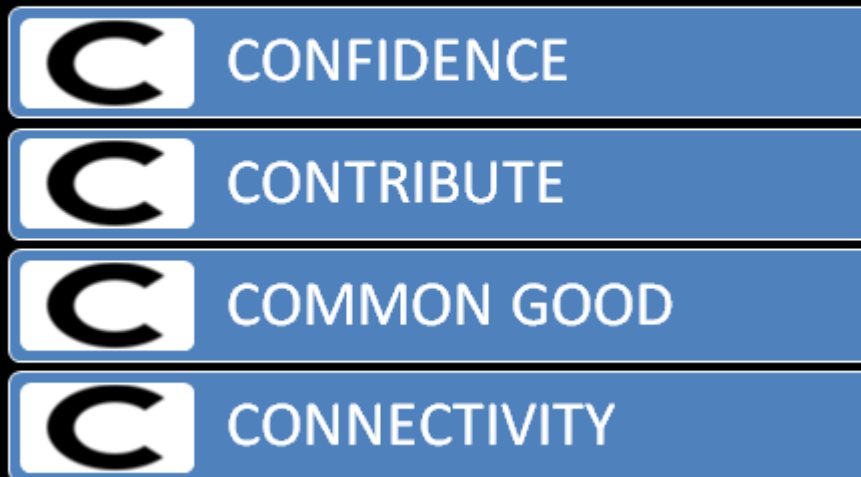


# Leadership, Talent & Change Khazanah Megatrends Forum 2010

Sarah Joseph OBE

## The Four Cs

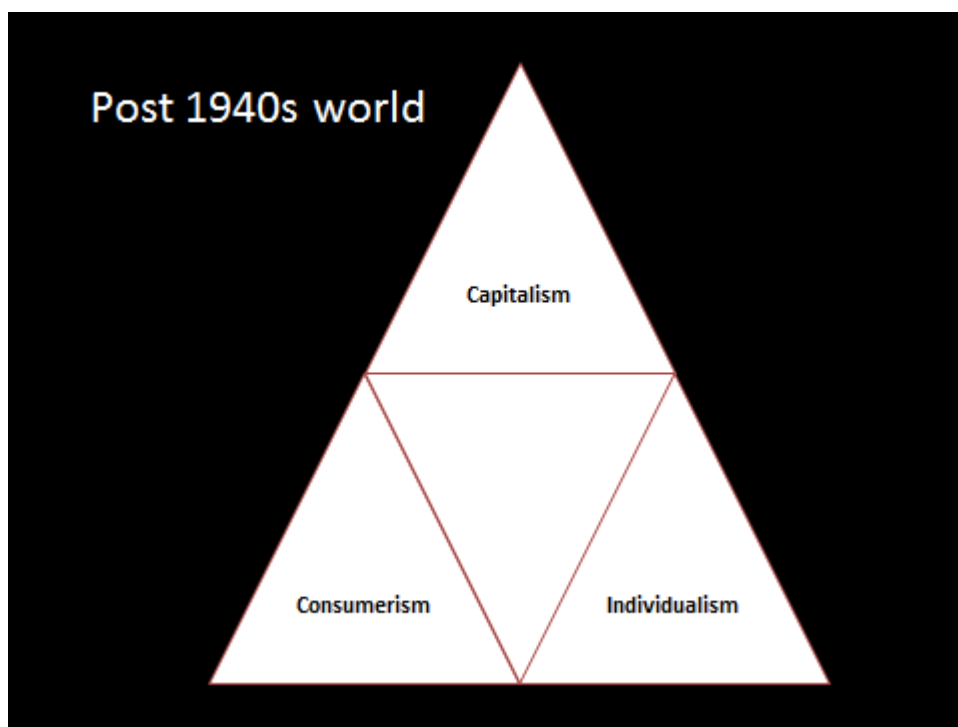


The Commons – or in our case at emel - “The Common Good” – is the third C of our company’s “Four Cs”. The first being Confidence, because we believe the more confident people are the more effectively they can do the second C, which is Contribute. Contribute to what and to whom? The Common Good, for the Prophet came as a Mercy to the whole of Mankind. Islam is not a message to some parochial, self-serving interest group, it is for the good of all. Our

fourth C recognises that this is all held together by the notion of connectivity, or inter-connectedness.

