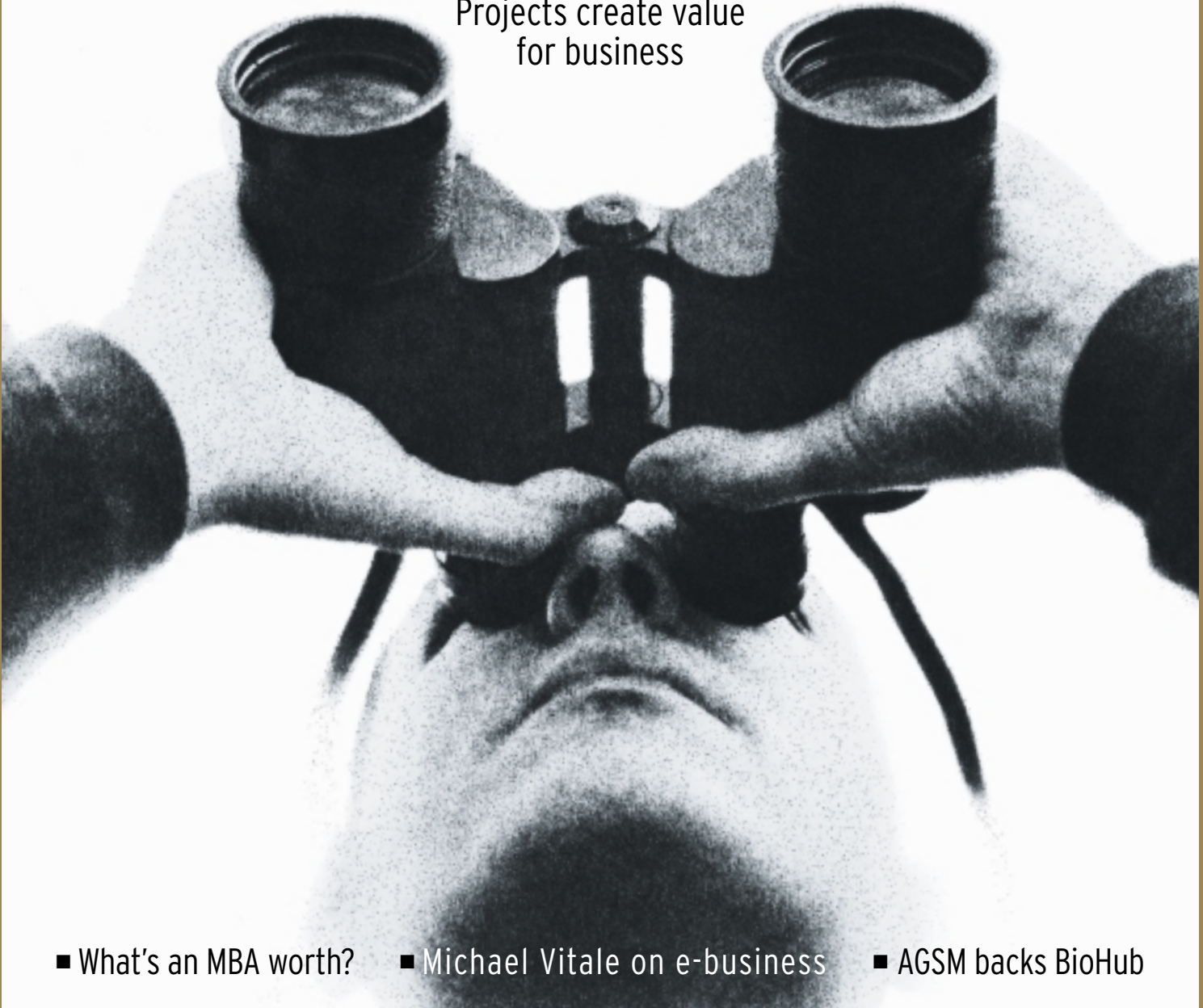


AGSM

It Takes Vision

How the AGSM's Management
Projects create value
for business



- What's an MBA worth?
- Michael Vitale on e-business
- AGSM backs BioHub



DEAN'S MESSAGE

On 25 May I had the privilege of participating in my first graduation as the dean of the AGSM. In talking with the graduates and their families after the ceremony, and again that evening at the annual Graduation Ball, I was overwhelmed at the quality of the people that the AGSM attracts. The range of experiences, accomplishments and ambitions is truly impressive. I feel very honoured to be part of an organisation of such high quality, and I look forward to working together to make it even better.

All of the degree-granting programs of the AGSM are receiving a good deal of attention during 2001. Following a review last year, the full-time MBA was completely redesigned, and considerable effort is being devoted to planning for the rollout in January 2002. The new MBA puts more emphasis on teamwork, technology and timeliness – factors that students and business people have identified as being essential for a 21st century MBA. Several new courses are being added to the Hong Kong MBA, incorporating significant amounts of educational technology to support face-to-face teaching. I am particularly excited about the potential of this technology to enhance learning across all of the School's programs.

Uppermost in our ongoing curriculum innovation is the review of the EMBA program, and I anticipate that it, too, will be redesigned for 2003. In the meantime, program enhancements are moving forward, with a completely new course on managing information technology available in the EMBA in 2002. We are also revising and improving several existing EMBA courses for rollout next year.

I am confident that the redesigned MBA and EMBA programs will continue to attract the kind of people that make the AGSM an interesting, challenging and rewarding place to study, to teach and to lead. I look forward to continuing to get to know the School and, in particular, its many graduates.

Michael R Vitale

Professor Michael Vitale
Dean
Australian Graduate School of Management

ASIA'S LEADING BUSINESS SCHOOL*

*Financial Times (UK) MBA 2001 ranking of the top 100 full-time MBA programs worldwide.



The AGSM is a School of both The University of Sydney and The University of New South Wales

RESEARCH AND CONSULTING: We were very attracted to the academic thinking combined with the students' solid work experience.

– Raymond Cheung. See full story page 8.

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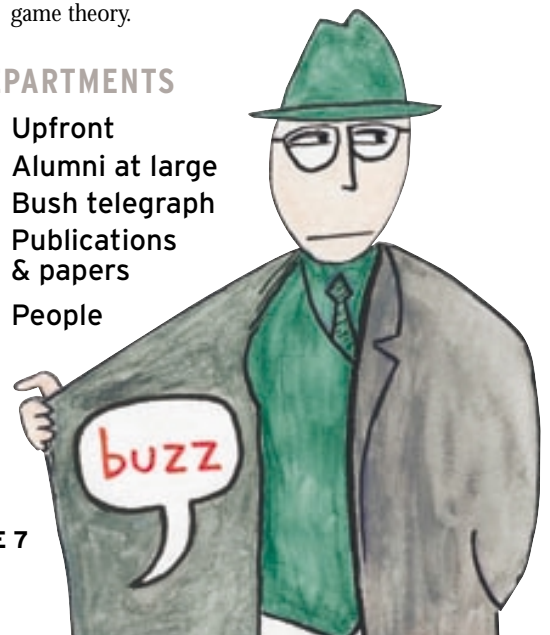
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HAVING YOUR SAY

Thank you to everyone who took the time to complete the *AGSM Magazine* survey. Readers were asked to rate the quality and relevance of the content and design of the new-look magazine, and preliminary results (400 responses) are encouraging.

More than 90 per cent of respondents rated readability as 'good', 'just right' or 'excellent'. Almost 85 per cent thought the overall appearance was 'good', 'just right' or 'excellent', and 52 per cent of readers would like to receive a magazine each quarter. The preferred medium is print (55 per cent), 34 per cent of readers want the magazine in print and online, while 10.5 per cent prefer online delivery.

Magazine departments and features ranked most important (in order of highest percentage of readers) were cover story, research articles, upfront news, AGSM updates, dean's message, alumni at large, bush telegraph and publications & papers.

What's an MBA worth?



“A 44 per cent increase over salaries in 1998.”

The average starting salary for full-time AGSM MBA graduates has risen to \$150,000. The class of 2000 benchmark represents a 44 per cent increase over average starting salaries for the class of 1998. The reported salaries (based on information from 94 per cent of the 2000 graduating class) comprised graduates making a complete career change (67 per

cent) and those re-entering their industry at a higher level (32 per cent). Starting salaries ranged from a low of \$35,000 (in India) to a high of \$280,000 (in Australia).

“The worth of an MBA is obviously being recognised in the marketplace,” says Pamela Ferguson, senior vice-president at Lehman Brothers Investment Banking in Hong Kong, which recruited five AGSM graduates from the class of 2000.

The AGSM career office statistics also show increasing demand for AGSM graduates throughout the region. Asia-Pacific (excluding Australia) employed 23 per cent of graduates from the class of 2000, up from 10 per cent in the previous year. Industry placement remains dominated by management consulting (33 per cent) and banking and finance (32 per cent). The IT sector accounted for 14 per cent of 2000 graduates, down from 28 per cent in 1999.

ILLUSTRATION: RUSSELL TATE



UNSW chancellor Dr John Yu (top left) congratulates an AGSM graduate at the AGSM graduation ceremony in Sydney.

Hundreds graduate

The Governor of the Reserve Bank, Ian Macfarlane, delivered the occasional address at the AGSM graduation ceremony held on 25 May at the Clancy Auditorium, University of New South Wales.

Macfarlane spoke about leadership and urged students to start putting leadership into practice by excelling in their chosen fields. It was the first AGSM graduation ceremony held at UNSW since the University of Sydney and UNSW merger. Almost 300 family and friends attended the ceremony, after which drinks were served at The Scientia.

The numbers: In Sydney, 454 students graduated: 3 PhDs, 186 EMBA, 163 MBAs, 3 Masters of Management, 16 Graduate Diplomas in Management, 24 Graduate Certificates in Management and 59 Graduate Certificates in Change Management.

In Hong Kong, on 29 June, 69 students graduated: 2 Graduate Diplomas in Business Administration, 7 Masters of Management, 54 MBAs and 6 MBAs from Sydney who elected to graduate in Hong Kong.

It's important for business to operate in a constructive, optimistic way with local communities.

— guest speaker Sandra Yates, chair, Saatchi & Saatchi Australia

(Top, from left): AGSM advisory council members, John Reid AO, Michael Lynch, Sydney Opera House, guest speaker Sandra Yates, and (far right) Martin Bollinger of Booz-Allen & Hamilton, with professor Michael Vitale, dean, and wife Susan Keyes-Pierce, lecturer, faculty of commerce, UNSW.

(Below): Renowned vocal group The Song Company entertained diners.



David Harrington joins board of directors

The AGSM's board of directors welcomes entrepreneur and e-commerce executive David Harrington, an AGSM alumnus and high-profile founder and CEO of Peakhour, an up-and-coming Internet business solutions provider.

"David's experience and energy make him a valuable addition to our board and the wider school community," says professor Michael Vitale, dean.

The AGSM is actively thinking about its future.



David Harrington, CEO, Peakhour.

"The school places significant value on its corporate relationships, which assist us, as business educators, to remain close to the real issues impacting business in a global sense."

Commenting on his appointment, Harrington says: "The AGSM is actively thinking about its future and what sorts of skills are needed to serve the board and academic staff well. I get a sense that the AGSM sees real value in including people with e-commerce skills into its community.

"During my tenure I want to see the AGSM continue its successful standing as the highest profile MBA school in Australia, and to build its relevance for the next generation of executives by better understanding entrepreneurship and technology."

Harrington holds an MBA from the AGSM and a Bachelor of Law and Bachelor of Commerce from the University of New South Wales. Prior to establishing Peakhour, he was a founding director of Ninemsn – Publishing & Broadcasting Ltd's Web publishing joint venture with Microsoft. In 1996 he co-authored *The Clever Country? Australia's Digital Future*, which discusses the impact of the digital revolution on Australia's future.

Alumni Online

Alumni Online is now up and running, giving the AGSM alumni community an enhanced electronic and interactive resource that makes communicating and networking easier. There are new resources, including an online version of the *Alumni Directory* and a jobs posting exclusive to alumni.

The password-protected online *Alumni Directory* offers enhanced search functions. You can update your own records any time. You can search the alumni database by preferred name (which is useful if you can remember only a classmate's nickname), job function (to find someone working in a specific field), industry code (for categorising peers' companies), by geographic region and by company name.

The online jobs service is also a password-protected initiative in the form of a job posting bulletin board service.

Alumni Online is the product of feedback from the alumni community and a year's work involving the alumni committee, the committee's access working group, the alumni services office and the AGSM's in-house IT department.

If you have forgotten your password or need to acquire one, open Alumni Online and click the 'problems logging in' link to register your request.



BUSH STRATEGY Senior Manager Development Program participants spent a day exploring team building techniques with Outdoor Insights at Manly Dam Reserve as part of the AGSM's premium three-week intensive executive development program.



TOP TEACHER Professor Geoff Eagleson (left) won the Alumni Teaching Award for 2001. The award pays tribute to an outstanding level of teaching as ranked by AGSM students in the full-time and part-time programs. Eligible faculty must teach in both the MBA and Executive MBA programs. Professor Eagleson received a prize of \$3000 and an inscription on the publicly-displayed Alumni Teaching Award plaque.

AGSM to launch ANZ loans scheme

The AGSM has entered into a partnership with the Australia & New Zealand Banking Group to create an exclusive loans scheme to make the benefits of its MBA programs more widely available to students of all socio-economic backgrounds.

"This is a breakthrough in terms of increasing the accessibility of our highly regarded MBA program in both Australia and overseas," says professor Michael Vitale, dean.

The AGSM's MBA courses are also eligible for the Federal Government's new Postgraduate Education Loans Scheme (PELS). Australian citizens and permanent residents can borrow

money to cover their tuition fees, and there is no cap in the number of students granted a loan.

The PELS scheme is expected to be available from 1 January 2002. The two initiatives together offer students more options for financial support. Students who began their courses before 2002 will be eligible for PELS to cover tuition fees incurred in 2002.

While full details of the AGSM's ANZ loans scheme were not available at press time, further information on the scheme's progress can be obtained from MBA programs, Tel: (02) 9931 9412.

Igniting great ideas

The 2001 Connector Business Planning Competition will be launched on 2 August at the monthly Connector forum, which gives teams three months to come up with a winning business plan to present at the finals in early November. The competition is backed by primary sponsor, Deutsche Bank.

This year teams are required to work with an approved mentor. Connector (which is managed by AGSM MBA students and University of New South Wales School of Computer, Science and Engineering students) has established a network of mentors willing to work with teams in the competition from the alumni and wider business communities. Connector can also put teams in touch with mentors through the alumni access network.

