

## Talent needs to be nurtured

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Leadership development takes time and effort

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"One team, one goal" is a key message at Scotiabank. But with 69,000 team members spread across 50 countries, translating that message into practice isn't easy. Scotiabank has to find the glue that unifies its diverse employees and overcomes the cultural and geographical separators. That glue, in part, is leadership development.

Scotiabank is the only Canadian company to recently make the list of The Global Top Companies for Leaders. It was named a "company to watch" because of its progress in identifying, fostering and developing its leaders. The bank has implemented a strategy of cultivating leadership and mentoring at every level of the organization. A critical aspect of that strategy is the Executive Project Office (EPO), opened in 2004. This office brings individuals -- identified as high-potential leaders -- from across the organization together to work on core strategic issues for the bank.

"Really, the prime mover behind the creation of the EPO was to ensure we had appropriate development opportunities for high-potential employees at the senior level," says Brian Toda, senior vice-president, global talent management at Scotiabank. "That was a key aspect of the leadership-development portion. The other part was wanting to have a focused examination of critical issues for the bank. We wanted to ensure the strategic planning process was enhanced dramatically. So one way to do that was to have a dedicated team focused on strategic issues that are critical to the bank."

The EPO team, whose successful endeavours include two of the bank's major strategic moves in recent years -- its multicultural banking and global wholesale banking initiatives -- reports to a steering committee of executives as well as the board of directors. "So it is very, very high level exposure for the individuals," says Mr. Toda. This exposure and access to top executives -- right up to the CEO and the board of directors -- was one of the things that impressed The Global Top Companies for Leaders judges, says Andree Mercier, a principal at Hewitt Associates, which was one of the competition's sponsors. "They do not just sit in on a report [from the EPO] about this specific problem, they act as mentors and give advice throughout the project and they remain quite actively involved."

In the current global environment, Gary Latham, author of the recently published book *Becoming the*

Evidence-Based Manager, says this type of approach, which has also been embraced by Manulife Financial and BMO, is critical. "In the process of giving people an education in values, skills and culture around real-life projects of importance to the bank, the educational principles are not coming across as abstract, they're coming across as having immediate importance now and in the future," says Dr. Latham. "There are no sacred cows. Everything gets out on the table. You have the cream of the crop at the bank looking at these issues along with top executives and pondering on all sorts of things. It's electric."

It has to be a two-way street, says Suzanne Gagnon, a professor of organizational behaviour at Desautels Faculty of Management, McGill University in Montreal. "The executives have to listen to the employees being developed and also give them that autonomy to do that work on their own, to make mistakes and if they fail, to learn from the failure," she says.

Prof. Gagnon, whose research includes the impact of internal politics within organizations, also believes that in order for such a program to truly succeed, it needs to be implemented with great care. For example, the selection of high-potential individuals has to be transparent and as objective as possible.

"We have developed a leader profile over the years that details exactly what competencies are critical to us and what experiences are important," Mr. Toda says. That profile is used both to identify and develop training for potential leaders. "We need to have people who are effective leaders and that means effective collaborators and team players, so bringing people together from a variety of backgrounds and cultures and walks of life onto a team like this gives them some sense of the nature of the bank that they might not otherwise have had."

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