

**AIM Management Convention 2007:  
A Participant's Retrospective  
By  
Dr Peter Saul**

The 2007 Convention was the first national convention that AIM has held in some 47 years and according to its 550 participants, it should not be left that long before AIM holds the next one.

**Core Focus on Dr Peter F. Drucker**

The Convention had a core focus on the work of Peter Drucker, the famous management observer, writer, academic and consultant. A partial list of his many books that have helped shaped modern thinking on the topic of management can be found at: [www.peter-drucker.com/books/index.html](http://www.peter-drucker.com/books/index.html).

As we learned in the panel discussion that opened the Convention, Drucker's "Concept of the Corporation" published in 1945 was the first book to encourage disciplined thinking about the "monstrous large corporations" that were flourishing in the 1940s and that were "largely unmanaged". Drucker's books were claimed to be among the most quoted and least read (along with the works of Shakespeare and the Bible). The last book before his death in November 2005 was "The Effective Executive in Action" (published in 2006).

Peter Drucker was variously described by speakers as an intellectual, a Renaissance man, a teacher with a strong Socratic love of questions, a historian who put management in a broad historical context, and a visionary who could "look out the window and see what is not yet seen".

**The Wisdom of Tom Peters**

Tom Peters (true to his brand of guru showmanship) harangued and beguiled his audience during the remainder of the first morning of the Convention. He told stories about what makes a good leader and manager - stories he had learned from his many years' experience advising the leaders of great corporations across the globe. Some typical quotes:

- "The biggest problem in business is too much talk and too little do". "You do not think your way to success; you do your way to success". "Go visit a shop".
- "The number one demotivator in business is the evaluation system". All employees are unique and no standard, HR-devised evaluation system can appreciate this.
- "The composition of the executive team should mirror the demographics of their market".
- "Organisations must serve. Period. Leaders live to serve. Period".
- "Netscape is my favourite company: it was formed, it changed the world and it died within 72 months".

- “I don’t understand the point of ‘built to last’ if what the organisation is delivering is mediocre”.
- The secret of great leadership is simple: “Select a Cause worthy of people’s commitment; create Space and offer encouragement for people to use their initiative; and treat people with respect and Decency”.
- “Who tries the most stuff wins”. This was a recurring theme to which Peters returned throughout his talk.
- “The four things I have learned in 40 years about what great leaders do are: Decentralisation, execution, accountability, and 6.15am” (i.e. get up earlier than the other guy).

### **A CEO’s Perspective: David Morgan (Westpac)**

Peter Thompson’s interview with David Morgan (retiring CEO of Westpac) rounded out day one of the convention. Morgan pointed out that there has been a huge transfer of power from the public to the private sector in recent years via privatizations, public-private partnerships, etc. He warned that “if the private sector does not use this power wisely then the power will be taken back” (e.g. via greater regulatory control).

When he announced Westpac’s record profit in 1999 and stakeholders did not react with acclaim (because the bank was closing branches and laying off staff), he was forced to rethink what the bank must do to be judged “successful”. This experience was the beginning of the bank’s award winning commitment to corporate social sustainability.

Morgan emphasized that “the legitimate needs of the community will eventually be met”; and “the community gives you your licence to operate”.

He said that Westpac management now tries to manage for all stakeholders, not just shareholders. “I try to manage broad as well as long”; i.e. in the long term interests of all stakeholders. He also said that he tries to manage according to a set of values. He noted that “there’s been a dramatic shift of power to the workforce” because of skill shortages “and values matter to workers (especially the young)”. Interestingly, when asked whether he had been able to mount a business case to support his management approach he said: “I couldn’t prove that this was right; I just knew it was right”.

He noted that managing in his role in the federal Treasury was very different to that in Westpac. In Treasury, he had spent 80% of his time thinking of the right thing to do and 20% of his time persuading people to do it. In Westpac, the percentages had to be reversed.

Morgan concluded by observing that today’s educated workers “rightly resist being managed; we have to rely upon people being largely self-managing”.

### **Overcoming Your Fear**

Over dinner on the Monday night, we were treated to amazing presentations by Dr Glenn Singleman and his wife Heather Swan who each hold world records for base jumping (i.e. leaping off mile high sheer cliffs). Heather recounted the story of how she overcame her fears to transform herself from a corporate executive and mother to a world record base jumper within 6 gruelling years of training and practice and heartbreak. She challenged us to face the fears that may be holding us back from achieving our fullest potential and showed through her story that anything is possible if you want it enough and are prepared to put in the work.

### **Doris Drucker on the Information Deluge**

Doris Drucker opened the second day of the Convention by voicing her concern that in the current era of constant information flows via email, iPods, Blackberries, etc that people were in danger of losing their ability to remember anything and their ability to internalize information and transform it into wisdom. “We know that we can simply Google anything we want to know when we need to”. “We are becoming mentally obese and sluggish”.