"The venture capital industry has come through a difficult time and is actively seeking new sources of thought leadership and intellectual capital of which the AGSM is a powerful source," says Stephen Langton, AGSM alumnus and director of venture capital firm Balmor Partners.

Meeting public sector needs

Wai-ping Au of Hong Kong Postal Services (below) celebrates her graduation from the AGSM's 2001 Administrative Development Program. Conducted by program director professor Simon Sheather, with support from faculty, the program is highly sought-after by some of Hong Kong's most talented civil servants. The intensive seven-week residential program covers core management subjects and includes a sustained comparative project using Hong Kong

and Australian examples. Instructors involved in the 2001 program included Dr Robert Westwood, adjunct faculty Ken Baxter, Greg Taylor and John Smith, UNSW lecturer Wai-fong Chua and Frank Lowy Library client services manager, Pat Matthews.

For first-hand insight into strategic issues in the Australian public sector, program participants visited

Federal Government departments in Canberra, conducted interviews with State Government managers, and were paired with Australian counterparts in similar roles.





CUSTOMISED LEARNING The AGSM has created a corporate education program for global property development company Jones Lang LaSalle. The first five-day program was rolled out in June at the AGSM's Little Bay Conference Centre. Selected managers came from across the region, from Japan to Singapore. They studied global strategy, marketing, e-business, communication skills, managing people and financial management. Overseeing the program (from left) are: Bob Gerst, JLL director of human resources, Asia-Pacific; the AGSM's Dr Anne Lytle, program director; professor Mark Hirst, AGSM associate dean, executive education; Stella Garouniatis, JLL human resources manager; and JLL executive chairman, Chris Brown.

Biotech business

The emerging life-sciences industry is expected to have profound implications for the global economy this century, and one high-profile biotechnology player is putting business strategy in place to stay at the front line.

Australian respiratory medical device developer and manufacturer, ResMed, has teamed up with the AGSM to design and deliver tailored management development programs for two levels of its managers. Sheena Frenkel, director of corporate education, says: "The programs, which are offered to line managers, and vice-presidents and directors, focus on individual and management development, strategy and leadership."

ResMed is one of Australia's biotechnology business successes, having gained worldwide acceptance of its sleep disordered

breathing products. It operates offices in the US, Australia, Europe, Japan and South-East Asia, and its distribution network supplies more than 40 countries.

In March ResMed put 30 line managers through the AGSM's Executive MBA subject, "Managing People and Organisations". Taught in ResMed's training rooms, AGSM course instructors tailored the subject theory to ResMed's current work issues and managers' personal development goals.

The second part of the program, for vice-presidents and directors, began in May. It is a fully-customised strategic management and leadership program held on a Friday and Saturday and taught over three modules to minimise time away from work. Designed in cooperation with ResMed's HR director, Shirley Sproats, the program aims to build advanced capabilities throughout ResMed's management teams.

Marketing drive

The AGSM continues to raise its profile as the top-ranked* business school in Asia-Pacific with a comprehensive marketing tour to Beijing, Shanghai, Hong Kong, Kuala Lumpur, Singapore, Jakarta and New Zealand. The tour, conducted from May to July, included information sessions on the enhanced 2002 full-time MBA program, and put potential MBA candidates in touch with AGSM alumni in those cities.

The AGSM visited Auckland, Malaysia and Jakarta for the first time.

Worldwide in 2001, the AGSM will also participate in MBA fairs in Los Angeles, Paris, Munich and London.

For details on information sessions about full-time or part-time MBA programs in Australia or around the world, call Tel: (02) 9931 9412 or register online at:

www.agsm.edu.au/infonightreg

NEXT OPEN DAY: Sunday, 14 October, Sydney.

**Financial Times* (UK) MBA 2001 ranking of the top 100 full-time MBA programs worldwide.

AGSM backs BioHub

The AGSM is part of a new NSW State Government-sanctioned initiative to explore the possibility of establishing a biomedical research and development hub at Randwick, New South Wales.

The BioHub initiative also involves UNSW's faculty of medicine, the Prince of Wales Hospital, Prince Henry Hospital and several non-government research institutes.

"I am extremely pleased that the AGSM has a formative role in this effort. Some of the ways in which we can contribute include putting the business of biotechnology into our curriculum, encouraging research into the management of biotechnology, and creating executive programs for biotech companies," says professor Michael Vitale, dean.

“ We can contribute by putting the business of biotechnology into our curriculum. ”

— professor Michael Vitale, dean

"Advances in biotechnology and genetic engineering mean that companies are now capable of producing products from plants and animals that it used to be necessary to build a factory to manufacture."

Citing the example of US-based Genzyme and its success in producing proteins for cancer treatment from the milk of genetically engineered goats that may result in a single goat herd replacing a \$150 million drug factory, professor Vitale says: "Australia's economy is so dependent on agriculture yet we remain well behind the world's leaders in biotechnology.

"It's pretty clear Australia must become a creator and manager of biotechnology, and the BioHub project is a great step forward."

INVESTING IN TALENT Morgan Stanley Australia, the Australian arm of a leading US investment bank, has established an annual program to fund two half scholarships for outstanding AGSM MBA students. The new Morgan Stanley Australia Young Fellows program recognises the importance of nurturing young business talent. The scholarship winners will also participate in the Morgan Stanley Associate Internship program.



Wombats tour

Over the weekend of 30 March – 2 April, the AGSM Wombats travelled to the United States for the Fuqua Business School's World MBA Rugby Championships at Duke University. A team of 37 men and women representing full-time and part-time MBA students, a PhD student, alumni and the Sydney community carried the banners of the AGSM and our sponsors Deloitte Touche Tomatsu, Qantas and Bain International. In the land of gridiron and baseball, we sought to teach NYU-Stern, Wharton and Stanford how 'footy' is played.

Since returning from the tour I have been asked more than once: "Why journey so far, at such great expense, during the school term for a game of football?"

Besides the obvious opportunity to beat Harvard and to enjoy a great party weekend, the tournament raises the profile of the AGSM and also provides unique networking opportunities. As a US citizen, I was often asked why I chose an MBA program in Australia. I enjoyed



THE WOMEN'S FOOTY TEAM (from left): Gynette Kershaw (MBA2), Jellica Strauch, Iole D'Angelo (MBA1), Amy Tucker (MBA2), Emma Huntington (MBA1), Gina Rose (MBA1), Sonia Prasad (MBA1), and Karly Loy, AGSM student relations.

THE SCORES

The men were undefeated, beating Harvard 8–5, (above), Vanderbilt 25–15, Southern Methodist University 35–0, Duke University 25–5 and Cranfield (forfeited). The women put up a good fight but were defeated in their three matches against London Business School 0–1, Stanford 0–1 and Kellogg 1–2.

giving my perspective on studying in the Asia-Pacific region, pointing out the advantages of learning in a multi-ethnic class, and of the great camaraderie gained from travelling halfway around the world to represent the School.

by Maggie DeVane (MBA2)

On-campus recruitment

The Boston Consulting Group put some fun into the business of on-campus recruitment at its 2001 meet-and-greet event by staging a business game and awarding winners prizes.

Six teams of students and BCG consultants played a mobile telecommunications game in which each team had to make strategic decisions affecting shareholder return. The winner was the team with the highest total shareholder return at the end of the game. Business talent wasn't the only winning strategy on the night as teams literally sang for

their supper, composing telco jingles as part of the game.

"The event is an important one for The Boston Consulting Group, which is one of the biggest recruiters of AGSM graduates. It provides an opportunity for us to get to know students and prospective recruits, and it allows students to meet us in a relaxed social setting," says David Pitman, BCG recruiting director.

Other recruiter social events have been hosted on campus during the year by LEK Consulting, Booz-Allen & Hamilton, McKinsey & Company, Accenture and Bain International. ★

(From right): BCG's Steven Tomsic and Soji Swaraj (MBA '00), with Carmella Law (EMBA '99) and Michael Carr.



For your diary

The AGSM Centre for Corporate Change has three upcoming seminars in its Research Briefing Series. Each seminar is moderated and features an academic speaker and two leading business commentators.

On 2 August, Dr Katrina Ellis presents 'After the Deal: Underwriters and IPO Trading', an examination of the continuing role of the underwriter once an equity offering is complete.

On 27 August, a seminar on 'The Mind of the Asian Consumer' presents Dr Giana Eckhardt's research on Asian consumer behaviour and brand interpretation.

On 26 September, professor Robert Wood offers 'Mental Models of Managers: Aid or Impediment to Effective Strategic Action', a seminar on how managers' implicit models of the world can both help and hurt adaptability and strategy formation.

The seminars will be held at Customs House, 21 Alfred Street, Circular Quay, Sydney. They are sponsored by the City of Sydney, Booz-Allen & Hamilton, NB Rothschild and Sons and Blake Dawson Waldron.

To register, call the Centre for Corporate Change on Tel: (02) 9931 9502 or e-mail: ccc@agsm.edu.au.

Mission indecipherable

In an age of instant answers, are management fads a panacea or distraction?

Helene Zampetakis* investigates

Is your bedside table piled high with the latest books on management fads? Do you go to sleep at night thinking about how to implement the latest business trend, only to wake up in a cold sweat reciting buzz words? Is your interest in staying informed becoming a career-limiting obsession? Relax – there is now help at hand.

A new service, Fad Busters, is here to help you cut the Gordian knot. The service is designed to strip fads of their allure and reduce them to common sense. Fad Busters will strive to collapse the image of the most impressive fad, pare jargon down to its bare bones and leave you with clarity.

Rodney Marks (MBA '82), comedian and founder of Fad Busters, says, "We are here to seek out fuzzy thinking and frivolous language and make it clear. We're here to show that the emperor has no clothes."

Marks notes that the root of the problem is that MBA graduates, who are now masters of business, are being caught up in faddish obfuscation.

"They're speaking a language used only by an elite group and are excluded from the rest of the workforce," says Marks.

To tackle this, Fad Busters offers those truly entangled with verbiage access to a help line that guides them through the Top 10 management fads and deconstructs the most offensive buzz words.

Callers are channelled through a cascading series of questions by an automatic service that lets them select any number of fads or buzz words for translation. Total Quality Management, for example, translates as "doing your best all the time in all of your businesses"; benchmarking is "how you're going compared to others" while business process re-engineering becomes "is there a better way of doing things?". Mission deconstructs to "why you are doing this?"; personal excellence is "doing your best" and alignment is "are we all on the same page of the hymn book?".

"We seek to make this service accessible to people even as indoctrinated as MBA graduates," says Marks.



“Fad Busters is here to help you cut the Gordian knot.”

The help line prompts callers to press a series of numbers to solve any particular problem – dial one if your call is a career crisis translation, or dial two if you just want help understanding what your subordinates are saying.

Callers with an esoteric query are not left high and dry. The help line also has voice recognition software that allows you to utter the offending words and have them processed and translated within 60 seconds.

"The beauty of the software is that it picks up both Australian and North American accents, and even Finnish if the fad is related to telecommunications," says Marks.

Fad Busters goes further. It offers to come to you either at the source of your problem, your workplace, or to assist you in the privacy of your own home. Less serious cases can be dealt with at the office. Here,

offending literature is removed while consultants using deliberately confusing language are counselled.

If your addiction has insinuated its way into your private life, a mobile 'plain English on wheels' unit will come to your home to purge it of fads. Equipped with sophisticated technology, the mobile agent scans your house for books with business school imprints and puts them in the shredder, along with any book that has the word 'organisation' in it.

The agent combs through e-mail and scans your personal computer for abstruse buzz words and other

signs of fad addiction. "Fad Busters' agents will cleanse the home and make it pure," says Marks.

"We have only the greatest sympathy for MBA graduates," he says. "They go through their studies thoroughly abreast of the fad of the day, but as soon as they finish, a new fad takes over the workplace."

Marks says that although fads initially appear innocuous, they soon begin infiltrating every aspect of mental life until the victim can't think or talk straight. In severe cases, addicts who are deprived of a fad for more than 24 hours may go to extraordinary lengths to latch onto a new one. Some have been known to trail consultants, others to surf the Net through the night in search of a new fix.

"There is a serious social and economic cost to fad addiction," observes Marks. "It has to be stopped." 🌟

* Helene Zampetakis is a freelance business writer.

It takes vision

Leading academic research and consulting teamwork involving some of Asia-Pacific's brightest MBA candidates are getting results for business.

Lachlan Colquhoun* reports

You're a business that needs a three-month consulting job – who are you going to call? PricewaterhouseCoopers? Accenture? Or, as a growing number of companies have discovered, are you going to call in a team of MBA candidates from the AGSM?

The AGSM's 'Management Projects for Business' has been up and running since 1996 as a major practical component of the postgraduate course, and the latest round of projects has put students right at the cutting edge of new technology and the new economy.

At hearing technology company Cochlear, a team of students designed a framework for the company to identify outsourcing opportunities. Another team took on the challenge of designing a set of key performance indicators for Reach, the 50-50 IP connectivity services joint venture formed by Telstra and Hong Kong-based PCCW (formerly known as Pacific Century Cyberworks) earlier this year.



PHOTOGRAPHY: KAREN MORK



SMART STRATEGY AGSM team members and clients (from left): Cochlear's Georgina Sanderson and Dig Howitt, Reach's Lee-Anne Liang, Cochlear's Joy Liu, Management Projects manager Samantha Morley, Reach's Greg Baxter, Andrew Armstrong, Danny Li (seated) and Angel Zonaga.

According to the manager of Management Projects, Samantha Morley, the latest batch of projects shows the power of the AGSM's network in action. At Cochlear, for example, the initiative for the project came from Georgina Sanderson, an AGSM graduate now working as Cochlear's manager of strategy development.

"It's a great network we have here at the school and it's one of the benefits of doing an MBA program," says Morley.

"Alumni, previous employers, academics and their networks – it's a widening circle. And sometimes you're just out and about, and you meet people and tell them what you do and they say 'that's great', I'd love to participate."

Many of the students, says Morley, have up to 10 years' work experience at a high level and are already the types of people who would be involved in, or qualified for, consulting

DIVERSE EXPERIENCE

"We have a diverse mix of students and the whole benefit of working in a team is what we are promoting," Morley says.

"There may be someone who has worked for a consulting company in England, or managed an IT start-up in India."

Georgina Sanderson joined Cochlear at the beginning of 1999, and her thoughts turned to her old school when the company decided it needed a framework to make outsourcing decisions.

Floated off from parent Pacific Dunlop in 1995, Cochlear now has a market capitalisation of about \$2 billion, and has implanted more than 30,000 of its Australian designed hearing systems in patients around the world. The company has also made some international acquisitions, buying Philips Hearing Implants in Belgium last year.

