

Canada's most respected CEO

Gwyn Morgan took your questions

Tuesday, January 31, 2006 Posted at 1:13 PM EST

Globe and Mail Update

Gwyn Morgan, former chief executive officer of EnCana Corp. of Calgary and Canada's most respected CEO of 2005, was on-line Tuesday to answer questions from readers of globeandmail.com

Editor's Note: The same rules applied to this discussion as normally apply to the "reader comment" feature. Globeandmail.com editors read and approved each question. Questions were checked for content only. Spelling and grammar errors were not corrected. Not all questions could be answered in the time available and preference was given to questions from readers who identified themselves by first and last name or by first initial and last name. Questions that included personal attacks, false or unsubstantiated allegations, vulgar language or libelous content were rejected.

Thank you for taking the time to answer questions about corporate leadership and about earning respect in the business world.

Sasha Nagy, Business Features Editor, globeandmail.com:

What does it mean to you to be named Canada's most respected CEO?

Gwyn Morgan: I'm very honoured that a selection process involving people from across the country would name me as Most Respected CEO.

It's a confirmation of the ethical foundation on which EnCana has been built, and recognition for the 30 years I've dedicated to the building of a Canadian headquartered, flagship company.

Paul O'Hearn, of Halifax, N.S. asks:

Mr. Morgan. I was wondering your thoughts on leadership and what it takes from your perspective to be an effective leader. For example, key challenges, did you have a early mentor, as you look back on your career was there one specific event or individual that impacted your leadership style? As well what are your thoughts on how leadership qualities or requirements may differ in various regions around the globe? Thank you

Gwyn Morgan: Hi Paul,

My leadership formula had the following basics:

- surround yourself with capable people who have good values;
- develop a vision and business plan that inspires your team;
- execute with excellence.

I've been fortunate to have worked with both people who I learned a lot from and who have been supporters of my career.

The key challenges are maintaining the self-discipline and confidence to overcome setbacks and challenges.

I have a favourite saying, "there are no challenges, only opportunities".

And finally, managing in a global environment means truly understanding the business and political environs but never compromising on your basic principles.

Steve Smith, of Harrington, Que. asks:

What lessons, if any, do you think Canada can learn from the scandal at Houston-based Enron corporation?

Gwyn Morgan: Hi Steve,

The most important lesson, which applies to both business and government, is nothing worthwhile can be built and sustained unless grounded upon a foundation of sound values and ethics.

John Cook, of Ottawa, Ont. asks:

Mr. Morgan: Do you agree with Roger Martin (Dean, Rotman School of Business) who, in his recent article in the Globe and Mail, suggested that while Canada's preparation for 21st century science and technology is excellent (university funding, NRC institutes), the preparation of Canadian businessmen and businesswomen for the coming century lags other countries (lower rate of business managers holding higher degrees, less time spent staying current with best practices)?

Gwyn Morgan:

Hi John,

Actually I do not agree. Canada has many excellent business schools, but formal business school training does not in itself does not ensure success.

Canada needs to be a leader in science and technology, or there will be very little to manage here.

Craig Couch, of Oshawa, Ont. asks:

Mr. Morgan: Throughout your career, you have always struck a cord with the industry and public as a visionary and a designer of the future state of the oil and gas business. What do you think is the optimal relationship between the provincial/federal governments and industry that would ensure the best leveraging of Canada's resources over time?

Gwyn Morgan:

Hi Craig. I have to admit a strong bias against government intrusion into any industry. Canada's natural resource industries are currently the main economic drivers of the country.

The main role of governments is to regulate industrial development for safety and efficiency and to do everything possible to ensure a level playing field in international markets. The softwood lumber dispute is clearly a situation where the playing field is not level.

Dawna Noonan, Stratford, Ont. asks:

Gwyn, I met you in the mid-1990s during a presentation you made in Calgary to a group of federal public servants in management training. What I remember most about what you told the group was your personal involvement in the development of a code of ethics/conduct for AEC. Assuming ethical conduct in decision-making was important at AEC, and subsequently EnCana, how did you get the message out, and what kind of consequences did individuals face for unethical conduct, or conversely, how was good conduct rewarded?

