Welcome to the Abercrombie Building
Take a look inside our newly opened HQ
Our shared future – built on exchanging ideas

As a noun or verb, ‘exchange’ has a variety of meanings, but mainly it captures the idea of giving and receiving. Exchange in this sense is at the heart of the Business School.

This year we celebrate the opening of a 33,000 square metre building that embodies the notion of giving and receiving. We have a host of learning spaces – 55 in all – in different shapes, sizes and configurations, designed to facilitate the exchange of knowledge, ideas and information.

The building offers the latest technology, and provides students with dozens of formal and informal spaces, from small booths to large learning pods, where they can meet, work in teams, study together, challenge each other’s ideas, and learn from each other.

We have auditoriums and teaching rooms for conferences and seminars where academics can exchange ideas and findings with researchers and challenge each other to look at things differently. These same spaces will allow us to welcome business, government and community organisations. As we host events here, more people will appreciate who we are and what we offer, partnerships and connections will flourish, and our networks will expand.

Indeed, the building has already seen the inaugural meeting of a new network of people who greatly enhance the life of the Business School and help us to meet our obligations to our students, the business community and the Australian people.

The Dean’s Board of Advice is made up of prominent people drawn from business, government and civil society organisations who share with us a commitment to ‘leadership for good’. I very much look forward to a valuable exchange of ideas which reflects their experience and their diverse backgrounds.

In an age in which knowledge and information exchange is often conducted remotely by digital means, bricks and mortar may seem an old-fashioned investment. But we believe the campus experience should be a perfect complement to the online world by creating and facilitating hands-on, face-to-face, mutually supportive possibilities and interactions.

In the months and years ahead, we will have many opportunities to welcome back our alumni and to thank them for what they have given us. Should you visit our new building as a former student, perhaps you will reflect on what you received from this proud institution; it certainly allows all of us to ponder how we can continue enjoying the fruits of mutually beneficial exchange.

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Will Edwards and Alexis Soulopoulos are making an impact among Sydney entrepreneurs, as well as in the hearts and palates of locals.

Will is the Founder and Chief Executive of Archie Rose Distilling Co, the first distillery to hit Sydney since the 1850s. Located in the dynamic inner-city suburb of Rosebery, the impressive fit-out and distillery operations are housed in a converted 550-square-metre warehouse, along with a bar open from midday to 10pm every day, as well as regular distillery tours and gin-tastings.

Alexis is the Co-founder and Chief Executive Officer of Mad Paws, an online platform offering affordable, local pet-minding solutions. Alexis says it’s a win-win-win: for pet owners, Mad Paws offers peace of mind while travelling; for pet minders, regular companions; and for pets, a loving and caring environment free from the confinement of kennels.

Both Will and Alexis completed postgraduate studies in management at the University of Sydney Business School. They may be industries apart, but their shared dedication, drive for excellence and willingness to break the mould is evident and infectious. We sat down with each to find out what it takes to launch into such niche industries and turn an idea into reality.

View full interviews with Will and Alexis and photo galleries at: sydney.edu.au/business/alumni/magazine
Will Edwards
(Master of Management ’12)
Founder, Archie Rose Distilling Co

What inspired you to launch Archie Rose?
I always had a passion for spirits, but it remained a hobby and I went down a fairly standard corporate path for a few years.

In 2013 I reached a point where I knew I wasn’t doing what I wanted to be doing, and the distillery idea was constantly in the back of my mind. I took some annual leave and headed to NYC for a break and to check out some of the first distilleries since prohibition that had popped up in Brooklyn and the surrounding areas. After seeing their setups and hearing their stories, I just couldn’t figure out why no one had started up a distillery in Sydney in recent years. Like New York, we have a unique history of distillation, amazing craft brewers, an incredible bar scene and people who are genuinely interested in where their food and drinks come from and how they are created.

In my mind there had to be a reason as to why you couldn’t start (or successfully operate) a distillery in Sydney. I thought that if I did the research and found that reason, then I could put the idea to bed and get on with other things. I spent six months working on finding the reason, but never found anything I considered an absolute roadblock, so it was then I committed to starting Archie Rose.

After coming up with the idea, what were the next few steps you took to make it a reality?
Ignoring the obvious market research, business planning and capital raising, the first major step was to figure out what was actually required to set up and run a distillery in the City of Sydney. While I had a fairly good understanding of the licensing requirements and chemistry of distillation, I did not know enough about the infrastructure requirements and specialty equipment — let alone where to source it.

