

25 BRILLIANT YEARS

# AGSM

AUSTRALIAN GRADUATE SCHOOL OF MANAGEMENT MAGAZINE ISSUE:1 ★ 2002

## FIRST CLASS

They set the mark as Australia's  
first full-time MBA graduates



**SIR C.K. CHOW**  
Engineering  
innovation

**BOB JOSS**  
The need for national  
managerial skill

**GARETH EVANS**  
Calls the shots on  
crisis strategy



## DEAN'S MESSAGE

I feel particularly honoured to be the dean of the AGSM during its

25th anniversary year. As the articles in this issue point out, in the relatively short time since its creation the School has played a significant role in raising the bar of management education in Australia and the region. With the support of alumni and the business community, the AGSM can achieve even greater success in its second quarter-century.

It would be foolhardy to predict exactly what the School will be like in five years, much less in 25. It is clear, however, that the AGSM will continue its efforts to become more global, more virtual and more personal. We acknowledge, and will be part of, the globalisation of management education. The alliance of Wharton and INSEAD is surely a sign of things to come. Even leadership in the domestic market will not be enough to allow the AGSM to compete successfully for faculty or students. We have recently formed an alliance with Stanford Graduate School of Business and Melbourne Business School to teach customised senior executive programs, and we will form other partnerships to provide a broader range of opportunity for those who join the School.

The School will take much greater advantage of information technology in both research and teaching. We will continue to deliver our educational products primarily face-to-face, with technology as a powerful adjunct to learning and an important way of leveraging our resources across time and space.

At the same time, we will continue to build relationships with alumni, our shareholder universities and the broader community. Regardless of how globally allied and technologically savvy the AGSM becomes, these personal connections make the real difference.

Finally, the AGSM will find an appropriate role with regard to biotechnology. The life-science revolution is well and truly under way and Australia has no choice about whether to be part of it. As Australia's leading business school, the AGSM can play a significant role in showing the way forward and should be determined to do so.

My greatest hope is that when the School celebrates its golden anniversary in 2027, the dean will look back at the preceding 25 years with the same sense of awe and opportunity as I feel today.



Michael R Vitale

Professor Michael Vitale

Dean and director

Australian Graduate School of Management

⚡ The Americans have more than a 10-year lead in developing a national capability of managerial skill. ⚡

— Bob Joss. See full story page 32.

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PHOTOGRAPH: BILLY RYAN

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Foundation professors  
Philip Yetton (left) and  
John Stringer reflect  
on AGSM history.

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Back page photo: 1976 AGSM board of studies. Pictured (from left) are: professor Yetton, professor Di Yerbury, Dr David Midgley, professor Stringer, UNSW bursar Tom Daly, secretary Kay Freidrich, Les Stewart of UNSW chancellor, librarian Pamela Taylor, senior lecturer Bob Vermeesch, professor Howard Thomas, professor Ray Ball and professor Philip Brown, AGSM director.

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## 25TH ANNIVERSARY

In this first issue of 2002 and continuing throughout the year we pay tribute to the people who have made a great contribution to the foundation, scholarship and success of the AGSM. There are those for whom a quarter-century celebration represents a life's work; many others have dedicated themselves in individual ways. Upcoming issues will feature the people and business connections of more recent developments.

## SPECIAL MARK

*AGSM Magazine* is proud to launch the 25th anniversary logo (see inside front cover). It represents a dynamic and energetic approach to identity and communication.



## Tackling leadership

Former Wallaby captain John Eales (centre) compared notes on team tactics with professor Michael Vitale, dean, and AGSM board chairman, David Hoare. Eales was guest speaker at an AGSM special dinner held last

## CBD dimension

The AGSM offers a great new facility to its students and business partners with its new CBD campus at 1 O'Connell Street in Sydney.

The two-level multi-purpose learning and business centre comprises teaching rooms, two tiered theatres, conference and syndicate rooms, touch-down computers, quiet work rooms, a large cafe and dining space, lounge areas, an exclusive outdoor balcony and a wireless network for ease of laptop use.

"It's highly appropriate that on the AGSM's 25th birthday we are opening a sophisticated new campus in the heart of the CBD to meet the ongoing needs of our customers and the business community," says professor Michael Vitale, dean.

The CBD campus will be primarily used for teaching the AGSM's MBA Executive students starting on 8 April. It will also host a broad cross-section of executive and corporate education programs.



**CITY SPACE** The AGSM takes up residence at 1 O'Connell Street, Sydney.

"The CBD facility delivers unprecedented convenience to our students, many of whom work in the city centre. Our corporate partners will also benefit from having easier access to the AGSM, its people and expanded facilities in the city," says Delene Evans, AGSM's marketing director.

The 1800 square metres of campus facilities will be available to the business community on a fee-paying basis for holding conferences, business meetings and corporate functions.

Designed by Bligh Voller Nield architects, the CBD campus is a dynamic reflection of the AGSM, says the architects' practice director Caroline Diesner. "It is a space that provides identity, community and connection; the integration of spaces extends the learning environment from a conversation over coffee to the state-of-the-art conference and lecture facilities," she says.

AGSM students in Sydney have a choice of studying in four locations – the CBD, Parramatta, North Sydney and Kensington. The AGSM also has conference and residential facilities at Little Bay.

Around Australia, the AGSM has appointed Clifton & Associates to ensure study locations and facilities meet the needs of students in all major city centres.

It's highly appropriate that on the AGSM's 25th birthday we are opening a sophisticated new campus in the heart of the CBD...

— professor Michael Vitale, dean.

## For your diary

**5** April Join the class of 2001 at their graduation dinner at Dockside, Darling Harbour. It is the first time alumni have been formally invited to participate in a graduation event and is part of the alumni association's new networking initiatives.

**7–12** April General Manager Program, a six-day residential program for existing general managers and senior executives with responsibility for delivering performance.

**10** April The biggest annual dinner in the history of the AGSM to celebrate the School's 25<sup>th</sup> anniversary. The venue is Leighton Hall, The Scientia, UNSW.

**1** May Pop into 1 O'Connell Street in Sydney's CBD for the official opening of the AGSM's new CBD campus by Dr Brendan Nelson, federal minister, Education, Science and Training.

**13–14** May Don't wait for innovation to strike. Executive program, Managed Innovation, will help your people generate more ideas, better ideas, faster.

**3–7** June Marketing Management, a five-day interactive program that provides participants with skills and methods for developing and implementing effective marketing plans.

For information on any of the upcoming executive programs, call client services, Tel: (02) 9931 9333 or go to: [www.agsm.edu.au](http://www.agsm.edu.au). To keep up-to-date with alumni events, log on to: [www.agsm.edu.au](http://www.agsm.edu.au).

## The way they were

Our archive offered up these 1977 snapshots of 12 present and past members of faculty. The first reader to put full names to these faces and e-mail them to Snapshot Competition at [magazine@agsm.edu.au](mailto:magazine@agsm.edu.au) will

**WIN a \$50 book voucher from UNSW Bookshop.**



## John B. Reid retires

**J**ohn B. Reid AO (second from left) has retired from the AGSM board after serving as a member since 1991 and as chairman from 1997 to 1998. He is pictured with (from left): AGSM advisory council member Nicholas Whitlam, board chairman David Hoare and professor Michael Vitale, dean. Reid became chairman emeritus in 1998 and will retain the title and an office at the School. His service and contribution to the AGSM has also included financial donations from the Reid family trusts. This support helped build the AGSM's extension and fund student scholarships to give people from charitable and community organisations access to management education.

# Renewed and relevant

The AGSM has launched a new full-time MBA program in 2002 that represents the biggest curriculum and program re-design in more than five years.

The new program enables students to complete an MBA in 15 months – a key factor in this year's 62 per cent increase in full-time MBA enrolments to 157 students from 31 countries. The AGSM enrolled 97 new MBA students in 2001.

The number of Australian enrolments has increased by 230 per cent. "It's an historic increase, and I think the fact that we've condensed four terms into a year mainly by reducing holiday breaks so that students can start in January and finish by the end of March the following year has had a big impact. Our full-time MBA students previously had to take two years off work," says Sue Bennett-Williams, the AGSM's MBA program director.

"I think we're also seeing more enrolments from young business people from the UK seeking high-quality value for money coupled with the great lifestyle Sydney offers," says Bennett-Williams.

"The new 15-month program is more cost-effective, but students are also attracted to other features of the new design, including a stronger cross-functional approach



“Our aim is to produce people who are not only technically good across the management disciplines, but who are also good problem-solvers and team players.”

— professor Robert Wood.

to the core disciplines,” says professor Robert Wood, chair of the MBA program committee.

“There is more emphasis on examining issues from different perspectives, such as economics and marketing, as well as integrated analyses of current topics in business, like diversity and corporate governance.

“We’ve also boosted the skills content by introducing core integrative programs team-taught by faculty from different disciplines. These programs focus on management skills and career management, the dynamics of the old and new economies, and managing diversity, and we constantly update them to reflect recent developments in business,” says Wood.

The new design splits students into three groups. Each group works with a faculty leader who observes and helps with the curriculum’s increased teamwork requirements.

“With the bigger class and more integrated learning, we want to make sure that the teams have the structure and support that allows them to succeed,” says Wood.

“Our aim is to produce people who are not only technically good across the management disciplines, but who are also good problem-solvers and team players,” he says.

ILLUSTRATION: GREGORY BALDWIN

## IN STEP WITH ACADEMY

A traditional aboriginal welcome at the Australian Museum launched the Academy of International Business meeting last November. Hosted by the AGSM, it was the first time the AIB



PHOTOGRAPH: JOHN HANCOCK

had held its annual conference in Australia.

The AIB was established in 1959 and has nearly 3000 members in 65 countries around the world. It is widely regarded as the leading academic network for international business research and study.

## International alliance

The AGSM has formed an alliance with Stanford Graduate School of Business and Melbourne Business School to deliver top-ranked customised business education to decision-makers working in Australia and the region.

The first initiative of the alliance is an intensive one-week program, ‘Driving Corporate Growth: Leadership, Innovation and Globalisation’. It brings together leading educators from the three business schools and top-ranked executives from Telstra, Fosters, Westpac and Woolworths.

The program, starting 17 March, will focus on strategies for corporate growth. It will challenge current thinking on innovation, e-business, leadership and globalisation.

“We believe this is the start of a new category of top-level business education – a truly international alliance between leading schools and selected companies,” says alliance partner, professor Bob Joss, dean of Stanford GSB.

## In brief

### New vice-chancellor

UNSW has appointed professor Wyatt (Rory) Hume as its next vice-chancellor. Currently executive vice-chancellor at the University of California Los Angeles (UCLA), professor Hume will take up his appointment in June upon the retirement of incumbent vice-chancellor, professor John Niland.

“Professor Hume’s appointment is great news for UNSW and the AGSM,” says professor Michael Vitale, AGSM dean. “He has a distinguished record as a researcher and teacher and was formerly a dean at the University of Sydney, one of the AGSM’s shareholder universities.”

### Whittred joins UNSW

Greg Whittred, former AGSM professor of accounting, has been appointed dean of the faculty of commerce and economics at UNSW. He joined the AGSM in 1990 as professor of management in accounting. He had been a professor of accounting at the University of Sydney and held visiting appointments at the graduate schools of business at the universities of Chicago and Rochester. He has served the AGSM as executive director of the MBA Executive program from 1996, as associate dean for the MBA program from 1998 to 2001, and as acting dean and director from August 1999 to December 2000.

## An impossible dream?

Alumni took a serious look at IT project management during the 2001 Alumni Program event last November. New findings on why IT projects are problematic and what managers can do to improve performance were presented by researchers with the AGSM’s Fujitsu Centre for Information Technology.

PhD candidate Anthony Vlastic and professor Philip Yetton presented recommendations for IT practice, while alumnus Duncan Hewett, regional general manager of Lotus, gave a practitioner’s insight. The event was part of the AGSM’s Life Long Learning initiative.

**IT TALK** (from left): Anthony Vlastic, Dr Anne Lytle, professor Philip Yetton and Lotus’ Duncan Hewett.



PHOTOGRAPH: BILLY RYAN

## Asia’s best

The AGSM’s MBA Executive program was ranked 13th in the world by the prestigious *Financial Times* of London. The AGSM was the only Australian school in the top 50 and it outranked all Asian schools surveyed.

The survey measures graduates’ career progression, the diversity of faculty and participants, international experience and research. The AGSM ranked fourth in percentage of women students and sixth in percentage of international faculty.

The AGSM offers the only MBA Executive program in Australia delivered face-to-face in six mainland capital cities.

## Business thought

Australia would be left behind in the biotechnology revolution because its business leaders did not understand the science and had been reluctant to fund research, said Harvard associate professor Jonathan West, in an address to an AGSM strategic retreat.

“Biotechnology is a business problem. Here in Australia there are enough scientists to work in the industry and enough resources but we don’t have the people in business who understand the

science, the deal-making and risk management aspects of multiple large projects,” he said.

West said the life sciences revolution would be the greatest technological revolution of all time, perhaps second to the discovery of fire, yet by world standards Australian business had been slow to react.

The AGSM’s executive skills series in 2002 offers a new course, ‘Leading Bio Techs – Strategies for Growth’. ★

For details, call executive programs client services on Tel: (02) 9931 9333, or e-mail: [enquiries@agsm.edu.au](mailto:enquiries@agsm.edu.au).

# From practice to research

What's it like swapping the power of corporate position for life as a PhD student?

**“T**he notion of creating new knowledge is very seductive,” says PhD student Meredith Rogers, who managed a \$1 billion budget and 500 staff at Telstra before joining the AGSM’s PhD program.

A former engineer, Rogers was first exposed to the way rigorous research has an impact on changing the way managers practise in the AGSM’s ‘Change Power’ program led by professor Dennis Turner.

“Dennis is my role model. He was a senior manager and became a researcher. He has the kind of knowledge that we wanted to take back to our organisations. The executive programs he runs are often booked out and that has meant hundreds, even thousands of people’s working lives may have changed for the better. That’s very powerful,” says Rogers.

Rogers is attracted to research not only for the opportunity to solve business problems, but also for the chance to learn how to put theory into a context that is meaningful to managers.

“Because I was managing technicians and engineers, I kept looking at what they did and it was clear that the company was constraining them. I felt there must be a better way. I wanted to be able to answer the question, ‘Why do managers set up systems and behave in a way that alienates people?’” says Rogers.

