

Unlocking Diversity Potential In Financial Services



HCI White Paper

May 2, 2007

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EXECUTIVE SUMMARY

Diversity is a hot topic. As companies increase their diversity efforts, new strategies are being tested, employed, and proven. At Catalyst, their prestigious "Catalyst Award" is given to companies executing programs that increase the visibility and involvement of women in the workforce. In 2007, the award was given to Scotiabank, an international financial institution headquartered in Canada. In 2006, the award recipient was Chubb Insurance, a global insurance company with over 12,000 employees. In this presentation, both companies share the secrets behind their successful initiatives.

By understanding the foundation of the Catalyst Award, and using Scotiabank and Chubb Insurance as real-life examples, other companies will be able to walk away with clear action items and goals that will help increase their own women's and diversity initiatives.

THE CATALYST AWARD

The Catalyst Award celebrates outstanding initiatives that address women's recruitment, development, and advancement. Within this definition, there are four key components that the award gives focus in identifying potential winners:

- 1) Efforts that eliminate systemic barriers to women's advancement
- 2) Various, innovative efforts that drive organizational change
- 3) Mechanisms for educating organizations about how to advance and develop women
- 4) Diversity and inclusion journeys

In addition, the Catalyst Award looks at organiza-

tions with efforts that are discreet or broad-based, recognizing that companies will have varying levels of success with many types of efforts. Most important is that award winner's organizational culture embraces change when it comes to increasing its women's initiatives.

CATALYST AWARD CRITERIA

With so many companies increasing diversity efforts, there are numerous ways those efforts can be measured for success. The Catalyst Award, focusing specifically on women's advancement efforts, uses seven criteria.

- 1) Measurable results. These results may come in many different forms. For example, what is the attrition rate of women at the company? What do company performance survey results reveal? How many women are in leadership programs?
- 2) Senior Leadership Support. In all efforts, gaining the backing of senior leaders is critical to success.
- 3) Business rationale. Any time an effort, such as women's development and advancement, is initiated, it is always more successful if it can be tied to a company's bottom-line.
- 4) Accountability. Once objectives and goals are set, accountability measures must be set up and followed. Companies should assess the tools they are using to measure accountability to ensure they are effective.
- 5) Communication. Key leaders must be involved in communication efforts so that employees know that the initiative is important.
- 6) Replicability. One of the goals of the Catalyst Award is to inspire other companies to integrate similar efforts into their organizations, thus, it is vital that award members offer a program

that is clear and easy to duplicate or customize.

7) Originality. Creativity always works!

THE 2007 AWARD WINNER: SCOTIABANK

In 2007, Scotiabank was presented with the Catalyst Award for their Advancement of Women (AoW) Initiative. It is a leading international bank based in Canada and currently boasts more than 57,000 employees. Scotiabank, along with its' affiliates, serve over 12 million customers worldwide at over 2,200 branch and office locations.

AOW INITIATIVE: HISTORY AND VISION

In fact, the AoW Initiative at Scotiabank had previously existed; however, there were several key issues that prevented the effort from becoming successful. First, the initiative was founded more on compliance than a true passion for the cause. In addition, it lacked a formal support and structure system. This time, as the AoW Initiative was once again kicked off, clear values and tangible support structures were firmly formed.

A clear vision was the first step to establishing a successful program. The AoW Initiative had two key goals as part of their vision:

- 1) To accelerate the advancement of women globally across the Scotiabank Group in line with being a global employer of choice
- 2) Be recognized as a leader in the advancement of women - both from a customer perspective and an employee perspective.

In order to launch this vision successfully, several tangible forces were implemented:

1) A cross-functional, women-led AoW Steering Committee was formed. This achieved passion, buy-in, and investment in women across the company.

2) Rigorous internal and external research was conducted. As with many new company initiatives, outside support must be gained - one of the best ways to earn support is to present research that backs the validity of the idea.

