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"MANAGING DIVERSITY"

I was born in Brazil, and I lived part of my childhood in Lebanon. Even though the two countries are located in two different continents, they share one thing in common: diversity. Brazil is a country consisting of Europeans, Middle Easterners, and Africans living in a melting pot and joined together in the adventure of building a nation. Lebanon is also another melting pot of different religions, races, and people from across history. They too are trying to build and co-exist peacefully as one.

From childhood, I have always been fascinated by the difficulty of managing diversity and the wealth of diversity, its strengths and the threats to it. And I learned an important lesson as a child – namely, when you put people of diverse backgrounds and beliefs together in a country (or a company), it will be very difficult for them to co-exist if they don't have the same purpose and vision.

On the other hand, however, when different people come together for a specific purpose and have a specific vision, they become a very powerful unit and will usually dominate their competition.

So, I know it is not easy here in Malaysia. I know that Malaysia's development has not happened by chance, and I know that behind it has been a strong will from many people of diverse backgrounds. It is for this reason that, when I'm here, I find myself "in contact with my roots" and with a lot of other countries that I respect and in which I have been very happy to live.

Malaysia today possesses a large economy – including a large car market – and this is important for many reasons. First, it's very competitive, but also this is a market where you have a national automobile company trying to compete in a globalised world – and the world respects that. What's very important for us, however, is not short-term competition.

With our Malaysian partner Tan Chong, we have been able to maintain a very high

standard of customer satisfaction and quality. This is very important to us, so I'm happy to be here today to acknowledge the achievements of our Malaysian partner and, of course, to participate in this series, where I shall speak not only of management, but also about the power of human diversity at the level of nations, particularly at the level of the business world.

As we stand at the dawn of the 21st century, we must ask ourselves if we can truly manage ourselves cross-culturally. This is the principal question. A decade ago, culture was not a particular issue, but the more we advance, the more managing people of different cultures and beliefs becomes the benchmark of an efficient company.

There is not simply "a market." There is a whole planet, and on this planet, companies compete. In order to compete successfully, we have to engage people in all the countries where we are present. It's no longer a question of how, say, a French entrepreneur with specific skills can export these skills to the world in order to create a global operation.

Today it's about how you, starting in France, can generate enough engagement, enthusiasm and buy-in in all the countries where you are. It's about how you make your multinational workforce – of 220,000 living in 190 countries – understand your strategy and your vision. It's about engaging them in the mission you wish to accomplish.

Consider Nissan, for example. Nissan does not operate exclusively from Tokyo. It does not merely send out Japanese experts to the world. Instead, it ensures that Americans, Chinese, Malaysians, French, Germans, Russians – anyone working for Nissan anywhere – can identify with the company and say, "I can contribute to the top level of Nissan, and if my own performance allows it, nothing will stop my becoming the president of this company one day."

That's the kind of challenge we face. Today, we live in constant global competition for talent, and talent does not accept limits to its progress. This competition for talent will engage more and more companies in active cross-border management, and all will be required to give equal opportunities to staff.

It is also critically important that managers understand that the only real asset a company possesses is the motivation of its people. This is the nerve-centre in any business battle, any business competition. If your people are motivated, then anything is possible. No strategy is a losing strategy.

However, if your people are not motivated, it does not matter how strong your market presence is or how many assets you have: You risk losing everything eventually.

Turnarounds are particularly difficult because you need to motivate people during a period of change and uncertainty. You may need to implement measures not normally within the scope of an organisation's operations. Change is never easy: reducing headcounts, for example, or changing work habits is difficult. Changing corporate traditions is even harder, as many will see this as "turning your back on the past".

How then do you convince people to stand firm with you in periods of change, when even their own futures are uncertain? Likewise, how do you address the crucial issue of creating and maintaining motivation that persists continuously from plan to plan, strategy to strategy?

People must be encouraged to innovate, and, ultimately, to take pride in their accomplishments. This is the key to effective management. This is how you get people to push beyond the limits of the known and journey into realms they themselves thought were impossible. This is how they grow confident in something they originally viewed with scepticism.

I myself faced these issues in my own career, particularly when I worked in Japan in 1999.

I know from my own experience that when you engage in something like turning around a company, you must accept it as given that, from the very beginning, you will have to go it alone. And when I say alone, I mean truly alone. Don't expect any support, or any positive views of what you're doing. Expect nothing.

In 1999 in Japan, the media were very sceptical of what we were trying to achieve. People were curious as to how Renault, a small European car manufacturer, could help Nissan, and how someone like me, who didn't know Japan and who didn't speak Japanese, could help one of the icons of the Japanese industry – albeit an icon that had been struggling for 10 years.

So when we engage in an operation like this in a country where we are in every sense a foreigner, and when we are engaging with it for the first time, we must

accept that things will be tough and that we will be alone. We must also accept that there will be no end to it until we prevail.

And that, in my case, was exactly what happened. For three or four months at the beginning of the process, we started to work immediately with as many people as we could. We listened, made diagnoses, and we shut off ourselves from all the criticism and scepticism of the international media and the Japanese press.

We said: "The only thing that matters is reviving this company. There is nothing else to be done." Of course we heard a lot of opinions internally and externally. External opinions indicated that, basically, there were a lot of things we could not do in Japan.

They said we could not shut down a plant. We could not reduce headcounts. We could not dismantle the keiretsu system. But we made our plans anyway and held them clearly in our minds. We went against the grain.

When we finally announced our plans for reviving Nissan and made the necessary commitments, Nissan shares plunged by more than 40 per cent in a matter of weeks. But bit by bit, the results came in, and bit by bit we gained the credibility we needed.

One thing allowed this, and that was the understanding and acceptance of the fact that we were alone and that we were therefore dependent simply on our tenacity for success. We accepted adversity and criticism, but we kept working according to our convictions and we knew that, ultimately, only our performance would make a difference.

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