Rogers’ PhD is on employment systems in small, innovative organisations. “In large companies the HR system applies to everyone, from the sales and marketing people to the research and development teams, but it’s not necessarily the best system for the technologists



in research and development. That’s why I am interested in looking at small organisations.”

Rogers has a history of seeking the tools of the AGSM to make life changes. She completed the Senior Manager Development Program 11 years ago, on which Turner also taught. At the time, she was one of two principals in a small consulting firm of six staff. Not long after completing the four-week residential program, she became manager of one-sixth of Telstra’s residential customers in Sydney.

“I had already decided to leave the consulting practice, and because of that program [SMDP] I was able to realise the scope of what I could do. I paid for the program myself and got my money back within the first three months of completing it,” says Rogers.

## TRANSITION

Commenting on the transition from senior manager to research student, Rogers says: “For three years my income will be about one-tenth of what I was previously earning.

“In the process, you ask, ‘How am I a worthwhile human being if worth is not defined by money?’ A large part of the benefit is the psychological journey.

Rogers has also had to adjust to the reality that the task of a researcher is one of analysis. “As a PhD student you are dealing with more fundamental knowledge, whereas a manager has to make decisions almost instantaneously,” she says.

“The thinking process is very different. As a manager you don’t make decisions on the basis of your own in-depth analysis because you don’t have the time and you have staff to do it for you; at Telstra I had lots of



#### ENGINEERING IDEAS

Mentor, professor Dennis Turner, with PhD candidate Meredith Rogers.

engineers doing the analysis on which I based my decisions,” Rogers says.

PhD students at the AGSM come from a wide variety of disciplinary backgrounds – ranging from the sciences and mathematics to politics and the arts. The learning curve for Rogers involves the move from a physical sciences discipline to social sciences.

“In engineering, arguments are expressed in numbers, whereas in the social sciences the tools are words, and you have many levels of meaning.

“The physical sciences are positivist in that you do an experiment, get an outcome and can generalise that outcome according to natural law.

“An acute adjustment in my case is learning to read the social sciences. Learning to live with the frustration of things not being immediately clear.

The motivation to take up study was partly a result of Rogers working a 70-hour week in Melbourne and living in Sydney “I knew that couldn’t be a long-term thing, but I also knew I wanted to go beyond the practice of management, to do something that was intellectually stretching and to learn a different way of thinking,” she says.

The PhD program, says Rogers, gives a manager access to another career path and to occupational choices.

“It seems that when I want beneficial change in my life, the AGSM has the tools for me to do it. I have a part-scholarship from the School, which I am grateful for because it gives me both financial and psychological support.” ✪

by Debra Maynard

## PHD RESEARCH GUIDE

Since the AGSM’s PhD program began in 1977, hundreds of companies have given researchers access to their data, people and organisational processes. In doing so, many have learned from the research outcomes and have added value to their business practice.

The School’s ongoing PhD research program has more than 40 researchers working across a range of management fields. The program develops skilled research professionals and carries out significant research into issues of benefit to management. There are opportunities for companies to do experimental work by giving PhD students access to data and employees. Check this guide to well-progressed research at the AGSM, and feel free to contact students by e-mail.

### ORGANISATIONAL BEHAVIOUR

Jennifer Adelstein, ‘Dislocations in personal identity and values with corporate identity and culture’.

Interests: organisational sociology, psychological contracts, power. [j.adelstein@agsm.edu.au](mailto:j.adelstein@agsm.edu.au)

Catherine Collins, ‘Developing team effectiveness through team-efficacy and job design’. Interests: self and collective efficacy, teamwork, work design. [cathc@agsm.edu.au](mailto:cathc@agsm.edu.au)

Keith Dawes, ‘The tacit knowledge and skills of the successful manager’. [dawesgp@ozemail.com.au](mailto:dawesgp@ozemail.com.au)

Wendy Grusin, ‘The relationships between individual differences, strategic issue characteristics, managerial cognition and strategy choices’. Interests: cognition, corporate strategy and performance, personality theory, socialisation in organisations. [wendy@grusin.com](mailto:wendy@grusin.com)

Michael Higgs, ‘The influence of implicit theory of ability on managerial self-regulation and role adaptation behaviour in role transitions’. Interests: role transitions, self-regulatory processes and self-management skills, information and feedback seeking behaviour.



**SKILLED RESEARCHERS** (from left): Catherine Collins, Paul Jensen, Catriona Wallace\*, Meredith Rogers, Anthony Vlastic and Wendy Grusin.

\*Wallace has recently completed her PhD on 'Technology as a substitute for leadership and its relationship to performance'. Among her interests are call centres.

conception of ability and goal orientation.  
mikeh@agsm.unsw.edu.au

Nancy Kohn, 'Can task presentation have an impact on the learning and performance of complex tasks'. Interests: practice conditions, task complexity, goal conditions. nancyk@agsm.edu.au

John McManus, 'A Kleinian analysis of organisations and the implications for individual health, as considered per employee assistance program intervention and participation'. Interests: psychoanalytic perspective on organisations. jmcmanus@mail.usyd.edu.au

Tracey Pillinger, 'Motivation and decision-making in teams'.  
trace@agsm.edu.au

Meredith Rogers, 'Management of technologists to support innovation'. Interests: innovation, learning organisations, HR systems. mereditr@agsm.edu.au

Katie Toomey, 'Improving team performance in medical crisis situations'. Interests: perspective taking, role clarification, communication strategies. katiet@agsm.edu.au

#### **FINANCE AND ACCOUNTING**

Kelly Chan, 'Examining the impact of earnings and cash flows on returns'. Interests: capital market research. kelly.chan@uts.edu.au

Jennifer Anne Fagg, 'Managing credit across the business cycle'.  
kyoandjaf@telstra.com

Renato Guido, 'Essays on the role of information in financial markets'. Interests: Bayesian inference/model evaluating and testing, financial market empirics, asset pricing theory, market microstructure. rongu@agsm.edu.au

Cameron Hooper, 'Information asymmetry and the quality of earnings'.  
c.hooper@unsw.edu.au

Sean Toohey, 'Provision of liquidity services and financial system stability'.  
s.toohey@uws.edu.au

Kathleen Walsh, 'Essays in asset pricing'. Interests: market microstructure, asset pricing, econometrics. kathyw@agsm.edu.au

#### **OPERATIONS AND STATISTICS**

David Chan, 'Correlation in multivariate models'. Interests: Bayesian statistics. david.chan@cmis.csiro.au

Doan Hoang Cau Thai, 'Optimal policies for generators in competitive electricity markets'. caut@agsm.edu.au

Fredrick Wong, 'Inverse covariance matrix estimation by element selection of inverse partial correlation'. Interests: Bayesian computational statistics, non-parametric regression. fwong@agsm.edu.au

Chu Wah (Paul) Yau, 'Bayesian variance components methods in nonparametric regression and Generalizability Theory'. Interests: Bayesian statistics, MCMC method, nonparametric regression. pauly@agsm.edu.au

#### **GENERAL MANAGEMENT**

Paul Bannerman, 'Strategic management of IT and the role of IT in organisational transformation'.  
pbannerman@compuserve.com

Michael Collins, 'Measuring the value of intangible assets'. Interests: corporate strategy, knowledge management, real options. mcollins@agsm.edu.au

Timothy Coltman, 'Determinants of e-business strategy'. Interests: e-commerce. tinc@agsm.edu.au

Liu Li, 'The effective use of control modes in the management of projects in project-based companies: a comparison of IT service companies and construction companies'. Interests: improving the effectiveness of managing IT projects in organisations through proper organisational configurations, management of project-based companies, project finance, venture capital and technology management. liul@agsm.edu.au

Jim Nelson, 'The co-evolution of telecommunications markets'. Interests: complexity theory, new organisation forms and strategies for the information age. nelsonppp@compuserve.com

#### **MARKETING**

Paul Burke, 'The effect of ambiguous information on consumer choice'.  
paulbu@agsm.edu.au

Mathew Chylinski, 'Path dependent preference formation in on-line'. Interests: decision theory, psychology, economics. mathewc@agsm.edu.au

#### **ECONOMICS**

Paul Jensen, 'Examining the magnitude and sources of cost savings associated with outsourcing'. Interests: industrial organisation, public policy. paulj@agsm.edu.au

Scott Russell Muller, 'Economic elements of market power'.  
scottm@agsm.edu.au;  
Scott.Muller@defence.gov.au

#### **FUJITSU CENTRE**

The Fujitsu Centre for Managing Information Technology in Organisations brings a general management perspective to applied research into IT. It is an important contributor to the theory and practice of IT management in organisations.

Greg Marsh, 'Transferring business information systems theory and practice into the military context: validity, drivers and barriers'. Interests: knowledge management in military communications. greg.marsh@dsto.defence.gov.au

Anthony Vlastic, 'Generating business value from an IT investment'. Interests: project management, corporate and IT strategy, e-commerce and inter-organisational systems, knowledge management. anthonyv@agsm.edu.au ★

# Front-line affairs

Former senator and foreign minister, Gareth Evans, says he has begun the busiest and most challenging period of his working life. **Lachlan Colquhoun\* reports.**

**H**e dealt with some of Australia's thorniest diplomatic issues in his two decades in parliament. With world security now at its most precarious, Gareth Evans' new role – as president and chief executive of the Brussels-based International Crisis Group (ICG) – is putting him back in the front line of global affairs.

Evans, who accepted a position as the first corporate fellow at the AGSM's Centre for Corporate Change, spoke at the AGSM-hosted Academy of International Business conference last November, and afterwards addressed an AGSM breakfast on the implications of the 11 September terrorist attacks.

While supporting the US-led military response, Evans emphasised the complexity of the situation and the need for a considered diplomatic response.

"There are three separate levels necessary in the response," he said in an interview after the AGSM breakfast.

"One is handling the punitive stuff in a way that is not counterproductive, and that means tuning in very closely to what other countries are saying, and being very cautious in extending the scope of military operations.

"The second level is to win the confidence of those countries which are front-line players when it comes to terrorism, because that's where extremism is bred and that's where the terrorists come from and where they've been able to find an operational base."

Evans said it was imperative the international response was planned over the long term, and included widespread cooperation between intelligence agencies in areas such as tracing money trails.

"Without it you can't make an impact," he said.

"The third level is a need to understand



GARETH EVANS

**“We must not fall over backwards to accommodate regimes which are insensitive or worse.”**

the root cause of the grievances on the cultural as well as the economic and political sides.

"Part of the initial reaction in the US was to not even talk about addressing these grievances because to do so was to reward the terrorist assault, but unless you do make a systematic attempt to resolve those grievances you are continuing to let fester the swamps in which terrorism breeds."

Already, the ICG has moved to play a role in informing Western policy responses to the situation. Prior to 11 September the organisation's on-ground presence was limited to the Balkans, parts of Africa and Central Asia.

With the aid of a projected 2002 budget of \$US8.8 million, the organisation already has analysts in Pakistan producing

assessments which – through Evans' advocacy – can find a way into the mainstream of Western decision making.

"The trick for the West is to simultaneously win the support of moderate Islamic countries and do it through good policy responses that will avoid wedges being driven between the West and Islam," he said.

"The other thing we must not do is fall over backwards to accommodate regimes which are insensitive or worse.

Evans warned against falling into the same trap as during the Cold War, when Western governments supported corrupt and unjust regimes throughout the world simply because they were perceived as anti-communist.

He said the current crisis was "tailor made" for the ICG, which was founded by a group of prominent foreign policy specialists in 1995. From a staff of two, the organisation has now grown to a team of 70 people working in more than 20 crisis areas across four continents.

"The fact that we have first-class people on the ground makes us distinct from the armchair think tanks and institutes that litter the landscape everywhere," Evans said.

He said he was delighted now to have a formal association with the AGSM, an organisation for which he had always had "a huge amount of respect".

"I've always admired the AGSM's input not only into corporate governance issues and classic business skills but in the way it has had a role in public administration and intelligent public policy formulation," Evans said.

"If I can help to reinforce that part of the AGSM tradition then I'll be happy to do so." 🌟

\* Lachlan Colquhoun is a freelance writer.



Sir C.K. Chow accepted the Academy of International Business Executive of the Year award, hosted by the AGSM last November in Sydney.

# It's all about growing entrepreneurs in-house

Sir C.K. Chow, former head of British engineering giant GKN and now chief executive of Brambles, talked to *AGSM Magazine* about his brand of corporate entrepreneurship. **Lachlan Colquhoun reports.**

**N**ow domiciled in Sydney as the chief executive of the new Brambles – after its \$A17 billion merger with British engineering giant GKN late last year – Sir C.K. Chow brings a proven style of corporate leadership to the local marketplace. It is a style that made GKN a frontrunner in Britain and won him a knighthood before his 50th birthday.

Chow was headhunted to become chief executive of GKN in 1996. He set himself and the company the ambitious task of boosting revenue growth by 40 per cent over five years. In a sector such as automotive components, GKN's main business, this seemed a tough call. The pound, GKN's reporting currency, was so strong that it was threatening to sink other icons of British manufacturing such as Rover and BTR.

That Chow and GKN managed to achieve, even exceed, the goal are now on public record. The feat won him the AGSM-hosted Academy of International Business International Executive of the Year award, presented in Sydney late last year.

Chow says his success at GKN was as much due to changing and “retooling” the company's culture as to the strategic decisions he made on acquisitions.

His emphasis on innovation stands in stark contrast to much of British business. According to a recent report by UK management consultancy Bourton, such strategies are most often left to develop by chance, instead of through senior management adopting and implementing policies which encourage risk-taking.

The Bourton report said senior executives need to become identified with a culture of

innovation and risk-taking in order to encourage their employees to develop new products and processes.

At GKN, the company managed to achieve Chow's target not only through strategic moves in helicopter and armoured car manufacturing, but also through his championing of corporate entrepreneurship within the organisation in a program called ‘The Way Forward’.

“There was a good reason to promote entrepreneurship at GKN,” says Chow.

“It is a very structured and disciplined company and most of its executives are engineers with very high work ethics. In order to encourage growth, we needed to support this strength and combine it with entrepreneurship.”

The cornerstone of The Way Forward program was the formation of what Chow calls “real working teams” starting from the executive committee of the company through to every business unit.

“They work together on real business issues, often recharting their strategies and redefining their culture, in an atmosphere aided by outside [resources], in this case the Columbia business school,” he says. A product of US business education himself, Chow sent several hundred GKN managers to Columbia on short courses, insisting that they relate their studies to the practical work situations they faced every day.