3) Developed business case. Company leadership must understand and be sold on why this initiative would make a difference to the bottom line.

4) Secured funding.

5) Communication Roadshows. These roadshows demonstrated to employees that the company was committed to the AoW Initiative. Together, HR staff, communication team folks, and executives would come together to promote the advancement of women.

THE BUSINESS CASE

One of the most critical steps that aided the success of Scotiabank's AoW Initiative was developing the business case build behind it. The business case, built on strong research, backed vital company objectives. First, AoW was designed to improve business performance. Second, it was designed to help maintain Scotiabank's competitive position in the war for talent. And finally, it was created to leverage the existing talent pool.

Research showed that initiative like the advancement of women did indeed add to the above-mentioned three objectives. Repeatedly, research proved that a more diverse workforce delivered better business results. Opportunities for women increased work morale, leading to increased reten-

tion. Time and time again, investing in women, minorities, and diversity as whole, pointed to better bottom line results.

IMPLEMENTATION STRATEGY

With passion and clear business deliverables, Scotiabank was ready to implement their AoW Initiative. The strategy had to be holistic and needed to be replicable for offices around the world.

The Scotiabank AoW implementation strategy consisted of three key things:

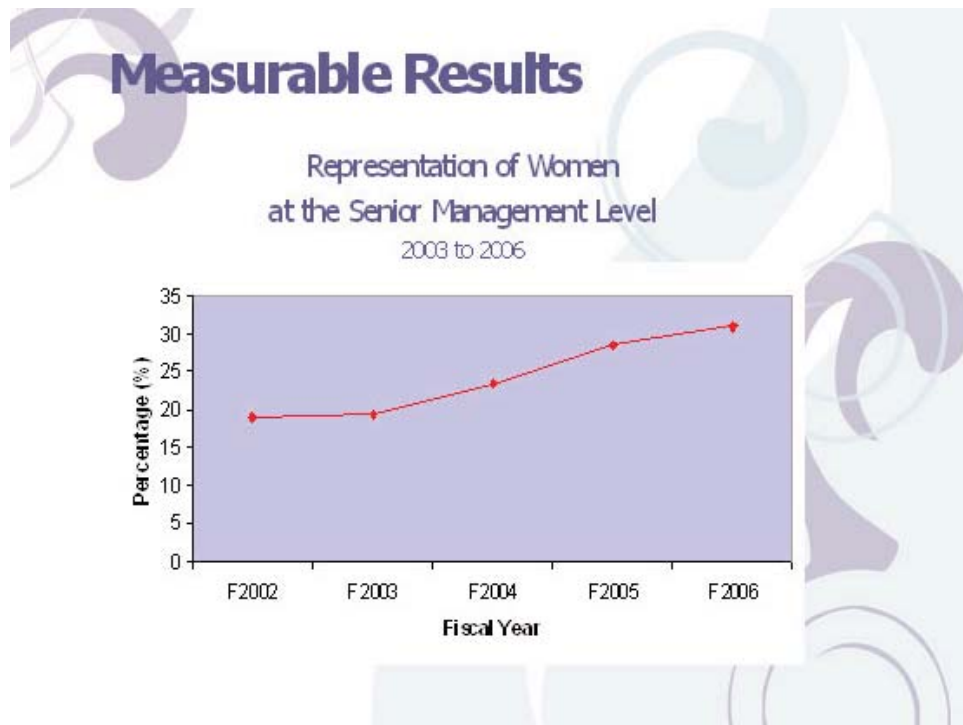
- 1) **Transparency.** Communication and understanding was key. Employees and leadership were always informed about reasons behind the initiative, activities during the initiative, and so forth. At Scotiabank, an HR tool called "HR Passport" was employed to ensure transparency and communication. Employees were able to access vital company data, see business plans, read an overview of the AoW Initiative, etc. In addition, management held quarterly discussions to provide updates and served as mentors for the top 100 employees in the company.
- 2) **Accountability.** It had to make a difference to people if this program was to be successful. In order to achieve accountability, the success of the program was built into executive performance scorecards, including specific hiring targets as part of the AoW Initiative.
- 3) **Actionable Programs.** The AoW Initiative couldn't be all talk. It had to consist of programs that were constant and allowed employee investment and involvement. There were seven key pursuits that allowed employees and managers to stay involved and maintain enthusiasm:

- o **Accountability Framework - Scorecards** were used to ensure commitment from senior leaders.
- o **Mentoring Programs -** Both formal mentoring programs and online training toolkits were available to employees.
- o **Establish Networks -** Studies show that women don't typically network as much as men. So, the AoW Initiative provided opportunities for women to meet with and learn from each other. For example, the "Women of Scotia" program allowed managers to meet at various networking events.
- o **Broaden and Deepen Talent Pool -** Providing opportunities to prepare aspiring leaders, specifically, women.
- o **Clarify Career Advancement Process -** To help women understand their career path, opportunities to meet with company leaders were provided.
- o **Leverage External Presence -** Women learn not only from each other within the company, but also out in the community. Women were given the opportunity for external networking as well.
- o **Senior Management Commitment -** Knowing that the AoW Initiative had the backing of senior management allowed for growing enthusiasm.

AOW RESULTS

The benefits of the AoW Initiative at Scotiabank are numerous. Not only did employee satisfaction and morale improve around the company, return on equity also increased. Furthermore, the initiative struck a chord around the company as a whole, gaining global participation and support. The initiative was successful in increasing the number of women in senior management positions and con-

Figure 1



tinues to provide new and increasing opportunities. Figure 1 shows the progress reached through the AoW Initiative.

In reviewing the successful results at Scotiabank, it is also helpful to identify critical success factors.

- 1) The AoW Initiative engaged multiple champions, encouraging varied and global support around the company.
- 2) The AoW Initiative leveraged existing business processes (such as their performance scorecard), programs, and platforms.
- 3) The AoW Initiative provided global leadership by clearly communicating senior management support and still supported local creativity as the initiative expanded to offices around the world.

WHAT'S NEXT FOR SCOTIABANK?

With the success of Scotiabank's AoW Initiative, one wonders what the next steps may be. Certainly, continuous improvement and innovation are part

of the plan and indeed, they are.

Scotiabank plans to continue their pursuit of "Global Employer of Choice" - that potential talent and current employees alike recognize the name Scotiabank as a premium employer. In addition, as Scotiabank is based in Canada, it is especially important to increase brand recognition as an employer at home. Initiatives like AoW show current employees and the outside community the company's commitment to diversity and often attract new talent. Finally, Scotiabank wants to increase its AoW Initiative efforts across the globe. There is already a strong momentum behind the program, but now it's about using that momentum to execute tangible programs, and to launch new programs in offices that do not currently have AoW efforts.

At Scotiabank, the advancement of women, and other diversity groups, is not about numbers and targets. Instead, it is about integrating a real culture change, a true passion and awareness for this cause,

a change of heart.

THE 2006 AWARD WINNER: CHUBB GROUP

Started in 1882, the Chubb Group of Insurance Companies has expanded into 29 countries with over 12,000 employees, 9,000 of which are based in the United States. Its mission is simple: To be the preeminent specialty global property and casualty insurer by providing coverage and service that exceed customer expectations.

REACH UP, REACH OUT, AND REACH DOWN

In its pursuit of diversity and specifically, in the advancement of women, Chubb employed the use of the phrase, 'Reach Up, Reach Out, and Reach Down.' In "reaching up", senior managers would first be influenced - their crucial buy-in gained. In "reaching out", the support of peers would be gained - the people with passion for the cause. And finally, in "reaching down", opportunities for women would be passed on - doors would be opened.

Within this outreach plan, there were three key components, or three essential pieces in the framework, that this philosophy should be applied within.