"We're a high-tech company and we have been growing at about 20 per cent a year in the last four or five years," says Sanderson.

"Previously the business was all self-contained but now as we grow more rapidly we must adopt new technologies at a faster rate while maintaining flexibility. Developing partnerships to develop new technology rather than doing everything in-house allows us to achieve this.

"What the group was looking at was how do we identify our core competencies, those things we want to keep in Cochlear and provide us with a competitive



advantage, and what are the possible things we could look at outsourcing?"

Under the supervision of AGSM faculty member Dr Robin Stonecash, the team of four students – from differing cultural backgrounds – set to work to understand Cochlear and its needs, interviewing a wide range of people within the company to build perspective.

The aim was to restructure how Cochlear made outsourcing decisions, and to establish a framework for outsourcing and evaluating the results over time.

"I think the students can do a very good job of being an outsider," says Stonecash.

"Companies tend to get a lot of tunnel vision, and contact with a student consulting team forces them to take a step back and look at issues from a slightly different perspective."

Applying academic learning to a 'live' company situation demanded some initial adjustments, but access to people at all levels of the company was a vital part of understanding Cochlear and its core competencies.

"The students came to Cochlear with the freedom to interview whoever they wanted. We just set them up with confidentiality agreements and suggested interviews they might like to do to get a feel for the business," says Cochlear's Sanderson.

After an interim report, the students got some feedback from the company, set back to work and came up with a final report, which the company is now using as a process to evaluate outsourcing decisions.

"They came up with a solution that was integrated into the business process that we already have," says Sanderson.

"They did develop something very useful and got it down to a practical level that we could implement, starting from a quite theoretical framework and eventually working with our people to create something that

“We were very attracted to the academic thinking combined with the students' solid work experience.”

was actually realistic in a company setting. "From a company perspective it was a very inexpensive way of accessing the latest thinking, and as a past student I know it's such a great opportunity to get out and get some real experience."

BUSINESS TALENT

Her verdict on the students?

"They were a highly talented group and spent quite a lot of time in the infancy of the project to understand the company.

"It's always exciting to be involved with a group of young people who are so motivated, and who are so willing to learn and contribute.

"Definitely Cochlear would be interested in doing it again."

As for the students, Indonesian Eka Sugiato says the project gave her a feeling of achievement beyond academic course work.

"This is a company that helps profoundly deaf people and we hope that some assistance we are giving might also benefit those people," she says.

"It was also immediately apparent to us that Cochlear was committed to the very highest quality, and that made for a very inspiring learning environment."

Colleague Joy Liu says the Cochlear project was a steep learning curve on teamwork, interviewing and applying academic knowledge.

"In the interim presentation the managers said we were too academic, so we did a new round of interviews, picked up more



TEAMWORK (Far left): members of the Reach team (from left) Andrew Armstrong, Angel Zonaga, Lee-Anne Liang, Danny Li and Greg Baxter. (Left): Cochlear project participants (from left) Dig Howitt, Joy Liu, Georgina Sanderson and Samantha Morley.

information about the company and applied it in a final presentation which was a great improvement,” says Liu.

For Dr Charles Hopley, a medical doctor as well as an MBA student, the project was a perfect mix of his medical background and his business aspirations.

“The combination of team involvement, problem solving and dealing with people from different backgrounds was very useful, and I’d recommend it to anybody as an excellent process to go through,” he says.

KEY PERFORMANCE INDICATORS

At Reach, the Telstra-PCCW joint venture, the task was perhaps even more challenging. Reach is a new company formed as a result of last year’s \$5 billion deal between Telstra and PCCW, and it carries data traffic around the globe.

Telstra has folded some of its regional business into the company, which has 1100 staff and is looking to build rapidly on its position as the largest value-added connectivity services provider in Asia outside of Japan. Reach is also the single largest shareholder in the new high-speed APCN-2 cable launched in September last year to carry data throughout the region.

A system of establishing key performance indicators was considered essential for measuring Reach’s performance, but establishing that system presented a unique challenge to the students given the cross-cultural and cross-border nature of the company.

“They certainly gave us something to work with and build on, and they’ve done very good work,” says Raymond Cheung, Reach’s Hong Kong-based acting head of finance.

Cheung says that even though the company was used to dealing with some of

the major consultancies, it could see advantages in turning to the AGSM students.

THE LATEST RESEARCH

“What made the AGSM option attractive is that we understood that some of the students have very solid work experience, and they were guided by the [research of the] academic [Paul Walsh], which was important for us,” Cheung says.

“The second most important thing was the presentation they made to us on their five-point approach to developing KPIs.

“Even though they did that through a video conference, the presentation was pretty convincing, and made us think we should give them a try.

“The fact that it was much less expensive than some consultants was a small factor, because first of all we realised that they could probably do the job we wanted.”

Under the supervision of faculty member Dr Paul Walsh, the students came up with a five-point methodology for determining KPIs, going beyond the company’s accounts and cash flow to looking at some of the so-called ‘softer’ strategic issues.

The five dimensions were – in rated order – strategy, project management, risk management, business financial and operational issues. The AGSM team defined objectives within each of these areas which would enable Reach managers to evaluate the performance of the company.

“The difficulty with most performance measurements is that they measure the easy things,” says Walsh.

“We call them housekeeping. They measure variance to budget and operational issues, but what they don’t look at is strategic, or steering measures – the kind of thing that lets people know how to row together, and in the right direction.

“The soft and intangible issues are often much harder for companies to do because historically the custodians of KPI have been accountants, and they’ve done very well putting together systems and measuring everything to the last penny.”

Walsh says that when the AGSM project began, Reach had focused on financial data against which to measure its performance. The student input widened that perspective to include strategic issues such as knowledge management, the communication of the company’s value proposition, and customer acquisition and retention.

Raymond Cheung’s assessment is that the students gave the company “something to work with and build on”.

“They did very good work, and produced a good foundation on which to move forward,” he says.

“Now, we need to discuss it with senior management and the related function heads and get their buy-in, and then it can become a formal part of our reporting structure.”

The key to the project’s success, he says, was the combination of the students’ hard work in understanding the company, and the academic framework provided by the AGSM and backed up specifically by Paul Walsh’s input.

“We were very attracted to the academic thinking, but if it was only pure research it wouldn’t have been very useful.

“The key thing was to combine academic thinking with the students’ technical experience.”

MBA student Stuart Stott says the Reach project gave him invaluable exposure to a new organisation, and one that had subtle differences of culture and strategy between Sydney and Hong Kong, which had to be incorporated into the process.

“It was excellent being involved in something that is current, that is live, that is really fluid,” he says. “And I think that they were looking for a fresh perspective, for some up-to-date theories and ideas.”

Another student team member, Andrew Armstrong, says the key to the Reach project was flexible thinking. “We didn’t want to go in and just rehash – we wanted to introduce a new way of developing KPIs in a more wholistic fashion.”

* Lachlan Colquhoun is a freelance business journalist.

The business of clicks & mortar

This edited excerpt from *Place to Space* by **Peter Weill** and **Michael Vitale*** gives a summary of e-business models and the migration challenges traditional companies face.

An electronic commerce revolution is taking place in business today. To date, much of the focus in this revolution has centred on highly publicised start-up companies, which have simultaneously developed and market tested radical new business models. However, the really hard work will be done, and most of the profits will be made, by traditional businesses already operating today.

Electronic commerce will require traditional businesses to move from the **marketplace** to the **marketspace**.¹ This migration includes making challenging decisions about which electronic commerce business models will be successful and how they will integrate with current customer channels. Many of the assets of successful place-based businesses will be equally powerful in space, but some liabilities are also becoming painfully apparent.


CHALLENGES FACING EXISTING BUSINESSES

In our discussions with existing companies migrating to electronic commerce, a common set of challenges emerged:

■ **Which business model?** Paradoxically, one of the greatest challenges of electronic commerce is the

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A blurred office scene. In the foreground, a person wearing a bright yellow shirt is seated at a desk, looking towards a computer monitor. The monitor is dark. In the background, another person in a white shirt is visible, also working at a desk. The office has blue vertical blinds covering a window. The overall image is out of focus, creating a sense of motion or a busy work environment.

⚡ Some customer segments will want only clicks, others will want only bricks and mortar, and many will want a combination. ⚡

fact that almost anything is possible. Choosing amongst many alternatives challenges traditional businesses, which requires realistically assessing what a company is capable of given its core competencies and customer relationships. Too often we have seen grand business models fail in implementation. This happens largely because the brand isn't really strong enough to cross-sell into a different



product range, the company's traditional customers don't actually use the Internet, or worse, they discover in using the Internet that the company's prices were too high for the value delivered. New business models often bring new challenges, such as coordinating strategies across multiple lines of business. Diana L. Brown, vice-president and general manager of the financial services business unit at e-commerce systems builder Scient Corporation, explains, "For the first time banks have to integrate strategies across all lines of business ... it forces them [to ask]: What functions are we putting on which channel? How do we cross-sell?"²

■ **Channel management and the new intermediaries.** There has been much discussion about disintermediation in electronic commerce – the electronic bypassing of traditional channel intermediaries such as travel agents. However, intermediaries account for more than 20 per cent of the Internet economy. Most traditional companies not only have to work with their traditional channel partners, they also have to work with new intermediaries – and manage potential channel conflict. Some of these new intermediaries are creating tough decisions for companies. For example, should a premium retail wine store that has just launched an online site allow automated shopping agents, such as WineRobot (www.winerobot.com.au), to enter their site to compare prices? Agreeing means that the store's price for a bottle of 1992 Grange Hermitage will be compared to the competition's prices for the same wine. Refusing to allow shopping agents to enter means missing a potentially important source of sales. Participating means being compared by relatively

objective measures such as price or merchant ratings. For example, Bizrate.com (www.bizrate.com) electronically polls buyers from electronic stores and compiles their satisfaction ratings into 'star ratings' which are published on the comparison tables of some shopping agents.

■ **Identifying customer segments ready for electronic commerce while maintaining other customers.** Only

some customer segments are ready for electronic commerce today. Understanding who they are and, just as importantly, who they are not, is a critical first step. Avoiding disenchanting non-electronic commerce customers is a critical second step. Customers who prefer to continue using traditional channels will react badly to perceived or real price discrimination. Cheaper prices offered on the Web may encourage customers to switch channels, potentially reducing a company's selling cost sufficiently to make up for the drop in margin. At the same time, the lower switching costs of buying on the Web may encourage customers to switch suppliers!

■ **Capitalising on potential revenue streams and lower costs.** For many companies the conversion of traffic on their Web site into a revenue stream is challenging. Consider the Australian travel publisher Lonely Planet (www.lonelyplanet.com.au). Its Web site has two million unique visitors a month but generates little direct revenue. The company's revenue comes primarily from book sales through bookstores, but loyalty to the Lonely Planet brand is enhanced by a popular Web site. What would happen if Lonely Planet added advertising or links to companies selling related products such as backpacks? For many traditional companies, even attracting visitors to their sites is not easy. According to Media Metrix, of the top 10 performers in attracting visitors, only Barnesandnoble.com and Toysrus.com had their roots in traditional companies. Converting a visit to revenue is also harder for traditional companies; the average purchase size for pure Internet companies is significantly larger than for clicks and mortar companies.³

■ **The organisational form necessary for electronic commerce is radically different.**

Traditional hierarchical, functional and matrix structures are not particularly well suited to running electronic commerce businesses. Electronic commerce businesses require very rapid decision-making and implementation, often using alliances that form and disband repeatedly. More challenging still, electronic commerce often requires a single and complete view of a customer wherever and whenever he or she chooses to touch the organisation. This unified view is more difficult to establish and maintain in place-based organisations that are structured into product- or service-based units, each of which tends to promote its own view of the customer.

■ **Skill sets, culture and incentives.** Many traditional companies have worked hard to build skill sets, cultures and incentives to support their businesses. A new electronic commerce initiative is likely to threaten those established competencies, which may not be compatible with the requirements of the new initiative. For example, many MBA graduates are working for start-up dot coms on relatively low salaries with huge share option packages. Traditional companies struggle to match the start-ups in creating incentive plans that will attract and retain young staff.

■ **Convergence of processes, workflows, infrastructure and data assets.**

Implementing an electronic commerce initiative requires integrating more than just the technology. The excellent electronic commerce companies such as Dell have managed a convergence of business process with workflow and data assets to deliver on a 'single point of contact, direct to customer' business model. For traditional companies with legacy processes, systems and databases, this sort of convergence requires major change and a significant investment in rethinking the business, as well as a new technology infrastructure.

■ **New information technology infrastructure.** Although we recognise that electronic commerce is fundamentally dependent on information technology infrastructure, we were still surprised by how many new information technology infrastructure services were required by the companies we studied. Also surprising was the increase in investment necessary to provide these infrastructure services to the level necessary to implement planned electronic commerce initiatives. None of the

traditional companies we have studied and worked with already had the required information technology infrastructure capability in place to implement their electronic commerce initiatives. All of the companies required substantial infrastructure investments in as many as 40 separate infrastructure services.

■ **Pacing the migration to electronic commerce.** Pacing the migration from place to space is a significant challenge for many traditional companies. Are our customers ready? Are we ready? For many traditional companies the timing of their first initiative is dependent on getting capabilities – skills, products, infrastructure, and so on – in place. However, after the first initiative, how fast should the migration be, and in which customer segments? Alice Peterson, vice-president and general manager of Sears Online, explains their approach: “We could have put the whole store online ... [instead we will create] ... a deep rich site that offers multiple solutions, around the primary intention of maintaining and improving the home.”⁴

INVEST IN A PORTFOLIO OF ELECTRONIC COMMERCE INITIATIVES

Given the uncertainty of the future shape of electronic commerce for a traditional company, a powerful approach drawn from the financial markets is to invest in a portfolio of initiatives. An investor looking at the dot com sector will typically buy a portfolio of stocks and keep a close watch on their performance. The investor expects high variability in the performance of any one stock in the portfolio. Many stocks will fall in value, perhaps to zero. Others will break even in investment terms, often after a bumpy ride. Ideally, at least a small percentage of the stocks will enjoy meteoric rises and deliver huge returns on investment for the individual stocks and a strong positive return for the portfolio as a whole. The same approach can be applied to a portfolio of electronic commerce initiatives. Our Lonely Planet case study describes how the company launched a series of electronic commerce initiatives. These include its award-winning Web site, Thorn Tree virtual community, eKno travellers’ communications service and CitySync, the distribution of city guides via handheld devices. Although the performance of any one of these initiatives is uncertain, Lonely Planet is reasonably assured of receiving a positive return on

its portfolio of electronic commerce investments.