“We used entrepreneurship as part of the performance evaluation process. We also installed a Web-based innovation program and appointed some experienced managers as coaches and coordinators to help our young engineers and managers to develop their new ideas.” The process, says Chow,

developed more than 500 “meaningful” ideas in its first year.

“We also empowered a 30-something-year-old executive with the authority to support each idea with a £5000 prize as he judged fit,” he says. “Some of these ideas turned into new business ideas such as a new off-highway wheel design, or a new powder metal rotary pump design.”

In the production of another automotive component, known as constant velocity joints (CVJs), The Way Forward program produced startling improvements.

A network of 47 GKN plants produce around 80 million CVJs each year, or 40 per cent of total global production worth \$US6 billion a year, making GKN the world's single biggest producer of the component.

Every year, about 1000 people from the CVJ division – which is scattered through the US, Mexico and Europe – are involved in formal workshop sessions in a host plant to discuss new ideas. Staff are also encouraged to host regular but informal discussions by e-mail or telephone.

Along with the practice of seconding people from their home plants to other parts of the company for long periods, The Way Forward program helped break down competition and suspicion between the plants and created an open atmosphere which encouraged people to feel they were at a disadvantage if they didn't share their ideas. Previously impeded by cross-cultural rivalries, this was a major breakthrough in organisational behaviour for GKN that took five years to achieve.

This impetus to sharing knowledge saw a new machining method for press tools devised at a GKN plant in Germany copied



**INNOVATION ARCHITECT** Sir C.K. Chow.

throughout the company. The Germans managed to cut down the machining time from the normal 36 hours to just six hours. The German method was then replicated at a plant in Sanford, North Carolina. Local managers there were sceptical about whether they could reproduce the German results, but 12 months after implementation they were able to cut the machining time down to four hours.

The new method also meant the US plant no longer needed to keep press tools in stock. With the new method, they could make CVJs virtually on demand, reducing the plant's inventory bill by about \$US3 million.

GKN's automatic driveline division, which produced the CVJs, has been able to average year-on-year productivity growth of 6 per cent. At the same time the division's market share has increased by at least three per cent over the past five years.

The implementation of the German innovations doubled productivity at GKN's CVJ plant in Mexico, with a five-fold rise in quality since 1995, and the plant is now the company's most profitable.

Innovations not only came from Germany. Lessons in quality control learned in the UK from contact with British-based factories operated by Japanese car producers also helped productivity. Workers were re-grouped in a U-shape rather than a straight line, which led to better communication and a 60 per cent increase in output for each person. Those ideas, too, were passed on to the other plants.

With momentum like that, GKN has picked up business from competitors and won outsourcing contracts from the big car makers, which previously produced the components in-house. The next target is the Japanese home market, where – although foreign parts makers have a tiny market share – GKN has begun a joint venture to

## ‘No successful entrepreneur achieves success by merely copying what others do; they do something new, different and better.’

supply producers such as Nissan.

“No successful entrepreneur achieves his success by merely copying what others do; they do something new, different and better,” says Chow.

“They are resourceful, and often leverage other people's resources to succeed.

“They also do not take risks blindly. They understand risks very well and take actions to mitigate them as they understand that their survival depends on it.”

### **BRAMBLES ENTERPRISE**

The Brambles-GKN merger, says Chow, is very much his “baby”. It brings together two businesses that the two companies have been joint venture partners in for 30 years – the CHEP pallet business and Cleanaway waste management.

“Two things that I emphasise in the new Brambles, is firstly that we are a business-to-business solutions provider for outsourcing support services, and secondly the key to doing that successfully is through the development of people and promoting an enterprising spirit,” Chow says.

“An enterprising spirit is about innovation, overcoming barriers, and it is about resourcefulness. And that's what we would encourage our people to do.”

Innovation in support services is best to come from interfacing with your customers, says Chow. “It is about ideas that start with somebody saying, ‘Hey let me do this for you’, and then it begins; it may start in a relatively small way, but it can grow very quickly.”

Such innovation, he says, will be easier now that the CHEP and Cleanaway businesses are united in one company. “It's difficult to formulate a unified culture when you have a large part of the business in joint ventures,” says Chow.

“Joint ventures operate independently and they cannot adopt cultures from either of the parents too closely because the other parent would become jealous.

“This is the biggest change; now that we've brought the ownership together we can develop the culture as one company going forward.”

Chow enthuses about the Brambles CHEP pallet business, which is a standardised loading system which tracks, repairs and collects pallets delivered to businesses

throughout the world. “It is one of those elegantly simple ideas, like the eraser at the end of the pencil, and it has huge growth potential.

“After 50 years in Australia and about 11 years in the US, CHEP has only penetrated less than 30 per cent of the Americas market and the European market.

“It is just beginning to enter the non-grocery market, such as chemicals, pharmaceuticals, cosmetic and health products and horticulture products,” says Chow.

### **EMERGING MARKETS**

Sydney-based market analyst, Shawn Burns of Zurich Financial Services, says, “There is a general view of CHEP as a superior business, but now that it is a larger part of the group there is more pressure on it to perform.”

Burns says that while the CHEP business provided around 50 per cent of the new Brambles revenue, it was responsible for up to 70 per cent of the valuation put on the company's share price by market analysts.

“It's a great business but it's had a few short-term problems, and people are going to be watching it very closely,” he says.

While CHEP is currently centred on Western economies, Chow also sees the potential for growth in Asia in the coming years, particularly in mainland China, where World Trade Organisation membership will boost the global integration of business at all levels.

“Geographically a lot of the emerging markets, including China, will be very rich markets going forward,” he says.

The likely emergence of free trade zones in Asia-Pacific will, he says, allow CHEP to flourish, because when goods start to move into new areas, then standardised logistics methods will follow. And this is where Chow's past focus on fostering information and ideas from the warehouse floor will be essential to further success.

If CHEP conquers China, then it will complete a remarkable journey for this son of mainland refugees, whose business skills will have taken him from Hong Kong to the US, UK and Australia and may take him back to China once again.

Sydney will have him for a while yet, however, even though it will be sharing him with the rest of the world. ★



# Best employers 40% ahead

Global data shows better people management serves profit.

**T**he 2001 Australian Best Employers to Work for in Australia study released in late January draws attention to the link between better people management and greater financial performance, says the chair of the study's judging panel, the AGSM's professor Roger Collins.

This is the second year of 'Best Employers' studies in Australia and the research data shows that the companies judged the best employers are more than 40 per cent ahead, in average profit growth, compared with the average profit growth for all other survey participants.

The latest study selected 20 'best employers' (see table) from a field of more than 160 participating companies in a wide variety of industries. The top 20 were found to excel in leadership, employment offer, employee recognition and accelerating employee development. They were also more exacting in their selection processes for cultural fit and invested more in employees to help them become successful quickly.

The 'Best Employers' study is produced by US consulting group Hewitt Associates and was first developed in North America. It is now conducted in Australia, Asia, Europe and South America and represents the largest database on people management practice in the world.

"The reasons for higher performance among the 'best employers' are clear. The global data shows they receive more job applications per position advertised, have lower turnover and more satisfied customers," says Collins.

In Australia the study is conducted in association with John Fairfax and the AGSM. Collins, with his panel, puts all the company data through a rigorous judging and validation process. The judging is conducted 'blind' to ensure company names don't influence the vote.

"One of the great benefits of this study is that we feed the data back to participating companies in one-day workshops so they can use the findings to manage their people

more effectively and lift their performance," says Collins.

Collins also chaired the judging panel for the Best Employers in Asia 2001 study that surveyed 365 companies in China, Hong Kong, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, India and Australia. The individual markets identified 10 best employers and Collins conducted the final judging in Hong Kong to select 20 overall best employers in Asia, none of which were from Australia.

"The significance of the 'Best Employers' group of studies is that we are beginning to get global data, and we'll be able to use that to enhance local and international management practices and organisational performance," says Collins. ★

## AUSTRALIA'S 'BEST EMPLOYERS'

### Over 1000 employees

Flight Centre  
Macquarie Bank  
Deloitte Touche Tohmatsu  
Lion Nathan  
Star City  
British American Tobacco  
SalesForce  
Eurest (Australia)  
Foster's Group

### Under 1000 employees

Cisco Systems  
Nokia Australia  
Guinness UDV  
Sun Microsystems Australia  
Agilent Technologies  
Avis  
SC Johnson  
Powerlink Queensland  
Merck Sharp & Dohme (Australia)  
Johnson & Johnson  
Nike

# 25

## BRILLIANT YEARS

It's been a quarter of a century since classes began for Australia's first full-time MBA program at the AGSM on 7 March 1977. *AGSM Magazine* spoke to pioneer faculty and deans about the School's legacy and future.



JEREMY DAVIS, PROFESSOR  
OF GENERAL MANAGEMENT

(Dean, 1979–1989)

“In the late 1960s the Australian business community was getting a little anxious that the universities weren't doing enough about management education. I think a very important part of that was probably the inquiry into management education in the UK by Lord Franks. His recommendations created two independent schools of business – the London Business School and Manchester Business School.

The important link to our history is that Dick Cyert, then dean of Carnegie Mellon in the US, who produced the report that created the AGSM, was on leave in the UK in the mid-1960s and watched what Franks did, and that would have had an influence on his recommendations for Australia.

When the Australian business community put similar pressure on John Gorton's government in the late 1960s they didn't want to spend the money, so they said, 'Let's

have an inquiry', and former prime minister John McEwen, who was minister for trade and industry at the time, asked Dick Cyert to come to Australia to do it.

It's a brilliant report. The beauty of it was two-fold. It recognised that there were already part-time MBA programs (mostly tacked on to the economics and accounting faculties of the larger universities), and that most Australians were going to study in the evening. However, importantly, Cyert said that Australia needed at least one national management school. Of course, because they were the declining days of the Gorton government, no-one could make a decision, so they put the report on the shelf.

The story goes that in 1972 the new Labor prime minister Gough Whitlam was under pressure from the ACTU to put money into a new Trade Union Training Authority. A couple of bureaucrats apparently said: 'Look, you're on the nose with the business community; if you throw more money at your union mates and don't give anything to the business community you will get into trouble'. Whitlam apparently agreed that something ought to be done and his advisers took off the shelf the Cyert recommendation to establish a national graduate school of management.

Another important aspect of the Cyert report was that it called for serious research to be done by a national school of management. Don't forget that there had been criticisms of American management schools in the 1950s that they were considered too practitioner-focused to belong to universities. That led the business schools to start moving into the modern fundamental research tradition. I went to Stanford when it was busy being rebuilt in that model.

So Cyert wanted to have a strongly driven research school with a PhD program and part of the mandate was very clearly to train management educators for the rest of the country – a very important part of our role that I think people sometimes lose sight of.

Now, Cyert was also quite perceptive about Australian culture. He recognised that if the AGSM was left to run an MBA and a PhD program, it wouldn't have an impact on the business community at all. So he advised that the School also must engage itself heavily in teaching executive programs, to force the faculty to forge links with the business community.

The stresses and strains of the first years, which were before my time, would have come from having to launch all three programs in the first year – the full-time

MBA program, the PhD program and executive programs.

There was also a view in the mid-1970s that a national business school needed to train people for senior roles in the public service and the private sector at the same time. That is the part of the original vision that failed. The AGSM initially offered a Master of Public Administration (MPA), and part of my job when I came was to recognise the MPA was a failure and to shut it down, which I did.

The first challenge I faced as dean of the AGSM was the vice-chancellor of UNSW asking whether I thought the AGSM was viable. The MBA program had a slow start in terms of numbers because many people had mistakenly expected that Australians would queue up in droves to do a full-time MBA once there was one of real quality in the country.

Even though there were no fees at the time, we had to play hard at winning postgraduate awards and scholarships for students. The board helped us add more scholarships which gave us something to advertise in the press.

I moved information sessions downtown from being held at the Clancy Auditorium at 7pm (can you imagine it, you've lost them right there), and we targeted markets such as the Institution of Engineers to bring more students.

I also had a job keeping the independence and autonomy of the School. We had to fight for what was originally known as the CMRD, Centre for Management Research and Development, which involved the School entering into a contract on its own. At the time it was a big issue because Unisearch didn't want us moving in on their patch.

Then, in a climate of deregulation in the mid-1980s came the realisation of how constrained we were. With MBA places allocated and funded by the federal government in Canberra, it looked as though we would have 100 students in our

full-time MBA intake every year forever. That meant I could never have more than 25 faculty, which meant there could never be more than three academics in each discipline. It was a recipe for dying. So that led to what I consider as my real strategic legacy to the School. We had to find a way to break out of the regulatory constraints and create a growth path for the School, and the EMBA was it. ▶

All the core ideas that lay behind the EMBA had been experimented with in the Executive Development Year course we ran for the Institute of Chartered Secretaries. It was called the EDY and we ran it for seven or eight years as a part-time program around the country. The faculty developed the resources, we got instructors to teach it, and marking was centralised. With that we essentially created the first part of what is now the MBA Executive program. ”



PHILIP YETTON, PROFESSOR AND DIRECTOR OF THE AGSM'S FUJITSU CENTRE FOR INFORMATION TECHNOLOGY

*(Foundation associate professor on the 1976 board of studies that wrote the curriculum for the AGSM's full-time MBA, executive education and PhD programs.)*

“ Philip Brown [foundation director] went around the world hiring people who wanted to come to Australia to build a school; it was an open competition which, at the time, caused a tense relationship with the faculty of commerce at UNSW, some of whom already taught an MBA.

I had been at Manchester Business School for four years [after completing a PhD at Carnegie Mellon]. I was attracted to going somewhere where the focus was on the blue sky; where we could do it our own way.

You mention milestones, and I think that to have a starting faculty who have become so successful is stunning. The faculty was

chosen fundamentally for its potential and commitment to building the School. We did believe we could build a world-class school, and people put a lot of effort into that.

If you look at the School over a long time scale, it has always appointed people with potential. People like John Roberts and Robert Kohn whose early careers were characterised by winning awards. I think we were entrepreneurial in that respect and it has paid off.

The early establishment of the School's independence was also an important milestone. Jeremy Davis, Rupert Myers, who was vice-chancellor at UNSW at the time, and Gordon Jackson and Alan Coates [on the first board of management] established the governing structure of the School in a robust way.

