Dangote: Some Leadership Lessons from the Richest Black Person in the World

Presentation at the Leadership Seminar organized for Year II PGDM students at the SDM Institute for Management Development (SDMIMD), Mysore, India, on November 18, 2015.

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1. Overview of contemporary leadership concepts, principles, styles, and practices, with emphasis on (i) the 3 Cs of credible leadership and (ii) 20 Key Leadership Competencies (KLCs)...

2. Some crucial lessons from the inspiring case of Aliko Mohammed Dangote – a distinguished African leader and the richest black person in the world.
Information...

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First...
Understanding ‘leadership’...

• Leadership is not an office, a position, or a title.

• Leadership is ability / intelligence / competence
  ✓ to guide people
  ✓ to direct people
  ✓ to influence people

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Leadership:  
... the ramifications are diverse

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Why talk about leadership...

1. Increased volatility in the business world.
2. Increased competition in the marketplace
3. Faster technological change in the environment.
5. Pursuit of excellence through strategic leadership, etc.

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Sound and credible leadership …the 3 Cs

- Character
- Competence
- Charisma

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Credible leadership is about Character & Competence

- **Character:**
  - Integrity
  - Reputation
  - Prudence
  - Probity / accountability
  - Perseverance
  - Good human relations
  - Optimism
  - Sense of what is right and wrong – ethics
  - Punctuality
  - Tolerance
  - Hard-work -versatility

- **Competence:**
  - **Skills**
  - Qualifications
  - Experience
  - Strategic thinker

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Still on leadership character: What do you think of Warren Buffet’s 10 ethical rules?

1. Don’t try to show off but be yourself, and do what you enjoy doing.
2. Do not go on brand name; just wear those things in which you feel comfortable.
3. Do not waste your money on unnecessary things, but spend on those things you really need.
4. Stay away from loans and credit cards but remember to invest in yourself.
5. Do not give chance to anyone to rule your life for after all it is your life.
6. Remember money does not create man, but it I man that created money.
7. Live a simple life as simple as you are.
8. Set goals and make sure you and your subordinates follow those goals.
9. Do not do what others say but listen and do what you feel is good.
10. Live frugally and economically.
Still on leadership character…

- “Work hard, play hard and keep straight. When wealth is lost, nothing is lost. When health is lost, something is lost. **When character is lost, all is lost.**”
  - Felix Ohiwerei

- “You preach better sermons with your life than with your lips.”
  - Oliver Goldsmith

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Still on competent leadership: …beyond delivering on targets

- Organizational performance:
  - Results - KPIs
  - Revenue
  - Profit
  - Growth
  - Expansion
  - Team management
  - Customer satisfaction

- Efficiency:
  - Cost minimization without losing quality
  - Quality
  - Turnaround time
  - After-sales service

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Still on competent leadership: Transformational vs. Transactional

- **Transformational:**
  - Extraordinary change.
  - Far-reaching change.
  - Effecting a complete change usually into something with an improved appearance or usefulness.

- **Transactional:**
  - Normal business activity
  - Operational excellence
  - Negotiation skills
  - People of details and great analytical skills

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Further aspects of contemporary leadership

- Inspiring
- Visionary
- Compassionate

- Innovative – ‘out-of-the-box’ thinking
- Creative
- Team leadership

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The twin keys to successful leadership: Vision & Perseverance

- Jack Welch: “In order to lead a nation or a business corporation, you must have a vision.”

- Steve Jobs: “I’m convinced that about half of what separates the successful entrepreneurs from those non-successful ones is pure perseverance.”
Credible leadership
...the 3rd ‘C’: Charisma

- **Charisma** is your personal magnetism: the ability to inspire enthusiasm, interest, or affection in others by means of personal charm or influence.

- *Can you mention some ‘charismatic leaders’ that you know?*

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✓ Live as if you were to die tomorrow; learn as if you were to live forever.

✓ The weak can never forgive. Forgiveness is the attribute of the strong.

✓ Happiness is when what you think, what you say, and what you do are in harmony.
Charismatic leaders?

- Napoleon Bonaparte
- Martin Luther King Jr.
- Mother Theresa
- Niccolo Machiavelli
- Winston Churchill
- Mahatma Gandhi
- Nelson Mandela
- Indira Gandhi,
- Desmond Tutu, etc.
Influencing real organizational performance: How crucial is charisma?
Further perspectives…

✔ Does leadership really matter?
✔ Is ‘management’ not okay?
✔ Are leaders born or made?

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Autocratic leadership – bossy, a leader who holds or displays unlimited power and is answerable to no other person, somebody who dominates or likes to dominate others. [Is this different from ‘strong’ leadership?]