Does the crisis which we have gone through, indeed are still going through, indicate a crisis of Leadership? That is - Are a lack of leadership qualities at the heart of the problem, or is it more a Crisis of Vision at a deep and profound philosophical level? I suppose it could be argued that leadership is responsible for setting direction, vision and philosophy, so perhaps both are true. But there was certainly a failure of vision to conceive an alternative model when the crisis hit. We have already talked about how the banks were “too big to fail.” We have also discussed how the UK miners of the 1980s earned scorn and derision for their views on job stability. Thatcher’s response to the miners has left three generations of miners’ families unemployed and former mining towns stricken with poverty and deprivation. How much has that cost the State in terms of Welfare Benefits, associated health problems of long-term unemployment, the loss of human capital and ultimately the loss of human dignity? Obviously the miners were small enough to fail.

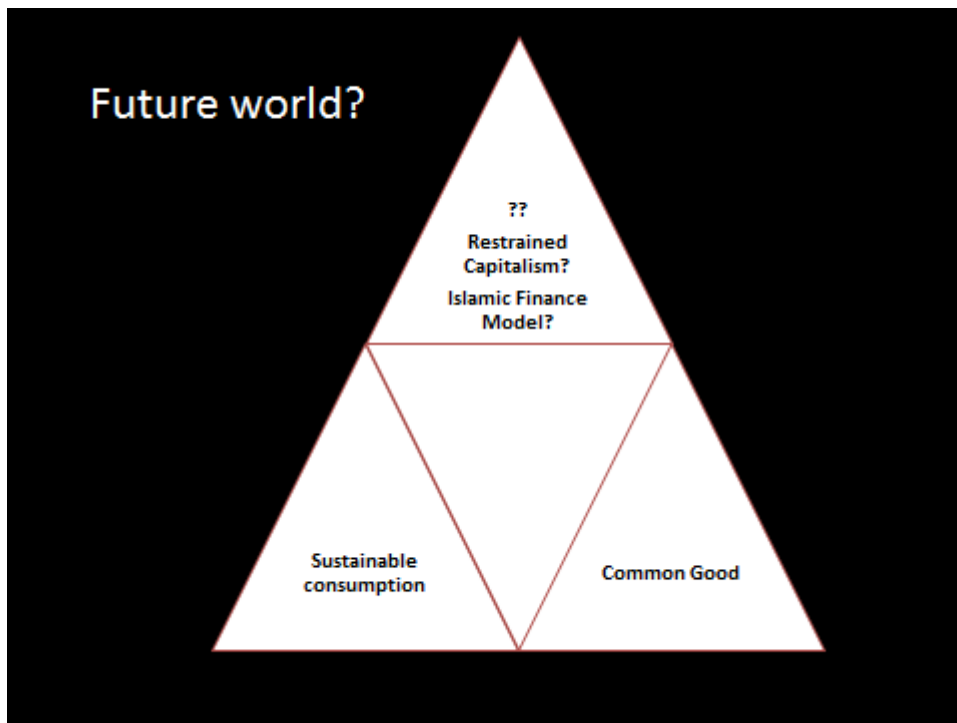
What kind of society do we want to live in? What kind of society do we want to lead? If the unrestrained market has failed – and failed it certainly has – what do we want to put in its place?



The capitalism of history, once tempered by the rigours of supply and demand, is now Debtism, with a desire for unlimited growth, fuelled by marketing and the creation of unlimited demand and want.

Unlimited demand? Surely a businessman's paradise – but at what cost?

The post 1940s Capitalism built on consumerism and individualism cannot be sustained. But what alternative?



A restrained capitalism? An ethical business model? An Islamic model? It has been suggested that ethics vary according to customer vagaries. Is this true? Are there no universals in ethics? Can leadership envision universal in ethics? If that is a question, the certainty is that whatever model we chose has to be built on sustainable consumption, and the common good.