We were all committed to building excellent resources. For example, the School established one of the best business libraries in the world in its market. Pamela Taylor [foundation librarian] did a great job in supporting a lot of the School's work.

Another milestone was the establishment of the EMBA program. It was an insightful move. It now provides a platform to build an e-world MBA, which will happen; it is only a question of how.

That first group laid the foundation to build something pretty special. Some of my colleagues have become extremely successful and close friends. I think for everyone it's never not been challenging and exciting. ”

## AUSTRALIA NEEDED A NATIONAL CENTRE FOR MANAGEMENT EDUCATION, SAID CYERT

When Richard Cyert reported to the Australian federal government in 1970 that “what is needed now is special effort to establish at least one centre for management education with a scope and thrust that does not presently exist”, the idea for the AGSM was born.

The accelerating industrial change in Australia, and the threats and

opportunities of international business, clearly called for a large supply of managers as effective as any in the world.

Ironically it was the new Whitlam government, not known for its close ties with business, that gave the green light in 1973 for the AGSM, after the Cyert report had spent some time gathering dust in the last years of the Gorton government.

Federal funds of \$2.3 million were set aside in the 1973–75 triennium for building a national postgraduate management school, which enrolled its first students in 1977.

The concept of having a federally-funded, partially autonomous school within an established State-controlled university was new and controversial.



**JOHN STRINGER**

*(Foundation professor on the 1976 board of studies)*

“ I had seen an advertisement in *The Times* and wrote off to enquire. I was 50 at the time [working as director of the Institute for Operational Research at the Tavistock Institute of Human Relations in London].

I elected to come in March 1976 to give Philip [Brown] a bit of a hand. I flew out to Perth and on to Sydney with Howard Thomas [who had been director of London Business School’s decision analysis unit] and Phil Yetton. We went straight to the board of studies’ first planning meeting on arrival in Sydney.

Not having been in academia I simultaneously became an academic and an Australian – becoming an Australian was the easy part. Philip asked me to look after the DPM [Development Program for Managers – the first executive program launched in April 1977].

We ran the first course in three locations: at Everglades in Leura, and in Sydney at Little Bay and the Sebel Town House. We didn’t have a building like you have today to run such a course and it was a logistical nightmare, but I nevertheless have good memories of it. I remember one of the participants, George Boileau, who was an executive assistant to the general manager of BHP at the time, saying to the other participants, ‘Look chaps, this is the first time the School has done this thing – it is up to us to make it work’.

All the foundation staff taught on the first DPM – Ray Ball, Howard Thomas, Phil Yetton, Di Yerbury, Philip Brown, Bob Vermeesch, Malcolm Fisher and David Midgley; that shared experience was an important part of things coming together in the first few years.

I also remember that it was quite tough getting the MBA off the ground at a time when Australians were used to studying an MBA part-time in the evening. We were determined to establish the full-time MBA as the standard, but we had to argue its worth.”



**FRED HILMER, CEO, JOHN FAIRFAX HOLDINGS**

*(Dean, 1989–1998)*

“ I’ve always believed education is important. It was important for Australia to have world-class business education, and my view is that the AGSM was its best shot. But if you think about the great business schools, they are all embedded in business.

My view is a great school has to be part of a business community; I wanted to achieve that. We certainly embedded the school far more in the business community by establishing the advisory council, raising money, and increasing executive education so that we became more relevant to business.

By adding an EMBA we brought in a lot of people who were very good who wouldn’t have otherwise come to the School. With the EMBA we gained a student base that was richer, more talented and likely to have more impact on the business community than would have been the case had we only had a full-time MBA.”

Twenty-five years isn’t a long time, and I think the real challenge is how you can throw more light on what it is that managers do and to better understand the processes.

It’s very hard in a university to keep stepping back and saying, ‘What is the agenda? What is the topic? What are the key elements? How are they related to each other? Can I study them in a way that has academic respectability and practical value?’

When I came to the AGSM I think the School put academic respectability above business value. What I tried to do was bring them together. I don’t think it is one or the other, it’s both, and great professional schools do both.

I still think there is a challenge to be on the radar screen of business leaders; I would be delighted if the school created the issues, if it was issue defining and issue resolving on things like competition, labour relations, tax, what colours our ability to take risk. If the business school doesn’t do it, then who does? My aspiration for the school was to do more to engage with the business community and I think we started that.

I think a good MBA is valued but if that’s all you do it’s hard to be noticed. You have to do more by making the best use of your talent pool to contribute to the nation. I think the AGSM has a responsibility to do that. Twenty-five years is really just the blink of an eyelid in terms of history and there is a tremendous amount to do.”

### A CHANGING WORKPLACE

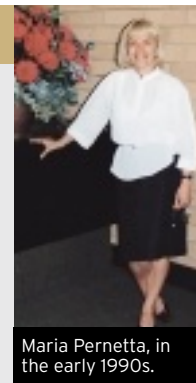
**M**aria Pernetta, the AGSM’s facilities manager, celebrated 25 years at the AGSM in February this year.

“I started two or three weeks before the first students arrived. I did timetabling but I also worked for Malcolm Fisher, Bob Marks and Chris Adam. My typing was terrible, which must have driven them mad. They probably said, ‘We’d better find her something else to do,’ and I progressed from there,” says Pernetta.

“The School has been in

a continuous evolution; it is always changing - and that’s probably what made me stay. I’ve had some great support and mentors. Pamela Taylor, the foundation librarian, would guide and advise me and I do miss that.

“If I manage to retire in another four years - I’ll be 60 - I’ll have Robert Maher [the foundation executive officer] to thank,”



**Maria Pernetta, in the early 1990s.**

says Pernetta. “He asked me one day - in 1978, I think - ‘Have you applied for superannuation?’ I said, ‘What’s that?’ At the time it was only offered to the men; women had to wait a year and

then it wasn’t offered, you had to apply for it. I didn’t do anything about it but Robert persisted and asked me again a week later if I had done anything, so I did. I’m very grateful!”



**LEX DONALDSON, PROFESSOR OF ORGANISATIONAL BEHAVIOUR**  
*(Lecturer, 1977)*

“ In 1977 the AGSM was, of course, much smaller than it is now. We were over in the Mathews building [at UNSW], famous for its big besser blocks. It was austere, Orwellian.

The upside was everybody knew everyone. Faculty would have lunch together and decision-making was more collegial and democratic then; everybody spoke and the senior professors could be outvoted. It was a highly democratic structure that minimised status differences. There was a very strong research ethos and no mission statement.

There was a tangible esprit de corps. I remember late one evening before the beginning of a new term a lot of the academics and administrative staff had dinner together and then headed down to Coojee Beach for a swim.

One of the characters on faculty in those early years was Rick Dowell, an economist from the University of Chicago. He was the first hard-core economist I had ever met. One of the first things he asked me was, ‘What is your net worth?’. He used to trade copper futures; everything was always about money. But then again, he was in his office at midnight one Saturday, and a student knocked on his door and asked him a question about economics, which he answered. At one time he had two baby grand pianos in his office, which he liked to play late at night. He was a full-time lecturer with us and then moved to Monash University and then back to the US.

The students in the first intake of the MBA program were a real bunch of characters. I think new programs often attract people who are adventurous, and that was true of our students. I still keep in touch with some of them, and see many others at the reunions, which is great.

I married June Ohlson, one of the AGSM’s librarians and 24 years later we’re still together. I could say the School gave me everything. ”

**CHRIS ADAM, PROFESSOR OF FINANCE AND ASSOCIATE DEAN, FACULTY** *(Lecturer, 1977)*

“ I was trained as an economist and I came to the AGSM straight out of the economics department at Harvard. I had never thought of being in a business school – but I have always been glad I came because I found it very broadening for my thinking and personal development. My subsequent positions at Bond University and the University of Sydney [1989–1998], have just confirmed this view.

Looking back now, I am also astonished at the incredible number of high-quality visitors our senior faculty brought to the School, some of whom went on to win Nobel prizes.

Merton Miller, who shared the Nobel Prize in economics in 1990, came to the AGSM in the 1980s to give an executive program, and he also presented two seminars to a small group of faculty. I sat next to him at dinner at a Chinese restaurant in the city, and we chatted away – and I realised what a very human person this great thinker was.

Fisher Black, who developed the Black-Scholes theorem about pricing options but who died before his work was awarded the Nobel Prize in 1997, also visited the School.

I learned how to teach at the AGSM. In the first years we all taught on all the programs – MBA, PhD and executive programs – and that meant we had to generate and learn the skills quickly to teach these three very different groups.

I had come to the AGSM from a PhD environment, and my tendency to be enthralled by formulae didn’t always wash with MBA or executive program students. I remember enthusing to one class in Finance that the Net Present Value formula was a friend you come to love. At the end of the program I was given an award that recommended I find a new friend.

In reflecting on the early years, I think I most vividly recall the School’s extraordinary ability to bring those high-profile researchers here to teach and give seminars; that’s something I look back on with astonishment and pleasure. ”

**BOB MARKS, PROFESSOR OF ECONOMICS**  
*(Lecturer, 1977)*

“ Ray Ball [foundation professor of management] interviewed me at Stanford where I was finishing my PhD [on the macro-economics of non-renewable resources]. My PhD was published as a book by Garland Press of New York – and was included in two series (on economics and energy) of outstanding dissertations. I was hired at the AGSM to teach Management in Society, a subject that tackled cross-disciplinary topics in Term 1 of the MBA. Of course, I brought an analytical economist’s perspective to class, which was a challenge for me and for many students.

We certainly hit the ground running in that first year with a small group which was determined to make a difference in management education. There was a great feeling that this was something new.

I had grown up in Melbourne but I hadn’t lived in Australia for eight years. I recall being impressed with the dedication of staff: Robert Maher, the first executive officer, and Pamela Taylor who built the library up from nothing.

Robert had been in Canberra as senator Withers’ personal assistant and was instrumental in getting the money out of Canberra to construct the AGSM building.

He came up with an ingenious plan to bring the building in under budget by knocking off one course of bricks to bring the cost in line with inflation.

I taught on the first DPM [Development Program for Managers] with [the late] Malcolm Fisher, who had visited me at Stanford before I arrived in Sydney. After Philip Brown left, Malcolm was the acting dean when UNSW had to be held at bay by the AGSM board. Malcolm was very pleased that, as a caretaker, he was able to protect the School’s independence.

Over the years I have enjoyed hearing from graduates about their progress and their career achievements. ” ❄️

*compiled by Debra Maynard*

# Making history

An early drawing of the AGSM building is not far removed from what was eventually built in 1980.



It was the idea of the late professor Malcolm Fisher to turn an underground storeroom into the AGSM's wine cellar. Catering menus still pay tribute to The Fisher Cellars.



The AGSM's public policy specialist, professor Peter Wilenski, had a high profile with the media in the late 1970s, having been a secretary of the federal Department of Labour and Immigration and a special adviser to the Royal Commission on Australian Government Administration.



Master of anecdote – foundation associate professor Philip Yetton in the classroom in the 1980s.

## '60s and '70s

**1969** “No society, and especially a free one, can long ignore the education of its managers and continue to prosper.” – Professor Richard Cyert, then president of Carnegie Mellon University in the US, who was commissioned by the Commonwealth government to write a report on the “most appropriate means of establishing management education of the highest quality without delay”.

**1970** Professor Cyert's Report of the Committee of Inquiry into post-graduate education for management is tabled in March. Its recommendations create Australia's first national business school – the AGSM.

**1973** The Whitlam government asks the University of New South Wales to establish the AGSM.

In August, \$2.33 million is set aside by the federal government, but delays in handing the money over mean the School is accommodated on Level 4 of the Mathews Building on the UNSW campus.

**1974** Professor Philip Brown from the University of Chicago takes up the position of foundation director.

The inaugural meeting of the Interim board of management is held on 11 February under the chairmanship of Gordon Jackson, AC, general manager of CSR.

**1975** Site for the AGSM is chosen and plans are drawn up for the AGSM building.

**1976** Foundation board of management appointed in May (see page 19).

Eight foundation academics join the AGSM: Dr Ray J. Ball, Dr Howard Thomas, John Stringer, Dr Di Yerbury (professors of management); Dr George Foster and Dr Philip W. Yetton (associate professors); Robert B. Vermeesch and Dr David Midgley (senior lecturers).

**1977** First students enrol: 47 masters students and four PhD students.

Development Program for Managers – the first executive program – is taught in residential mode in Leura and Sydney.

The first issue of the Australian Journal of Management is published in April. The editor is foundation professor Ray Ball.

**1979** First graduation ceremony (31 men and four women).

Work starts on the AGSM building.

Scholarships are offered to women in the Development Program for Managers.

Professor Malcolm Fisher is appointed acting director.

### Pressures

“It was very exciting to be a foundation professor, but also very stressful. We were given the task of building a high-quality

institution from scratch, always a difficult task. We also were asked to bring up a more complete range of programs than many mature business schools had (PhD, MBA, mid-career executive programs, a portfolio of short executive courses and research) with a handful of faculty. I think I paid an excessive personal price during my decade at AGSM, and did not begin to realise it until I took leave here in Chicago in 1985. I learned a lot during the first few years and the early success of the school was very rewarding.”

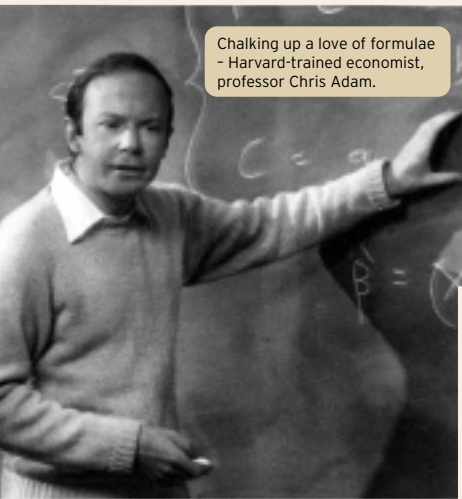
– foundation professor Ray Ball (today a professor of accounting at the Graduate School of Business, University of Chicago).

### Funds delayed

Reported in The Australian Financial Review, 18 May 1976.

“On present indications it looks as though the funds will not be available until the August Budget – which may be neat and tidy from a budgetary point of view, but will cause considerable problems in having the building ready in time for the beginning of 1978.