What you realise quite quickly is there is no handbook on how to set up a distillery — it’s not something you can just Google and there are not really any consultants you can bring on board to give you a hand. Furthermore, you realise just how small the Australian (and even global) craft distilling industry is. There are only a handful of coopers (barrelmakers), maybe two stillmakers and very few experienced distillers.

That said, if you commit to the research and are prepared to do the calculations, design equipment from scratch and take the time to meet with and listen to those who have come before you, you can put it all together.

Have you always been entrepreneurial?
In a basic way, yes. My father and uncle both run their own business and my grandfather operated orchards in NSW’s central west, so I was exposed to private business from a young age. I also used to do things to earn a little extra cash when I was younger — I started a small football coaching clinic when I was about 15-16.

The two things I love about running a business are the accountability and the breadth of experience it gives you. It’s really all on me: every decision, every success, every failure. Obviously I cannot do it by myself and I have an incredible team here at Archie Rose, but at the end of the day, I’m 100 percent accountable.

I’ve learned things I never thought I would need (or, occasionally want) to know, but I enjoy that side of the operation.

What were some of the biggest hurdles you faced along the way?
Licensing and approvals are time consuming and occasionally a challenge. Coupled with the antiquated legislation that governs the industry, it can really blow out your start-up timeline if you’re not careful.

More generally, time management was definitely a challenge, and at the very beginning when it was just me and Joe (our Head Distiller) I found myself putting in some frankly ridiculous hours and feeling the consequences. Things are better now and it’s something we constantly work on improving — not just for me but for the whole team.
Where do you draw your inspiration, and how do you stay innovative?

It sounds clichéd, but when you are genuinely passionate about what you are doing, you really don’t need a source of inspiration. I must say that I draw on the enthusiasm of our team, though, in a big way. Everyone who works here is so into spirits and cocktails and oak and copper that there are constantly new ideas popping up, side projects that we are working on and new materials that we are testing.

I’ve got to mention the bar, restaurant and brewing industries as well. They’re all so interrelated and I look to those guys to see how they are pushing the boundaries in their respective fields and how it could relate to spirits.

Archie Rose has already received plenty of accolades, but with launching a new business comes risk. How do you define success?

The main thing we are focused on is opening up craft spirits production to the public. Historically, distilleries were remote, secretive locations where some old (probably bearded) distiller would toil away behind closed doors, and this led to a lot of misinformation spreading about how spirits were actually made.

We do all we can to open our distillery to the public, invite people in for tours, let them taste work in progress, guide them through blend-your-own-gin sessions, allow them to design their own spirits online and play with the raw ingredients we use every day.

As well as this, we want to show the world that Australia can make some truly world-class spirits. The Tasmanian whisky industry is also championing this and I think slowly but surely Australian spirits are receiving the credit they deserve on the world stage.

What’s your advice for emerging entrepreneurs?

Think long and hard about why you want to start your own venture and be honest with yourself about what your long-term goals are. Do you want to become the most respected producer or supplier in your field? Do you want to push innovation to the limit and be super niche? Do you just want to grow, sell out and make some money?

All are fine, but you need to be honest with what you want and set up everything accordingly.

This honesty also applies to your own strengths and weaknesses. You don’t have to do everything yourself, and you’re much better off focusing on the things you do best and bringing in new staff or consultants or friends to help you with the things you’re not so good at.

For more information, visit: archierose.com.au

Archie Rose Distilling Co wins Best International Bar and Best Australia and Pacific Bar at the Restaurant and Bar Design Awards. restaurantandbardesignawards.com/2015/winners
Alexis Souloupolos  
(Master of Management CEMS ’14)  
Co-founder and Chief Executive Officer, Mad Paws

What inspired you to launch Mad Paws?
Mad Paws was conceptualised after I pet-sat for a good friend who was struggling to find a place for his labrador, Honey, to stay while he travelled. The last thing he wanted was to leave Honey locked up in a kennel, which can often be a distressing experience for pets. I offered to look after Honey and it turned into an incredibly rewarding experience for me. I then realised that there were more people out there like me: who love animals, have flexible schedules and would like to earn some extra money.

After coming up with the idea, what were the next steps you took to make it a reality?
The first step was to validate the concept. I went to the dog park and spoke to potential customers and dog minders to gauge interest and collect feedback. Next we pushed out a website quite fast (in three months) which did all the basic functions. Since then, we have been continuously improving the website — we base it on ongoing customer feedback.