The savvy investor will also invest in learning more about the dot com sector – he or she will read, collect performance data, join chat groups and attend seminars. The investor is gaining competencies that he or she hopes to capitalise on when opportunities present themselves, often unpredictably. We advocate the same approach for companies: build a series of competencies that are certain to be needed in an electronic commerce future, regardless of the exact business models that eventuate. This building block approach is evident in the case of Lonely Planet. The company is not sure which electronic commerce business models it will ultimately pursue, but it can be sure it will need to have its travel content stored in an integrated knowledge bank. Then whatever the product or the distribution channel (bookstores, handheld devices, Web sites, etc.), Lonely Planet can access, integrate, and distribute all its content electronically. The knowledge bank is one of Lonely Planet’s building blocks for its electronic commerce future. The decision to invest in each building block is like the decision of an investor to buy a financial option that can be exercised in the future. Investing in a capability now provides the ability to build electronic commerce initiatives more quickly later. Determining the right building blocks for a company is one of the most important electronic commerce activities for senior management. Deciding which building blocks to create requires senior management to ask hard questions about the company’s competencies in an electronic commerce world. In *Place to Space* we discuss some important building blocks for all traditional companies to consider, including transaction analysis, company-wide customer databases and brand and channel development.

Electronic commerce offers new and exciting ways of doing business for companies and their customers. Electronic commerce can increase customer satisfaction levels, potentially offering customised 24-hour service delivered worldwide on a single-point-of-contact basis. For many companies the economics of electronic commerce will be irresistible, reducing transaction costs by 75 per cent or more. All companies need to begin the migration to electronic commerce with the urgency and

Most traditional companies will migrate their business to a combination of clicks and mortar.

pace determined by the size of the threat and opportunity. Senior management must lead this strategic analysis and migration since the opportunities and threats are too large to delegate the responsibility down to a level where the person cannot say no!

The combination of place and space business models is very powerful. Most traditional companies will migrate their businesses to a combination of clicks and mortar. Different and tailored value propositions are needed for each customer segment. Some segments will want only clicks, others will want only bricks and mortar, and many will want a combination. Successfully migrating to a clicks and mortar business model is a major change affecting almost every aspect of a company’s business, including channel and intermediary management, customer segmentation, changes in organisational form, incentives, skill shortages, information technology infrastructure investments, cultural change and a convergence of business processes, workflows, infrastructure and data assets. The migration is both exciting and challenging, and the process of moving from marketplace to marketspace raises fundamental questions for senior management: What really are our company’s core competencies? Are these competencies world class? How do we nurture these competencies? What is our position on the industry value chain? Is our current profitability sustainable? ☆

** Peter Weill is director, Centre for Information Systems Research, MIT Sloan School of Management. Michael Vitale is dean and director, AGSM, and a former Harvard Business School professor.*

FOOTNOTES

- 1 The notion of moving from a marketplace to marketspace was popularised by the pioneering work of John Sviokla and Jeff Rayport in two articles. See J. Rayport and J. Sviokla, ‘Managing the Marketspace’, *Harvard Business Review* 72, no. 6 (1994), pp. 141–151; and J. Rayport and J. Sviokla, ‘Exploiting the Virtual Value Chain’, *Harvard Business Review* 73, no. 6 (1995), pp. 75–85.
- 2 A. Zieger, ‘High IntereSt Rate’, *CIO Magazine*, November 1, 1999, pp. 54–62.
- 3 D. Boidy, ‘Holiday Numbers are In’, *InfoWorld*, 10 January 2000, pp. 1, 10.
- 4 G. James, ‘Clicks and Mortar’, *Upside*, November 1999, pp. 209–214.

A case for ethics

It's time companies recognised that social and financial performance are not incompatible and that operating ethically can be good for the bottom line. **by Marc Orlitzky***

Some say moral values are the ties that bind society. Nevertheless, recent examples of some dubious practices by Australian business for short-term financial gain illustrate some individuals' beliefs that the term 'business ethics' is, perhaps, an oxymoron. At a time when there is no shortage of unethical business practices that put people in harm's way, it is useful to spell out the meaning of business ethics. The concept of business ethics is the application of moral philosophy to issues in business. Its goal is to describe morally good behaviour for managers and corporations. Thus, the field's domain includes macro and micro issues because the study of moral principles can help us understand how conceptions of duty evolve in society and how managers can tangibly fulfil their responsibilities in line with societal expectations.

Most ethical duties are variations on the theme of 'do no harm' and are called 'negative duties'. Other duties are stronger in that they advocate behaviour that assists others in achieving their good. These 'positive duties' manifest themselves in actions typically identified as corporate citizenship, social responsibility or stakeholder engagement. Of course, in this context, the adjectives 'negative' and 'positive' do not carry any evaluative connotations whatsoever. One high-profile approach to negative and positive duties is triple bottom line accounting, which assesses an organisation's economic, social and environmental impacts. However, the highly publicised and idealistic goal of triple bottom-line accounting is far from being realised in Australian organisations today.¹

WHY DO ORGANISATIONS NEED AN UNDERSTANDING OF ETHICS?

Regardless of whether organisational constituents (including customers, governments, activists, etc.) expect only negative duties or also positive duties, managers and business scholars often regard the underlying value processes, such as the implementation of equal employment opportunity, as costly exercises. Increasingly, though, the new generation of business leaders is recognising that value processes are in fact social processes through which the organisation, arguably the most important of all social systems today, is held together.² Therefore, ethical and/or socially responsible behaviour can be considered an investment in transparency, integrity and trust which, in turn, can help reduce transaction costs within and across organisations.

On the one hand, any ethical system can be regarded as self-referential. This means that ethics has a unity "for itself, independent of the cut of observation by others".³ Whether a manager sees 'the good' as superior pollution abatement, employee development programs, equal employment opportunity, respect for all stakeholders, honesty or community engagement, the good is a compelling duty – in and of itself. Our humanity makes ethical behaviour the only right choice. Ethics must not be justified by something else that is either the result or psychological motivation of moral behaviour.

This 'in and of itself' approach is very

different from the teleological (that is, consequentialist) reasoning of utilitarianism, a paradigm on which the business school core disciplines of economics and finance rest. Teleological reasoning would say: "Pursue the good as long as it is consistent with the *raison d'être* of an economic organisation, which is to maximise shareholder wealth." Typically, this type of thinking leads to a number of decision-making biases and flaws because it tends to be rooted in normative myopia.⁴ In so-called "value-inert cultures",⁵ economics-based utilitarianism can become firmly entrenched.

Therefore, we must be careful when justifying ethical practices or social responsibility with the truism, 'good ethics is good business'.

Ethical practices are nowadays often justified with reference to their positive

impact on morale. With this perspective, the philosophical charge that ethics is merely a means to some other overarching end beyond ethics still applies. Whether the goal is economic or humanitarian in nature does not fundamentally alter the logic of ethicists' concerns. If teleological justifications were the only ones available, managers would be encouraged to pursue ethics only when there is a significantly positive relationship between ethical practices and that overarching goal. And when you think about it, how often does morality really serve as the glue of social integration? Taking morality seriously also implies the acceptance of its frequently

“The first step in any implementation effort should be a responsibility audit.”



THE BUSINESS OF ETHICS Buddhist teacher Sogyal Rinpoche with professor Michael Vitale, dean, at the AGSM.

divisive consequences (for example, honesty, affirmative action or reverse discrimination).⁶ Furthermore, if we tried to deduce the goodness of ethical practices from empirical observations of possible consequences, we would commit what philosopher G.E. Moore termed the 'naturalistic fallacy'.⁷

Quite distinct from the 'in and of itself' and teleological approaches to ethical and/or socially responsible behaviour is the sociological explanation for the adoption of ethical practices. It is based on the sociological insight that without pronouncing and implementing a stakeholder rhetoric, a business

the organisation and its various stakeholder groups. Therefore, companies need to adopt a strategic, media-conscious attitude toward the management of social issues. A better understanding of the semiotics of morality is necessary, but not sufficient to stem the growing flood of employee and consumer

may become a pariah, an anomaly, endangering its social legitimacy and, thus, its existence in today's complex and dynamic business environments. These frequently powerful societal and environmental forces are called institutional pressures, which can lead to normative commitments among managers.⁸ Normative commitments, especially when they are based on the need to conform to broader social movements and trends, may remain unexamined in the light of a company's particular market and non-market situation. Of course, sometimes it is unavoidable to adjust to institutional norms if they are in the form of national or international regulations. In the environmental arena, however, managers have often adopted 'best practice' behaviour or processes from other countries or even other industries, without thinking deeply enough about the strategic significance of those practices in the context of the company's particular circumstances.

In a world that has lost its belief in an absolute or universal moral code, societal ethics are transformed into relativist social rhetoric and behaviour. Without an understanding of how various stakeholder groups interpret ethical obligations (which are often regarded as social commitments), a company can easily become trapped in a swirl of self-appointed vigilantes representing utopian socialist rhetoric – from anti-property rights to anti-globalisation.⁹ Activists often use the mass media in a clever way, and organisational reputations stand and fall in the eyes of the media, which often act as the informational intermediaries between

dissatisfaction with 'business as usual'. The implementation of good corporate citizenship will become essential to success.

HOW CAN BUSINESS LEADERS AND ORGANISATIONS IMPLEMENT ETHICAL AND SOCIALLY RESPONSIBLE BEHAVIOUR?

The short answer is 'strategically', paying attention to a company's unique internal and external relations with all stakeholder groups. The answer is to act in the non-market domain with the same strategic fervour that is practised in the market realm (thanks to strategic management writers such as Michael Porter, Nitin Nohria and many others). What makes operating in the non-market realm a bit more difficult

want to pursue self-actualisation at and through work.¹²

There are a number of examples that illustrate organisational implementation of ethics and/or social responsibility. For example, under the leadership of its new chairman Bill Ford Jr., Ford Motor Company has begun to embed the value of sustainability in its operations. The health supplements supplier Blackmores has received accolades from Australia's St James Ethics Centre for its transparent business practices and exemplary treatment of employees. BHP has recently changed its ways by committing itself to integrity, open communication and more opportunities for women in top management.

To specify the relationship between

in positive social-financial performance relationships (high ρ of .73). Therefore, it is essential that a company focus on, and analyse, three aspects of a social issue:¹⁴

- 1 The institutionalisation of an issue (that is, its stage in the issue life cycle);
- 2 The visibility of ethical and socially responsible behaviour to stakeholders;
- 3 The corporation's publicity efforts, which are tasks typically carried out by communications and public affairs departments. Employees in these areas need training not only in communication, but also in sociology, public administration and business ethics. Proper employee selection procedures are crucial. Outsourcing these publicity efforts to PR firms are counter-productive because it would prevent non-market activities from becoming firmly embedded in a company's strategic thinking and culture. In other words, outsourcing could squander competitive advantages. Furthermore, to some extent at least, all company employees need to consider themselves 'boundary spanners' between the organisation and its social environment.

■ In the last 30 years, the financial benefits from good environmental performance were negligible (ρ of .12). (The benefits may or may not be higher in the future.)

■ On the one hand, high corporate financial performance is caused by a reputation for high social performance. On the other hand, high social performance is caused by high financial performance and the availability of surplus resources. In other words, there is a bidirectional relationship.

■ The increasing social influence of media and other intermediaries in organisational networks (both in company-consumer and company-investor relations) must be acknowledged and used as a strategic lever.

■ Organisations of all sizes can financially benefit from corporate social performance.¹⁵

■ The relatively large cross-study variance suggests that businesses must analyse their specific market and non-market situation before embarking on any major ethics or social responsibility campaign. Ethics and social responsibility should not be based on whims, impulses or intuitions.

■ Market mechanisms may encourage corporate social performance. Government regulation might be impractical, superfluous or even inefficient because social and financial performance are self-reinforcing over relatively brief time periods (less than a year). However, governments ought to pay close



“Buddhists see compassion not only for the benefit of others, but for the benefit of personal happiness.”

is that behaviour that does not appear strategic tends to be rewarded more. In the current social

climate in Western societies, altruism is still morally superior to rational self-interest.

If the objective is to act strategically without appearing so, then where can managers start to make changes individually? Simply by changing their mental attitude, as Buddhist master and author Sogyal Rinpoche pointed out in his Values-based Leadership presentation at the AGSM earlier in the year. He entreated business leaders to become “mindful” by overcoming the “jaws of ego”, which he defined as hope (expectations) and fear. Through meditation, individuals could gain a deeper understanding of the nature of the mind and the importance of compassion, he said. Buddhists see compassion not only in the service and for the benefits of others, but also in the service and for the benefit of personal happiness.¹⁰ Probably everyone can agree with the statement by the Dalai Lama that “the very purpose of our life is to seek happiness”.¹¹ In the 21st century, people will increasingly expect to practise their personal, often spiritual values in the workplace. More and more individuals will

ethical practices (in their strong form) and corporate financial performance in a study that would go beyond illustrative cases, I quantitatively integrated all available studies on corporate social responsibility and financial performance in several meta-analyses. My own research on corporate social performance was not driven by the desire to justify corporate social responsibility and ethics by bottom-line concerns. Instead, it constituted an effort to investigate moderators of the relationships and show empirically to what extent large and small organisations can reap financial benefits from the fulfilment of companies' negative and positive duties. The meta-analytic data set included over 33,000 observations. The implications of my meta-analyses as they concern implementation are as follows:¹³

■ The frequently invoked trade-off between social and financial performance is a false dichotomy, which is not reflected in empirical data. Instead, the evidence points to a positive relationship between social performance and accounting rates of return (such as ROA, ROE; weighted true-score correlation ρ of .42) and between social performance and market returns (true-score correlation ρ of .15). The overall relationship between social and financial performance was .36.

■ Corporate reputations are a major factor

attention to poor financial performers (such as organisations close to bankruptcy). My research indicates that these organisations face formidable temptations to behave unethically (which is understandable, but not excusable).