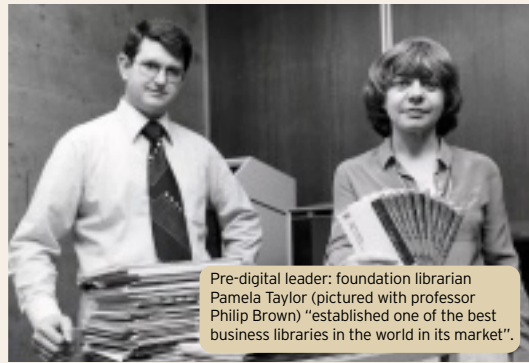
While it is traditional for governments to delay funds for educational buildings until they finally have to pay out expensive overtime to get the building inadequately finished in a tearing rush, it's an



Chalking up a love of formulae - Harvard-trained economist, professor Chris Adam.



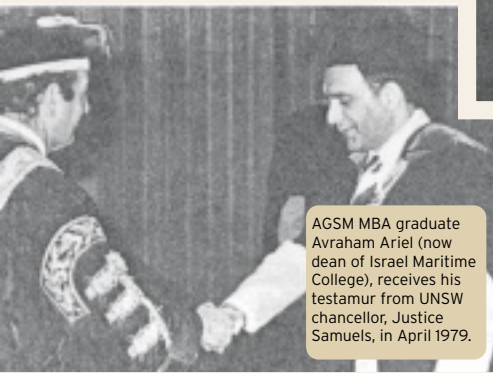
First graduates: (front row from left) Peter Gilford, Neale Goldston-Morris and Paul Greenwood; (back row from left) David Nathan, Alfred Stewart, Colin Cashman and Pamela Hall.



Pre-digital leader: foundation librarian Pamela Taylor (pictured with professor Philip Brown) "established one of the best business libraries in the world in its market".



Professor Philip Brown and UNSW architect Noel Wright with AGSM building plans in 1975.



AGSM MBA graduate Avraham Ariel (now dean of Israel Maritime College), receives his testimonium from UNSW chancellor, Justice Samuels, in April 1979.



Seeking women - a 1977 *Australian Financial Review* ad for the AGSM's MBA and MPA programs targets women.



The 1976 foundation board of studies had little more than a year to create MBA, MPA and PhD programs, plus a portfolio of executive programs and short courses.

incongruous way to start a school designed to improve management in Australia.”

### Foundation board

Reported in the Sydney Morning Herald, 18 May 1976.

The chairman of the board is Mr R.G. Jackson, general manager and a director of CSR, and a member of the board of the Reserve Bank of Australia. The four University of NSW members are Professor Rupert H. Myers, vice-chancellor and principal, professor D.M. McCallum, chairman of the professorial board, professor P.R. Brown, director of the school, and professor J. Stringer, professor of management.

Other members of the board are professor R.L. Mathews, professor of accounting and public finance, Australian National University, Canberra, Dr B.W. Scott, managing director of W.D. Scott and Co, Sydney, and Messrs A.W. Coates, investment manager of the AMP Society, F.R. Harris, general manager of the Municipal Tramways Trust, Adelaide, B.T. Loton, executive general manager of BHP's steel division, P.W.D. Mathews, national director of the Australian Council for Union Training, Melbourne, and A.S. Reiher, chief commissioner of the Public Transport Commission, Sydney. A student member will later join the board, which has power to co-opt one further member.

## '80s

**1980** Jeremy Davis (from his position as head of the Boston Consulting Group in Paris) is appointed director. He had earlier established BCG's west coast office in San Francisco. He had taught accounting at the University of Sydney and economics at the Graduate School of Business at Stanford University.

**1981** New AGSM building opened by Senator John Carrick.

First PhD awarded to Preston Bottger. Preston is today a professor of organisational behaviour at IMD in Switzerland.

**1985** The Alumni Association is incorporated. The first subscribers and directors are: Malcom Castle, John Love, Paul Greenwood, Arahni Sont, Alex Whitworth, Linda McLeod, Paul Brown, Steven Fuller, Craig Horrocks and Linda Wilson.

**1986** Student exchange program starts with New York University Graduate School of Business Administration.

**1987** AMP Society's Chair of Management endowed.

**1989** In July, 100 Graduate Management Qualification students enrol and pioneer the start of a unique design in part-time management education (eventually to become the EMBA).

Fred Hilmer joins the AGSM as dean and director (leaving his position as managing partner at McKinsey & Company).

Freehill Hollingdale & Page Chair of Management is set up; FAI Insurances Chair of Management in the field of finance is established to honour the life and work of the late Larry Adler AO.

### Alumni association

Malcom Castle was the first chairperson of the Alumni Association Limited (in 1985) and again in 1987. Linda Wilson was chairperson in 1986. In mid-1987 the association hosted a cocktail party at the offices of investment bank Whitlam Turnbull. With impeccable timing it held its first alumni ball just a few weeks before the 1987 stock market crash.

## '90s to present

**1991** School runs out of space and expands into the Samuels Building at UNSW.

Fujitsu Centre for Managing Information Technology in Organisation is established. A year later, the Commonwealth Bank becomes a donor.

Centre for Corporate Change is set up with a \$1.5 million Australian Research Council Grant.

**1992** The Graduate Diploma of Management (the second stage in the development of the EMBA program) is offered.

**1993** The EMBA program is launched.

Student exchange programs are established with the J.L. Kellogg Graduate School of Management in the US and Stockholm School of Economics.

**1994** CRA Chair of Quality Management is established.

**1995** UNSW and AGSM boards approve a \$10 million extension to the AGSM.

The Change Management qualification is launched.

Chief executive women's scholarship announced.

Copenhagen Business School, Esade, Anderson Graduate School of Management, UCLA and Walter Haas School of Business, Berkeley join the AGSM's student exchange program.

**1996** The Governor of the Reserve Bank of Australia, Bernie Fraser, opens the new AGSM extension and names the School's Frank Lowy Library. Designed by Lawrence Nield & Partners, the extension wins a commendation in the New South Wales Architecture Awards.

**1998** Professor Peter Dodd is appointed dean and director (from SBC Warburg) and initiates the AGSM merger.

AGSM opens new Perth campus.

Sponsored by the Australian Stock Exchange, Starlab is officially launched.

**1999** The AGSM (formerly a school of UNSW) merges with the University of Sydney's Graduate School of Management, making it a management school of both universities.

The merger adds the Hong Kong MBA program to the AGSM's portfolio (from the Graduate School of Business).

UNSW hands over the management of its Institute of Administration to the AGSM.

AGSM's professor Greg Whittred is appointed acting dean and director.

**2000** AGSM Hong Kong office opens, and a re-designed Hong Kong MBA program is launched under the AGSM's banner.

**2001** Professor Michael Vitale joins AGSM as dean and director (formerly at Harvard University and Melbourne Business School).

**2002** AGSM to open its Sydney CBD campus to MBA Executive program classes on 8 April; official opening on 1 May.

# In the groove



## They came from around Australia and the world. The

**F**oundation MBA alumnus, Peter Schweinsberg, now director of Energy Shield, a company he started with his wife, says, "the MBA gave me the confidence to found my own business and get on with the job".

"I came from a non-commercial family. For years, both in the church, my first career choice, and big business, I was confronted by those who had reached a senior position and who protected their status by trying to convince those below them that they had something special which, 'you might get one day'," says Schweinsberg.

"The MBA took away this mystique and gave me a set of constructs on which I could build my thoughts, plans and actions. It gave me the confidence to found my own business and get on with the job."

"From the outset, the AGSM program was based on excellence and this gave me a sense of confidence in what I was taught. It

gave me a tool kit for business and taught me how to use it," says Schweinsberg.

"I no longer dredge up professor Howard Thomas' actions and outcomes probability trees or think in terms of [the late] professor Fisher's economic models or of the capital asset pricing model professor Ray Ball introduced to us. But these were important foundations."

Foundation alumnus Ross Hutcherson was attracted to the AGSM because it was established as a national business school. Ross is now an economic and trade adviser for the Brazil Trade Bureau.

"I had limited expectations but knowing that the AGSM was being set up as a result of direct funding following the recommendations of the Cyert report gave me some comfort as to the importance placed on it," says Hutcherson.

"Studying a number of separate and diverse disciplines during the two years

# of management



**25 YEARS ON** Peter Schweinsberg and Ross Hutcherson.



**FIRST IN CLASS** Pioneer AGSM graduates in 1978 after a celebratory dinner. (Back row, from left): David Nathan, Avraham Ariel, Walter Bachmann, Trevor Armstrong, Preston Bottger, Ross Hutcherson, Peter Schweinsberg, James Beecher, Adrian Dignam, Richard Lamrock and Adam Finn. (Middle row): Neale Goldston-Morris, Tony Chua, Colin Cashman, Jackie Geok-Ke Liew, Paul Greenwood, Janetta Matchett, Pam Hall, Barbara Hawley, Ed Magen, Peter Gilford, Graham Higham. (Front row): George Ivanov, Graham Johanson, John McMahon, Chiang Huat Lee, Bob Hart, Mark Henschke, Elisa Santos and Gary Linnegar. Classmate Chris McCulloch took the photo.

**WHERE ARE THEY NOW?** Click on to the AGSM's Web site at: [www.agsm.edu.au/classof1977](http://www.agsm.edu.au/classof1977) for details.

## School wasn't yet built, but there was a sense of spirit and purpose.

helped me widen my perspective and give me confidence outside my economics background," he says.

Classmate Trevor Armstrong, now Singapore-based vice-president for Van Leer Packaging, says: "I was one of the lucky ones, as I continued to receive full salary from CSR while studying.

"I remember well all the hours of work and fun and the support of my wife who looked after our two babies and started a part-time BA degree, so weekends and nights we would both be studying," he says.

"It still amazes me that she looked after the kids, spent a fraction of the time I did on study and yet still achieved distinctions while I slaved away for hours to get credits.

"I think being one of the first guinea pigs of the AGSM was great because while we lacked the benefit of purpose-built facilities we had the huge benefit of a very high ratio of teachers to students, as well as

the passion of people like Philip Brown, Howard Thomas, Ray Ball, Di Yerbury, Phil Yetton, David Midgley and others. And they worked us to death.

"I found the MBA particularly beneficial as a bridge from my technical background to the previously mysterious fields of finance and accounting, marketing and human resources. I left CSR about a year after graduating and joined Comalco in a strategic planning role.

"General management roles in O'Brien Glass, Polycure and BTR Nylex followed, and with Van Leer I am currently responsible for the industrial packaging operations in Australia, New Zealand, Singapore, Malaysia, China, India and the Philippines," he says.

Foundation alumnus John McMahon says he was in love in 1977, but waited until after graduation to get married as he didn't think he could cope with MBA studies as well as marriage. The McMahons celebrate

their 25th anniversary next year, cheered by their eight children, ranging in age from two to 22. "My family represents a relatively high-yielding venture and a big investment in future Australians," says McMahon, who is general manager of PARED Foundation.

Commenting on the AGSM's 25th anniversary, classmate Richard Fethers (not pictured) says, "I enjoy seeing how original faculty members Phil Yetton and Robert Marks have aged; but we have all aged with some grace and dignity since our raucous days at the AGSM." Fethers has been in the US for the past 11 years, with a year each in London and Geneva. He lives with his family in Oregon but spends much of his time flying throughout the country doing strategy and restructuring consulting for Fortune 500 companies as a senior consulting manager with Pritchett LLC. ★

by Mike Walls

# Human rights and corporate

How big is the gap between government and corporate support for human rights? AGSM labour expert, professor Steve Frenkel, spoke with Amnesty International Australia's national director Tim Budge and Amnesty business group co-convenors, Richard Boele and Rohan MacMahon, about aligning economic and moral agendas.



**Steve Frenkel:** Does Amnesty's new interest in labour rights signal a shift in focus from rogue states to rogue corporations?

**Tim Budge:** In 2001 we expanded our mandate. Human rights really involve people's relationship with business as well as with government.

**Frenkel:** The violent protests against globalisation left many feeling that human rights campaigners are anti-business. What about Amnesty?

**Richard Boele:** Far from it. Our UK Business Group was ostracised for being too cosy with business.

**Frenkel:** Are Australian businesses supporting human rights?

**Boele:** BHP gets a gong. I was impressed with their thinking.

**Frenkel:** But BHP's history in labour relations is exactly counter to the ILO [International Labour Organisation] declarations and even more so against OECD [Organisation for Economic Cooperation and Development] guidelines. Are they playing some game?

**Boele:** I don't think so. People thought The Body Shop was anti-union, but in 1998 they promoted the Universal Declaration

on Human Rights (UDHR) in their shops in 30 countries.

**Frenkel:** What about stakeholders versus shareholders? The Europeans are further down the stakeholder path, while shareholder capitalism still rules in Australia. Does Amnesty push stakeholder capitalism as the way to go?

**Budge:** In a sense that's one of the drivers in updating our mandate. But our focus is still on grave abuses of human rights. Things like shareholder capitalism are outside our mandate, certainly outside our expertise.

**Boele:** Amnesty supports the idea of consumers acting as agents of change in corporate behaviour. Our members can and do use their purchasing power to influence businesses, and many of them are shareholders.

**Frenkel:** Is there an opportunity for you to develop some expertise in the area of economic rights that enables you to stand above other NGOs and speak with some authority?

**Budge:** We have a million members. That's our market niche. When we speak on an issue, we do it with the support of our membership.

**Frenkel:** Where do you see the biggest problems?

**Boele:** The resource sector. When India opened up to mining investment, 14,000 companies applied for licences in 18 months. The companies that succeed will be in partnership with the Indian government. Who do we hold accountable?

In South America, up to 80 per cent of

# conduct: where are we?



## THE PANEL (from left):

**STEVE FRENKEL**, professor of organisation and employment relations, AGSM

**TIM BUDGE**, national director, Amnesty International Australia

**ROHAN MACMAHON**, national strategy manager, hosting and ASP, Telstra

**RICHARD BOELE**, Australian Institute of Corporate Citizenship

undiscovered mineral resources are under indigenous land. The companies who say, 'We're going to take a human rights approach to working with those communities' have a better success chance of getting access to those resources.

We saw that here in the Northern Territory when Normandy Mining broke ranks and said, 'Look, we're going to have to deal with this native title issue'. That set Normandy apart from the others. As a result, they have a better reputation among Aboriginal communities.

Frenkel: How widely are you willing to expand the concept of basic human rights? Directors and managers and shareholders wonder where it will all end. If there's to be an ever-widening cascade of 'basic' human

rights – protected at shareholder expense – where's the payout?

