



Ascend Canada Fall Conference 2012

Diversity: our competitive advantage at home & abroad

Featured guest:
Ed Clark, Group President and CEO, TD Bank Group

Moderated by:
Constance L. Sugiyama, Vice Chair of Canada Health Infoway

Ascend[®]
PAN-ASIAN LEADERS
CANADA 



KELVIN TRAN

President, Ascend Canada
Senior Vice President, Finance and Treasury and
Balance Sheet Management, TD Bank Group

My mother has always taught me to stay below the radar, “don’t be the tall tree because when there’s a windstorm, you will fall down and you will fall down hard.”

I took that to mean I needed to stay below the radar, try not to be noticed, be humble, and not overly ambitious. But that approach is in stark contrast to the Canadian corporate culture where it’s encouraged to speak out, to voice your opinions, to have a debate, and to even sometimes openly disagree with your boss.

Since sharing my feelings of conflict between my cultural identity and corporate aspirations, I’ve received many, “me, too,” comments. That’s when I knew there was something more that needed to be explored, and that is why I became involved with Ascend.

By bringing together Pan-Asians and business professionals from all walks of life, we ask the question, how do we tackle these different approaches, yet still find a common ground?

For me, it’s been about embracing the ability to voice my opinion, but in a respectful manner. This way, I stay true to my heritage of emphasizing respect and humility while being able to grow and develop in a workplace where we encourage discussion and decisiveness.

In early October, Ascend Canada held its first fall conference that focused on the themes of leadership and diversity. We were pleased to have, as our featured guest, Ed Clark, Group President and CEO, TD Bank Group who spoke to an audience of 400 business professionals about his career, leadership style and the importance of diversity at TD. Following this moderated chat, a panel of local business executives also explored the topic of diversity: our competitive advantage at home and abroad.

I hope you enjoy the following transcript of our candid conversations and find it to be a useful tool in elevating the discussion on leadership and diversity within your own organization.

Thank you.

Kelvin Tran
President, Ascend Canada
Senior Vice President, Finance and Treasury and Balance
Sheet Management, TD Bank Group

E. Clark C. Sugiyama

Event Transcript

October 3, 2012

CS: Thank you for joining us Ed. Before we start with questions, I just thought I'd ask you to share with us a bit: your leadership ascent, and what took you from Harvard and a PhD, public service of Canada, into Bay Street and into the financial world.

EC: I grew up in a family of academics, and the question was always not what university you would go to but where you were going to get your PhD. My mother was an economist, and my father was a sociologist, and so it was just assumed that's what I would do. And so, when I got my PhD, I had to call my dad – I had a job offer from Harvard and one from Stanford – and I say, "Well, I'm going to go work in the government. I'm not going to take either of those jobs."

That was probably the worst day of my dad's life, and it only got worse – just to get a feeling for how committed he was to this particular academic career for me – when TD bought Canada Trust. I called him and said, "Tomorrow morning you're going to hear this story..."

And he said, "Oh, that's fantastic! So now you can go be a university professor."

I ended up evolving in the sense of doing things where my comfort zone was as opposed to following prescribed paths, and with tremendous amounts of serendipity along the way.

In fact, every year I have a golf game with four of the guys that I went to high school with. You know, all of them are still incredulous that I got to where I am, and I think that's sort of typical of most people in my position; that you end up getting opportunities and sometimes disasters, and bad things become good things. And I'd say probably the most important thing is all the way along the line, there are people that - you never thought of - who reach out and help you get that chance that you can take advantage of.

CS: In your view, are leaders born or are they developed?

EC: I think they're developed. I think absolutely they're developed. But I also think leaders obviously have to have a fair amount of EQ in today's parlance, and if you don't have it, it's hard to make a great leader of someone that doesn't have any of it.

But like everything, it is something that you keep on. I would say every single year – "hopefully I'm a better leader than I was a year ago."