We constantly talk about Growth, Growth, Growth. But the harsh realities of today's world suggest that leadership needs to find the courage to dialogue with the end use, and say, "Consume Less. Want less." And then LEAD BY EXAMPLE – moving away from the disproportionate super bonuses which makes the banking professional currently so reviled. Indeed our business models have to surely be more than creating consumer goods, but should be projects with social – not just economic – utility. Projects that provide social enrichment not just satisfying consumer desire. Projects that build social capital.

For sure, high incomes are needed, but so is a high quality of life. And the two are not necessarily synonymous. Peace, family, health, emotional and spiritual well-being, human dignity – all of these should be appearing in the nation's

and company's PNL. Investing in peoples' talents and ingenuity; investing in peoples' well-being – leadership needs to recognise this.



In Britain today David Cameron is proposing Big Society. It's a big idea, but big ideas surely have to be built on big IDEALS. Faith is one such ideal, although not the only one. Yet, ideals are often not liked when people discuss the bottom line of the PNL. So let's give a practical example.

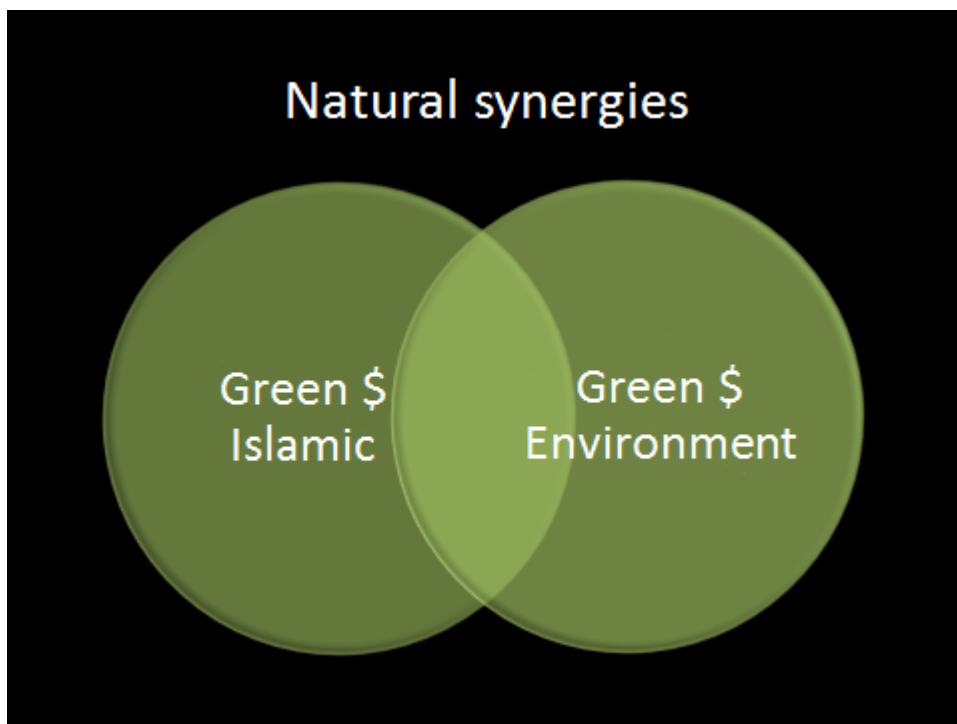


The ideal of FairTrade.

25 years ago Fairtrade was the preserve of nut-cutlet eating vegetarians.  
15-20 years ago it began to make the shelves of selected health food stores.  
10-15 years ago it made the shelf in the supermarket.  
5 years ago you could see it integrated throughout the supermarket across product listings in the store.

Today, in addition to the fashion lines, children's toys and a broad customer base, the world's largest chocolate manufacturer, Cadbury, has adopted Fairtrade across its UK, US, Canadian and Australian markets – that's 60% of its global market AND it has not transferred the price to the consumer. WHY? Because of the company's Quaker roots. Their ethical corporate values throughout its history, means there is a small town in the UK – a place called Bourneville – where alcohol is not allowed.

