

Sir Ralph Norris shares his road to success

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Chris Skelton

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During his career, Sir Ralph Norris earned the reputation for being a kind of chief executive in Shining Armour that swoops in to save businesses in distress.

Although the former boss of ASB Bank, Air New Zealand and Commonwealth Bank of Australia, puts his success down to "good timing and opportunities", Norris, who is being inducted into the Business Hall of Fame this year, is known for his calmness in times of crisis.

One such crisis came in the form of a diagnosis of late-onset type 1 diabetes that forced him step down from his successful 10 year role as chief executive of ASB Bank in 2001

"I had probably been burning the candle at both ends. I was working in Asia and ASB at the same time, I pushed myself a bit hard," Norris says.

"These jobs are draining and you've got to have a good life and work balance," says the 65-year-old, who now exercises each morning and closely watches his diet and alcohol intake.

But the next year when his own health was still on the mend, he stepped up and took the job that nobody wanted, chief executive of ailing Air New Zealand.

At the time, the company was in dire straits announcing a \$1.4 billion operating loss in 2001 following the collapse of Ansett. Air New Zealand was subsequently given a \$885 million government bailout.

Norris, who was on the board of Air New Zealand at the time, took the top job on the agreement he would only stay for three years while grooming a successor.

"I went on a small committee to find a new CEO for the airline, but unfortunately we couldn't find anyone that had the prerequisite experience and who was willing to take it on.

"I went through a battery of [health] tests to ensure that I was capable of taking a fulltime CEO role — one that was going to be reasonably stressful."

Norris was under a considerable amount of pressure to salvage Air New Zealand from ruin, but took a calm approach while leading the company.

"I don't think workaholics make good chief executives, they end up creating high levels of stress within the organisation. I've never seen an organisation work particularly well when it's stressed," he says.

When he took the reins, Norris says Air New Zealand had lost touch with its customers and was "flying planes and not flying people".

During his tenure the company cut around 1500 jobs.

"There were a lot of tough decisions...We had to let people go which is always hard."

Staff satisfaction was at an all time low and in the first three months in the job Norris set about re-engaging his workforce.

He initiated the 'mad, sad and glad' HR workshops, where employees were allowed a chance to vent their feelings on the company.

"I think it defused a lot of anger and angst within the organisation. That really set the tone for the turnaround in the past decade.

After three and-a-half years of changes, Norris stepped down in 2005 and Air New Zealand's then head of airlines, Rob Fyfe took over the top job.

Based on his success at Air New Zealand and ASB, Norris was approached to lead another company in distress, The Commonwealth Bank of Australia.

Norris spent six years at the bank and the company went from having the worst customer satisfaction in the industry to having the best.

During his tenure the bank went from being the fifth largest company on the ASX to the largest.

But his work was highly criticised. Norris says he became the Aussie media's "target of the month" when he raised mortgage rates by almost twice the Australian Reserve Bank's official rate on Melbourne Cup Day in 2010.

The issue saw a television broadcaster set up an effigy of Norris in a Sydney Street, inviting pedestrians to club his likeness with a baseball bat.

"Our house was graffitied as a result of that stuff and there were journalists parked outside our house... Our [family's] privacy was invaded.

"But that goes with the patch and I thought what was being done at the bank was appropriate."

Later, his A\$16.2 million, salary came into question.

"My remuneration became a media issue but interestingly enough the shareholders supported the bank's remuneration strategies," he says.

Norris, who retired in 2011, never expected to become a serial chief executive. The former Lynfield College student has no tertiary education and became a cadet at Mobil Oil at age 18.

"I had a very inauspicious start. If someone had told me on my first day of work that I would end up being a chief executive and would work on both sides of the Tasman, I would have thought someone was pulling my leg," Norris says.

He joined ASB in the early 80s at a time when customers had to go to their bank branch to withdraw money. Starting in the company's IT department, he trained at IBM's Auckland-based centre to become a computer programmer for the bank's digital upgrade.

"That was really the launching pad of my career in many ways," Norris says.

"That training meant I got the opportunity to interact with senior management and to work on major projects for the bank."

He became the bank's chief information officer at age 41 when the company became the first bank to introduce ATMs in New Zealand.

Norris got ASB's top job in 1991. He humbly says this was a case of being in the right part of the business at the right time.

"The advantage for me was that the bank was going through a time when all the manual systems were being upgraded.

"[The chief executive] needed to have a good understanding of all of the bank's operations which gave me the opportunity to contribute to the strategic direction."

Although his technical knowledge became the backbone of his career, Norris says his business success stems from understanding people.

"My view on business is that it's all about people, people, people - both within the organisation and the customers.

"Empathy is a very strong component of leadership

"People don't really care about what you know, they want to know that you care."

Now retired from chief executive roles, Norris has more time for tennis and spending time with his wife Pamela, three children and five grandchildren.

He is still on the board of Origin Energy, Fletcher Building and Fonterra and couldn't resist playing Mr Fix-it once again last year, chairing the dairy company's botulism scare enquiry.

BIO

Sir Ralph Norris

Born: 1949

Career: Managing director at ASB, Air New Zealand and Commonwealth Bank of Australia

Family: Married to Pamela. Children Jenny, Kelly, and Richard.

Honours: Laureate of the Business Hall of Fame 2014, Chief Executive of the year in 1997 and 2004 and Executive of the Decade in 2010. Was appointed a Distinguished Companion of the New Zealand Order of Merit in 2006, later redesignated to a Knight Companion of the NZ Order of Merit in 2009.

HALL OF FAME

The New Zealand Business Hall of Fame was created in 1994 by Young Enterprise Trust, and is presented each year with the support of Fairfax Media, Auckland Chamber of Commerce and Kaimira Estate. The 2014 gala dinner will be held on Thursday 7 August at The Langham, Auckland. Tickets can be ordered by phone on 04 570 0452 or online at www.businesshalloffame.co.nz.

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