

**HIGH IMPACT LEADERSHIP SEMINAR ORGANISED BY
EMPOWERWORX
Reflective, resonant, visionary leadership
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1 INTRODUCTION

Connectedness, compassion, integrity, humility, reasonableness and the determination to be effective predicated on knowledgeability- what I call a sense of efficacy - are the keys to attuned leadership: Leadership which is reflective, resonant, values-based and vision-led. A leader who forms deep and durable reciprocal relationships within the community or organization can step boldly into an uncertain future with the certainty that the followers will lend their support behind. Leadership is about sense and sensing, about thought and feeling, about insight into and harmony with the followership. I call this attuned leadership. The leader cannot stand alone but must stand with the followers, interpret for them, strive to fulfil their hopes, and be their champion in the struggles of life. Leadership is achieved, not given. The leader's moral authority is fashioned in the encounter with community. The power to lead is the product of support for a person whose actions bespeak solidarity with the needs and aspirations of the many.

I have come to use the term "Attuned Leadership" to describe the quality of leaders who are attuned to the hopes, expectations, fears and demands of their followers. An ethic of service lies at the heart of Attuned Leadership.

In what follows, I would like to elaborate on the concept of Attuned Leadership drawing on my own experience as the Chairman of Eskom during its transformation years from 1997 to 2005 and Chairman since 2006 of Nedbank. Nedbank has undergone a remarkable transformation of its own under the leadership of a closely knit management team with what I believe to be an Attuned Leadership style.

I will also draw parallels between my thoughts on Attuned Leadership with the work of Jim Collins who wrote the book Good to Great which was and remains a source of insight and inspiration for the management team of Nedbank.

You will notice in what I am going to say that my thinking on Attuned Leadership is significantly influenced by the philosophy of African humanism (Ubuntu) which is the subject of my book entitled "Let Africa Lead" which was published in 2005.

2 ATTUNED LEADERSHIP

2.1 Leads from within

Nelson Mandela, in the foreword to that book wrote: "It has been said that good leaders lead from the inside. What I think this means is that the privilege of true leadership is given to those whose energy derives from deep within, in the spiritual dimension of the self, rather than in the managerial or technical expertise, important as these are".

It is this dimension of inwardness that singularly has been lacking in our world. In corporate affairs, we have seen directors of global companies such as Enron simply plundering the wealth of their institutions without a thought for the loss and suffering they caused among investors and other stakeholders.

Management self-interest and superficiality contributed to the banking crisis of 2008-9 which plunged the world into a recession and shook the foundations of capitalism, raising fundamental questions about the system's merits.

Attuned Leadership is deeply transformative because it respects people. It encourages us to grow, change and seek what Aristotle called "the good life" - the life that improves us and contributes to the betterment of all.

That is not to say that Attuned leaders are "soft". In the studies done by Jim Collins on exceptional companies, he found that a common theme was that leaders in these companies were almost without exception very humble on a personal level, but possessed exceptional drive and desire to succeed, where "success" was not personal, but defined as the creation of something great that would outlast their time as leaders. These are diligent and hardworking managers often with more bite than bark.

An Attuned Leader is not above, or below, the followers, but is one with them and leads from within, occasionally boldly stepping ahead in response to a beckoning compelling vision, a sense of destiny. The Attuned Leader is both empathetic and intelligent. Insight into the lives and dreams of the followers comes from the ability to identify with them and share their perspectives.

2.2 Fact based decision making

Attuned Leaders do not shy away from what I call "courageous conversations" to reveal what Collins calls "brutal facts" One of the key factors in the success of Great companies according to Collins is a series of good decisions. These good decisions flow from the fact that management makes a consistent and thorough effort to confront reality, internalizing the facts relevant to their market. Having lofty goals can be good, but you can never lose sight of what the reality is on the ground, no matter how much you will it to be different.