Boele: The most immediate payout is probably stronger morale and loyalty among [a company's or organisation's] people. The British press accused Shell of complicity in Nigerian human rights abuses that climaxed with the execution of environmentalist Ken Saro Wiwa in 1995. Shell's brand image took a terrible beating. But I talked to Shell executives in the UK who were more concerned about the beatings their kids took at school. They were targeted because their dads worked for Shell. No surprise Shell committed to the UDHR one year later.

A similar thing happened to BP after the BBC broadcast [stories about] human rights abuses in Colombia [where BP operated].

The following year they had difficulty recruiting the best graduates.

Frenkel: How many companies around the world have declared their support for the UDHR?

Boele: My last count was only eight or nine supporting the whole thing. It is still a fairly small club.

Frenkel: So we have this huge disparity between political support and corporate support. In 1948, 48 countries signed the original Universal Declaration on Human Rights. By the 1992 meeting in Vienna there were 171. Why are so many corporations so out of step with the politicians on this issue?

Budge: You say politicians. When governments commit to the UDHR we assume the people of those countries support it.

Frenkel: Is there a framework in place for international companies to sign up, as there is for countries?

Budge: The UN is looking at the issue of corporations and human rights very seriously. A draft of guidelines has been in process for about 18 months, and major corporations have been active in that. We're hoping the UN will formally adopt the guidelines.

Frenkel: That raises a question for some managers: Australia is a signatory to the UDHR. Is the Australian government obligated to punish companies that violate it?

Boele: The short answer is yes and no. The UDHR is public international law, which is notoriously difficult to enforce. I don't think anyone's ever tried.

Budge: The UDHR has moral force.

Boele: Basically all public international law resorts to moral rather than legal force. It's the sort of thing Geoffrey Robertson runs hypotheticals on rather than the sort of thing you litigate.

Budge: But the moral force is very real. In 1996 Shell was [angry about being] cited in a UN report on human rights abuses in Nigeria. But it realised then that it had to take it seriously.

Frenkel: But there was no marketplace reaction in terms of sales or share price. We accept that Shell was worried. Its brand was muddled. Executives' kids were targeted. But did margins shrink? Did the share price plummet? No, its share price went up because it announced a \$1.2 billion LNG project – in Nigeria, of all places.

Boele: Shell was embroiled in an environmental fiasco at the same time. So it's hard to say whether it was that or Nigeria, but anecdotally they suffered a consumer slump in Europe around that same time.

Frenkel: That raises another question managers might ask. So much of the rhetoric on this issue has been 'crime and punishment' instead of 'investment and reward' – is there any way you can make a case for positive action? Does a corporation make more money by being a better global citizen?

Boele: There doesn't seem to be conclusive evidence yet. But my sense of it is that evidence will emerge, for the simple economic reason that most of these businesses operate in mature markets. For them to lose 1 or 2 per cent share in a volume-driven, margin-based business would have to hurt them.

It may be a while before they see the brand damage being done, but it will tend to leak through to the bottom line. And when you compare the cost of the damage to the

## Shareholder capitalism still rules in Australia. Does Amnesty push stakeholder capitalism as the way to go?

cost of 'preventive medicine', it's a bargain. Companies learned to do that with health, safety and environmental issues. They can learn to do it with human rights.

Frenkel: As risk management?

Boele: Exactly. If you say to a board of directors, 'There's a good chance you'll lose 1 to 2 per cent market share for the next five years, unless you do something relatively simple and inexpensive to prevent it,' they'd say, 'Go do it'. No question.

Frenkel: The food fight [over genetic modification] in Europe certainly supports your view. Vigilante consumers brought Monsanto to their knees. Had they taken a stakeholder approach before trying to ram those products down people's throats, they certainly would have reduced the financial damage.

Or would they? Going back to my 'investment and reward' comment: the NGOs and the popular media are only interested in punishing miscreants, not rewarding good citizens. How would it compromise your independence to publicise companies that are doing good?

People from Nike have told me that 98 per cent of their factories do the right thing. But if Nike comes out and says, 'We're great; we're socially responsible, and here's this report', nobody will believe them. Isn't there an opportunity for NGOs to counteract a biased press? You do that in places where the press is protecting the government.

Budge: It's a possibility. I'm not sure what's planned at international level, but it seems to me that's a valid role for Amnesty as a research organisation.

Boele: The UK business group produced a report on companies engaged in Saudi Arabia and the potential human rights risks. In Australia we produce 'Geography of Risk'. The first risk map had 17 countries on it, and BHP [Billiton] operated in seven of them.

Rohan MacMahon: The media is part of this debate, because bad news gets printed and good news doesn't. Part of the reason Amnesty has business groups is to have a dialogue and build good relations with the corporate sector. It's not about our saying, 'You

naughty people'. It's about our recognising the old two-way dialogue between individuals and governments is being superseded by a three-way dialogue between individuals, governments and businesses.

Frenkel: What can managers do to get started? Most know about triple-bottom-line accounting and social auditing. But how can managers really develop KPIs [key performance indicators] on the issue of human rights?

Boele: Hit [www.amnesty.org.au](http://www.amnesty.org.au) and download our 'Just Business Code'. It's an eight-page document that gives you a good introduction to the issue.

Budge: We've introduced a number of companies to accounting firms that offer 'triple-bottom-line' auditing.

Frenkel: The companies I'm familiar with have developed their own systems as part of TQM [Total Quality Management]. There is a Social Assurance standard, SA-8000.

Boele: Normandy Mining put their community relations monitoring system on top of the ISO, but they added 12 performance criteria. Instead of auditing systems, they audit performance. The next one will include an external component, so the auditor can ask people in the community, 'How do you think Normandy are performing against these 12 criteria?'

MacMahon: The idea of a 'balanced scorecard' is much more acceptable than it was five or eight years ago. Telstra brought a lot of traditional HR measures into balanced scorecard reporting. It doesn't even raise eyebrows any more.

In a more traditional dirty industry like mining, I wouldn't be surprised to see green measures in the same kind of balanced scorecard reporting. In terms of stakeholder activism for human rights, we can look at the green movement as something to learn from – both as activists and as managers. ★

by John Hancock

### For more information on the business of human rights:

- United Nations – to download the Universal Declaration on Human Rights (UDHR), go to: [www.un.org/Overview/rights.html](http://www.un.org/Overview/rights.html).
- Amnesty International Australia – go to: [www.amnesty.org.au/whats happening/business/index-7.html](http://www.amnesty.org.au/whats happening/business/index-7.html) and 'Just Business' to download guidelines on introducing human rights principles in day-to-day operations.
- SustainAbility – this pioneer 'triple-bottom-line' consultancy has information on human rights and corporate conduct issues and resources available to managers. Go to: [www.sustainability.com](http://www.sustainability.com).

# books

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### BOO HOO: A DOT.COM STORY FROM CONCEPT TO CATASTROPHE

Ernst Malmsten (with Erik Portanger and Charles Drazin),  
Hardback, \$55.00  
(Random House, 2001)

Reviewed by professor  
Michael Vitale, dean

No example of the hype and hysteria of the dot.com boom is better known than boo.com, the heavily publicised attempt to bring high fashion retailing to the Internet. Boo hoo, written by one of the founders of boo.com, describes the initiation, implementation and implosion of the company, which burned more than \$US100 million in venture capital without selling much of anything.

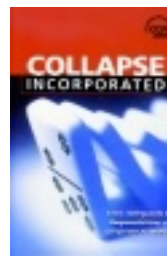
The book's subtitle is misleading – boo.com was always a catastrophe. Armed with a three-page business plan and a laptop mockup, Malmsten and his partner Kasja Leander raised a great deal of money from J.P. Morgan, the Benetton family, assorted Middle Eastern princes and many others who should have known better. Malmsten and Leander had one major asset: their timing was perfect.

When boo.com collapsed for good, investors received no return, suppliers were not paid and employees lost their jobs. Malmsten's analysis of the problem? "We were too visionary." In fact, the managers of boo.com failed to apply the fundamental principles of economics, marketing and finance. Far from being too visionary, they were nearly blind with respect to the marketplace and the technology.

Boo hoo makes moderately interesting reading for fans of business pathology, but Malmsten's

utter lack of insight into the causes of his company's problems will leave many readers unsatisfied. MBA students and graduates will gain increased confidence in the value of their investment in education, knowing that their understanding of business fundamentals will help them avoid the

kind of mistakes that destroyed boo.com. Managers of both old economy and new economy companies will see the importance of understanding the benefits, and the limitations, of new technology. And all of us will mourn, at least a bit, for a lost era of innocence, enthusiasm and very easy money.

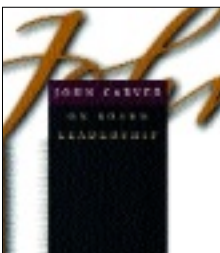


### COLLAPSE INCORPORATED: TALES, SAFEGUARDS AND RESPONSIBILITIES OF CORPORATE AUSTRALIA

Paperback, \$80.95 (CCH, 2001)

Reviewed by Lex Donaldson,  
professor of organisational behaviour  
This timely and topical book  
opens with a highly readable

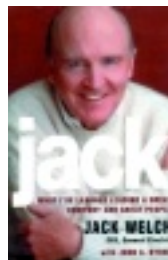
narrative of the demise of HIH, Harris Scarfe and One.Tel. The authors analyse how the HIH collapse hurt various parties and regions. The losses at HIH and One.Tel are compared with those of Adsteam, Bond, Qintex and Westpac. Other chapters cover ethics, directors, corporate responsibilities and venture capitalists. Prediction and prevention get a chapter each, and the book concludes with a call for reform. While the book is generally to be welcomed, some of the material consists of lists of fairly conventional points that do not cumulate into a sustained or novel argument.



### JOHN CARVER ON BOARD LEADERSHIP

John Carver, Hardback, \$39.00  
(Jossey-Bass, 2001)

John Carver is author of the best-selling *Boards That Make a Difference*, and a leading governance consultant. His new book contains the best articles from the Board Leadership newsletter, articles from various publications and previously unpublished short works.



### JACK: WHAT I'VE LEARNED LEADING A GREAT COMPANY AND GREAT PEOPLE

Jack Welch with John A. Byrne,  
Paperback, \$35.00  
(Headline, 2001)

As CEO of General Electric for 20 years, Jack Welch transformed a "stodgy, bureaucratic manufacturing conglomerate" into the most valuable company in the world. This autobiography tells how and why.



### TRIPLE BOTTOM LINE RISK MANAGEMENT: ENHANCING PROFIT, ENVIRONMENTAL PERFORMANCE, AND COMMUNITY BENEFITS

Adrian Bowden, Malcolm Lane  
and Julia Martin, Hardback,  
\$65.00 (Wiley, 2001)

This book shows how to manage risk when you're accountable for social and environmental, as well as financial, performance. The authors introduce the RISQUE

method to help you make informed, defensible risk management decisions, and illustrate risk assessment and insurance strategy with Australian case studies. ★

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# publications & papers

PUBLISHED WORK AND RESEARCH PRESENTATIONS

## BOOKS

Associate professor Sharon Parker (with H.M. Williams), *Effective Teamworking: Reducing the Psychosocial Risks*; and (with P.R. Jackson), *Change in Manufacturing: How to Manage Stress-related Risks*, HSE Books, Norwich, UK, 2001.

## BOOK CHAPTERS

Associate professor Sharon Parker (with T.D. Wall), 'Work design: learning from the past and mapping a new terrain' and (with T.A. Judge, A. Colbert, D. Heller and R. Ilies), 'Job satisfaction: a cross-cultural review' in N. Anderson, D.S. Ones, H.K. Sinangil and C. Viswesveran (eds), *Handbook of Industrial, Work and Organizational Psychology*, vol. 1 & 2, Sage, London, 2001.

Dr Robert Westwood (co-authored with P. Kirkbride), 'Managing across cultural divides: is it really a problem?' in P. Kirkbride and Karen Ward (eds), *Globalisation: the Internal Dynamic*, pp.79–112, John Wiley & Sons, Chichester/New York, 2001.

## AWARDS

AGSM faculty won the two Highly Commended Paper Awards at the meeting of the Australian New Zealand Academy of Management Conference held last December in Auckland. Professor Timothy Devinney (with Christine Soo of UTS, David Midgley of INSEAD and Anne Deering of AT Kearney, London), were commended for their paper, 'Knowledge management: philosophy, processes and pitfalls'; and Dr Hann Kim received the award (with Johannes Pennings) for their paper, 'Consumer preference, firm strategy and technological evolution'.

## JOURNAL PUBLICATIONS

PhD candidate Catherine Collins and Mark Griffin, 'Industrial and organisational psychology in Australia: the 4th Australian industrial-organisational psychology conference', *The*

*Industrial-Organizational Psychologist*, vol. 39, no. 3, 2002.

Professor Timothy Devinney, (with PhD candidate Tim Coltman, former AGSM researcher Alopi Latukefu and professor David Midgley of INSEAD), 'E-business: revolution, evolution or hype?', *California Management Review*, Autumn 2001.

Dr Giana Eckhardt and Michael J. Houston, 'To own your grandfather's spirit: the nature of possession meaning in China,' in Paula Tidwell and Thomas Muller (eds), *Asia Pacific Advances in Consumer Research*, vol. 4, Provo, UT: Association for Consumer Research, pp. 251–257, 2001. PhD candidates Ron Guido and Kathleen Walsh, 'Equity market valuation: assessing the adequacy of value measures to predict index returns', *Australian Journal of Management*, vol. 26, no. 2, December 2001.

Dr Markus Groth, B.A. Gutek and B. Douma, 'Effects of service mechanisms and modes on customers' attributions about service delivery', *Journal of Quality Management*, vol. 6, pp.331–348, December 2001.

PhD candidate Li Liu (co-authored with Chris Sauer and Kim Johnston), 'Where project managers are kings', *Project Management Journal*, vol 32, no 4, December 2001.

Associate professor Chris J. Lloyd and Paul S.F. Yip, 'A comparison of suicide patterns in Australia and Hong Kong', *Journal of the Royal Statistical Society*, A164, pp. 467–483, 2001.

Dr Peter Lok and J. Crawford, 'Antecedents of organisational commitment and the mediating role of job satisfaction', *Journal of Managerial Psychology*, vol.16, no.8, pp.593–613, 2001.

