



## Articles & Commentaries



### p-Watch — Australia



by Richard Barton, former Managing Director of Business Improvement Advisory Services. Previously he was the Business Process and Quality Management Executive for IBM in Australia & New Zealand. He was also General Manager with the Australian Quality Council. He has had a long and close association with the APO. Mr. Barton writes this column regularly for the *APO News*.

#### New Century Leadership

Leadership is a hot topic worldwide. It has generated considerable debate, research, and books. Defining "leadership" still challenges academics and commentators. People can, however, almost intuitively discriminate between good leaders and poor leaders, and yet not be able to articulate the reasons for their judgement.

Leadership is considered by many as having the ability to gather and motivate followers and to take charge. These days leaders are usually known by the term "General Manager" rather than Chief Executive. The term "general" is borrowed from the military, and it denotes ability to lead across the organization and in wider environment. Army generals are leaders trained for many years for executive roles.

#### **"Leaders have to re-build the plane while it is still flying."**

Recently, two very experienced, high-profile business leaders in Australia collaborated to write a book entitled *Managing in Australia*. Frank Blount was the CEO of Telstra Corp, and Bob Joss was CEO of Westpac Banking Corp. Both leaders were recruited to Australia from the U.S. to transform the organizations they were commissioned to lead. Overseas recruited leaders were considered by some corporate boards to be better than local candidates given Australia's questionable productivity performance through the 80's. Blount's & Joss's considered observations give us very interesting and useful insights into what makes Australian managers and leaders tick. For instance, they said, "Leaders have to re-build the plane while it is still flying." This often requires leaders to drive strategic change while maintaining profitable operations.

#### **"Organizationally the leader sets the tone, through a shared vision and aligned strategic direction, taking responsibility for the shared values of the organization and communicating them clearly to the rank and file."**

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and communicating them clearly to the rank and file. In a small business, this is logistically easy, whereas in a larger organization, a communications plan is essential, and clarity of messages is vital. Leaders therefore manage the strategy, "do the right things," while managers have the operational responsibility to "do things right."

The acting head of the renowned Commonwealth Scientific & Industrial Research Organization in Australia, Dr. Colin Adam, commented recently that the Australian values of self reliance, honest dealing, a good appreciation of market opportunity, and a readiness to adopt latest technology were important attributes for future business success.

A research article in The Australian in 1998 showed there is a significant linkage of good people management practices to productivity and profits; if people are treated well, profits will flow. If the internal customer is happy, then the external customer will be satisfied. Contemporary Australian leaders are becoming more proactive people managers.

Two leaders I have encountered demonstrate the key leadership attributes we have been discussing. Warren Haines was the General Manager of ICI (now Orica) in Australia. Warren impressed a very diverse multi-partite conference planning team, of which he was chairman, by his astute and subtle leadership of the complex group. He was quick to understand the issues, draw out all participants opinions, resolve issues, set clear action plans and complete tasks on time. Warren was highly regarded by his management team and his peers in corporate Australia as he led ICI through a long period of restructuring, modernization and workplace reform.

The second example is the owner of a small Italian restaurant. Employing about 40 people, he is always the perfect host during the busy opening times, personally greeting customers with warm enthusiasm, and ensuring the service and food standard is consistently high. He recently took a business risk, closing down for 3 months to refurbish. On re-opening for business, customers returned in greater numbers as did most of the key staff who had decided to seek employment elsewhere during the shut down period. Why did this happen? Because for the staff, it's a great place to work and, for customers, to enjoy a meal. All this is because Nick, the owner, is fully committed to setting the standards, being engaged in the business process and taking accountability for the outcome.

Leadership in the 21st Century will be different. As we look forward we will see leaders with less tenure in their job but able to command a new loyalty, one which will be to the current employer organization for the duration of their employment rather than the "job for life" expectation of recent decades.

Leaders will be articulate communicators, with the ability to galvanize people into action. Society will demand a social contract from employers and organizations. Leaders in the new century will have to plan for the business outcome to include social outcome, e.g. flexible working hours and diversity programs.

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Risk assessment is rapidly shaping up as a new management tool for the

dynamic technological world. The management of information and knowledge will require different competencies from its leaders in the new e-commerce/e-business environment. New century leaders, by having the ability to take appropriate business risks and make sound rapid decisions, will improve business productivity and competitiveness. They will also be recognized by their action-oriented sense of passion for the business and customer service.



[Back to list](#)

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To top of page