The first step in any implementation effort should be a responsibility audit.¹⁶ Vision and mission statements by themselves are meaningless. Rather, all core business practices should be analysed from time to time in order to examine the consistency of actual behaviour with espoused values. During the last few decades, cynicism about organisational activities has become so widespread in society that many organisational

stakeholders tend to discount corporate disclosures about their responsibility and ethics and, thus, fail to reward organisations for such disclosures (ρ of only .11 between social and financial performance). In the final analysis, it may be best to have reliable, independent auditors who understand measurement issues in designated functional areas (such as human resource management, environmental practices, quality systems, community relations, etc.).¹⁷ To ascertain that corporate values are not as easily abandoned as personal New Year's resolutions, internal and external stakeholder satisfaction must be recorded and analysed.¹⁸

Intangible assets such as culture, values and leadership must occasionally be made explicit in tangible measurement and analysis. My research indicates that you are not throwing good money after bad if you decide to invest in a responsibility audit. An in-depth understanding of the perceptions of all organisational stakeholders (including the customer) is the first step of a proactive, integrated business strategy¹⁹ that will allow a company to grow despite increasing non-market challenges. 🌟

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FOOTNOTES

- 1 The term 'triple bottom line' has been coined by John Elkington in his book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, 1997. That this concept is not even close to being implemented has been established in David Birch and Jonathan Batten's study 'Corporate Citizenship in Australia', 16 May 2001, presentation at Museum of Sydney; Corporate Citizenship Research Unit, Faculty of Arts, Deakin University.
- 2 On value processes, see D.L. Swanson, 'Addressing a theoretical problem by reorienting the corporate social performance model', pp. 43–64, *Academy of Management Review*, vol. 20, no. 1, 1995; and W.C. Frederick, *Values, Nature, and Culture in the American Corporation*, Oxford University Press, New York, 1995. I briefly outline the value processes on page 9 of my Centre for Corporate Change paper, 'Corporate social performance: developing effective strategies', Research Brief RB004, 2000. This paper is available from Fran Prior, secretary, Centre for Corporate Change, AGSM, Tel: (02) 9931 9500, Fax: (02) 9663 4672, e-mail: franp@agsm.edu.au.
- 3 N. Luhmann, *Social Systems*, (translated by J. Bednarz Jr and D. Baecker), Stanford University Press, Stanford, CA, p. 33, 1995.
- 4 The term 'normative myopia' is discussed in D.L. Swanson, 'Toward an integrative theory of business and society: a research strategy for corporate social performance', pp. 506–521, *Academy of Management Review*, vol. 24, no. 3, 1999. Diane Swanson and I have developed a research program that will empirically examine the dimensionality of normative myopia and its antecedents and consequences.
- 5 D.L. Swanson, 'Toward an integrative theory of business and society: a research strategy for corporate social performance', pp. 513–514, *Academy of Management Review*, vol. 24, no. 3, 1999.
- 6 N. Luhmann, *Social Systems* (translated by J. Bednarz, Jr and D. Baecker), Stanford University Press, Stanford, CA, 1995.
- 7 G.E. Moore, *Principia Ethica*, Cambridge, Cambridge University Press, 1978 (First edition 1903). See also M. Orlitzky and D. Jacobs, 'A candid and modest proposal: the brave new world of objectivism', pp. 656–658, *Academy of Management Review*, vol. 23, 1998.
- 8 A seminal study of institutional forces is: P. Selznick, *TVA and the Grass Roots*, University of California Press, Berkeley, 1949. Other studies of institutional pressures can be found in: W.R. Scott, *Institutions and Organisations*, Sage, Thousand Oaks, CA, 1995; A. J. Hoffman, 'Institutional evolution and change: environmentalism and the US chemical industry', pp. 351–371, *Academy of Management Journal*, vol. 42, no. 4, 1999.
- 9 K.A. Elliott and R.B. Freeman, 'White hats or Don Quixotes? Human rights vigilantes in the global economy', NBER Working Paper 8102, National Bureau of Economic Research, Cambridge, MA, 2001; <http://www.nber.org/papers/w8102>; N. Klein, *No Logo: No Space, No Choice, No Jobs*, Flamingo, London, 2000.
- 10 Soqyal Rinpoche introduced this notion of 'enlightened self-interest' on various occasions in his talk. A more detailed description of this process is given in: H.H. the Dalai Lama and H.C. Cutler, *The Art of Happiness: A Handbook for Living*, Hodder, Rydalmere, NSW, 1998.
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Let the games begin

Robert Marks* applies economics-focused game theory to pricing and contract bargaining.

“**H**ow can I tell my wife that I’m learning to conceal information, to bluff, and even to lie?” asked a student taking my game theory course a few years ago. Actually, he didn’t need to. Game theory teaches you that often it’s better to lay all your cards on the table, to reveal all, especially if in doing so others alter their actions as their expectations of your actions change, because of your disclosure.

Game theory provides a framework for analysing strategic interactions – where what you do affects your ‘competitor’ and vice versa. It is also excellent for analysing situations such as employment contracts, supply contracts or franchising contracts, where there is ‘asymmetric information’ (where the parties to the contract know different things relevant to their performance). Because of this, lawyers are increasingly using game theory to analyse aspects of the law,¹ particularly, but not exclusively, contract theory. A newer area of application is personnel economics,² which uses game theory frameworks to analyse the employment relationship, including compensation and incentives schemes for CEOs. These applications of game theory can be thought of as ‘economising’, of using insights into incentives and behaviour to design new sets of rules (such as contracts) governing the interaction of the principal and the agent.

As its name suggests, however, game theory has for the past 50 years been used to analyse, to understand and to guide interactions between superpowers in the cold war, between contestants in particular games, and between rivals in the market. As the



Game theory provides a framework for analysing strategic interactions – where what you do affects your “competitor” and vice versa. ▶

principles of the discipline have become more widely known, executives have increasingly used such tools from game theory as game trees and payoff tables in helping to make their own strategic decisions.³

Over the past few years I have been following a line of research which started when a computer program of mine won the Massachusetts Institute of Technology Competitive Strategy Tournament in the

1980s. When asked what my particular insight had been to allow my program to win, I was not sure how to explain, and continued to think about game-playing routines. A happy coincidence led me to the emerging field of genetic algorithms, a form of machine (or computer) learning which simulates Darwinian evolution. Trial solutions are tested, and the best of these are used to develop a new generation of trial solutions, using techniques analogous to sexual reproduction. Eventually, natural selection (or here, artificial selection) results in solutions that are pretty good.

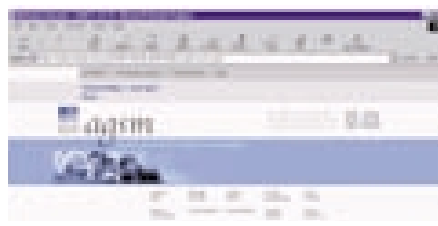
With former AGSM professor David Midgley (now at INSEAD in Paris) and Lee Cooper (at UCLA),

we applied game theory to the rivalry in an historical oligopoly, or market with few sellers. We chose the market for cans of ground coffee in a mid-west US city. (Rather like the man looking for his car keys under a streetlight, we selected this market because its supermarket scanner data were readily available.)

We modelled the rivals as stimulus-response players in a repeated game. The stimulus is what all rivals did last week, and the response is what each player should do this week – where each player has some choice over the price, the advertising, the display and coupons, and other discounts associated with its brand of coffee. We found

Putting technology to work

The AGSM moves forward with IT delivery



The AGSM first offered the flexibility of online executive education five years ago when it launched the Graduate Certificate in Change Management (GCCM). It has since introduced additional online courses, offered over summer as part of the Executive MBA program.

More recently the AGSM has introduced online technology as a support to face-to-face teaching in other programs. This includes online interaction for full-time MBA program courses, including 'Marketing Concepts' and two other courses in the Hong Kong MBA program. Executive programs use the same technology to give participants more streamlined access to pre-course information.

"The flexibility of online delivery can help a lot of people in making a decision to go back into education," says Dr Rose Trevelyan, academic director of the GCCM.

"At the time we launched the GCCM, online learning was a very new thing and we decided to embrace technology and see where we were able to go with it," she says.

GCCM graduate Christopher MacDonald says the online delivery let him communicate with a lot of students when it suited him, whether it was midday or midnight. "I wasn't constrained by having to fit in with other people's preferences and that was critical to my ability to manage a study schedule," he says.

Online benefits include a high volume of interaction between students via bulletin boards. MacDonald also points to the advantages of online delivery in providing a wider choice of whom you interact with: "I could scan through all discussion submissions and read what other groups were talking about, not just my own tutorial group, and participate in those discussions I found interesting"

Not entirely virtual, the GCCM program includes: on-site workshops, where students meet one another and the instructors; a face-to-face exam that accounts for 30 per cent of GCCM assessment; and teleconferencing sessions.

SPEED AND FLEXIBILITY

The AGSM has recently introduced Web CT as its new platform for online delivery to give students more speed and better access to related online educational resources.

"An important recent initiative is a trial of online support for Hong Kong MBA program students, with a view to using online educational technologies to enhance the aims, outcomes and teaching methods of the course," says Dr Julie Gordon, director of educational development.

"Also high on our agenda is educational development for our faculty to ensure the School facilitates the most effective use and integration of online educational technologies in its teaching strategies."

E-moderating expert, Dr Gilly Salmon from the Open University Business School in the UK, will visit the AGSM to run an interactive workshop on e-moderating and online teaching skills on 18–19 October.

WHAT HAVE WE LEARNT?

"The online environment is a fantastic one for sharing experiences, but does require a lot of effort and active use of the technology on the part of the instructors," says Dr Trevelyan.

Thoughtful instructional design is central to effective delivery, to ensure that technology is aligned with and enhances the aims, teaching methods and also the outcomes of the course.

"Online instructors also need to be positive and understanding of difficulties with technology, and it is important to promote the online forum as a place where people can chat with one another, where students are able to say, 'Here are my thoughts'," says Dr Trevelyan.

"Online delivery reinforces the value of students talking to one another. You can see how much students get from talking to one another and exchanging views on their business experiences and their goals. It is therefore very important in the program delivery to give people the time and space to talk about the issues they have at work and how to resolve them." 🌟

by Debra Maynard

that relatively simple players (with, for instance, shorter memories of past weeks, or smaller sets of actions to choose from) could do as well, even better, in terms of weekly profit, than the historical players.⁴ We are continuing this line of research to examine an additional player, the supermarket, which mediates among the brand managers in order to improve the store's profits, rather than those of the brands.

We can extend this line of research to other repeated interactions, such as bidding in the repeated auctions for electricity that deregulation in Australia and internationally has established. Indeed, the auctions used to allocate broadcasting spectrum to media players and telcos here and in North America and Europe were designed by game theory economists, who have also advised bidders on strategies for these novel auctions.⁵

A further line of research I am pursuing is the significance, in terms of profits gained or lost, of the adequacy of information about rivals' prices: this can be thought of as the coarseness or fineness of the perceived partition of market information. At what point, for instance, is the value of increased fineness of the perception of others' price shifts offset by the increased cost of processing this information?⁶ This harks back to the work, more than 50 years ago, by the late Claude Shannon at the legendary Bell Labs, and is a further application of game theory to managerial issues.

Exploration of game theory and its use in learning to behave more effectively in strategic interactions is part of an AGSM executive program, 'Thinking Strategically', to be held on 27–28 September. 🌟

* Robert Marks is associate professor of economics at the AGSM.

FURTHER READING

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Scholarships chip away at glass ceiling

Each year the AGSM offers a number of half scholarships to women seeking premium executive development by joining the School's intensive residential executive programs. Six alumni, all scholarship graduates, discuss their experiences.

The morning begins with an exercise session conducted by a personal trainer. Breakfast follows, then it's down to syndicate work tackling the problems of Amazon.com. The afternoon focuses on managing people for performance and competitive advantage, followed by a talk during dinner by Stephen Shedden, CEO of Shopfast.com.au, to discuss Internet retailing. The evening work gives participants an opportunity to compare an Australian e-tailing experience with an international business case. Just part of a typical day in the three-week residential schedule of the AGSM's Senior Manager Development Program (SMDP).

"It's an intensive format that meant I could really focus on the course and the team away from my family, although it was still difficult to leave my three young children," says SMDP graduate Bronwyn Clere.

"I'd encourage other women to think about doing executive training in this way as it doesn't compromise your family commitments except for that intense period," says Clere.

Program director for customer service at investment and financial services group, AXA Australia, Clere says: "One of the strengths of the program is that participants are carefully selected to bring different

specialities to the group, and from that melting pot comes a wealth of knowledge across industries."

According to Dr Sureka Goringe, Accelerated Development Program (ADP) scholarship winner and now chief operating officer of Redfern Polymer Optics: "Support for women in senior positions is still hard to come by in a lot of blue chip industries." Goringe has a PhD in materials science and began her managerial career in the building industry.

"From a narrow perspective, for technologists I think the scholarships are important because there are so few women in the field. An incentive for women to participate in high-level executive development has merit because the culture in Australia is still not greatly supportive of women moving to senior management," says Goringe.

"I'm using the course content and knowledge a lot now. Redfern Polymer Optics is a high-tech start-up [that develops polymer optics for telecommunications applications]. While there is a strong research and development program, my role as COO focuses on financial and strategic planning.

"A very rewarding and powerful part of the program was the learning that came not just from the course content, but from my peers in the group," says Goringe.

Leanne Gordon, human resources manager for Perth-based AngloGold Australasia, says the scholarships probably helped the ADP to be a 50-50 split

between men and women, which was not something most workplaces had at a senior executive level.

"Over time, it is one of those things that become unnecessary, although for some women the scholarships give them more confidence in asking for their company's support to participate," Gordon says.

SHARING KNOWLEDGE

"I think the ADP is one of the great executive programs with its two residential modules complemented by group project work in-between. I now have a better sense of what good leadership means, and I am more conscious of my actions and the effects they have. I am much more aware of how I do things and change my behaviour implicitly for the better," Gordon says.

Lisa Wilson, who was promoted to general manager of grower services at the Australian Wheat Board (AWB) shortly after completing the SMDP, says the program offered a great opportunity to take time out to consider her life and effectiveness.

"As senior managers, we need time away from work to reflect on where we are going and why. Sometimes we need to take our own HR inventory to understand ourselves better and how our peers see us," she says.

"The AWB is focused on bringing in new ideas and helping to broaden senior managers' skills, so there's a strong commitment to encouraging participation among our senior ranks in this kind of executive development course."

Wilson has been with the AWB for almost 10 years and during that time has seen a slow, yet steady, increase in the number of

“Support for women in senior positions is still hard to come by in a lot of blue chip industries.”



⚡ As senior managers, we need time away from work to reflect on where we are going and why. ⚡

SCHOLARSHIP WINNERS COO Dr Sureka Goringe (left) and marketing executive Michelle Kenna.

women in the agricultural industry. She completed a degree in agricultural science but has worked across disciplines – from public affairs and marketing to commodity trading. “Certainly early on in my career I found it hard to get ‘out of the box’.”

BROADER SKILLS

Wilson took her professional development into her own hands, began broadening her industry and community network, and looked to structured programs for self-development and to broaden her knowledge and skills.