Dr Marc Orlitzky and J.D. Benjamin, 'Corporate social performance and firm risk: a meta-analytic review', *Business & Society*, vol. 40, no. 4, pp. 369–396, December 2001; and

review of *Research Methods for Organizational Studies* by D.P. Schwab in *Organizational Research Methods*, vol. 5, no. 1, pp. 125–127, January 2002.

Associate professor Sharon Parker, T.D. Wall and J. Cordery, 'Future work design research and practice: towards an elaborated model of work design', an invited contribution to 'Future of Work' special issue, *Journal of Occupational and Organizational Psychology*, vol. 74, pp. 413–440, 2001.

Associate professor Sharon Parker and C.M Axtell, 'Seeing another view point: antecedents and outcomes of employee perspective-taking activity', *Academy of Management Journal*, December 2001; and (with C. Axtell and N.A. Turner), 'Designing a safer workplace: importance of job autonomy, communication quality, and supportive supervisors', *Journal of Occupational Health Psychology*, vol. 6, no. 3, pp. 211–228, 2001.

Professor Thomas C. Powell, 'Competitive advantage: logical and philosophical considerations', in *Strategic Management Journal*, pp. 875–888, September 2001; and 'Fallibilism and organisational research: the third epistemology', *Journal of Management Research*, December 2001.

T. Harrold, Dr A. Sharma and professor Simon Sheather, 'Selection of a kernel bandwidth for measuring dependence in hydrologic time series using the mutual information criterion', *Stochastic Environmental Research & Risk Assessment*, vol. 15, pp. 310–324, 2001.

Dr Baljit Sidhu (co-authored with W. Guay), 'The usefulness of long-term accruals', *Abacus*, vol.37, no.1, pp.110–131, 2001.

## CONFERENCE PRESENTATIONS

Professors Jeremy Davis and Thomas C. Powell, 'Competitive advantage is not performance', presented at the Strategic

Management Society 21st Annual International Conference, San Francisco, October 2001.

Dr Giana Eckhardt and Mahi Humaira, 'India will survive: a framework for understanding consumer agency in the globalisation process in emerging markets', presented at the Eighth Cross-cultural Research Conference, Honolulu, December 2001; and 'Cultural paradoxes reflected in brands: McDonald's in Shanghai, China' (with Michael J. Houston), presented at the Association for Consumer Research Conference, Austin, Texas, October 2001.

Dr Marc Orlitzky, 'Communication functions as predictors of group decision-making effectiveness: a meta-analysis', presented at the annual conference of the Australian and New Zealand Academy of Management (ANZAM), Auckland, December 2001.

Professor Timothy Devinney was faculty leader at the European Institute for Advanced Studies in Management, Doctoral Consortium on International Business, Paris, December 2001.

## CONFERENCE PROCEEDINGS

Dr Marc Orlitzky, 'Corporate social performance and Generalizability Theory: an outcome-based measure of stakeholder satisfaction and its measurement implications', pp. 244–247; and 'Introducing a web site for teaching business and society with film', co-authored with D.L. Swanson, pp. 316–317, in *Proceedings of the annual meeting of the International Association for Business and Society (IABS)*, Sedona, Arizona, December 2001. ★

# faculty news

## Information science

Professor Bob Marks has been invited to participate in the Sixth Joint Conference on Information Science at Duke University as a member of the conference program committee and session convenor for the second international workshop on Computational Intelligence in Economics and Finance, North Carolina, March 2002.

## Teamwork

The MODSIM 2001 Congress, held last December in Canberra, awarded the student prize for natural systems to UNSW School of Civil and Environmental Engineering PhD student Tim Harrold for two papers he co-authored with the AGSM's professor Simon Sheather and UNSW's Dr Ashish Sharma. Sharma and Sheather co-supervised Harrold's doctoral work on incorporating the effects of long-term variability into the modelling of daily rainfall. Harrold has also been nominated by the Australian Academy of Science for a Postdoctoral fellowship in Japan.

## Call to statistics

Professor Simon Sheather was invited to participate in the US National Science Foundation's Statistics and Probability Program's screening panel in December 2001. According to the Foundation's directors, Sheather was one of "32 of the most eminent members of the statistics and probability profession" who provided advice on the program's research proposals as well as invaluable perspectives on the current state of the field.

## Award committee

Dr Marc Orlitzky became a member of the 2002 Best Article Award committee of the International Association for



**SHARING KNOWLEDGE** (from left): professor Henrik Sattler and PhD candidate Franziska Voelckner from the University of Hamburg and Patrice Auger from Melbourne Business School at the AGSM.

Business and Society (IABS). Five members were chosen from the international IABS membership.

## Industry talk

Professor Timothy Devinney was keynote speaker at industry meetings in Canberra and Sydney. He spoke to the Australian Pharmaceutical Manufacturers Association in Canberra about the globalisation of ideas and talent; and the Australian Industrial Research Group in Sydney invited him to speak about why Australia needs to be a branch economy.

## New faculty

Dr Shayne Gary has joined the AGSM as a senior lecturer in strategic management from London Business School, where he was a research fellow in decision sciences. His research interests are corporate diversification, growth and simulation.

Dr Markus Groth joined the AGSM last November as a lecturer in organisational behaviour. He is teaching a new MBA course on conflict management and taking on the role of course leader for 'Managing People in

Organisations' in the MBA Executive program. Groth's PhD, from the University of Arizona, looked at management of delivery services on the Internet. His work examined the role of customers as co-producers and their citizenship behaviours in service organisations in the context of online delivery.

Dr Prithviraj (Raja) Chattopadhyay is a senior lecturer in organisational behaviour. He completed his PhD at the University of Texas, and joins the AGSM from the University of Queensland. His research interests are in relational demography, managerial cognition and organisational citizenship behaviour.

Dr Elizabeth George has joined the AGSM as a senior lecturer in organisational behaviour from the University of Queensland. She completed her PhD at the University of Texas. Her research interests are human resources management practices and organisational decision-making.

## Visiting faculty

Professor Rabi Chatterjee is visiting from the University of Pittsburgh. He completed his PhD at Wharton in the US and is

teaching 'Marketing Engineering' and 'New Product Development' on the MBA program.

Professor Gary Johns, from the John Molson School of Business at Concordia University in Montreal, Canada, is visiting the AGSM until the end of March. He is one of the world's leading scholars on the topic of employee absenteeism and withdrawal.

Professor Michael Nippa, chair of management at the Freiberg University of Technology and Management in Germany, is visiting the AGSM until mid-March. He has interests in organisational theory and behaviour and in biotechnology.

## Centre for Corporate Change visitors

Professor Soenke Albers visited the centre from 15 December 2001 to 9 February 2002 from the University of Kiel in Germany where he is head of the marketing department and was the former dean. Soenke is a noted marketing modeller and was working at the centre with professor Timothy Devinney on the development of a global e-commerce research consortium.

Professor Torben Pedersen is visiting from Copenhagen Business School, where he is head of its international business division. He is working in the area of international business and knowledge transfer.

Professor Henrik Sattler is the head of the marketing department at the University of Hamburg and specialises in marketing modelling and e-commerce. He is at the centre finishing a recent book (in German) with professor Timothy Devinney on competition and strategy. ★

## AGSM

### EMBA

#### 1999

Nathan Smyth resigned from Futurstep in October. His new post is executive general manager, external relations, with the Australian Tourist Commission. Contact: nsmyth@atc.gov.au.

Jacki Johnson moved from Allianz to NRMA Insurance in September. Her new title is group strategy executive. She reports that classmate Henry Liu and wife had a son, Victor. They moved back to China in January. Jacki's e-mail:

jacqueline.johnson@nrma.com.au, Tel: (02) 9292 1323.

Andrew Stops helped to initiate and organise, with the AGSM's Dr Geoff Waring, the inaugural alumni entrepreneurship conference last November. Fifty alumni attended the popular workshop, which brought together research scientists from UNSW, venture capitalists, AGSM academics and alumni. For more information e-mail: astops@hgr.com.au.

Kim Webster gave birth to a baby boy on 3 August 2001. His name is Callum Jack, and he weighed 3.5 kg.

#### 2000

Kim Wildey and partner Rod had a baby daughter, Kate, on 13 August 2001.

Robert McPherson is now general manager of Epic Asset Management. Contact: robm@epicam.com.au, Tel: (08) 9368 8400.

Shanie Atkinson moved to The Harrington Partnership, as associate director. Contact: shanieatkinson@harrington.com.au, Tel: (02) 9241 5257.

Craig Saphin and family have settled into Tokyo's diplomatic neighbourhood, Moto Azabu. He heads an office of 20 Japanese and



Craig Saphin (EMBA '00) in Tokyo.

claims his language skills are improving daily.

Gary Cox has been appointed managing director of CitiStreet Australia.

In January, Rod Maule began his new role as strategic marketing manager, Distributor Marketing, for BP Australia.

Michael Bersten returned to Sydney after 13 years in Canberra, most recently as deputy chief tax counsel at the Australian Tax Office. He takes up a partnership in the Corporate Tax Group with Deloitte. Partner Louise Pearson is doing her EMBA Executive Year.

### GMQ

#### 1999

Joe Farrelly is now manager, Commercial Cookery & Assets Management Programs at the Sydney Institute of TAFE, NSW. Contact: joe.farrelly2@tafensw.edu.au, Tel: (02) 9339 8721.

#### 2000

Brian Almeida is national business manager and human resource operations manager of the Archer Consulting Group, Fuji Xerox Australia. Tel: (02) 9364 5700.



Mauricio Campos (MBA'98), Citali and Mauricio junior.

### MBA

#### 1998

Mauricio Campos and wife Citali welcomed little Mauricio on 9 October last year in Mexico City. He weighed 3.65 kg and was 50 cm long.

#### 1999

Ludwig Heymbeeck has moved to Belgium. Tel: (+32) 8938 4397.

Ronnie Chan's new position is financial controller, Automated Systems (PRC). Contact: ronnie.chan@csaprc.com.

Kris Thirlaway left A.T. Kearney and relocated to Europe in January. Contact: kristh@bigfoot.com.

Amanda Heyworth is an investment manager at Playford Capital, Adelaide, and an instructor on the EMBA 'Marketing Principles' course. She is currently taking a break to enjoy her second son, Samuel James, born in November.

Flora Quek is back in Singapore working for Accenture. She recently helped son Joshua celebrate his first birthday.

#### 2000

Urs Koenig has left A.T. Kearney to build his international business coaching company. He's based in Seattle but travels regularly to Sydney.

Andrew Miles is now director of development at APIR Systems. Contact: andrewm@apir.com.au, Tel: (02) 6260 6035.

Delie Luo is now regional marketing manager (OPRD), Coors Brewing Company (China).

Lorenzo Manes has started his own company, Synchronicity – Personal Broadcast Syndicate. Tel: (+39 029) 0481 1217.

William Wang is now in Zhejiang, China. Contact: (+86 571) 8780 7854.

Zoe-Yi Soh was born on 5 September, to happy mum Rennie Chan in Singapore.

#### 2001

Praveen Goyal married Wendy on 6 December at Yallingup. He says they are living happily ever after in Pymble, Sydney. Contact: (02) 9642 0925.

Richard Jackson is working part-time with a private equity fund doing due diligence and stand-in CEO work. He asks alumni interested in part-time roles to e-mail him at: rjackson@zipworld.com.au.

### PhD

#### 1999

Sunil Venaik is now adjunct professor at the Indian Institute of Management in Ahmedabad. Contact: svenaik@iimahd.ernet.in, Tel: (+91 79) 632 4942.

### SMDP

#### 2000

Greg Campbell used skills acquired at the Senior Manager Development Program (SMDP) to secure a promotion to general manager of the Kidman Group.

#### 2001

Mary Robinson was six months pregnant during the Senior Manager Development Program; daughter Grace Mary Elder Robinson arrived on 24 August 2001. Apologies to Paul Griffiths who was hoping for a namesake.

## EMBA

**1994**

David Goodrich is now managing director and chief executive of The Marketplace Company (M-co). In Australia it runs the Green Electricity Market where organisations trade renewable energy certificates. Contact: David.Goodrich@m-co.com.au, Tel: (02) 9256 6338.

David Williams is now manager, Professional Services Group, for Management Recruiters Australia. Contact: dwilliams@mgtrecruiters.com.au, Tel: (02) 9229 2131.

**1995**

Rob Thomson is now manufacturing manager, Cadbury Schweppes Australia. Contact: robert.thomson@schweppes.com.au, Tel: (02) 9839 8000.

Ross Norton has been promoted to head of custom business at the Melbourne North branch of National Australia Bank. Contact: Ross\_A\_Norton@national.com.au, Tel: (03) 9659 7352, 9827 4740.

Ian Hodge has been promoted to managing director, Epiphany Australia/NZ.

**1996**

Salman Ali has left Impact International and joined Neuman Aluminium, Xinhui, China, as director, marketing and sales, Far East. He will be based in Sydney for about two years, then will be relocated to Hong Kong. Contact: salman.ali@bigpond.com, Tel: (02) 9629 3757.

**1997**

David Hackett is living in Japan with wife Louise and four boys,

working as financial controller for Nikko Salomon Smith Barney. He'd like to catch up over sushi and sake with colleagues from the 1997 EMBA program.

David Russell is back in Australia after time spent in the US. His new position is director of operations and business development, Actelion Pharmaceuticals Australia. Tel: (02) 9922 1183.

**1998**

Peter Hitchen and family have been in Brisbane now for three years. Peter is a mortgage executive principal with Wizard Mortgage Corp at Kenmore. "We service the entire western suburbs of Brisbane, so for any residential mortgage requirements in south-east Queensland, I'd be happy to hear from you!" E-mail: pchitchen@yahoo.com.au.

Daniel Howorth has been promoted to decision support systems project manager for the Asia-Pacific region, Roche Diagnostics.

Damian Kernahan's new role as brand strategy director for Guinness UDV sounds like thirsty work.

Hans Lieberherr writes: "I have lost dear old pals, Darren Rudd and Anthony Lynn. Does anyone have any idea where they are?" Contact: hans.lieberherr@panaseer.com.au, Tel: (02) 8878 5810.

Ronnie Shulkin is National Australia Bank's market development manager – NSW. Tel: (02) 9237 1175.

Srini Venugopal has moved to Microsoft as senior program manager. Contact: sriniv@microsoft.com, Tel: (+1 425) 707 4839

## GDM

**1996**

After completing her Graduate Diploma in Management, Kay Nolte transferred to the

University of Adelaide for her MBA (1997). She's opened a boutique hotel in Bali and is using her business skills to research other opportunities in Indonesia. She invites all AGSM alumni to visit on the Internet or in person. Contact: www.villagading.com.