Laissez-faire leadership – ‘leadership’ that doesn’t or does not like to interfere in other people's affairs; simply a leadership practice of letting people do as they wish [so-called ‘open-door’ policy].

Participatory / democratic leadership – Leadership characterized by free and equal participation in decision-making processes of an organization.

[Think about how this may affect the doctrine of power diffusion]
“A genuine leader is not a searcher of consensus but a moulder of consensus.”

- Martin Luther King, Jr.

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What is servant leadership?
The refusing-to-go debate: Management vs. Leadership

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Management vs. Leadership
Perspectives from John P. Kotler, *HBR*, May-June, 1990

- **Management**
  - Coping with *complexity*…
  - *Controls* people by pushing them in the right direction…

- **Leadership**
  - Coping with *change*…
  - *Motivates* people by satisfying basic needs…

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What are the ‘don’ts’ of credible leadership?

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Business leadership: 
...leaders of leaders

- Jeff Bezos – *Amazon* (predictive analytics)
- Anne Mulcahy – *Xerox* CEO of the Year (2008)
- Howard Schultz – *Starbucks*
- Larry Page – *Google*
- Tim Cook – *Apple*
- Indra Nooyi, Pepsi (Forbes’ Top 100 powerful women)
- Charles Forbes – teaching people how to survive trying periods

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Business leadership: …leaders of leaders (Continued)

- Jack Welch (General Electric)
- Richard Nicolosi (Procter & Gamble)
- Bill Gates
- Steve Jobs
- Warren Buffet
- Oprah Winfrey
- Mark Zuckerberg, etc…
Insights from 100 best-performing CEOs in the world…

[Adi Ignatius, HBR, Nov. 2015, pp. 33-43]

- Leaders who actually delivered solid results over the long run – enduring success.
- Goes beyond mere market performance; ESG – Environmental, Social, and Governance – issues are also paramount.
- Excluded any executive who had been arrested or convicted of a crime
- 23 nationalities in 19 countries…

List includes:

- Lars Rebien Sorensen (Novo Nordisk)
- Tidjane Thiam (Prudential)
- Jeff Bezos – Amazon
- Stephen Luczo – Seagate Tech
- Leslie Wexner –
- John Chambers – CISCO
- Richard Fairbank –Capital One
- Vittorio Cololo (Vodafone)
- Richard Anderson – Delta Airlines
KLCs:
Key Leadership Competencies...

- Effective Teacher/Instructor
- Dynamic change agent
- Effective organizer
- Collaborative Consultant
- Reflective Researcher
- Scholar

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## The 20 Key Leadership Competencies (Northern Caribbean University, Jamaica, 2006)

<table>
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<tr>
<th>Key Leadership Competency (KLC)</th>
<th>Knowledge /Skill base</th>
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| **Effective teacher/instructor** | 1. Skills in using, evaluating and adapting learning materials to accommodate individual variability  
2. Skills in various learning strategies including group processes  
3. Skills in mentoring |
| **Dynamic Change Agent** | 4. Skills in planning and implementing change  
5. Skills in developing human resources  
6. Skills in public relations |
| **Effective Organizer** | 7. Skills in organizational development, management, and allocating resources  
8. Skills in interpreting laws, regulations, and policies |
| **Collaborative Consultant** | 9. Skills in effective communication  
10. Skills in evaluation and assessment  
11. Skills in problem-solving and decision-making |
| **Reflective Researcher** | 12. Skills in reading and evaluating research  
13. Skills in conducting research  
14. Skills in reporting research |
| **Scholar** | 15. Demonstrate a working knowledge of ethics and personal/professional development  
16. Demonstrate working knowledge of philosophical foundations  
17. Demonstrate working knowledge of theories of learning and human development  
18. Demonstrate working knowledge of leadership theories and management  
19. Demonstrate working knowledge of social systems including family dynamics, community structures and global development  
20. Demonstrate working knowledge of technology and its application for professional communication, training, and research. |
A leader is a reader...