In line with this principle, Nedbank has for many years now institutionalized "Courageous Conversations" throughout the organization through a series of monthly meetings chaired by the CEO to share information, make decisions and where necessary, confront the realities of each business. In these meetings, the accountability of management is reinforced and facts are challenged where necessary to achieve what has become known amongst management as a collective "one version of the truth"

2.3 Clarity of vision and focus

Attuned Leadership correctly senses the direction that the followers need to take in order to realise a desired outcome. This sense of direction comes partly from instinct and partly from knowledge. The ability to articulate direction and focus in business is a key ingredient to success. Collins terms "management focus" the "hedgehog concept" which refers to a

parable of a hedgehog and a fox, where the fox knows many things, but the hedgehog knows one big thing. Good to Great companies were by and large built by “hedgehogs” - able to focus on one big important thing that made companies great. Sometimes it takes a real genius to see through all the clutter and commit to the one, simple, unique thing that gives you the advantage.

2.4 Relentlessly Persistent

Collins refers to the Fly Wheel effect - the ideas that focus and unanimity of purpose creates momentum - keep pushing in one direction and you'll build up a lot of it that will help you to overcome obstacles. Momentum is built with the patience of Attuned Leadership's a little bit at a time - it's not a dramatic, revolutionary change, but persistent and constant, diligent work.

2.5 A product of nature and nurture

We should remind ourselves that no leader is simply born to the role: leaders are born, but then made. Leaders need to be developed through education, training, mentoring and example. When we say that the Attuned Leader knows which direction to take, it implies that serious reflection and investigation have gone into a decision, and the leader is well aware of the complexities of any challenge. The uneducated and undeveloped leader will suffer from the twin shortcomings of lack of introspection and lack of situational awareness. You cannot transform others if you have failed to transform yourself. And you cannot transform a situation if you have failed to make the effort to understand it.

2.6 Ethical and trusted

Attuned Leadership focuses on people's allegiances and trust, and because it is fundamentally a relational approach to leadership, it is essentially ethical. What is due to me is due to you and to all of us: the same universal principles of respect and fair treatment apply to all of us. We are all human beings living in the same world and we are dependent intimately on each other.

2.7 Understands the inherent strength and synergy of a team

The principle of mutual trust and dependence has been lost sight of in the leadership crises to which I have referred. This is where I believe the philosophy of African humanism, or Ubuntu, can come to the rescue. To further quote Nelson Mandela: “All big ideas are simple. Ubuntu is a simple big idea.”

Ubuntu focuses on our being, asserting that I am because you are, you are because we are - we could not exist in isolation, we would not be ourselves and we would have no human community. The philosophy is expressed in the Zulu maxim umuntu ngumuntu ngabantu (“a person is a person through (other) persons”). In an organizational context, the Basotho would say: Ditan tsa go tlhoka seboka di sitoa ke nare e tlhotsa. (An uncooperative pride of lions will fail to bring down even a limping buffalo)

Leaders and followers are interdependent. Perhaps Rudyard Kipling was influenced

during his residence in South Africa by the philosophy of Ubuntu when he wrote the words “For the strength of the Pack is the Wolf, and the strength of the Wolf is the Pack”.

Ubuntu shows appreciation for the inner creative life of all team members, an organisation confers freedom to think, to try out, and to make connections. Ubuntu is highly appropriate to modern society because it promotes decentralisation of power and in business, spreads decision making authority.

The concept of Ubuntu is not in conflict with modern management thinking. Again Jim Collins in his study of companies in transition from Good to Great found that these companies during the transition phase did not primarily concern themselves first with the “what” - ie products, direction, strategy - but ensured they had the right people before anything else. By having a strong team, these companies avoided the pitfall of the “lone genius” CEO.