“The challenge for executives taking the SMDP is to take what they have learnt and use it to operate more effectively. Any course needs to examine good process, to get the participants to think about structure and how they will stay focused on being more effective back in the workplace.

“On a personal level, the course opened my eyes to the usefulness of a business

model and the fact that there is commonality across industries,” Wilson says.

The adage that you get out of executive education what you are prepared to put into it also rings true for Louise Archer, director of budget and strategy for the Commonwealth Department of Immigration and Multicultural Affairs in Canberra.

NEW NETWORKS

An ADP graduate, Archer valued the opportunity to network with like-minded managers and to hone some of her own management ideas.

“I’ve since applied my ADP project work – which was about using modern technology to create virtual teams – to my own work practices, using videoconferencing much more instead of face-to-face meetings and allowing people to work off-site,” says Archer.

“I liked the residential format of the program because it is difficult to find the time to study part-time, and you also really get to know people in other organisations

who might have a link to your own,” she says.

The intensive residential format of the ADP also encouraged Hamilton Island director of sales, Michelle Kenna, to participate: “It was time to stretch myself and doing full-time or part-time study just wasn’t an option as I travel so much.

“It was a fantastic opportunity – it enhanced my self-confidence being able to show my board and senior directors that I could apply for and win a scholarship,” says Kenna.

“Of particular value to me was the increased financial knowledge I gained and also the exposure to people and their experiences in diverse industries.

“I know that I communicate more fluently now with senior managers both in my own and other industries, and also with my staff.

“In my experience since completing the ADP it has made a difference having enhanced knowledge and skills that are valued [in the workplace],” says Kenna. 🌟

by Debra Maynard and Karen Barrett

alumni at large

THE AGSM ALUMNI BULLETIN BOARD

Strategies for kids

Richard Lord (EMBA '98) is CEO of Variety the Children's Charity in New South Wales, an offshoot of the international charity, The Variety Club.

Known as the charity of show business that has its roots in theatre in the US, Variety's branches across Australia last year raised \$4.9 million worth of goods and services for children.



Richard Lord with singer Vanessa Amorosi at a Variety Children's Charity event.

"We've just introduced a new initiative in New South Wales which takes the charity back to its theatre roots with The Preview Club, whereby we organise theatre previews and dress rehearsal fund-raisers," says Lord.

"We've been working with theatres such as The Stables, Ensemble and Capitol, and with the social clubs of the Australian Taxation Office, Sydney Water, Lane & Lane solicitors and others, and one of the great things about the project apart from raising money for kids is that it gets people back to the theatre," says Lord.

Before joining Variety, Lord worked in the non-government sector for 10 years for Centacare, the welfare arm of the Catholic Church.

"One of the challenges with Variety is to keep its name out there in the public eye and to ensure we are seen as the charity of show business, says Lord.

"I think the future of the charity is in creating alliances with corpora-

tions. This gives us a broad platform for raising money, and in return companies add value to their corporate citizenship and benefit from our contacts in show business.

"The recent Morgan & Banks Law Awards is a good example. It was hosted by *Lawyers Weekly*, where 35 awards were presented to the industry in front of 600 guests. We ran a silent auction and secured Stuart Littlemore as the MC and HG Nelson as the entertainer," says Lord.

A new initiative is 'From the Heart', Variety's speakers' bureau, which Lord established after being approached by companies to supply celebrities for speaking and entertainment engagements.

Lord also wants more companies to join Variety's Sunshine Coach program which has donated more than 600 minibuses to special schools and other charitable organisations in the past 25 years.

Variety the Children's Charity has about 5000 members including show business celebrities Australia-wide. They help with projects such as The Bash car rally (started by Dick Smith in 1985), the Darling Harbour Christmas party for more than 5000 kids, and the biggest Melbourne Cup lunch outside Melbourne, which will be held at the Regent Hotel this year.

Richard Lord can be contacted on Tel: (02) 9819 1002 or e-mail: ceo@variety NSW.com.au.

by Debra Maynard



Judi MacCormick celebrates her graduation with husband Bruce Rolph.

Prize-winning strategy

Juggling family and business throughout her studies didn't stop Judi MacCormick (EMBA '99) from producing outstanding academic work that saw her win four prizes at the AGSM graduation ceremony held at the Clancy Auditorium, University of New South Wales, on 25 May 2001.

Judged the most outstanding participant in the EMBA (AGSM Alumni Association Prize and Commonwealth Bank Prize), Judi also received tribute for high-level corporate leadership and management skills (Chairman's Prize), and for excelling in Strategic Management 1 (Director's Prize). She was also a Sasakawa Leadership Scholarship recipient in the final year of her EMBA.

Judi's prize tally is even more significant considering that in the last two years of study she opened two Sydney-based Japanese restaurants and became a mother for the third time. She says combining study, work and family required a clear assessment of priorities and a great support network.

"It is important to sort out what you can, can't, want and don't want to do,



MBA CLASS OF 2000 REUNION

Get-together at Kangaroo Valley (from left): Andrew McGregor, David Nelson, Matthew Eggleton, Julie Eggleton, Lucas Boardman, Richard Fleming, Pip Moore, Harry Nespolon, Tom Richardson, Wil Errington, Caitlin Errington, Peter Rhode, Melissa Dwyer and Matthew Cameron.

delegating appropriately to people who have the expertise and motivation to take things on, in every sphere. For example, in my restaurant business, which employs more than 20 staff, I always strive to recruit the very best people and to engender a strong sense of ownership and belonging.”

Judi, 44, started her EMBA in 1993, then moved to Singapore and Indonesia for five years, working for Persona, a US-based global consulting firm. She resumed her EMBA study when she returned to Australia in 1998, found time to complete the Company Directors course run by the Australian Institute of Company Directors, continued her EMBA coursework, and had her third child, Woody (all in the space of about 18 months). Her daughter Sophie, now six, was born in Singapore, and her eldest son, Christopher, 21, is studying at the University of New South Wales.

Judi says an EMBA has provided her with a broader perspective on the business world, and “it has also given me greater confidence and the language necessary to operate even more effectively across and between organisations”.

The AGSM alumni network is of particular value: “I have a group of peers who I can call up and discuss issues with at any time.”

by Mike Walls

Order of Australia

Dr Reuben John van Velsen OAM (DPM 9, 1981) was this year awarded the Medal of the Order of Australia in the general division.

Better known as Rip – a name that stuck during his early education at Hawkesbury Agricultural College in the 1950s – van Velsen says of his Medal of the Order of Australia: “It came as quite a shock, but it has meant a heck of a lot to my family because of what it stands for in a community sense.

“From a more personal perspective my greatest honour was being selected three times by a grower panel to be a director of the Horticultural Research

and Development Corporation.

“When I served on the inaugural board, the \$80,000 fund represented the levies of just the apple and pear and citrus growers.”

By 1997 the fund had grown to \$30 million, all of it grower money, and there were 15 horticultural industries participating.

“One of the most significant benefits of those years of promoting research and development has been substantial reductions in chemical use to control pests and diseases,” he says.

Reflecting on his memories of the AGSM, van Velsen says: “Probably the greatest thing I got out of the AGSM was personal insight; I remember that people certainly told me what my good and bad points were!”



Dr Rip van Velsen (right) is congratulated by the South Australian governor Sir Eric Neale at the OAM investiture in April.



Community Services area director Gillian McFee.

Public sector challenge

At the peak of a 20-year career in the public sector, Gillian McFee (EMBA '98) manages a staff of more than 1200 and a

budget of \$90 million as area director for the metro north division of the New South Wales Department of Community Services. This year she is part of an organisational change program bringing about major structural change in the department – a separation of disability and

child-family services with the creation of a new department, Aging, Disability and Home Care.

“This move responds to social changes taking place as a result of our aging population and a recognition that we need to focus much more on supporting people with disabilities and older people in the community,” says McFee.

One of the difficulties in the community services sector, says McFee, is managing a culture that by nature is not financially focused: “Our bottom line is equally about efficiency and service effectiveness, and so we have to be disciplined about defining and measuring service outputs, quality and pricing to meet both quality and

community assurance as well as budget objectives.

“I think an important issue for our future effectiveness is the need to form strategic alliances with other organisations both inside and outside government.

“In our child and family services business, for example, we are often at what we call the ‘hard end’ of the child protection system. I think what we increasingly need to do as a community is to recognise that we must work together, both government, non-government agencies and families, to better manage early intervention and prevention strategies,” she says. ★

by Marta Jary

Alumni Committee President's Report

The alumni committee election was held recently and there are a number of changes to the committee's representation which I'd like to report. Results were tight and congratulations go to **Stephen Langton (MBA '96)** and **Kylie Betts (CMQ '99/EMBA 2000)**. Stephen has been re-elected for another two-year term and Kylie joins the committee as a new member.

Several members of the alumni committee have chosen to step down. Many thanks to **Fiona Mackenzie (CMQ '98)**, **Maryanne Maher (MBA '97)**, **Susan Owens (EMBA '98)**, **Bill Palister (DPM '85)**, **Vicky Papachristos (EMBA '95)** and

Grant Saxon (MBA '96) for their work and contribution over the past two years. Special thanks to Bill, whose contribution goes back much further. He is the only member to have served continuously since the committee's inception in 1993, and was a foundation member.

It was encouraging to receive several committee nominations this year, and on behalf of the committee I'd like to thank all nominees and those who voted.

Rob Cartwright (UNSW MBA '79), group managing director, employee relations, Telstra.

AGSM

EMBA

1999

Dean Winterton left KPMG at the beginning of the year to commence work at BT Funds Management in the domestic institutional asset management group. Dean reports that despite some negative media, things are going well for the organisation and himself.

Jeremy Prestoe is now working as sales and marketing manager for Creative Packaging and is focused on growing the business and capitalising on off-shore opportunities. Jeremy is finding it challenging but fruitful using his MBA skill-set in changing the strategic direction and mindset of a traditional manufacturing environment.

Debbie Lowe moved to San Francisco in June with current employer Barclays Global Investors to take on a new role overseeing global HR administration. This involves overseeing the global installation of PeopleSoft HR software and developing global policies and procedures for the HR function.

Tim Nelson and **Nathan Smyth** have been appointed to

international roles in Korn/Ferry International Futurestep. Tim is regional managing director, Asia-Pacific and Nathan is director Asia-Pacific, strategic marketing and alliances. Since commencing operations in late 1999, the Australian operation has grown to 55 staff and is now a profitable business.

Ben Taylor has been promoted to marketing manager at Gateway Computers.

Andrew Bunn has been promoted to national business development manager with Kumon Institute of Education. He has been working with Kumon for nearly 11 years since its initial launch in Melbourne, and has enjoyed being part of a growing company, both locally and internationally. The position is based in the Sydney head office.

2000

Peter Devine started a new position on 21 May as vice-president, business development, Progen Industries.

Geraldine Mack stopped work shortly after completing her EMBA to have a second baby. (Her first, Madeleine, was born in the mid-semester break of MMP in April 1999.) **Jeremy Vaz** was born on 5 April 2001 a week late, just

after Geraldine celebrated her birthday. Geraldine writes, "Jeremy made up for his tardiness by taking only one hour to be born – it's a good thing we live only five minutes from the hospital!" Geraldine plans to return to the workforce and make more use of her EMBA early in 2002.

Samantha Mark has moved to Singapore and is working with DBS Bank as vice-president, consumer banking, business planning, with a focus on distribution channels. She would be happy to hear from other alumni working in or visiting Singapore. Her contact details are: samanthamark@dbs.com or Tel: (+65) 878 6557.

Owen Firth reports that the timing was tight when his son Angus Peter was born just two weeks after his final paper was due. By all accounts they are now doing well. Owen made good use of the EY year as a case study for his small business – re-branding and refocusing its strategy and positioning. The company, Careers Australia, specialises in finance and accounting employment consulting. The business also includes Careers Australia Executive (which Owen says is ideal for post-MBA career moves). Owen says business is growing rapidly

thanks in no small way to the principles and inspiration of the EY.

By the time this goes to print **Guy Ferrier** will be a proud father. This takes the baby count to three.

Peter Hildebrandt, as of 1 March his year, is director, contract management, with Bosch Automotive North America following an intra-company promotion from Bosch Australia. This assignment is expected to last two years. Upon completion Peter intends to return to Melbourne.

GDM

1999

Graham Roberts has finished his MBA at Monash University after completing the GDM at the AGSM. Graham has relocated to Queensland as Coles Supermarkets' state merchandise manager.

Bob Smillie has been acting CEO since November 2000 at the Shire of Plantagenet, Mt Barker in the heart of Western Australia's great southern wine region. Bob has been assisting the shire council to recruit a new CEO and to help implement structural reform. This has included exposing the elected members to John

Carvers' policy governance model. Bob writes, "Yes, and the red wines are fabulous!"

2000

Steve Burton is pleased to announce his marriage to Tim whom he met while holidaying in Thailand. Mid last year, Steve was made redundant by Telstra after some 22 years but is happy to announce the start-up of his new consulting company, Tiger Business Services, which offers business evaluation, improvement and change management implementation services. He also recently acquired the business of Seal-Jet Queensland, which manufactures seals for hydraulic, pneumatic and other industrial applications. Steve expects that operating this business will give him an opportunity to fully use the tools and skills he acquired during his management education.

Mario Sandoval moved to Connecticut, US, in April to continue work as fuel processor technologist in a joint venture between Shell Hydrogen and International Fuel Cells (a supplier of fuel cells to NASA). This follows a six-month stint in Amsterdam. Mario would like say hello to fellow classmates: **Carmella Law, Anna Thomas, Debora Bodger, Bernadette Howlett** and **Jeff Winslow**, as well as lecturer **Marcus Cohen**.

MBA

1999

Bruce Buchanan and **Michael Gassman** are both embracing fatherhood. At the time of writing, Bruce's wife was expecting a baby in June, while Michael was a proud father of Sascha, born on 19 March 2001, weighing 3.8 kg.

2000

Ian Mabbutt is now business program manager at AMP General after many years with NRMA. Ian can be contacted at Ian_Mabbutt@amp.com.au.

Matthew Leyshon is pleased to report that his wife, Anna, had a baby girl, Alexandria, on 21 February 2001.

UNSW

EMBA

1994

Glen Boniface and **Kim Boniface (EMBA '98)** are pleased to announce the birth of their third daughter, Juliet. Her older sisters, Jaime 3 and Danielle 2, are besotted by her (and her parents think she is pretty special too!)

1995

Duncan Hewett has been promoted to general manager, Lotus Development. He now runs Lotus in Australia and New Zealand (an IBM division). His bosses are in Tokyo and Sydney (matrix management is always fun), and he says he is having a ball with the challenges of 30 per cent growth. Duncan has recently joined the AGSM advisory board.