✓ “When you stop learning, you start dying.”
- T. L. Osborne

“The moment you think you have arrived and stop reading, you stop growing and start to die.”
- E. A. Adeboye

“Stop wasting energy! Knowledge is the cheapest way to victory.”
- David Oyedepo
Entrepreneurial leadership
...from ‘rags to riches’

- Steve Jobs - Apple Inc.
- Bill Gates – Microsoft Corporation
- Tommy Hilfiger
- Colonel Sanders – KFC
- Fred Smith – FedEx
- Michael Dell – Dell Computers
- Ralph Lauren
- Bill Hewlett and David Packard (HP)

Colonel Sanders – KFC

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1. The idea that effective leadership is rooted in individual attributes is known as:
   a. Servant-leader theory of leadership
   b. Fundamental theory of leadership
   c. Situational contingency theory of leadership
   d. Trait theory of leadership

2. ____________ is NOT among the three broad leadership styles in the literature.
   a. Authoritarian style
   b. Decisive style
   c. Laissez faire style
   d. Democratic

3. ____________ leadership style would be considered inappropriate in situations when the organization is faced with emerging crisis, protracted or thorny challenges.
   a. The laissez-faire
   b. The autocratic
   c. The democratic
   d. None of the above

4. Which of the following is a criterion for effective performance appraisal?
   a. Communicating the standards
   b. Evaluating performance
   c. Taking corrective action
   d. Reliability

5. Leadership influence that derives from followers subjective perception of the leaders trait and characteristics is
   a. Referent
   b. Reward
   c. Motivator
   d. Coercive
Starting micro.....becoming big!

- Amidst poverty, one man stands out
- Mr Aliko Mohammed Dangote, a Nigerian, has become the richest black person in the world since 2008.
- Aliko is estimated to be worth US$16.1 billion, but it didn’t happen overnight (Feyemiwo & Neal, 2013)
Dangote: some profiling...

- Born 10\textsuperscript{th} April 1957, the first grandson of Sanusi Dantata
- Started business – trading in commodities and edibles at 13.
- Established his manufacturing and trading company in 1977 – at 20
- Dangote Group – 25,000 employees in Nigeria alone – subsidiaries in Zambia, Ghana, Benin, Cameroon, Senegal, and South Africa
- One of the best brands in Africa – focused on providing local, value-added products and services that meet the \textit{basic needs} of the populace.
- On record that his fortunes grew by 544\% within three years in a comparatively transparent manner
- Dangote Cement company has a market value in excess of US$13 billion and accounts for a quarter of the Nigerian Stock Exchange (NSE)’s total market capitalization. Dangote Corporation is in the newly created NSE Premium Board in the Nigerian stock market.
You must start small!

• “I built a conglomerate and emerged the richest black man in the world in 2008, but it didn’t happen overnight. It took me thirty years to get to where I am today. Youth of today aspire to be like me, but they want to achieve it overnight. It’s not going to work. To build a successful business, you must start small and dream big. In the journey of entrepreneurship, tenacity of purpose is supreme.”

– Aliko Mohammed Dangote

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“Nothing in the world can take the place of persistence. Talent will not; nothing is as common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent.”

– Calvin Coolidge
Persistence & determination

• “If you are successful in Africa, you are bound to be attacked from here and there. There will be people who say that, without government support, there is no way this guy can make money.”

  – Aliko Mohammed Dangote
**Dangote:** started with US$2.50
...now US$16 billion conglomerate

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<th>1. Noodles</th>
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<tr>
<td>2. Spaghetti</td>
<td>8. Fruit juice</td>
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<tr>
<td>5. Macaroni</td>
<td>11. Oil refinery...</td>
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<td>6. Sugar</td>
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Dangote: Hexagonal leadership model

- Competence
- Pro-government
- Mentorship
- Passion / Service orientation
- Faith-based
- Philanthropic

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Dangote: Competent leadership

- “…in the journey of entrepreneurship, tenacity of purpose is supreme.”
  – Aliko Mohammed Dangote

- *Opportunity ‘smeller’ and seizer:* Seems always ready to seize every business opportunity, hence the great expansion of his business in recent years particularly in Africa while others are perpetually complaining about ‘hard times’.

- Sound HR management: Devakumar Edwin (Indian), Executive Director, Projects has been with Dangote Industries for two decades.
Risk-taker: “Building a successful business requires 90% guts and 10% capital”

– Raymond Ackerman, South African Founder of Pick N’ Pay chain stores

Prudence:

✓ “Don’t eat with all ten fingers.” – an African saying
Dangote: Leadership that works…

✓ “If you work today, you will rest tomorrow.”
   - David Oyedepo

✓ “Vision without action is a day dream. Action without vision is a nightmare.”
   - Japanese proverb
“Do not fight government.”

– says Sanusi Dantata (his maternal grandfather and mentor)

This explains his closeness to nearly every successive government (He holds GCON national honour reserved for No. 2-level citizens after the President)

Pro-government strategy – a balancing game – pragmatism

Sensible and smart entrepreneurs across the globe know it is wise to be interested in the political affairs of the nations where they operate.