2.8 Promotes accountable culture

A culture of Ubuntu does not mean that the culture is “soft”. Paradoxically, through its inclusive nature, it engenders a profound sense of purpose and mission in teams. It engenders a greater appreciation of the challenges of competition. In this respect, it may be viewed as a driving force propelling employees towards superior performance. Collins observes that whilst Great companies were “tough” places to work, this was because of the generally high quality and hard-working mindset, not because of ruthless management.

2.9 Promotes good governance

Good governance is good leadership realised in practice. Where governance breaks down, leadership is at fault. The more one explores Ubuntu from a philosophical perspective, the more depth and breadth its proverbial wisdom begins to assume. In a world that is seeking new models for leadership, I believe Ubuntu may hold the key to ethical, forward-looking, effective methods of governance.

It may come as a surprise to hear the term “governance” coupled with Ubuntu. I believe that the two concepts - governance and Ubuntu - are connected vitally through their joint emphasis on human dignity and rights.

Collins recognises that Great companies have both an entrepreneurial spirit and a sense of discipline through good governance. They are both necessary - without the drive to try new things, and some degree of independence, a company becomes a rigid, stifling hierarchy. Without some sense of discipline, things begin to break down as the company grows. The best companies have both latitude for individual action, as well as a culture of disciplined behavior. This begins, once again, with the right people. There is no point in trying to create rules to force the wrong people to behave correctly - it simply won't work. Instead, you need to find people who have an innate sense of self-discipline that doesn't come from above.

2.10 Accountable to all stakeholders

In terms of stakeholder theory, organisations owe it to their constituents and to a wider circle of social interests - all their stakeholders, that is - to take into account the costs and benefits of their activities. Organisations such as businesses are embedded in society and could not function without employees, shareholders, suppliers and customers - and beyond that, organisations are indebted to the health and education systems, economic infrastructure, the justice system and government for regulating all these systems.

The entire idea of stakeholder theory is that organisations owe their existence to communities and must be socially responsible.

Responsibility takes the form of good business practice, putting something back into the community by investing in people, and caring for the environment for long-term sustainability. That is the tripple bottom line: profit, people and planet. Incidentally, as far as the latter is concerned: there is no "Planet B".

This all means that, at root, organisations must adopt a humanitarian approach and must show, through good governance, that they respect human rights and dignity.

2.11 In touch with "human-ness"

Ubuntu emphasises that we are tied together by our humanness. This term "human-ness" has somewhat more concentrated connotations than the more familiar word "humanity". We are all members of the human race and share our humanity, but it is our human-ness that binds us ethically to each other. What applies to one must apply to all because we all share our human-ness.

Collins points out that Good to Great teams were mostly composed of people who had a good sense of balance with the rest of their lives - family, church, and so on. Of course, they had a deep commitment to their companies, but not oblivious to the other important aspects of their lives.

As Shylock says, in Shakespeare's Merchant of Venice: "If you prick us, do we not bleed? If you tickle us, do we not laugh? If you poison us, do we not die?" and he adds ominously: "And if you wrong us, shall we not revenge?" Shylock, of course, is talking about being a Jew who is discriminated against, but his argument is that we are all human under the skin.

The Attuned Leader sets out to serve followers, pioneering the direction they need to take, transforming confusion into clarity, despair into hope, and most of all, their dreams into realities.

3 NEDBANK - A COMPANY IN TRANSITION TO GREATNESS

The story of Nedbank since the difficult merger with BOE in 2002 is well known, so I do not intend to dwell on the details. Suffice it to say that the first few years of the merger were beset with problems, notwithstanding a positive environment for banking in South Africa.

The major problems at the time were: Poor strategic decisions; Low staff morale; Senior

management in disarray; Shortage of Capital; Loss of market share; Poor risk management; An IT structure inappropriate for the needs of the business; Poor financial performance.

Roll forward to 29 February 2012 and global banking is in turmoil.