Chris Cook, now a partner with PricewaterhouseCoopers, has relocated to London with his wife and two children for a two-year assignment. Chris is responsible worldwide for strategic change in the business process outsourcing division of PwC – a market leader in outsourcing the back-office functions of large corporations. While the proximity to Europe makes for convenient holidays in Tuscany and Provence, Chris also rates highly "the opportunity to experience various European business cultures which have developed in the context of European economic and social history [for added] dimensions to the US business school models." Chris hopes to return to Sydney in 2003.

1996

Carol Taylor has relocated from Deutsche Bank's New York office to work as a director in their London-based venture capital division.

1997

Cliff Kaye has been appointed chief financial officer at Tactical Global Management (TGM), a specialist tactical asset allocation global funds manager in Brisbane. Cliff's global responsibilities include finance, information technology, human

resources, legal and compliance, hence much travel to the northern hemisphere in the future!

Noel Thomas moved with his family and company, ING Group, to Europe more than a year ago. He is now living in Amsterdam, The Netherlands.

John Collier and wife Kirsten celebrated the birth of their first child, Charlotte, in April. John says he is now resigned to not getting a full night's sleep for at least 10 years.

Ann Austin has been in a new role at Bovis Lend Lease Asia-Pacific since December 2000. She is "back in the world of people issues" working as general manager, organisational development, focusing on the development of current and future leaders and employer of choice agendas (and loving it).

Julie Mullin, who has been consulting for the last few years, has gone to London for a three-month IT project management assignment.

Simon Hickey has moved to New York as CFO Americas for Bovis Lend Lease, a global construction company. Simon's responsibilities include managing many of the growth initiatives of the company as well as being a partner to the CEO. Simon, wife Jane and daughter Ella are also expecting a new addition to the family in September. For those who have lost contact with Simon his e-mail address is: simon.hickey@bovislendlease.com.

1998

Catherine Rusby has relocated to Wellington, New Zealand as part of a 2-3 year secondment with NRMA Insurance, which recently purchased State Insurance in New Zealand. Her new role is general manager, strategy and technology.

Jason Gray, after relocating back to Toronto Canada in 1999, is now on the move to Vancouver to take on a new role responsible for optical sales in western Canada for Cisco Canada.

John Wright has joined Sigma-Aldrich as managing director for Australia and New Zealand. Sigma-Aldrich is a leading life science and high technology enterprise representing more than 80,000 products in 33 countries.

John previously worked as marketing manager at Roche Diagnostics.

Chris Bastianpillai has relocated (with his job) to sunny southern California from Sydney. He is now the director of quality for Alcatel's e-business networking division based in Calabasas.

Ken Rosebery has been appointed managing director of Australian Geographic, and is based in Sydney. Australian Geographic publishes a popular geographic journal on Australia and operates a national chain of retail gift shops.

Robert Walker has been promoted to general manager (Europe) for Sheridan, requiring a move (with his wife and daughter) to London. He says he will continue to travel to France, Spain, the Middle East and other "awful" places.

After many years at the AGSM, **Pamela Brass** has started Ellis Relocation Services (www.ellisrelocations.com.au) – a relocation advice and support service for people moving to Sydney and other Australian cities. Ellis Relocation Services manages arrangements for accommodation, schools, city orientation, community integration "and the myriad of details involved in relocating". Contact Pamela on Tel: 0411 094 989 or e-mail: pbrass@ellisrelocations.com.au.

Gillian McFee is now area director for the metro north area of the New South Wales Department of Community Services. This position involves management of more than 1200 staff and a budget of \$90 million. Gillian says a recent challenge has been managing the introduction of shared business services between a number of community services agencies. Contact Gillian at gillian.mcfee@community.nsw.gov.au.

GDM

1994

Laurie Cunningham has moved into a new role at IBM Global Services Australia as the intellectual property sourcing executive for Australia and New Zealand, with responsibility for implementing the program to identify,

protect and develop IBM GSA's intellectual property assets.

1995

After completing his GDM, **Ian MacDonald** joined IBM, first as manager, organisation development, Australia and New Zealand, then (more recently) as the executive responsible for management and executive development in Asia-Pacific. As he now has a pan Asian-Australian team, he has embarked on a new course of learning on remote, cross-cultural management. He is also enjoying being part of IBM's global leadership team for management development, developing and implementing programs which blend the latest in e-learning with face-to-face components.

1996

Steve Bowler is working at establishing a new business in Western Australia (soon to go national) called Churchill's Executive Career Agents, a recruitment agency focusing on the senior executive. Steve's e-mail is: sbowler@pvspeopleolutions.com.au.

GMQ

1992

Mike Selbie and wife Lisa are living in Baltimore, US, with their sons, Robert and Andrew. Mike is running a business unit of USFilter in Baltimore, which comprises water and waste-water equipment including a technology called Memcor, which he worked on while living in Sydney. Mike is enjoying the work of commercialising the product in the US.

1994

Rita Agati is now general manager, human resources, personal financial services, ANZ.

MBA

1984

David Murdoch is living on the beautiful New South Wales central coast with his wife Laurel (married 24 years) and three boys Conrad, Jethro and Hamish. David is owner and managing director of IntelEco, a manufacturer of commercial water

distillation equipment. Its systems can be found throughout Australia, Antarctica and in about a dozen export markets.

Applications of the equipment range from its use by some Canberra dentists to prevent scale-formation in their auto-claves, to reducing the volume of laboratory wastes shipped from Casey Base in Antarctica to Hobart for disposal. David is keen to hear from any of his classmates and may be contacted at: inteleco@h2.au.com.

1986

Stewart Wallace has been with the City of Sydney for the past few years. He is currently working on an IT strategy, concentrating on online services and the City's digital capability and global presence.

1987

Tim Wawn is managing director and CEO of Gradipore, a publicly listed biotechnology company, fully Australian owned and currently expanding its US subsidiary in New York.

Manuel Panagiotopoulos is, among many other activities, completing a PhD in economics at the University of Technology, Sydney (UTS).

Jerry Liossatos divides his time between his home on an idyllic Greek island with his wife, musician Elpis, and their four young sons (including twins), and running his businesses in Europe and Sydney.

Loretta O'Donnell is trying to focus on her PhD studies and is taking a short break from her roles as freelance consultant and adjunct faculty in the AGSM's EMBA program, where she has been a part-time instructor and course writer for nearly 10 years. Loretta and Tim Wawn have been married for 13 years and have three girls, aged 10, eight and six.

Stephen Ell is Asia-Pacific managing director for Serco, an international outsourcing firm.

Frank Theophile is the research and development guru within the Asia-Pacific area for Serco, and is completing his PhD on theories of outsourcing. He and his wife Jane, a veterinarian and ecologist, have recently had a

baby sister for their young son.

Pamela Finberg is living in Milwaukee with husband Bill Rhead and four-year-old son Jack. In addition to travelling for four months a year, raising Jack and learning French, Pamela is involved with Mothers & More, an advocacy and support organisation for sequencing women – a trendy term for mothers who have altered their career paths in order to care for their children at home. Pamela welcomes anyone game enough to brave the Midwest weather to come and visit. Contact Pamela at: pfinberg@prodigy.net.

1988

Stuart Turner has moved back to Hong Kong to set up an equity funds management business for Macquarie Bank. Stuart writes that as the bank already has a significant presence in Hong Kong he is able to leverage off existing infrastructure, but nevertheless is finding it quite a challenge.

Greg Barnes has spent three years in Singapore as a regional portfolio manager with JP Morgan Investment Management. He is now moving to London in a new role with Morgan as portfolio manager in the global fund management team. Greg writes that Singapore has been a great base for him to get to know Asia and he and his family are looking forward to exploring Europe from their home in the UK. Greg writes, "There are no new additions to the family, and Georgia, twins Kate and Hugo, and wife Trish are now old enough to associate London with a white Christmas but not civilised enough yet for tea with the Queen." Their new e-mail address is: barnesgt@yahoo.co.uk.

1989

Michael Lindsay, his wife Jane and daughter Kate (now six years old), celebrated a new addition to the family, son James, last Christmas. Michael writes: "James was born in Korea on 16 July 2000, and the whole family travelled to Seoul on Christmas day to collect him."

David Ireland has set up his own business and software consultancy specialising in business systems and databases.

Jeremy Bean spent a few years trying to survive on the fringes of the film industry, during which time he was executive producer of a feature film called *Lilian's Story* (released 1996). In the same year he joined the Australian Film Commission as a project manager and by 1999 was director of film development. He is now the AFC's director of policy, research and information. The big news, however, is that in June he became a father for the first time.

David Surmon is COO and general counsel, Lines Overseas Management, a private offshore wealth management business based in Bermuda. David reports that he has just celebrated his 10th wedding anniversary, and his son is now seven years old, and his daughter is five. David writes: "I am now 98 per cent self-actualised but still missing humility and visits to Bermuda from 1990 alumni (BYO clubs)".

1990

Peter Ragg and **Susan Currie** have had a second baby, Lucy, a sister to Anna, was born in Adelaide on 5 December 2000. The family are well and enjoying the good life in South Australia.

1992

Siobhan Murphy is now working as marketing and sales manager for atmedica, the electronic publishing division of Vivendi Universal Publishing. Her responsibilities include the marketing of www.myDr.com.au, a new consumer health Web site. Her new e-mail is: siobhanf_murphy@hotmail.com.

Padam Chirmuley has moved, with wife Catherine and baby Maxim, to Melbourne to take up a new position as a director in Watermark Search's Melbourne office. He is looking forward to catching up with fellow MBAs and can be contacted on Tel: 0408 427 408.

"Subject: Call me Grandad!" was the message sent out by **David Day** who was one of the first people over 30 years of age accepted at McKinsey when he

graduated. He is now an independent consultant and in a personal partnership with **Jane Treloar (MBA '91)**. He reports his grandad status is now *bona fide*: "I'm delighted to announce the arrival of my grandson Robin Jnana Torres Day. Robin is the son of my daughter Hannah and her husband, Sergio Torres, and he was born in La Paz, Bolivia, last October. Contact David at: dhd@attglobal.net.

David Adiesehan had been working with MFS asset management, and has now joined Rothschilds. Contact David on Tel: (w) 9323 2327, mobile: 0419 604 969.

Kieran Duck joined The Boston Consulting Group from CSC Index last year. More recently, he and his wife Sharene celebrated the first birthdays of their twin girls, Claire and Beth.

Chris Eyles, on route back from a three-year consulting stint in South Africa, has detoured to London where he is now CEO of a listed 'accelerator' focused on early-stage mobile commerce companies. Chris reports that he has married his long-suffering Sydney partner Donna Macmillan. They had their first baby, Natasha Lee, in Sydney on 23 April 2001. Chris and Donna plan to return to Sydney this year and look forward to catching up with everyone.

James Fulford says he is enjoying work in the world of e-commerce as new business director at Hemsco.net, an online financial services company. Previously, James was manager of a health holiday farm in England.

Michael Johnson is pleased to announce his marriage to Sheila Royles. They said it would never happen, but after a lengthy courtship the two were married in Sydney on 21 April 2001, with a blessing service in Sheila's family village in England the following week. After the demise of Web consulting firm, marchFIRST, Michael has joined with **David Hardy (MBA '89)**, to create Johnson Hardy & Company, a strategy consulting firm.

Adrian Cox should be nursing a third child by the time this goes to print. Adrian writes, "If this one is like his or her brothers

(and dare I say, my tax returns) it will arrive a few days late after considerable anguish and labour. If we have a third boy it would be tempting to call him Basil, or BAS for short, in honour of the ATO."

Chris Callen married long-time girlfriend, Cheryl, in early May. They had a five-week honeymoon in Europe arriving home in time for Chris' 40th birthday.

1993

Carl Nelson has started work with IBM GSA in Sydney as release manager and is currently located at Westpac.

Anthony Ho has worked for Fidelity Investments (the world's largest independent fund management organisation with more than US\$1 trillion under management) since graduating in 1993. He recently returned to Hong Kong from Fidelity's UK office and was promoted in January to head of research, Asia-Pacific (excluding Japan).

1995

Michael Lee married his long-time partner Mimi last November and they enjoyed a "nice long holiday in Europe". They will be moving into their new home in Wollstonecraft, Sydney once renovations are completed. As for work, Michael reports that he's still a consultant, and after five years at A.T. Kearney has finally been promoted to principal.

Libby Roy has been working since last October at American Express as vice-president, head of corporate services, e-commerce, Japan, Asia-Pacific and Australia.

USYD

MBA

1983

John Evans was appointed adjunct associate professor in the economics and commerce faculty at the University of New South Wales earlier this year.

1989

Michael Larkin who has been a keen photographer over the past 10 years, has designed, authored and launched his own landscape and wilderness photography Web site: www.cloudmaker.com.

Wilson Cheung reports that as a result of a merger, he is now working as director, Cap Gemini Ernst & Young

1991

Goffrey Heber has joined Crawford Capital, a US-based venture capital firm, as a partner. Crawford Capital invests in biotechnology and medical technology companies at the start-up and expansion phases. Further details can be found at: www.crawfordcapital.com.

1992

In 1995 **Simon Maher** relocated to Melbourne as general manager, energy trading for CitiPower, one of the newly privatised electricity distribution companies. He subsequently ran the combined energy trading and energy retailing businesses before accepting the appointment of chief executive of Southern Hydro, a 500MW peaking hydro company with facilities throughout Victoria.

Reflecting on his career, Maher says: "The last five years have seen momentous changes in the energy market and it has been very exciting writing the market rules and then running one of the power generation businesses. I have been very fortunate to have completed my education at a time when new market ideas challenged the entrenched orthodoxy of the power industry. Right now I am very happy with the progress Southern Hydro has made in developing a sophisticated energy trading group and progressing some large scale hydro plant expansions."

1993

Brent Jackson has left the role of director of development at ANZ.com and is now CEO of themoneyshop.com.au which is opening a store on the corner of Walker Street and Pacific Highway in North Sydney. He would love any of the old Sydney University crew to drop in for a latté.

1994

Robert Thomson recently moved from Brambles to 3PL firm, TDG Logistics, where he is responsible

for corporate development. He says he is still happily based in Sydney.

1995

Soon Teik Oon is currently the principal consultant of JOST Management Network. He can be contacted at: soonteik@jostnetwork.com or Tel: (+60 19) 478 0085.

1998

Christina MacHatch and **Justin Grogan** were married on 26 August 2000 and their first baby was born in early 2001.

Amitabh Shukla has been promoted to vice-president, Asia Treasury-ALM, Lehman Brothers Japan.

