEVELOPMENT

This year, Northern Telecom ranks number one in terms of innovation and product/service development, coming up from a second place finish last year to squeeze ahead of Bombardier who falls to number two. Newbridge Networks continues to hold third place, while Magna and Ballard Power/Battery each earned fourth and fifth place finishes. *Figure 7* outlines the top ten most admired and respected corporations in Canada in terms of how CEOs perceive corporations' innovation and product/service development.

FEDERAL GOVERNMENT GETS THUMBS UP FOR BUSINESS ENVIRONMENT

While the majority of CEOs (70%) agree that the federal government has created a business environment that is conducive to economic growth and development, a significant constituency (29%) feels that the government has not done so.

The strongest support for the government is found in Quebec (80%) followed then by Saskatchewan/Manitoba at 73% and Ontario at 72%. The view that the government has not created a business environment that is conducive to economic growth and development is most prevalent in BC (37%), Alberta (37%) and Atlantic Canada (40%). Significantly, those in the resources sector, which have an affinity for those provinces, lead the sectors in this negative assessment at 43% followed by manufacturing at 23%.

CEOs DON'T ANTICIPATE AN ECONOMIC DOWNTURN IN THE NEXT TWO YEARS

Two-thirds (64%) of CEOs do not believe that there will be an economic downturn in the next two years. Those CEOs who are most bullish are from Quebec (86%) followed by Saskatchewan/Manitoba (82%), and Alberta and Ontario (each at 63%). CEOs in Atlantic Canada are split (50%/50%) while CEOs in BC are downright pessimistic – six in ten (58%) believing there will be a downturn.

STICK TO WHAT YOU KNOW...

ALMOST 9 IN 10 CEOs RECOMMEND STICKING TO CORE COMPETENCIES TO SUCCEED IN THE NEXT MILLENNIUM

A significant majority (85%) of Canadian CEOs feels that success in the next millennium will be determined by a company's ability to focus on its core competencies. Only one in ten (11%) feel that diversifying their business will yield success.

This result is consistent across the country and across industrial sectors. It is most pronounced in Quebec, where 98% of CEOs feel that successful companies of the 21st Century will be those who focus on their core competencies.

THREE QUARTERS (76%) OF CEOs PRAISE FREE TRADE

In terms of their own companies, 76% of Canadian CEOs believe that Free Trade has benefited their companies. There is less support for Free Trade in Atlantic Canada (60%). The most support for Free Trade is in Ontario (78%) and Alberta (78%).

CANADIAN COMPANIES CAN COMPETE WITH THE REST ... BUT WILL THEY?

While nine in ten executives (87%) indicate that their companies can compete in a global marketplace, more than half (55%) report that they must solidify their current markets before expanding.

The regions most confident for global competition are Saskatchewan/Manitoba (100%), followed by Quebec (95%) and Ontario (87%). Least confident is Atlantic Canada at 60%. Manufacturing (93%) leads the way in global competitive confidence.

As for solidifying current markets rather than expanding into new markets, Albertans (69%) and those from Quebec (57%) are most likely to agree with this view. Further, the service (58%) and resources (57%) sectors are likely to be in this group. As for those who believe that expansion is the way ahead, Saskatchewan (64%), Atlantic Canada (60%) and the manufacturing sector (53%) each give a vote of confidence.

SEVEN IN TEN CEOs SAY PEOPLE WITH THE RIGHT SKILLS ARE HARD TO FIND

A full majority (69%) indicates that it is “difficult to find people who have the skills” needed for their company.

This problem is most acute in Alberta (87%) and among CEOs operating in the manufacturing sector (79%). British Columbians (55%) and Quebecers (59%), while still agreeing that it is difficult to find people, see the matter as less acute.

PART 2

THE PUBLIC SPEAKS

These are some of the results gleaned from the findings of the companion piece to the Angus Reid Group/Report on Business Magazine “Most Respected Corporations” survey of Canada’s leading CEOs. This component of the survey was conducted amongst 1500 adults and has a margin of error of 2.5% 19 times out of 20 – this margin of error is higher for the regional breaks.

CANADIANS CHOOSE BOMBARDIER AS #1 MOST ADMIRED CORPORATION

BELL CANADA RANKS SECOND

FOUR IN TEN (38%) “DON’T KNOW” OR CHOOSE “NONE”

Respondents were asked which Canadian companies, everything considered, they most admire or respect. Responses were gathered on an open ended basis with each respondent providing a maximum of three companies.

Bombardier garnered the highest number of responses (13%), followed by Bell Canada (7%), Quebecor (6%), Nortel (4%), Royal Bank (3%), Eaton’s (3%) and General Motors (3%). A total of at least 40 other companies were named, but garnered no more than 2% of mentions each on a national basis. A total of 38% of respondents either did not know (33%) or stated none (5%).