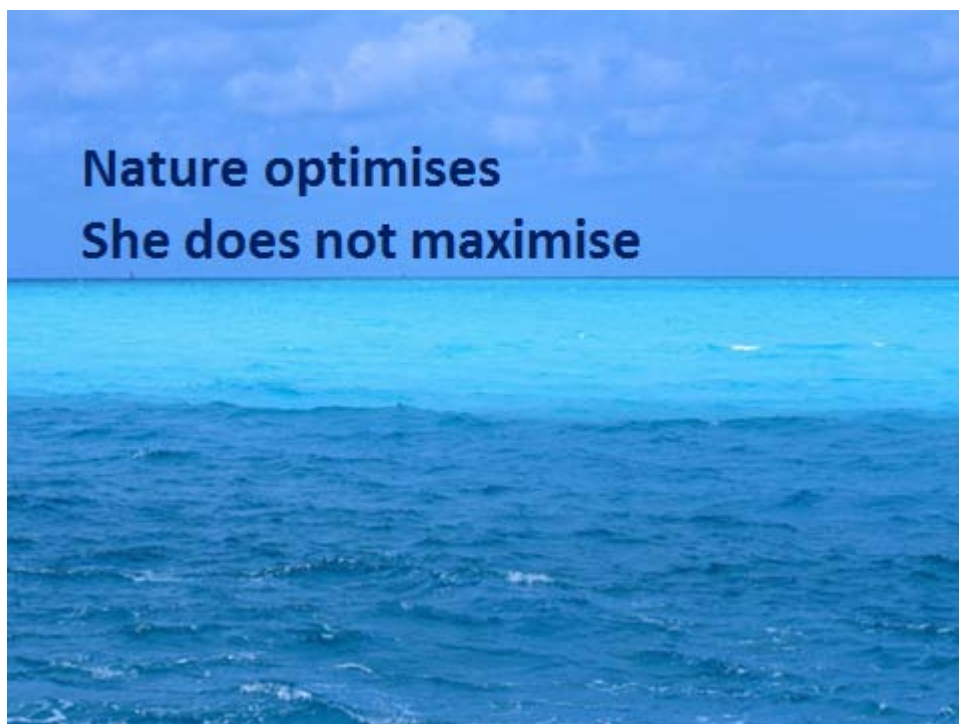
Goodness knows what is going to happen now it's been bought out by the US company, Kraft. One wishes that Khazanah had got their first!



There are natural synergies between the Green \$ - that's the Muslim Lifestyle Economy, and the Green \$ - the ethical lifestyle economy. Leadership needs to have the vision to perceive those synergies and then implement them.

In all faith traditions, including Islam, the first characteristic of leadership is STEWARDSHIP. All people need to be aware of this quality, but the more people are in positions of leadership, the more of this quality they need.

But yet there is a huge disconnect between man and nature in our industrialised world. We seem to believe that it is our entitlement to conquer and subdue nature, rather than work with her, or to recognise that humanity is actually part of nature. Our discussions surrounding – even amongst those who are sympathetic to the sacred traditions and the natural world – is that we must “go back” to a more natural existence. “Going back” is a generally negative articulation of the concept, and part of leadership is to recognise the need to COMMUNICATE messages effectively and positively. We need to communicate that care for nature, cumulative knowledge and holistic integrity is the only way to MOVE FORWARD.



Indeed if we look to nature for what she can teach us: Nature OPTIMISES. She does not MAXIMIZE. If she maximised the oceans would be black in order to maximise sunlight energy absorption. But she optimises and is in balance, thus we have clear oceans, appearing blue. We need to optimise our profits to the common good, not maximise them with no concern for sustainability, ethics and human dignity.

## Excellence - Trust - Reputation



Madonna with Angels and the Saints Dominic and Catherine 1437 by Fra Angelico

I want to draw your attention to this early Renaissance painting by the Christian monk Friar Angelico. He depicted the holy family and the angels wearing silk. If I can draw your attention to the edging, decorated with Arabesque. History of Art and Fashion historians explain that this was done to show that the Holy Family was wearing silk from the Muslim world. This was the best silk of the day for Muslims had Trading Standards along the silk route.

For me this picture depicts four things about leadership:

1. The principle of excellence and quality
2. The principle of trust and the need for trust capital
3. The principle of reputation

AND FINALLY

4. The painting is recognition that nation's rise and fall. Once it was the Muslim world, today we are more likely to find abayas in Muslim countries with Chanel, Gucci and Yves Saint Laurent labels. For today that is where excellence, quality, trust and reputation seem to be. If small, developing nations are to rise, they must focus themselves and their leadership to these qualities. Simply – they must be the best.