“I am close to people in government because I am one of the big businessmen in Nigeria. If we don’t have the right people there then all the money I have is useless. If the country turns into another Zimbabwe, for example, then I will become a poor person.”

- Dangote

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Dangote: Passionate leadership

• Passionate about creating jobs – this motivated his shift from trading to labour-intensive manufacturing.
• About adding value to humanity.
• Customer-centric: concerned about the basic needs of the populace.

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Self-check:
What are you passionate about?

• “To live in negligence of one’s purpose is to become negligible.”
  – Benn Itua

• “A small man is made up of small thoughts.”
  - Victor Hugo

• “I’d rather be a failure at something I love than a success at something I hate.”
  - George Burns
Dangote: … in good company of mentored leadership ….

- **Dangote** learnt hard work and perseverance from his grandfather – Pa Sanusi Dantata
- **Jeff Bezos** – mentored by his grandfather in Texas
- **Barack Obama** – mentored by his mother Ann Dunham
- **Carlos Slim Helu** – mentored by his Lebanese parents Khalid & Linda
- **Oprah Winfrey** – mentored by grandmother Ms Lee.

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Dangote: Mentored Leadership

• “It’s rare that anyone becomes successful without the assistance of others.”

- Thomas J. Stanley

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Dangote: Faith-driven leadership character

- **Character**: attributes every success to God’s guidance and blessing

Some particular impressions from Dangote:

- Perseverance
- Optimism
- Tolerance
- Hard-work – sleeps 2am and wakes up 6am daily!
- Contentment & simplicity - living in same house for years.
- Humility – imbibed from his mentor, his maternal grandfather, Sanusi Dantata

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Dangote: Humble service…

• “The mark of true, godly leadership is not power and privilege, but humble service.”

- David McCasland

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Dangote: Frugality + elegance

- Monogamist...
- Drives himself...
- Unassuming: Authentic successful leader versus phony rich men: - “The empty vessel or drum makes the loudest noise.”

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Dangote: Philanthropic leadership

- Good community relations and sound corporate social responsibility, hence the relative peace it enjoys within its business communities where it is operating – this is true of the relatively volatile Niger Delta areas in Southern Nigeria.
- Dangote Business Academy and School of Entrepreneurship
- Dangote Foundation
- First African company-donor (US$2 million) to the United Nations World Food Programme (UNWFP), Rome, Italy
- Other support initiatives to Universities
- President, national job-creation committee

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Some ‘don’ts’ in the Dangote leadership philosophy

1. Don’t waste your time – your most precious asset
2. Don’t bring emotions to management and financial decisions
3. Don’t hang around with the wrong crowd – watch the company you keep.
4. Don’t take people’s loyalty to your organization for granted – the workplace is more than a place for just pay-check.
5. Don’t be a womanizer – philandering has brought many leaders down.
6. Don’t be a drunkard – steer clear of illicit drugs.
7. Don’t hire mediocre and avoid recruiting those employees who do not buy into your company’s vision and objectives. (“I always make sure I hire people smarter than me” – Aliko Mohammed Dangote)
8. Don’t let power diffuse in any form – the buck stops at the leader’s desk.
Dangote: dislikes….

- Mergers, partnerships, JVs
- “I don’t like business partnerships or joint ventures, they create a lot of problems.”

- Aliko Mohammed Dangote

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Dangote: Aiming higher ....

- His greatest wish – to be known as the greatest industrialist to have lived in Nigeria.
- Aims to make Dangote global brand – currently looking for opportunities in emerging markets of Middle East and Asia.
- Targets US$ 68 - $72 billion in net worth by 2018. (current level is US$16.1 billion; he was worth US$3.3 billion in 2008)
Aspects of leadership theory and practice are diverse and complex, but a robust understanding of leadership skills remains crucial for enhancing organizational performance in today’s rapidly changing environment.

In this seminar, attempt was made to periscope contemporary leadership concepts, principles, styles and practices particularly in terms of (i) the 3 Cs of credible leadership and (ii) 20 Key Leadership Competencies (KLCs), with the aim of proving some insights into how leaders and executives of the 21st century can impact their organization and society more effectively through intelligent leadership.

The challenges of today demands serious leadership beyond what conventional ‘management’ offers. The case of Dangote, a distinguished African leader and the richest black person in the world, was presented to show that leadership effectiveness is very much desirable and possible everywhere.
Caveat ...

- This presentation is not in any way sponsored by the Dangote Group or Mr. Aliko Mohammed Dangote. The views expressed in this presentation are solely those of the author in his private capacity as a scholar.
Parting ...

“The task of modern educator is not to cut down jungles, but to irrigate deserts.”

- C. S. Lewis
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