PART 3

MAKING SOME COMPARISONS

A number of questions on the CEO survey were also asked of the general public. A comparison of the results of these two groups is presented below. Please note that in some cases, the responses of full time employees have been isolated from the general public.

THE CEOs' AND PEOPLE'S CHOICE

Both the public and CEOs were asked to name their “most respected” corporation. The top three choices by CEOs are Bombardier, Northern Telecom and Royal Bank. The top three choices by the public are Bombardier, Bell Canada and Quebecor.

Please bear in mind that CEOs were also asked to rank corporations on the basis of various performance indicators. Looking at the data that combines these results to create the CEO Honour Roll, the top three choices among CEOs are the Royal Bank, Bombardier and Northern Telecom.

ALL ARE IN SYNC WITH TOP ISSUES FACING BUSINESS

When asked to indicate the most serious issue facing Canadian business today, global competition is cited most often by all respondents – 33% of full time employed workers, 30% of the general public and 21% of CEOs.

The second most serious issue facing Canadian business is cited as high taxes (18% of full time employed workers and 17% each of the general public and CEOs).

WHILE BOTH WORKERS AND CEOs ARE OPTIMISTIC, CEOs ARE MORE SO

Three-quarters (76%) of CEOs expect their company to do financially better during the next year compared to the full time employed workforce of which only 55% concur. Over one-quarter (27%) of workers indicate that things are likely to stay the same as last year compared to 14% of CEOs. One in seven workers (14%) versus one in ten (8%) CEOs say things are likely to be worse than last year.

WHILE CEOs BELIEVE THEIR COMPANIES' WORKFORCES WILL EXPAND, WORKERS ARE MORE CAUTIOUS IN THEIR EXPECTATIONS

While two-thirds of CEOs (63%) expect their own companies' workforces to expand over the next two years, only four in ten (38%) workers share the same level of optimism.

Three in ten workers (28%) believe that their companies' workforces will likely be downsized compared to only 10% of CEOs. One third (33%) of full time workers believe that the workforce at their own companies will be unchanged -- a view shared by 26% of CEOs.

FOUR IN TEN (43%) WORKERS AND PUBLIC BELIEVE THAT ONE PERCENT PRE-TAX PROFIT FOR CHARITIES IS 'TOO LOW' – SIX IN TEN (59%) CEOs SAY 'IT'S JUST FINE'

Having been told, "the Imagine Campaign is an initiative of the Canadian Centre for Philanthropy that establishes a minimum contribution of 1 percent of pre-tax profit to charitable organizations", 43% of the general public (and 42% of full-time employed Canadians) indicate that this is too low. This compares to only 7% of CEOs who believe it is too low.

Alternatively, 31% of CEOs believe the minimum contribution is too high compared to 9% of the public and 10% of full-time employed Canadians. Six in ten CEOs (59%), compared with four in ten (43%) of workers and four in ten (42%) of the public, indicate that this amount is about right.

For more information on this news release, please contact:

John Wright
Senior Vice-President
Angus Reid Group
(416) 324-2900

Visit our website at www.angusreid.com

Figure 1
The Honour Roll
The 1998 25 Most Admired and Respected Canadian Corporations as Ranked by
Canadian CEOs

Rank 98	Rank 97	Company	Score*
1	2	Royal Bank	906
2	1	Bombardier	879
3	5	Northern Telecom	639
4	6	Magna	428
5	4	Bank of Montreal	375
6	3	BCE (Bell Canada Enterprises)	359
7	10	CIBC	295
8	7	Newbridge Networks	200
9	11	Imperial Oil	134
10	12	Bank of Nova Scotia	131
11	9	Barrick Gold Corp	122
12	21	Toronto Dominion Bank	114
13	13	IBM Canada	87
14	-	Ballard Power/Battery	81
15	-	Linamar	78
16	16	Noranda	78
17	-	Newcourt Group	76
18	14	Nova	69
19	-	Quebecor	68
20	18	Power Corporation	67
21	-	Air Canada	67
22	-	Microsoft	66
23	19	Dofasco	62
24	-	Teck Corp	58
25	23	Hewlett Packard	58

Dropped out of top 25 since 1997 (97 rank):

- Renaissance Energy (8)
- Corel Corp (15)
- Vancouver City Savings (17)
- Alcan Aluminum (20)
- ATCO Ltd (22)
- Teleglobe Inc. (24)

*

A scoring system was used that gave companies three points for each time they were the first mention in a given performance category (there were 6 performance categories), two points for each second-place showing, and one point for a third place mention. An additional three points were attributed to firms cited in a question in which CEOs were asked to name their choice for the single most respected corporation overall. The final tally for each firm is the sum of these points, which determines each company's score.