"I think absolutely [leaders] are developed. But I also think leaders obviously have to have a fair amount of EQ in today's parlance, and if you don't have it, it's hard to make a great leader of someone that doesn't have any of it." – Clark

I actually had a conversation with one of the people who worked for me, and he'd been in the bank for five years, who said, "You're a remarkably better leader than you were when I joined the bank." And he meant that as a compliment. I didn't inquire about all the bad things that I was doing five years ago, but you can always learn from feedback. But you have to put the energy into learning it.

CS: So when we look at TD, you're known for your terrific culture and I think you've been widely recognized for that, and I think a great deal of that is attributable to your leadership. You have a leadership profile there, and why is that important? Maybe you could tell us what that leadership profile is about and what do you do with that.

EC: One of my biggest learnings was that you can't expect leadership principles or culture or values to be learned by, what I call, osmosis.

I think what you gradually learn is, first off, not everybody can watch and just figure it out. It isn't necessarily natural for everybody to figure out "what can I learn from other people in leadership skills?"

But certainly, as an organization gets bigger, it gets less and less obvious that you can get that transmitted down. I used to believe that writing it down took away some of the power of what you were trying to say, and particularly because so often it sounded like "Consultantese."

"You have to deliver the results and deliver the people that can get the results on a continuous basis. And a lot of people can do the first thing but they can't do the second." – Clark

What we spend a lot of time – "we" being the senior executive team, which are the people that report directly to

me – we go through all the lists of every executive and ask the question: what does this person need to do or do we need to do with them or for them or along with them to make them better?

But then I gradually realized no, you have to put it down, and then you have to find a way of making it pithy.

I think the other thing you learn over time is, in terms of mentoring people, it's really important to take advantage of moments where you see someone behave in a meeting in a way that you don't think they handled right. Don't wait for three months, or the year-end, and say, "Oh, by the way, remember that meeting?"

You have to just continuously ask that question, and that's our job to do that, or we won't have the leadership team to take over.

When they leave, you say, "Do you mind staying back for two minutes? You know, I don't think you did that right. I don't think that was the way to have handled this."

CS: So in terms of your talent development – I've listened to a number of your speeches – I know that within TD, you personally have a tremendous commitment to diversity and inclusion, and how did you come to that? How did you come to that personal commitment?

That's when for people, these concepts, move from just statements to, "Oh, you know, maybe I should have shut up and let someone else get more light or listened instead of being defensive." And that's how I think you have to do it.

EC: You figure out where you want to go, you figure out how you get people to get you there, and then I'd say, increasingly, you find how to simplify the complex and make it understandable to all the different stakeholders that you have to try to sell this vision to and mobilize these people.

CS: And in articulating these guide posts, if there were people in the room – and there are a number of people in the room who work at TD – and they said, "I'd like to rise into a leadership role." Is that articulated in your leadership profile, and how is that dealt with? How do you identify those who have the potential to lead? And then how do you develop them?

EC: I'll tell a little story that I've told a number of people at TD. My dad, as I said, was a professor of sociology, and founded the department of sociology – essentially founded sociology in Canada – and he built the first department of sociology at the University of Toronto. And I can remember when I would have been about twelve or thirteen, he came home and he was just so excited because he had just hired



this American sociologist that he said, “This is one of the best sociologists in the world.”

It came out in the conversation that this fellow was going to earn about 80% more than my dad. I looked at him and I said, “This is stupid. Why would you go hire someone and pay them more than you?”

He looked at me – you know how you get that look like, “You really are stupid.” And he said, “I’d hire someone smarter than me all day long. In fact, why would I hire anybody that wasn’t smarter than me?”

And that sort of stuck with me for my whole life.

So I start with the fundamental principle that says that’s what you should do every day, is say, “How can I get better people?” And so, it just seems odd to me that some people would say, “I want to get really good people, but I really like to work with men rather than women, so why don’t I just go for half the population and look there? And then, I really don’t like people of visible minorities, so why don’t I go for 25% of the population and oh, by the way, I don’t like gays and lesbians. So why don’t I get the smallest pool possible and then see if I can get people that are smarter than me?” I mean, it’s just such a dumb strategy.