So much to say – so little time, but I will end by saying:

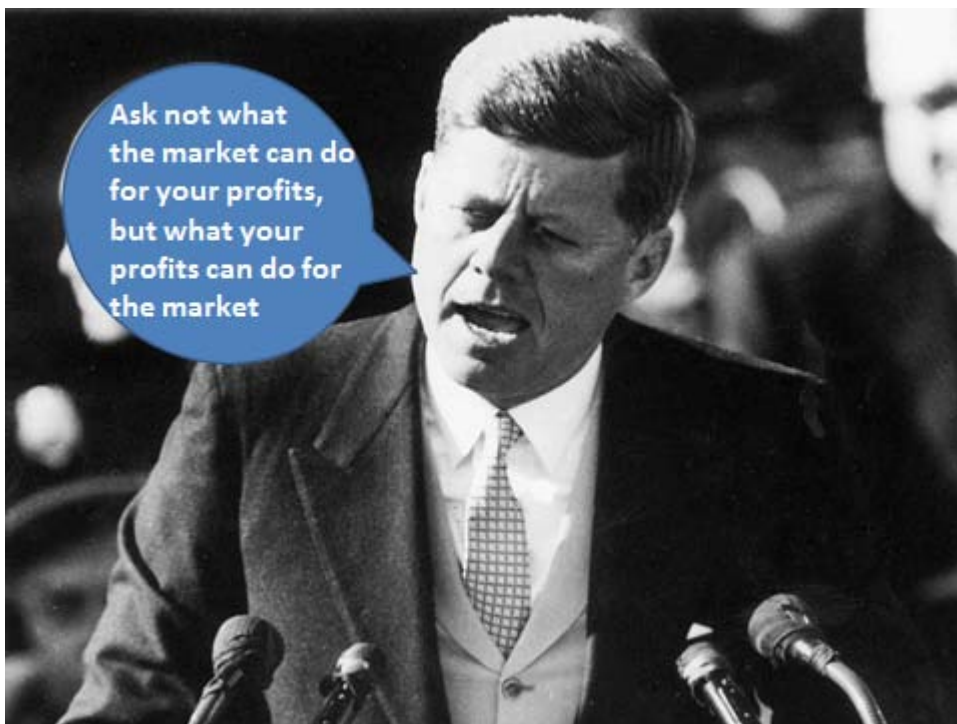
Leadership today requires that we make MULTI-GENERATIONAL decisions. Governments can't traditionally do that because of their short terms, but even

in the face of imminent danger the principle has to be to think of the future. There is a Muslim saying, “If you are planting a tree, and The Trumpet is blown, finish what you started.” Even when facing the ultimate crisis of the last day, plant a tree – i.e. make a long term, multi-generational decision.

And finally, leadership requires stewardship, excellence, trust and communication. It also requires conviction, patience and the ability to inspire.

The challenge for modern leadership is to move individual desires and personal aspirations away from unlimited demand, and to instead connect individual desires and personal aspiration with the collective good, and The Commons.

Whilst we should not let our search for perfection stop us from achieving the good, leadership should at least be able to envision perfection in the first place.



And if I can take some poetic license with a former world leader’s inaugural speech, John F Kennedy, today’s business leadership needs to say, “Ask not what the market can do for your profits, but what your profits can do for the market.”



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Miners Background Information:

The Review of Coalfields Regeneration found the state of the coalfields today is a marked improvement on what they were a decade ago but there is still a long way to go. Pressing social challenges that still remain include:

- Coalfield areas tend to be more isolated than non coalfield areas.
- Coalfield areas have a higher mortality rate than the average for all districts of England.
- Coalfield areas suffer a double jeopardy whereby the health of older generations is affected by their former work and that of younger people is equally as affected by poor employment opportunities and low expectations.
- Coalfield areas have greater overall deprivation and employment deprivation than the average for all districts of England.
- Coalfield areas have fewer businesses per head of population than the national average for England.
- Coalfield areas have 25 per cent fewer jobs per resident than non coalfield areas.
- Coalfield areas have more young people not in education, training or employment than the national average for England.