Figure 2
Top of Mind
Top Ten Most Admired and Respected Corporations in Canada Based on
CEOs' Top of Mind Assessments

Rank 98	Company
1	Bombardier
2	Northern Telecom
3	Royal Bank
4	Magna
5	Barrick Gold Corp
6	BCE (Bell Canada Enterprises)
7	Newbridge Networks
8	Teck Corp
9	CIBC
10	Bank of Montreal

Figure 3
Best Long Term Investment Value
Top Ten Most Admired and Respected Corporations in Canada Based on How CEOs
Perceive Their Long Term Investment Value

Rank 98	Rank 97	Company
1	1	Royal Bank
2	3	Bombardier
3	2	BCE (Bell Canada Enterprises)
4	5	Northern Telecom
5	10	CIBC
6	4	Bank of Montreal
7	6	Magna
8	9	Bank of Nova Scotia
9	-	Toronto Dominion Bank
10	-	Newbridge Networks

Dropped out of top 10 since 1997 (97 rank):

- Barrick Gold Corp. (7)
- Renaissance Energy (8)

Figure 4
Human Resources Management
Top Ten Most Admired and Respected Corporations in Canada Based on How CEOs
Perceive Their Human Resources Management

Rank 98	Rank 97	Company
1	3	Royal Bank
2	1	Bank of Montreal
3	4	Magna
4	5	Northern Telecom
5	2	Bombardier
6	7	Dofasco
7	6	BCE (Bell Canada Enterprises)
8	-	Cascade
9	9	IBM Canada
10	8	Imperial Oil

Dropped out of top 10 since 1997 (97 rank):

- Xerox (10)

Figure 5
Corporate Social Responsibility
Top Ten Most Admired and Respected Corporations in Canada Based on How CEOs
Perceive Their Corporate Social Responsibility

Rank 98	Rank 97	Company
1	1	Royal Bank
2	4	Bank of Montreal
3	2	BCE (Bell Canada Enterprises)
4	10	CIBC
5	3	Imperial Oil
6	7	Noranda
7	-	Northern Telecom
8	-	Alcan
9	-	Dupont
10	9	Magna

Dropped out of top 10 since 1997 (97 rank):

- Nova Corp (5)
- Bombardier (6)
- Vancouver City Savings (8)

Figure 6
Financial Performance
Top Ten Most Admired and Respected Corporations in Canada Based on How CEOs
Perceive Their Financial Performance

Rank 98	Rank 97	Company
1	1	Royal Bank
2	2	Bombardier
3	8	CIBC
4	3	Bank of Montreal
5	6	Magna
6	10	Northern Telecom
7	4	BCE (Bell Canada Enterprises)
8	7	Bank of Nova Scotia
9	-	Toronto Dominion Bank
10	-	Newbridge Networks

Dropped out of top 10 since 1997 (97 rank):

- Renaissance Energy (5)
- Barrick Gold (9)

Figure 7
Innovation and Product/Service Development
Top Ten Most Admired and Respected Corporations in Canada Based on How CEOs
Perceive Their Innovation and Product/Service Development

Rank 98	Rank 97	Company
1	2	Northern Telecom
2	1	Bombardier
3	3	Newbridge Networks
4	5	Magna
5	-	Ballard Power/Battery
6	-	Microsoft
7	-	IBM Canada
8	8	Biochem Pharmaceuticals
9	-	3M
10	10	Teleglobe

Dropped out of top 10 since 1997 (97 rank):

- Corel Corp (4)
- BCE (6)
- Bank of Montreal (7)
- CAE (9)

SURVEY METHODOLOGY

The CEO Survey:

In order to contact the CEOs for this survey, the Angus Reid Group relied exclusively on Report on Business Magazine's listing of more than 1,200 of the country's leading corporations.

As a first step in the process, an introductory letter inviting participation in the study and a copy of the questionnaire were faxed to every name on the list. At least five attempts were made electronically to deliver this invitation and questionnaire. Following this, Angus Reid Group staff contacted all offices for which faxing had not been successful, by telephone, in order to obtain a working fax number.

Participation in the survey occurred in one of two ways: at the discretion of the respondents completing the questionnaire themselves and faxing it back to the Angus Reid Group's data collection centre; or, via telephone with a fully trained senior interviewer from the Angus Reid Group. Data collection was terminated once 301 completed surveys had been obtained.

The final data were weighted to reflect the distribution of corporations in each region of the country as per the original list of 1,200 names provided by Report on Business Magazine.

The General Public Survey:

This Canada-wide poll was conducted by telephone between December 29th, 1997 and January 6th, 1998 among a representative cross-section of 1,500 adult Canadians.

The data were statistically weighted to ensure the sample's age composition reflect that of the actual Canadian population according to the 1996 Census data.

With a national sample of 1,500, one can say with 95 percent certainty that the results are within ± 2.5 percentage points of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within the various sub-groupings of the survey population.