I guess I grew up in the ‘60s where Trudeau said, “I don’t think the state should be in the bedrooms of the nation.” And they shouldn’t tell you who to marry or if you should have a baby or not have a baby or what the colour of your skin is. I just don’t get all these stupid prejudices.

I was lucky enough, early in my life, I spent two years in Africa, and so I’ve lived a lot. I’ve lived in France. I’ve lived in the United States. As soon as you go around the world, you see the world is just filled with dumb prejudice. And then why would I want to work at a place that has dumb prejudices?

CS: Starting from that premise, how do you take that tone at the top and make it more granular, and make sure that that’s embedded in the culture of the organization, and that it’s something that people live and breathe every day?

EC: If you take the Pride agenda – going back to my Canada Trust days, we were one of the first companies in the world to have same-sex benefits – at one point I asked, “How many of our employees have same-sex benefits?” We had about 55,000 employees at the time as we were now part of TD.

And I was told, “Fifty.”

“No, no, no. Come on. Go check their numbers. It can’t be right. We know what the percentages are, so how many do they have? It’s got to be 5,000 or 2,000.”

Again, I was told, “Fifty.”

I then realized, “Wow. No one’s listened at all. This has not penetrated the organization. That means we have thousands of our employees who are prepared to not have their partners have health coverage or pension rights because they’re afraid to sign up for same-sex benefits in our company. What a condemnation of me as a leader.” Then I thought, “Wow, you really have blown this big time.”

So we started talking about how to launch this. And I asked, “Well, how do you think we should do that? What should we focus on?” Because I tend to be focus, focus, focus. Get the priorities. Don’t try to do too many things. Bang, bang, bang.

But I was persuaded, in this particular case, that that was the wrong thing. If you really were trying to frame this around “we’re just trying to get the best people from the biggest pools possible,” then you ought to tackle the barriers in every category. And so, it’s not just about the Pride community or visible minorities or women or people with disabilities or Aboriginals, it’s about every single person. It should be about every category, “How do we go get these people?”

When we launched it, I really figured, “If we’re going to make progress, you’ve got to be there. You have got to be visibly there.” So we used our senior management meeting. Every year we bring everybody in from above a branch manager, and I launched it.

Now just to make it clear how it did, one member of TD came and told me, afterwards he went out drinking with a bunch of guys after my speech launching this initiative, and he happened to be gay but had not come out. And the group went out and said, “First it was the women, and now the fags.”

He sat there and thought, “That was the reaction of people in the audience.”

It made me think, “This is the modern TD Bank and I have executives in the audience, and I launch a diversity initiative and that is their reaction?” It shows you that in all these things, how far you have to go and how far you have to work, and that people’s instant reaction is, “This, too, will pass. Flash in the pan. Soon as times get tough, they’ll forget about this.” Because they don’t actually believe



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you - that you both think it’s a moral obligation, and it’s a business obligation. They think you’re trying to win some award or you’re trying to feel good, and that all you have to do is wait this out.

So you’ve got to just campaign, and you’ve got to go everywhere and in every speech you give and every time you talk about it, and you have to say, “I can outlast you. I am not backing off.” And you have to make sure that your senior management team is made up of people that show the same passion.

I think my biggest learning—I had lots of learnings along the journey—is you have to go out into the community.

The next year after we had announced this, when we were sponsoring the Pride Parade, people would stand up and

say, "What do I tell my branch manager who just lost a big account to a bank that said, 'You know, TD sponsors the Pride Parade. That's where there're funny guys running around in jock straps. That's what TD stands for. Why don't you come bank with the bank that still believes in decency?' How do I answer that?"

And I said, "Give them the name of that bank and tell them to go take their business there, because we don't want that business."

You have to go and confront that, but what was striking is that in terms of the Pride community, the fact that we were prepared to publicly say what we were saying internally really matters. People say what's interesting is they don't necessarily believe you when you say it internally, but if you actually are prepared to go out and say it publicly, then they say, "He must be actually serious about this."