## GMQ

**1993**

Susan Biggs has been appointed deputy director of the federal government's Equal Employment Opportunity for Women in the Workplace Agency – an SES appointment.

David Poon moves from factory manager at CSR to business improvement manager at Tomago Aluminium. Contact: david.poon@tomago.com.au, Tel: (02) 4966 9696.

**1996**

Wen Yang has moved to State Super Financial Services, as application analyst. Contact: wenhy@ssfs.com.au, Tel: (02) 9333 9530.

**1998**

Michael Wolf is now a director with Incompass Group. Contact: emwolf@incompass.com.au, Tel: (02) 9357 5300.

## MBA

**1978**

Peter Schweinsberg says the class of 1978 "... trained the faculty" so if you have any complaints you know whom to contact. After graduation Peter and wife Val founded Reflective Blinds. As the business grew, it became Energy Shield (Australia). They now have over 450 distributors across Australia and others overseas. They recently received their first retail order from Europe, via the Internet. Peter says, "We have never been able to pay ourselves telephone number salaries, but ... we own all the shares." Peter is

also active in the Scouts, seeking to give something back to an organisation that was so valuable to him as a boy. See also page 21.

**1982**

Rodney Marks has been appointed artist-in-virtual-residence by the University of New England. During 2002 he will perform 15 comedy shows around the national UNE alumni network and on the campus in Armidale, NSW. Contact: comediant@rodneymarks.com.au.

**1983**

Simon Perrott takes on the challenge as head of equity capital markets with Merrill Lynch.

**1984**

Dr Tim Smyth has been advising clients and coordinating Phillips Fox Lawyers' compliance with the Privacy Act. As a director of the Australian Institute of Political Science, he's involved in their Tall Poppy Campaign to honour young achievers in science.

Graeme Gherashe is now living in London, working as group management development director with CGNU (the CGU and Norwich Union merger).

After two years chairing the UK oil industry's e-commerce group, Alastair Rennie is back with AMEC Group, where he hopes to contribute to its wind farm projects. He's still in Aberdeen, where wife Belinda has a cognitive behavioural therapy practice. Their eldest son is in his last year at St Andrews University. Contact: a.rennie@virgin.net.

**1987**

Mark Thomas moves out of IT project management and into consulting and sales with Dataract (www.dataract.com.au). He will soon release his documentary film about a spiritual healer in Brazil (www.johngod.com). He's

also put together a consumer Web site for his partner, a doctor and medical herbalist, see: [www.worldherbs.com.au](http://www.worldherbs.com.au).

## 1988

Since November, Camille Abbott has taken time out from project management to enjoy her new role as mother to Patrick Alexander.

## 1990

Peter Pang has left Credit Suisse First Boston to become head of Clearing Risk Management at Hong Kong Exchanges and Clearing. Contact: [ppang2000@hotmail.com](mailto:ppang2000@hotmail.com), Tel: (+852) 2211 6988.

Paul Haddon has started Springboard Technologies, an ISP delivering broadband services to Australian business. He offers a bottle of Penfolds St Henri Claret to the first three alumni to sign up. Contact: [www.springboard.com.au](http://www.springboard.com.au).

## 1991

James Hastie has been promoted from project manager to vice-president at Deutsche Bank. Contact: [james.hastie@db.com](mailto:james.hastie@db.com), Tel: (02) 9258 1352.

## 1992

Kieran Duck has left Boston Consulting Group to run Organisation Plus, a management consulting firm. His two daughters approve of the office wall upon which clients and staff are invited to write.

Cindy Carpenter enjoyed an extended Italian holiday last year with husband, toddler and baby. Now she's back in harness as HR director for Boston Consulting Group, where she's responsible for staffing, training, recruiting and career development in Sydney, Melbourne and Auckland.

Sudono Wong has left Standard Chartered Bank to take up the post of manager, business risk consulting, for Ernst & Young. Wife Licia is a former auditor with KPMG, now financial controller with a large conglomerate. Their son Stephen has worked his way up to toddler.

## 1993

Michael Schildkraut is now head of Farm Animal Business at Novartis Animal Health (Australasia). The business accounts for more than two-thirds of the company's \$65 million annual turnover. Michael would especially love to hear from fellow students "who went into management consulting or investment banking and now own huge cattle stations in Queensland". Contact: [michael.schildkraut@ah.novartis.com](mailto:michael.schildkraut@ah.novartis.com).

Katharine Seymour returned to Australia in January to become director, head of account management, with Schroder Investment Management.

## 1994

James Duck and wife Leonie are very pleased to announce the birth of their son Alex last October.

Steven Sung-Fu Har and Veronica Man-yi Ngai were married in Hong Kong on 25 August and honeymooned in South Korea.

## 1995

Troy Cairns and his wife Jo have had their first child, Hugo Robert.

Chris Harris and wife Debra have settled in Wellington, where Chris heads up a new ticketing business unit for New Zealand Post. They now have two children, five-year-old Jonathan and Olivia, aged two. Chris would be delighted to hear from classmates visiting New Zealand.

John Rotenstein and wife Jackie announce the arrival of Elliot Joel on 27 November 2001. John has moved to NRMA where he is responsible for B2B technologies. He has spotted Russell Hoore in the corridors, giving away "Corporate Hoore" umbrellas that look suspiciously like the McKinsey design.

Margaret Tohn loves living in San Francisco, where she is director of marketing for the Schwab Fund for Charitable Giving.

## 1996

Albert Alibudbud takes on the role of product manager at

Pharmacia Australia. Contact: [albert.alibudbud@pharmacia.com](mailto:albert.alibudbud@pharmacia.com). Tel: (02) 9848 3000.

Bruce Josephs and his partners started DVD Infinity last year. Their main business is providing DVDs for exhibitions, presentations, catalogues and archiving. Bruce says they also convert home movies, videos and slides to DVD so families can keep their 20th century memories forever.

Katie Harris (nee Lechner) is now research director with Brand Evolution, a qualitative market research firm, based in Sydney. Contact: [katie@brand-evolution.com.au](mailto:katie@brand-evolution.com.au).

Jon Chandler has been promoted to partner at Hub Consulting. Contact: [jon@hubconsulting.com.au](mailto:jon@hubconsulting.com.au), Tel: 0417 262 768.

## 1997

Lisa Carlin and husband Mike Meyer (EMBA 2001) have a new joint venture, son Jared Carlin Meyer, born last September.

Between feedings and nappies, Lisa still runs Carlin Consulting Group and works on her PhD. Mike is group financial planning manager of Dairy Farmers. Contact Lisa at: [carlin@ozemail.com.au](mailto:carlin@ozemail.com.au), Mike at: [meyerm@dairyfarmers.com.au](mailto:meyerm@dairyfarmers.com.au).

## 1998

Tian Bing Zhang is back in China to help Accenture develop its supply chain management. He wants to hear from AGSM alumni with supply chain management experience who are interested in working in China.

Tim Hornibrook is back in Australia as a private banker with BNP Paribas. Contact: [tim.hornibrook@bnpparibas.com.au](mailto:tim.hornibrook@bnpparibas.com.au), Tel: (02) 9130 4476, 9619 6467.

Craig Pandy and wife Kerrie welcomed daughter Grace in August 2001.

Roberto Castro announces his first child, daughter Nicole, born last April in Basel, Switzerland.

## DPM

## 1995

Maggie Goldie is now with Tyco Services as group occupational health and safety manager for Australia, New Zealand and Fiji.

## USYD

## MBA

## 1994

SportBusiness Group of London has appointed Ben Crawford as managing director. Ben is remembered as executive producer of the Sydney Olympics Web site, still the highest scorer of all time, with 11.3 billion hits in 16 days. Contact: [www.sportbusiness.com](http://www.sportbusiness.com).

## 1997

Mark (Freddie) Dodson joins the Westpac business advisory team after a 10-month around-the-world honeymoon with partner Rachel (nee Nila, EMBA '99), who is back with Cortex e-business.

## 1998

Shingo Tamura is back in Australia, living in South Melbourne.

## 1999

Jorg Tuchen announces the arrival of his second son, Lucas, born last September. Jorg is still with Accenture, but has relocated from Dusseldorf to Munich. He says, "We are starting to have a great time in the south of Germany".

## MTM

## 1997

John M.C. King has been re-appointed chair of trustees of the Travel Compensation Fund. He's also been elected to the board of directors of Royal Tongan Airlines. John's day job is principal of Aviation and Tourism Management. ★



Roberto Castro (MBA'98) and daughter Nicole.

# alumni at large

THE AGSM ALUMNI BULLETIN BOARD



## MBA CLASS OF 1991 REUNION

Celebrating a decade since completing their MBA are (from left): Manuel Cougret, Malcolm Donnell, Linda Hemstrom, Chris Hemstrom, Catherine Smithson and Thomas Martin.



Foundation MBA class alumnus David Shannon.

## Secret weapon

**O**n 7 March 1977, the AGSM's first students started class in the Mathews Building at UNSW. Class member David Shannon says the MBA set him up for a lifetime of learning.

But he's never had anyone admit to being impressed. "It has not been a factor in any promotion or pay rise," he says. "I feel the same about other MBAs. It's what you do with it that counts."

Shannon is responsible for developing more efficient client services for legal firm Baker Mackenzie. He says the MBA has been his secret weapon. "It gives me a turbo boost whether I'm engaged in client work or in managing the firm. It set me up for a lifetime of learning."

Technology has changed dramatically in the last 25 years, but business basics stay the same. "In the 1970s we were using punch cards in the computing module, but the MBA framework for developing competitive advantage and influencing organisational change is still totally relevant today," Shannon says.

Shannon is now back in Sydney after working in Hong Kong and Chicago for much of the past 20 years. ★

## EMBA project spawns start-up

Anuja Rao (EMBA '99) turned her Executive Year project into an interactive TV service provider called MyTV World. Classmate Lance Robertson (EMBA '99) joined her on the board.

They digitise customers' videos and place them on a secure site. Members of the customers' group log on with a password. The company offers subtitles for viewers whose first language isn't English. They target groups who find it difficult to meet for special events – everything from weddings to shareholder meetings.

Rao tells of a young woman who used MyTV World for her wedding. This included a three-day ceremony in India and a reception in Australia. "The couple had family and friends all over the world," she says. "They wanted everyone to enjoy the celebration in a fun way, without the fuss and delay of dubbing, packing and posting a regular video," says Rao. Contact: enquiries@mytvworld.com.au, Tel: (03) 9429 0661.

## Master of elephant polo

Tim Deyzel (MBA '93) has returned from Nepal where he captained a team in the World Elephant Polo Championships. His team, Tickle and the Ivories, was runner-up in the Amateur Cup and won the coveted Best Dressed Team award. He's recruiting players and sponsors for the 2002 season. Contact: www.tickle-and-the-ivories.com.

Tim Deyzel plays a dashing stroke against the Mongolian team at the 2001 World Elephant Polo Championships.



# MANAGEMENT AND OUR NATIONAL PSYCHE

Bob Joss, dean of Stanford Graduate School of Business in the US and former CEO of Westpac, argues that in the national interest managerial work needs a higher profile.

**A**mong the core capabilities that create competitive strength for a nation, perhaps none is more important but less well understood than management. What is management? Managers accept responsibility for defining and delivering the results necessary for an institution to succeed – to accomplish its mission. What they ‘manage’ is the work and the performance of others. They assume accountability for the collective performance of those under their supervision, just as the coach of a sports team is accountable for the success or failure of the team. Management is not something separate from ‘labour’. Everyone in an organisation is a ‘worker’. Managers are workers with specific jobs to do.

How important to a country is management? Management comprises all those people responsible for the direction and work of others. If we assume a typical supervisor to staff ratio of one to eight, then there are 1.0 to 1.2 million management jobs in Australia. This is a sizable group – a major share of the nation’s human capital portfolio. How well each member of this large group does his or her management job has a huge impact on how well the economy develops and grows. Because a nation relies on its managed institutions to produce and deliver its goods and services, the skill and competitiveness of its management population is a critical national capability.

How is management developed? All human capability is developed through the acquisition of knowledge – knowing what to do, and skill – the ability to do it. There is a body of management knowledge that can serve a manager throughout his or her career. Business schools specialise in developing and delivering this knowledge. But a more important factor in developing



BOB JOSS

managers is requiring people to do management work: defining results to be achieved; hiring the people who comprise the team that will deliver the results; providing the tools and support required for the team to be effective; obtaining and allocating the necessary resources; giving the coaching and feedback necessary for individuals and the team to achieve their results; and accepting accountability for the performance of the team. It is difficult work, and like becoming an accomplished pilot or athlete, is mostly learned by ‘doing’. A person becomes better at management by taking on and performing effectively in different, or larger, or more difficult management assignments for a long enough learning period that true skill is acquired.

Where is Australia today in terms of management capability? My view is that because American companies confronted market deregulation, global competition and shareholder demands for performance about 10 to 15 years earlier than did most Australian companies, the Americans have more than a 10-year lead in developing a national capability of managerial skill and across a much broader array of industries and technical specialties. The UK and Canada, for similar reasons, also have an edge on Australia; but most of Continental Europe, Japan, Asia and the rest of the

world lag behind Australian capability today. Ten years may not sound like much, but it is a huge head-start and significant advantage. It is this managerial edge, not technology or market size, that explains much of the strong American economic performance in the 1990s.

Can Australia close this gap? A lot of ground can be made up by adopting a sense of urgency and by ensuring the right competitive market conditions exist for management development: competitive product and service markets, so managers learn to meet the needs of customers who have choices; competitive capital markets, so managers learn to develop attractive investment alternatives and to make productive investment decisions which cover the true cost of capital; competitive markets for people and talent, so managers learn to attract, retain and motivate good people, while building strong teams and managing their performance; and an open market for corporate control, so managers learn to create ownership value sufficient to warrant the continued existence of the enterprise under current ownership.

There is also a strong need for community support for and understanding of management work. Most people understand how important it is to have national capability in certain key skill areas – such as doctors, scientists, nurses, teachers and pilots – but they generally do not understand how important it is to have a critical mass of experienced and capable managers to ensure that the nation’s institutions perform their assigned roles effectively.

Sustaining and accelerating the development of managers is essential to raising living standards and national welfare to the levels which Australians demand and deserve. A truly competitive management capability is a key to national success in the 21st century. ✪

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