However an up-beat CEO Mike Brown announces to staff and to the market in a national broadcast that Nedbank had made a profit for the previous year of R6.2 billion, 26% up on 2010 and the highest profit in the history of Nedbank. Staff surveys indicate that staff morale is high and culture measures close to world-class levels. The challenges of managing the transformation and diversity of staff have been met in exemplary fashion with Nedbank being measured with the highest rating on the DTI scorecard in the Financial Services industry and South Africa's third most transformed company. Nedbank has returned 15.3% to shareholders during 2011, the highest return of the big four banks. He announces that core tier capital one levels are at 11% - a level that the best European Banks would aspire to. That notwithstanding, Nedbank had advanced R1 16 billion to its clients in the previous year, whilst expanding its footprint and products, thereby gaining 425 000 clients. Nedbank had made progress in realising its vision of expanding into Africa through an innovative transaction with Ecobank to acquire up to 20%, giving it increased access to 34 African countries. Nedbank had capitalized on its positioning as the "Green Bank" by playing a leading role in funding a major portion of South Africa's proposed alternative energy infrastructure and leading South Africa's participation at COP 17. Nedbank had won a number of awards for excellence in asset management and Corporate Reporting. And finally, but not least, Nedbank was awarded a prestigious global award as the South African Bank of the year in 2011 by Banker Magazine.

It is no co-incidence that Nedbank has arrived in this leading position from the bleak position in 2002. As a Chairman, I have witnessed the steps that the management of Nedbank has unerringly taken - always with the end game in mind. As an example, may I cite the short note that was sent by Mike Brown the Nedbank CEO, to staff immediately after the announcement. You will notice language which is indicative of Attuned Leadership:

Relentless persistence

Focus ("a hedgehog approach")

Continuity and momentum ("the fly wheel effect")

Promotion of an accountable culture

Recognition of the strength of the team

Furthermore, I have witnessed continuous transformation internally which has been consistent with the Attuned Leadership principles discussed, ie continual commitment to: good governance

client service - in all its facets

staff- recruitment, retention, development training and performance management

courageous conversations - both formal and informal

service to communities - both as a corporate and encouraging stewardship by employees

Nedbank is a Good company. With continued Attuned Management and Leadership I have no doubt it will fulfil its vision of becoming the Most Admired Bank in Africa.

Leadership, however, is a universal calling. It is a feature of politics, business, civil society and family matters. It is everywhere and it involves everyone. Those men and women who lead us successfully are co-ordinators rather than controllers. Their moral stature arises from dedication to our cause. We admire them not because they are powerful: they are powerful because we make them so, and they are admirable when they provide clear vision and positive direction. Cabinets, Boards and Foundations all need leaders. People need leaders. But we should never forget that leadership represents a meeting of the spirit between persons and communities.

To invoke the philosophy of African humanism as a special contribution to the universal paradigm of leadership is not to excuse the many shortcomings of leadership in Africa itself. It is a source of great pain to acknowledge Africa's miserable governance (in many countries but not everywhere). Both corporate governance and political leadership are undermined by the exploitative behaviour of foreign companies, as also by the practices of neopatrimonialism. This refers to the corruption of traditional patrimonial values by politicians and business people who use their resources to secure loyalty and enrich themselves, soaking up millions and spreading vice wherever they lay their hands.

Africa can do better than paint itself into exculpatory corner. Indeed, my aim is to do the exact opposite by breaking out of Africa with the affirmation of Ubuntu as a principle of world leadership. This is not to say that I expect world leaders to adopt an African creed as the new religion of leadership. In its humanism, Ubuntu joins other humanisms as a guide to rational, compassionate, secular problem-solving, decision-making and action intended for the common good. Its roots are in Africa, but like the mighty baobab tree it is a giant of the mind, symbolising an idea that people of many different backgrounds can instantly recognise. Seen from the outside, Ubuntu has all the trappings of an African belief system including the word itself, but as it means "our shared humanity" or "being human" it can be internalised by anyone, anywhere. In that sense Ubuntu can be used as a compass for sound interpersonal relations and resonant leadership.