- 1) Strategic Talent Management - Managing employee performance
- 2) Learning and Development - Providing training and opportunities for employees
- 3) Employee Resource Groups - Getting employee support for women and diversity efforts

ACTIONABLE INITIATIVES

Within the "Reach up, Reach out, and Reach down" program, several actionable, or tangible, programs were created.

- 1) Culture of Accountability. It wasn't enough for the company to simply talk about women and diversity issues - it had to be integrated into the culture. One way this was tangibly accomplished was having diversity metrics incorporated into company goals.
- 2) Formal Mentoring Program. Introduced in 2002, the Women's Development Council at Chubb has now had over 120 participants in this mentoring program.
- 3) Formal Networking Events. Several global leadership conferences have been started including one designed specifically for women. In addition at Chubb, there are also conferences for minorities, the Asian American Business Network, and the Gay/Lesbian/Straight Alliance.

Also at Chubb, and specifically catered to women, there is the "Chubb Partnership of Women" where women employees may gather to learn and exchange career ideas. Finally, there is a "Women of Color Book Club." All of these activities are designed to encourage and promote new opportunities for women.

- 4) Talent Management/Success Management. This program identifies high potential women for management positions, and also integrates them into company succession planning. As part of this program, there is also a "diversity review" to ensure that women and minorities are being fairly considered.

5) External Influence. This program takes Chubb's commitment to women and diversity to the community. By extending itself into the community, through customers and vendors, Chubb further enhances its commitment.

MAKING IT WORK

While Chubb had a significant amount of actionable programs, we go back to the question - but what makes it really work? What makes these programs sustainable? The answer is the same. Similar to Scotiabank, the buy-in of senior leadership is absolutely key. At Chubb, six change drivers addressing senior management influence and accountability were used.

First, the Board of Directors was involved. Annually, diversity updates were given so the Board could remain invested in the diversity efforts. Second, and an especially significant change driver for Chubb, was the transition of CEOs. Their current CEO, who joined Chubb in 2003, highly valued diversity efforts and, due to his influence, it has remained at the top of the priority list. Third, the Chief Diversity Officer's position was elevated such that it was reporting directly to the CEO.

In addition, senior management across the company was given visibility to diversity efforts. Again, it's vital that senior leadership at a company is bought into any diversity efforts. Fifth, senior management was held accountable to corporate policies and metrics when it came to diversity efforts. In fact, senior leaders at Chubb regularly attend conferences to stay informed on diversity efforts. Finally, Chubb created "diversity awards", monetary awards given to company divisions who have made

extraordinary investments in company diversity efforts. What makes this award even more significant, however, is that the money received by the division is immediately re-invested in future diversity initiatives.

"It's especially satisfying that we have received the Catalyst Award, along with significant recognition from DiversityInc., the Advocate and the Human Rights Campaign, at the same time that we are achieving outstanding financial results. It's clear that our diversity efforts contribute to Chubb's success by helping us attract and retain valued employees, partners, customers and investors." John D. Finnegan, Chairman, CEO & President.

In reading the words of Chubb's CEO, John Finnegan, it is clear that diversity efforts, including the advancement of women, are a priority and a worthwhile investment.

CONCLUSION

Both Scotiabank and Chubb Insurance Companies are stellar examples of companies vigorously pursuing advancement for women and diversity in general. As a result, both companies received the coveted "Catalyst Award", offering them the opportunity to share their programs with other business at an even higher level.

The hope is that, as businesses and the senior leadership within them, recognize the increasing importance of diversity and women in the workforce, that companies such as Scotiabank and the Chubb Group will be models to follow. Clearly, infusing the workforce with diversity is an asset to bottom-line business results.

Based on the Human Capital Institute webcast, *Unlocking Diversity Potential In Financial Services*, May 2, 2007.