Have you always been entrepreneurial?
Before Mad Paws, I was studying at Business School where I had my first experience with building a team by founding the CEMS Club Sydney. Together we organised corporate and social events for about 100 students. In six months we were elected as the 3rd best CEMS Club and the fastest growing worldwide — out of the global CEMS alliance which includes 30 partner universities. During my Master of Management (CEMS), there was a lot of focus on entrepreneurship: professors and students were very passionate about this topic, it got everyone, including myself, interested in doing more.

What are some of the biggest hurdles you faced along the way?
Achieving a balance between demand and supply — having a large number of sitters is only the beginning. It is very important to connect demand with supply in a smart way. For this reason we put a lot of emphasis on understanding our user base. We called up more than 5000 sitters and customers. The launch of the mobile app in June last year is an example of answering our users’ need for more convenient ways of communicating about their pets.

Another challenge was the rapid expansion of our team, which went from three people to 12 in a month. This change was very exciting and impactful at the same time. For me as a leader, it was challenging to set up the new structure to make sure the team could work as best as possible together.

Where do you draw your inspiration and how do you stay innovative?
People. Being surrounded by talented individuals and learning from them has been vital to my own development as well as to the development of our company. I recognise that I have been fortunate to be united by such amazing people: our advisers, our incredible employees and other start-ups. It amazes me how many people in the Australian start-up community happily pass on their knowledge.

What’s your advice for emerging entrepreneurs?
There is a lot I could say here, but I’ll focus on three clear learnings I’ve taken from this experience so far. Firstly, focus on one metric you want to maximise. For us that’s bookings (pet stays). For everything else, good is great, perfect is too much. This rule helps you to focus on what’s important.

Secondly, wow your customers. We go above and beyond to provide the best possible service to our users and the impact of it is very clear. The best way to build a really good product is to know your users really well. To do that, being close to your users is important.

Lastly, it’s all about people. You can’t build an A-company without A-people.

For more information, visit: madpaws.com.au
Modern business meets ancient beliefs

Associate Lecturer Percy Knight, a PhD candidate, is exploring the many factors contributing to success—or failure—in Aboriginal enterprises, and how this affects overall Aboriginal economic development.

There is something missing from efforts to end the regime of disadvantage suffered by far too many of my people. What is missing is an understanding of how to marry modern business thinking with ancient cultural beliefs and practices to produce sustainable Indigenous enterprises.

Indigenous Australians have occupied this land for more than 70,000 years. We were regarded as hunter-gatherers and this perception characterised Indigenous engagement with the modern economy. But over time a more sophisticated understanding of the Indigenous economy has emerged, particularly in relation to natural resources management.

Today, Indigenous Australians are among the most socially, economically and culturally disadvantaged people in our society. Indigenous economic development is defined as “the involvement by Indigenous people in employment, business, asset and wealth creation in the communities and regions where they live”. Unfortunately, recent Closing the Gap reports demonstrate that current policies have failed to produce the desired outcome.

In my view, private businesses or community-based social enterprises owned and operated by Indigenous people hold the key to Indigenous economic development.

My research proposal is provocatively titled “Success, failure and successful failure in Indigenous business: case studies from the Wiradjuri Nation”. Through this research I hope to determine the factors that lead to sustainable success in Indigenous business and community owned enterprises. The literature examined thus far indicates that there is currently no model of the best practice that is directly useful for Indigenous people generally.

I contend that Indigenous businesses fail because their operators don’t understand basic business principles or financial systems. Put simply: people need business education. They need literacy and numeracy skills. They need to understand corporate governance. But they need to acquire this knowledge in the right cultural setting. Aboriginal people learn differently and have a different world view.

Indigenous businesses are motivated by more than profit. They also take into account the extended kin network and Indigenous community and even broader ideas such as self-determination. To the extent that commercial and non-commercial objectives are combined, it is possible to be successful in looking after Indigenous community, but a failure in terms of financial sustainability or competing with other businesses.

Alternatively, an Indigenous business might be profitable but fail to make a substantial contribution to the Indigenous community.

Truly successful Indigenous businesses may need to address both commercial and non-commercial factors. Through my research, I will attempt to identify the specific constraints that prevent Indigenous businesses achieving their objectives. It will also examine the detailed history of Indigenous businesses to identify what I call ‘successful failure’.

Given my experience, knowledge and networks, I have decided to focus my research on the Wiradjuri Nation, located in central-west NSW. The Wiradjuri Nation has the largest Aboriginal cultural footprint in NSW and offers a wide spectrum of community circumstances that reflect the diversity among Aboriginal people across the nation.