And so, I think you just have to get out and say it. The world is not going to change instantly. We do live in a world filled with prejudice. I don't think we should kid ourselves that if you've travelled the world and said, "If you're a black gay man, what does it feel in most countries in the world?" Well, you're probably at risk to go to jail and be tortured. And that's the real world you live in, and don't think any of that doesn't come into Canada; it does come into Canada. You just have to say, "It's not acceptable. And the moment you come to TD, go work wherever you want to work, but don't work here if that's what you believe."

CS: Well there are about 400 leaders, aspiring leaders, potential leaders, in this room. I have to say, I don't think I've ever been in an audience that sort of has this profile.

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But if you had one piece of advice for the people in this room about leadership, how to get there, how to lead by example, what would you say?

EC: I was at a session last week and we got into leadership, and I said, "Well, what the financial crisis did is put the final nail in the coffin that great leaders are alpha males, because every one of them took their bank

down, and so it's not a very good model." It's very hard to run a diverse culture in an alpha male culture. It excludes too many groups that say, "I'll never get there."

Which is sort of odd. I can't really be a jerk. It just doesn't fit. I wasn't taught by my mother to go around and be a jerk all the time, which is what people pretend that an alpha male is. But it's really some person that thinks they can go around and abuse people and yell at them and be dictatorial, and get away with it because they're the boss.

I think that model is a bad model. What is obvious is that the model that says, "Listen. Lead by listening rather than by talking. Take into account other people's views, but then still be decisive. You can still deliver and have an impact, but then clearly shown that you've listened," is actually a more comfortable culture for women. It's a



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more comfortable culture for lots of people from Asia. It's more comfortable for the Pride community. It's more comfortable for lots of people. And you're naturally going to get a better group of people. It's just a better leadership model.

So I agree with what Kelvin [Tran, President, Ascend Canada and Senior Vice President, Finance and Treasury and Balance Sheet Management, TD Bank Group] was saying in that there's no contradiction between being a decisive impact leader and being respectful. In fact, it's a way better way to be a leader.

People often ask me, "Did you have a role model? Did you have a mentor?" And I always sort of disappoint them because the answer is no. But what I do say is that I have never worked for someone who hasn't taught me something.

Watch and you can see it in a room. You can see people run a meeting badly and you can see people run a meeting effectively, and you can learn from both of them. Even bad bosses, you can learn what not to do sometimes, but they usually have something they do that got them there that they do better than you do, and so just stay open to the ideas around you that are there. I mean, it's usually pretty obvious why someone is effective and someone not so effective, and take the time to just think about that. That's what I would do.

Colleen Johnston [Group Head Finance and CFO, TD Bank Group] has got a great expression because there's always this issue: "Do I have to give up what I am to be a leader in the modern world?" And I think women feel that tension. Do all leadership people look like they're men?

And I think the great thing is I would have said – because now I count decades and not years anymore – several decades ago a lot of women felt, "If I don't look like a man, I won't get to be a leader, so I have to shed my being a woman." And I think that we've lost that and that people get that you can be a woman and a great leader and that there isn't a contradiction. And the same goes for culture.

But what Colleen says is, "Be yourself, but you've got to be your best self. And so, you have to sort of think about what your best self is and then that's what you be."

And so, I think leaders can be very different styles; they just have to think about what the good part of them is in that style, and that's the style that they should fasten on to.

CS: Thank you. I think I'll bring it to a close at this point.

But thank you for your candor. Thank you for being open with this audience, and thank you for your advice. It was very inspiring. I hope everyone takes something away from what you've said. You might get a lot of people applying to TD now.

Transcript has been edited and condensed.

Ascend Canada's Mission:

- Enhance the presence, influence and visibility of current and future Pan-Asian business leaders,
- Develop the full potential of members by leveraging Ascend networks to build sustainable relationships through mentoring and leadership programs, and
- Create awareness and eminence for our corporate partners while helping them achieve their business, talent and diversity goals.

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