### **David Maister on The Practice of Management**

Maister picked up a point that had been raised by Tom Peters earlier in the day: “you get on in life by going to class and doing the homework”. He argued that most of us simply do not want to do what we know will make us better managers and leaders – and keep doing it, day in and day out. “It’s not how good you are; it’s how much you want it”.

“Drive, energy, enthusiasm, ambition, excitement are the ingredients of success and good managers create these things in others”. And, you have to do all of the things that make great managers if you want to be great” - “you do not get two thirds of the results by doing two thirds of the work” especially when it comes to living by one’s stated values.

Maister challenged his audience to lead by example in pursuing excellence in their role as a manager; e.g. by asking their subordinates and peers and customers how they could be better managers. “You cannot hold others accountable for excellence in their role if you are not prepared to strive for excellence in yours”.

### **Learning From Sporting Legends**

Liz Ellis (champion netballer) and John Buchanan (coach of the Australian cricket team) were interviewed by Adam Jacoby on what makes a great leader. What came through from both of their stories was that they:

- Watched closely what other leaders did and learned what worked and what did not.

- They each consciously thought through a set of practical principles (memorized as keywords) that they wanted to live and work by as leaders. They also asked their players/teammates what they wanted from their coach/captain/leader.

By contrast to the sporting legends, in my many years as a consultant to managers, I find it is rare that managers have a conscious mental model of good management that they try to implement day in and day out - and to which they hold themselves accountable.

- They helped their teams develop good work practices (habits) that they could focus on regardless of whether they were winning or losing. These practices were simple behaviours that if followed in a dedicated fashion are likely to result in success. As Liz Ellis said (echoing Heather Swan the previous night): “sometimes whether you win or lose is not the best reflection of whether you’re successful”. Great and focused effort is worth celebrating for its own sake.

John Buchanan added that “my role as coach was to make myself redundant by making the players the best coach for each other”.

### **Panel on Effective Leadership and What it Means**

After lunch on Tuesday, Professor Gayle Avery, Alistair Mant, Marshall Goldsmith and Jennifer Alexander discussed what it means to be an effective leader. Dr Avery (from Macquarie Graduate School of Management) noted that leadership is “the most studied and least understood topic in the social sciences”. She argued that “leadership” was best understood as a relationship between a leader and followers in a particular context. All four variables must be studied if we are going to make sense of what it means to be an effective leader.

Dr Jennifer Alexander (CEO of AIM) noted that “strategy is often most clearly seen in the rear view mirror”. And, the shape of the future may reveal itself through “weak signals” in the noise of our everyday work lives. Therefore a leader should monitor how their people are filtering communications if they wish to see clearly the present world and how it may be evolving. Dr Alexander concluded by comparing leaders to gardeners: “gardeners cannot make plants grow; they can only manage the conditions for growth”.

Alistair Mant (internationally acclaimed management writer and consultant) reminded us that “leadership is about destination and the worthwhileness of the destination” (i.e. mission) that the leader is asking their people to pursue.

### **Sam Mostyn (IAG) on Corporate Sustainability**

Mostyn told us that when Michael Hawker became CEO of IAG (previously NRMA Insurance) he was struck by the strength of trust, respect and community within the organisation and wanted to protect and nurture this valuable corporate asset.

Committing IAG to high levels of corporate social responsibility was his way of doing this.

Mostyn (Group Executive, Culture and reputation at IAG) widely involved staff in defining a clear purpose for IAG. Hawker, as CEO, ensures that the company sticks to it.

IAG partners with communities to reduce insurance risks (e.g. crime, resistance to climate change) and funds a wide variety of activities designed to assist communities to reduce and manage their particular risks.

Mostyn listed the lead indicators of success as a business that IAG monitors:

- Engagement of workers
- Workplace safety
- Customer satisfaction

She ended by describing the ways in which IAG makes it possible for workers (especially women) to stay contributing to the organisation as their life circumstances change. She is now working two days a week as an adviser to IAG rather than continuing as a full time executive.

### **And Finally, the Marshall Goldsmith Experience**

The great management educator, Marshall Goldsmith, ran the final Convention session – and a dynamic and engaging one it was!

He had us giving feedback to each other about an aspect of ourselves that we wanted to improve. He made it abundantly clear that you don't need to be someone's boss in order to be an effective giver of performance feedback and that feedback is only likely to be acted upon if it relates to an aspect of performance that the person is motivated to change. He made performance evaluation fun!

These were the highlights for me of the 2007 AIM Management Convention. I look forward to the next Convention and trust that it continues the debate on what makes managers and leaders great within the context of Australian organizations facing the challenges of the 21<sup>st</sup> century. As several speakers said at this year's Convention, the greatest result from the Convention may be that it engaged us all in having this debate.