As I examine success factors in Indigenous business and community-owned enterprises, I will also acknowledge the potentially strong disablers that confront Indigenous people, such as the so called ‘lateral violence’—an effort by some to derail those attempting to establish successful community-owned enterprises.

We need to find a way to overcome these potentially destabilising factors if we are to identify the success factors in Aboriginal enterprise development.

For more information, visit: sydney.edu.au/business/staff/pknight
Welcome to the Abercrombie Building

Encompassing more than 9100 square metres of flexible teaching and learning space, with the very latest technology and a prime position near the University’s historic main campus, the purpose-designed Abercrombie Building will inspire and enable generations of leaders in the business world.

It is a place for students who will imagine the next world-changing innovative digital application, academics who will solve poverty through profitability, and alumni who will mentor the company directors of tomorrow.

With a focus on cross-disciplinary collaboration, cutting-edge research and interactive learning, the Abercrombie Building is all about how we will design solutions to the economic, social and environmental challenges facing the business world today.

sydney.edu.au/business/abercrombie
“Every time I walk into the Abercrombie Building I am met with two thoughts: the scale and the openness of the building. And for me these are at the heart of my study at the Business School, for the atmosphere evoked by the building’s architecture embodies my experience: one founded on a rich heritage of business excellence, with an openness to cultivate fresh ideas, thoughts and experiences. When you walk through the doors you cannot help but revel in the constant hum of students engaged in debates, talking over their cases or hard at work in the hundreds of study spaces spread throughout the five-storey building. It’s that feeling of raw excitement, an excitement for the limitless possibilities that lie within these walls, that makes the Abercrombie Building so special.”

Nicholas Fahy
Bachelor of Commerce/Bachelor of Arts
“The Abercrombie Building is set up to inspire the spread of ideas and understanding. Excellent research collaborations tackling big issues are often those between researchers from very different perspectives. The configuration encourages spontaneous, unplanned exchanges. It’s these encounters and conversations that we hope will foster an understanding of what other teams are working on or puzzling over and, with time, lead to collaborations that may not have occurred.”

Professor Elizabeth Cowley
Deputy Dean (Academic)

“The Abercrombie Building provides an essential space for students to meet, share ideas, and take the first step in their graduate career. It will be a place to network with peers and also with the employer community. The student experience is not only about studying and getting good grades. The spaces will allow our careers team to develop more integrated learning activities involving our students, employers and alumni communities both in and out of the classroom.”

Sarah Fletcher
Director, Careers Services
It’s high time for a root-and-branch rethink of academic and practitioner notions about organisational leadership – about its nature, nurture and overall importance. The time is overdue for us to step aside from the successive fads of essentialist feel-good nonsense trumpeted repeatedly in high-profile management periodicals, pulp fiction management blockbusters, and now in every nook and cranny of management cyberspace, as the next best thing in leadership theory and practice.

Management development and coaching courses are awash with prescriptions for leadership effectiveness. In the hands of consultants, trainers, executive coaches, search firms and other practitioners, leadership has been idealised, essentialised and commodified. The academy is also in on the act. No self-respecting graduate management program can afford to overlook content on leadership theory and practice. Even the in-house critics have been drawn in. For more than two decades now, critical management theorists of various ontological persuasions have been chattering away among themselves about leadership discourse (that is, talk and text) and (mal)practice. Yet they themselves have also been complicit (perhaps only half unwittingly) in furthering what Jeffrey Pfeffer, a self-avowed mainstream management academic from Stanford Graduate School of Business, last year pilloried as the ‘leadership industry’.

And who’s to say, of course, that Pfeffer’s work – or indeed this short thought piece – isn’t doing exactly the same thing. But please do read on!

Pfeffer – best known for his publications in organisational power and the human resource management fields – does have a point. Well, up to a point. The chief object of his ire is the core prescription of the contemporary leadership industry – the now conventional notion of the ‘good’ leader as an individual who is simultaneously ‘inspirational’, ‘transformational’, ‘authentic’, and ‘empathetic’, moderated by a healthy dose of ‘humility’. This prescription, he contends, is based on an act of normative faith, with little rigorous scientific research, credible supporting data and consistent findings to substantiate its promise.