Gwyn Morgan: Hi Dawna. Your question comes to what I consider the heart of my life's work — creating an ethical company which is a positive force in communities and countries where we work.

The EnCana Corporate Constitution can be accessed at www.encana.com.

All EnCanans are expected to live the values and behaviours it contains. The Constitution forms a key part of each employees annual performance review.

Colin Macdonald, of Halifax asks:

In your opinion, in today's corporate culture, can so called 'family values' be part of a successful large national enterprise?

Gwyn Morgan: Absolutely! My wife Patricia and I have considered the building of EnCana a joint project. We believe that families of our employees take pride in our company because there is a strong correlation between family values and our corporate values.

Dan Magyar, of Calgary, Alta. asks:

Gwyn, what can you share with us about your plans for the future? I have heard speculation that you might be considering going into politics.

Gwyn Morgan: I know there has been a lot of speculation on that but I have no intention of running for public office. However I have a strong passion for our country and will contribute to the political framework of Canada in other ways.

Leor Rotchild, of Calgary, Alta. asks:

Good afternoon! What a great idea this is to interview a high profile person in this way. I have a question for Mr. Morgan: As an established community leader, what advice do you have for the non-profit sector to generate and support the next generation of community leaders? Thanks in advance.

Gwyn Morgan: The non-profit sector has a number of challenges in terms of all the things it is being asked to do.

In my mind the challenges are twofold:

- attracting highly capable people who are passionate and prepared to make the personal sacrifices of building a career in the non-profit sector;
- maintaining or increasing both personal and corporate giving.

On the second item, you would be aware that EnCana is a leader in community investment. I am concerned that younger people and young companies are not giving back to communities. The Canada West Foundation has been onto this for some years and has tried to foster a mentorship concept to encourage deeper community involvement.

Corby Brant, of Toronto asks:

Do you believe that the federal and provincial governments are fulfilling their fiduciary responsibilities to First Nations, with regard to the development of oil and gas resources?

Gwyn Morgan: I believe that one of the reasons that First Nations are not moving forward is because federal and provincial governments have removed them from responsibility for almost everything. The real challenge will be to help them build their own capacity to manage whatever assets they have.

Robert Scully, of Mississauga, Ont. asks:

Gwyn, What do you foresee as the top challenges facing Oil & Gas firms worldwide in the next 20 years? One of these challenges has to be the oil sands projects and the environment. How can these two be balanced? Thanks.

Gwyn Morgan: The biggest challenges for worldwide oil and gas companies are political and security risks plus corruption.

This is why the Canadian oil sands have become so important to energy supply. The world is using more and more energy and the key for Canada is to develop its resources with a smaller environmental impact than in other countries of the world.

Jim Buckingham asks:

Greetings Mr. Morgan. Can you think of any government policies or legislation that you feel are currently absent but required to promote more excellence in the governance of Canadian businesses?

Gwyn Morgan: The recent additions to both Canadian security laws and corporate governance guidelines are major steps forward.

But laws, regulations and guidelines would not have stopped the Enron or Tyco fiascos. The only way of ensuring honest, ethical business and government in Canada is to maintain very high ethical expectations for its leaders.

In the corporate sector this is the responsibility of both shareholders and boards.

In the government sector it's the responsibility of voters.

I strongly believe that whether it's your family, your business or your government, we get the behaviour we tolerate.

Daniel Clarke of Calgary asks:

Mr. Morgan, I would like to know what you did for accountability/mentorship as you progressed in your career? Where would you recommend other professionals that are younger and younger everyday pursue such mentorship, who are thrust, potentially prematurely into leadership/executive roles due to our shortage of qualified senior individuals and the retirement of the baby-boomers?

Gwyn Morgan: Accountability and mentorship are very important.

Here are a couple of pieces of advice that had a big impact on me.

- at the end of the day, all that's important is your reputation;
- it's not just what you build, it's what you leave

You are right that business growth combined with retirements is accelerating the need for leadership development. Like all elements of personal development, seeking out mentors is something best done personally rather than corporately. I became a senior leader at age

29, and oh how wish I had known then just a fraction of what I now know about leadership.