1999

Dean Stocker has joined Canon as e-business manager, Canon Australia. He was previously with Telstra as project director, B2B information management initiative.

Frank Wu left his job in Sydney in April to work in Shanghai as vice-president of a Chinese funds management firm. Frank may be contacted at: frankjwu@yahoo.com.

Sharon Tock was promoted in January to vice-president, CFO professional practices at JP Morgan Chase. She is due to be married in July.

MTM

1997

John King is now an adjunct staff member of the Institute of Transport Studies (University of Sydney). As well as continuing his business in aviation and tourism policy and strategy, John currently has projects running in Georgia (formerly USSR), China and Samoa. A project is due to commence in Tonga, as well as a regional project covering the Tumen River (Eastern Russia, North Eastern China, Eastern Mongolia). He is author of a published report for Pacific Asia Travel Association entitled, 'Contemporary Aviation: Issues in Regulation & Practice for the Tourism Sector'. 🌟

publications & papers

PUBLISHED WORK AND RESEARCH PRESENTATIONS

BOOKS

Professor **Lex Donaldson**, *The Contingency Theory of Organisations*, Sage Publications, 2001.

Professor **Grahame Dowling**, *Creating Corporate Reputations: Identity, Image, and Performance*, Oxford University Press, 2001.

Professor **Michael Vitale** (co-authored with P. Weill), *Place to Space*, Harvard Business School Press, 2001.

Dr **Robert Westwood** (co-edited with S. Linstead), *Language and Organisation*, Sage, London, 2001.

BOOK CHAPTERS

Associate professor **Robert Marks** (co-authored with X. Kong and G.H. Wan), 'Productivity performance of Chinese state-owned enterprises in the early 1990s – a stochastic production frontier and Malmquist productivity index analysis' in P.J. Lloyd and X.G. Zhang (eds), *China in the Global Economy*, Edward Elgar, London, pp. 65–85, 2000.

Dr **Robert Westwood**, 'Appropriating the "other" in the discourses of comparative management and organisation theory'; and with S. Linstead, 'Meaning beyond language: monstrous openings', and 'Language/organisation: organisation/language' in R.I. Westwood and S. Linstead (eds), *Language and Organisation*, Sage, London, 2001.

Professor **Robert Wood** (co-authored with J. George-Falvy and S. Debowski), 'Motivation and information search on complex tasks' in M. Erez, U. Klienbeck and

H. Thierry (eds), in *Work Motivation in the Context of a Globalising Economy*, N.J. Hillsdale, Lawrence Erlbaum Associates, 2001.

AWARDS

PhD candidate **Mike Higgs** (adjunct faculty), professor **Robert Wood** and C. Taberner, 'Individual differences in implicit theories and stereotyping behaviour in organisations', selected as one of the best five papers at the 4th Australian Industrial and Organisational Psychology Conference, June 2001.

JOURNAL PUBLICATIONS

Professor **Chris Adam** (with G. Mujtaba Mian), 'Volatility dynamics in high frequency financial data: an empirical investigation of the Australian equity returns' in *Applied Financial Economics*, vol. 11, pp. 341–352, 2001.

Professor **Edward Anderson** and M.C. Ferris, 'A direct search algorithm for optimisation with noisy function evaluations' in *SIAM Journal of Optimisation*, vol. 11, pp. 837–857, 2001; co-authored with S.P. Fekete, 'Two-dimensional rendezvous search' in *Operations Research*, vol. 49, pp. 107–118, 2001; and co-authored with M.A. Goberna and M.A. Lopez, 'Simplex-like trajectories on quasi-polyhedral convex sets' in *Mathematics of Operations Research*, vol. 26, pp. 147–162, 2001.

Professor **Steve Frenkel**, 'Globalisation, athletic footwear commodity chains and employment relations in

southern China' in *Organisation Studies*, vol. 22 (4), 2001.

Dr **Marc Orlitzky** and S.L. Rynes, 'When employees become owners: can employee loyalty be bought?' in D. Rousseau and C. Cooper (eds), *Trends in Organisational Behaviour*, 8, pp. 91–114, 2001; and co-authored with R.Y. Hirokawa, 'To err is human, to correct for it divine: a meta-analysis of research testing the functional theory of group decision-making effectiveness' in *Small Group Research*, vol. 32, no. 3, pp. 313–341, 2001.

Professor **John Roberts**, 'The intersection of marketing modelling and practice' in *International Journal of Research in Marketing*, vol. 17, pp. 127–134, 2000.

Dr **Baljit Sidhu** and R. Moroney, 'The reformed "true and fair" test: how often does it trigger additional disclosure?' in *Accounting Research Journal*, vol. 14, no. 1, pp. 6–16, 2001.

Dr **Rose Trevelyan**, 'The paradox of autonomy' in *Human Relations*, vol. 54, no. 4, pp. 495–525, April 2001.

Dr **Robert Westwood**, P. Sparrow and S.M. Leung, 'Challenges to the psychological contract in Hong Kong' in *International Journal of Human Resources Management*, 12 (4), pp. 621–651, 2001.

Associate professor **Sharon Parker**, S.J. Nadin and P.E. Waterson, 'Participation in job redesign: an evaluation of the use of a socio-technical tool and its impact' in *Human Factors and Ergonomics in Manufacturing*,

vol. 11, no. 1, pp. 53–69, 2001; and co-authored with C. Axtell and N. A. Turner, 'Designing a safer workplace: importance of job autonomy, communication quality, and supportive supervisors' in *Journal of Occupational Health Psychology*, July 2001.

OTHER PUBLICATIONS

Professor **Steve Frenkel**, 'Globalisation and employment relation systems: trends and strategies for the future'; and co-authored with Dr **James Carlopio**, 'Managing organisational change', International Labour Organisation, Geneva, 2001.

Associate professor **Sharon Parker**, 'Designing and developing more effective organisations', Bureau for Employers' Activities, International Labour Office, Geneva 2001.

CONFERENCE PRESENTATIONS

Dr **Paul Atkins** (co-authored with professor **Robert Wood** and Dr Barry Newell), 'Developing a measure of system dynamics understanding' at the 19th International System Dynamics Society Conference, Atlanta GA, July 2001.

PhD candidate **Julie Cogin** (adjunct faculty), 'The indirect costs of discrimination and harassment to organisations' at the Discrimination and Sexual Harassment seminar, Sydney, February 2001.

Dr **Anne Lytle** and C. Rivers, 'Conflict management in Australia: an exploratory study'; 'An exploratory study

of mental models of negotiation held by practitioners: what do they look like?'; and with A.S. Rosette, J.M. Brett and Z. Barsness, 'The influence of e-mail on Hong Kong and US intra-cultural negotiations' at the International Association for Conflict Management Annual Meeting, Paris, France, June 2001.

Dr **Marc Orlitzky**, 'Does size confound the relationship between corporate social performance and firm financial performance?', Accountability Interest Group (AIG) Symposium of the Accounting Association of Australia and New Zealand, Auckland, New Zealand, June 2001; 'Corporate social performance and generalisability theory: an outcome-based measure of stakeholder satisfaction and its measurement implications', and with D.L. Swanson, 'The cult of homogeneity and assimilation: an ethical deconstruction of the HRM fit literature' and 'How films can contribute to student learning in business and society courses', at the annual meeting of the International Association for Business & Society (IABS), Sedona, March 2001.

Associate professor **Sharon Parker**, 'Work design: changes and challenges', invited speaker, special centenary session on work design, British Psychological Society annual conference, Glasgow, UK, April 2001; 'Proactivity and adaptability at work', Fourth Industrial and Organisational Psychology Conference, Australian Psychological Society, Sydney, June 2001; and with **Wendy Grusin** (PhD candidate), 'Managing cognition: the forgotten variable in strategy formulation', Fourth

Industrial and Organisational Psychology Conference, Australian Psychological Society, Sydney, June 2001.

Professor **Robert Wood** and C. Taberero, 'The impact of personality composition on group processes across group decision making tasks' at the Tenth European Congress on Work and Organisational Psychology, Prague, May 2001.

CONFERENCE PROCEEDINGS

PhD candidate **Mike Higgs** (adjunct faculty), professor **Robert Wood** and C. Taberero, 'Individual differences in implicit theories and stereotyping behaviour in organisations' in *Proceedings of the 4th Australian Industrial and Organisational Psychology Conference*, Australian Psychological Society, June 2001.

OTHER PRESENTATIONS

Associate Professor **Sharon Parker**, 'Maximising employee creativity and proactivity in the modern organisation', Centre for Corporate Change Research Series Seminar, 10 July 2001.

Professor **Robert Wood**, 'Implicit theories of personality', Anderson Graduate School of Business, UCLA, Los Angeles, February 2001; 'Group and individual impacts of implicit theories', Graduate School of Business, University of Washington, Seattle, March 2001; and 'Task and individual predictors of exploration and learning on dynamic decision tasks', presentation to Cognitive Science group, Psychology Department, Northwestern University, Evanston, May 2001. ★

★ Faculty News

Strategy society appoints AGSM professor

The AGSM's professor Jeremy Davis (right) has re-joined the board of the Strategy Management Society, this time as president-elect.

"I was on the board of directors from 1987 to 1996 and was asked to re-join in October last year. The five executive positions are rotational which means I will most likely become president in October 2002," says professor Davis.

The SMS was first established in the US in 1979 to bring together academics, business people and consultants interested in the field of strategy. It has more than 2000 members worldwide



and publishes one of the world's leading academic journals on strategy, the *Strategic Management Journal*.

The annual conference of the SMS (which is usually attended by more than 600 academics and practitioners) will be held this year in San Francisco in October.

Finance and accounting

The AGSM's annual Accounting and Finance Research Camp, held on 15-16 June, featured seven invited papers on a broad range of subjects – from a valuation-based approach to selecting marketplace peers and an analysis of initial public offering behaviour, to a study of capital structure and a perspective of the Australian stock exchange as monitor.

The papers were presented by academics from Australia and the US, including a paper by the AGSM's Chris Kirby entitled, 'The economic value of volatility timing using "realised" volatility'. In this paper, which is

co-authored with Jeff Fleming and Barbara Ostdiek from Jones Graduate School, Rice University, Dr Kirby provides evidence that investors can enhance the long-term performance of their portfolios by exploiting new statistical techniques for forecasting short-term changes in risk. These techniques are applied within the context of mean-variance analysis, a cornerstone of the theory and practice of modern investments.

For a closer look at the ideas and research presented at the camp, full text documents (in PDF format) are available at the AGSM Web site (search under research – accounting and finance).

APPOINTMENTS

Dr **Jane Craig** has been appointed executive officer. Jane had previously been a lecturer in strategic management at the AGSM.

Robyn De Szoeko, has joined the AGSM as director, business process review. Robyn was previously with Phillips Fox lawyers in a national business improvement role. She is on the Law Society of New South Wales best practice board and on the executive of the general practice section of the Law Council of Australia. To fully embrace the AGSM culture, Robyn has enrolled in the EMBA program!

Delene Evans is the AGSM's new director of marketing. Delene was previously general manager of marketing at both Mayne Nickless and Prudential Corporation Australia, and was also responsible for managing domestic marketing at the Australian Meat and Livestock Corporation. Delene brings personal knowledge of the AGSM to the job as a student of the EMBA program.

Emeritus professor **Murray Kemp** joins the AGSM from early July as visiting professor in economics for three years. Professor Kemp has been a faculty member and professor of economics with the UNSW faculty of commerce since the early 1960s. He is a distinguished researcher in the fields of international trade and economics, and has been a visiting research professor at UNSW for the past 10 years.

Carol McCormack has been appointed director of development. She was previously with AFS (American Field Service) intercultural programs, where she built alliances generating several million dollars in funds a year. Carol has a background in secondary education,

teacher professional development and sales and marketing.

Tim Sprague, director, human resources, joined the AGSM in April. He has spent the past 11 years in various human resources management roles in the finance industry, at St George Bank, AGC and most recently Westpac. Tim has a Master of Commerce in HR studies from UNSW and is a registered psychologist.

Dr **John Toohey** has taken over from Jeff Laurie as director, EMBA program, while Maria Spies is on maternity leave. John has taken leave from his position as director of graduate programs in business and technology and adjunct professor in the faculty of engineering at UNSW. John is well known to the school and has worked with many members of the AGSM.

Sharyn Roberts is associate director, MBA program. Sharyn comes to the AGSM with a strong background in university administration with particular expertise in admissions, international education and external relations. She held senior management positions at both the University of Sydney and the University of Western Sydney.

Melissa Ellsmore has joined the AGSM as marketing manager, executive education. Her most

recent role was marketing manager with the IIR group of companies.

Brad McCarroll has been appointed acting operations manager, MBA program, while Jo Kilmartin is on maternity leave.

Sandra Hoey has been appointed HR coordinator.

Mandy Simmons, who has been a key member of the EMBA team for three years, has been promoted to client services manager, EMBA program.

Antoinette Wood has taken on the role of project manager in educational development. She works with Dr Julie Gordon in educational technology and provision of staff development for faculty.

Mary Wheeler joined Management Projects for Business as project coordinator earlier in the year. She has more than 20 years' administrative experience in finance and education.

Diana Ramsay has been appointed secretarial and office services coordinator.

Adrian Hannelly has joined the AGSM as a database programmer.

The AGSM library has welcomed technician **Nicole Morgan**.

FAREWELLS

Professor **Greg Clinch** has resigned, effective July, to accept a position at Melbourne Business School. Greg has made significant contributions to both research and teaching during his 10 years at the AGSM. Greg and his family will be staying in Sydney through to the end of 2002, and Greg has accepted the offer of an office at the AGSM for that period.

Associate professor **Susan Ellis** leaves the AGSM at the end of August to take up a position as professorial fellow at Mount Eliza Business School. She will be based in Sydney but will have teaching commitments in Melbourne and Beijing. Susan joined the University of Sydney's Graduate School of Business in 1994 and was appointed associate professor in 1997. She taught outstandingly on the GSB's MBA and executive education programs and continued those roles for the AGSM following the merger with the GSB in 1999.

Dr **Katrina Ellis** (senior lecturer in accounting and finance) will leave the AGSM after Term 2 to take up a position at the University of California. Katrina joined the AGSM in 2000 after completing her PhD at Cornell. She has been invited to return to the AGSM during North American summers.

Vicki Kaplan (marketing manager, MBA programs) has not only left the AGSM (after nearly three years) but leaves Australia, too, to live in Dublin, Ireland.

The marketing team also farewelled events and communications administrator, **Hayley Newlands**, who returned to New Zealand.

The EMBA team has farewelled **Carly Llorente**, who worked in client services. ★





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