PRESENTERS

Janan Youshia

Director of Workforce Strategies

Scotiabank

Janan Youshia was appointed Director of Workforce Strategies at Scotiabank in December 2005 and is responsible for the development and execution of strategies, tools, and programs to support the bank's effectiveness in attracting, developing, and advancing women. Prior to that, Ms. Youshia worked as a human resources specialist providing strategic human resource solutions to a number of support functions within the bank. With more than 23 years of experience in the financial services industry, Ms. Youshia has played a key role in providing human resources-related consultation and execution services on several change initiatives.

Gail Soja

Senior Vice President of Field Operations

Chubb Insurance

Gail Soja is the Worldwide Field Operations Manager for Chubb Commercial Insurance (CCI) based in Whitehouse, New Jersey. CCI is a \$5+ billion business unit at Chubb that operates branch facilities in 29 countries. Gail began her career at Chubb in Birmingham, AL in June of 1984 as an excess umbrella underwriter. In her 23 years with Chubb, she has held a variety of positions in EUD and Casualty including Global Excess Casualty Practice Leader in CCI Home Office. Prior to her current position, Gail was responsible for CCI in the Northern Zone as the Zone Underwriting Officer. Gail has held her current position since

February 2004.

Gail attended the Smith College Consortium program in the summer of 2000.

Gail joined the Women's Development Council in 1999, was the chair for the 2002 Women's Leadership Conference and was the WDC Chairperson in 2003. During her tenure on the Women's Development Council, she has played a vital role in developing the WDC Mentoring Program, a highly successful initiative that has assisted many high potential females with their career advancement.

Gail has her B.S. from Middle Tennessee State University.

Julie S. Nugent

Director, Research, and Chair of Catalyst Award Evaluation Committee

Catalyst

As a Director in the Research department at Catalyst, Julie Nugent examines organizational diversity efforts, change models, and career experiences and perceptions of women and men professionals across levels and industries. As Chair of the Catalyst Award Evaluation Committee, Ms. Nugent investigates organization-specific diversity programs and workplace environments. In this role, she heads an interdepartmental team through a year-long process of evaluating corporate and professional strategies nominated for the Catalyst Award, which honors innovative approaches with proven results taken by organizations to address the recruitment, development, and advancement of all managerial women, including women of color. Ms. Nugent frequently speaks to corporate and public audiences on topics including women's leadership

and advancement, mentoring, and diversity-and-inclusion strategies. She recently directed the 2005 Catalyst Member Benchmarking Report, which examined key diversity programs, policies, and metrics across member companies and firms. In addition, she leads Catalyst's Mentoring Issue Specialty Team, specifically examining cutting-edge mentoring programs, research trends, and organizational practices. Ms. Nugent received her B.A. in Psychology and English from Ohio University. She received her M.A. in Industrial/Organizational Psychology from New York University.

MODERATOR

Joy Kosta

HCI

As Director of Talent Development and Leadership Communities at The Human Capital Institute, Joy brings twenty-five years of experience in multiple facets of organizational development, human resources and business management with an emphasis in customer satisfaction, service quality, process improvement, and applying the Malcolm Baldrige Criteria for Performance Excellence. As founder and President of Performance Partners in Health Care, a company dedicated to building better patient experiences, she has authored several curriculums in leadership and staff development, and co-authored with Harold Bursztajn, MD Senior Clinical Faculty member, Harvard Medical School, *Building a Treatment Alliance with Patients and Families*.

ACKNOWLEDGEMENTS

This White Paper is made possible by Previsor, sponsors of HCI's Financial Services Track.

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The Human Capital Institute is a catalyst for innovative new thinking in talent acquisition, development and deployment. Through research and collaboration, our programs collect original, creative ideas from a field of top executives and the brightest thought leaders in strategic HR and talent management. Those ideas are then transformed into measurable, real-world strategies that help our members attract and retain the best talent, build a diverse, inclusive workplace, and leverage individual and team performance throughout the enterprise.

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