Further, suggests Pfeffer, for all of the busy-work associated with it, the leadership industry has failed in the field. While its prescriptions pander to the desire for reassurance in a volatile, disrupted and uncertain world, organisations remain as dysfunctional as ever, filled with employees who are disengaged, cynical and distrustful and managers who are anxious and preoccupied, to say the least. Those in leadership roles may talk the talk about good leadership but (in good old fashioned Agency Theory terms) most pursue self-interest über alles. It’s an altogether Hobbesian representation of organisational life, you might say.

Pfeffer is particularly derisive of the notion of ‘authentic’ leadership. Authenticity, he contends, is misunderstood, overrated and, in any case, unattainable. Indeed, inauthenticity may be more natural and effective: “Leaders must be able to put on a show, to display energy and pay attention to others, regardless of how they feel at the time … being authentic is pretty much the opposite of what leaders must do. Leaders do not need to be true to themselves. Rather, leaders need to be true to what the situation and what those around them want.”

What Pfeffer is implying here is that organisational life might actually be more tolerable if we all got over the pursuit
of perfection and acknowledged that there is good and evil in and around all of us. Pfeffer flirts with the dark side of leadership capability, with characteristics commonly associated with the so-called ‘dark triad’: narcissism, Machiavellianism, and psychopathy. Even though it troubles me somewhat to confess it, I do think Pfeffer is onto something here. When it comes to leadership effectiveness, and even to ‘good leadership’, could it be that the dark side has an upside? Let’s take a brief look at the personal chemistry of the diabolical triad.

Narcissism is all about ‘me’ above all else. Narcissists crave adulation, seek prestige and status (and resist its loss ferociously), expect special favours from others with no sense of obligation to reciprocate, and are indifferent to the needs and feelings of others. Charismatics are archetypal narcissists, even if they might affect the qualities of selflessness and saintliness.

Machiavellianism involves calculative manipulation to get one’s way. To a Machiavellian, the ends – especially winning – necessarily justify the means: ‘Whatever it takes!’ They manipulate others by using deceit and false flattery to get their way. They are certainly others-focused – but for self-serving reasons.

Psychopathy has to do with the systematic combination of IQ and malice as a winning formula. Psychopaths tend to have razor-sharp cognitive ability but also lack remorse, are unconcerned with the morality of their actions, are callous and insensitive, cynical, habitual, calculative liars and emotionally disingenuous. Think the ‘boss from hell’ and you’re not far off the mark. Not the type of person you’d want to meet at a party. Or would you? To find out, perhaps take the Psychopath Checklist test.

So far, the evidence that dark-side attributes are associated positively with desirable competencies for effective management outweighs the evidence supportive of an accent on authenticity, empathy and related prescriptions for ‘good’ leadership.

Narcissism is associated with assertiveness, will, mental resilience and charisma. Machiavellianism is associated with persuasiveness, composure, emotional self-control and task focus. Psychopathy is associated with creativity, strategic thinking, communication skills, and composure. Note how central such competencies are to leadership development and selection.

But what’s missing here? What do midnight black ‘dark side’ leaders necessarily lack? For starters: ethical awareness and a moral compass, integrity, restraint, and respect for others. Perhaps most importantly, though, they lack the capacity for balance (me versus we; ends versus means) and sustainability. Dark side leaders might have high impact in the short run but organisational toxicity and/or legal sanction is likely to be their ultimate undoing.

My overall point, not to dissimilitar to Pfeffer’s, is that we need to move our thinking about leadership beyond binary notions of ‘good’ and ‘evil’, ‘bright’ and ‘dark’. In his now classic leadership text, Good to Great (2001), Jim Collins almost gets there by proposing that ‘great’ (as opposed to just ‘good’) leadership demands a constant balancing act between the force of personal will (dark side) and the countervailing influence of personal humility (bright side).

But we need to go a step further. As Pfeffer puts it bluntly: “sometimes you have to behave badly to do good.” So Nietzsche may have been right after all: perhaps we need to move beyond simplistic notions of good and evil.

Acknowledging that there are upsides to both sides and that the two are inextricably linked might just help to narrow the gap between leadership industry rhetoric and the organisational reality that Pfeffer has exposed so powerfully. By doing this, we may be better placed to ‘handle the truth’ about leadership chemistry, effectiveness and failure.

For more information: sydney.edu.au/business/staff/johns

6 Pfeffer (2015), op. cit. p.207.
Gender equality – “it’s not done yet”

Deputy Labor Leader Tanya Plibersek says an industrial dispute involving the cleaners at Parliament House embodied a much bigger issue.

Written by Trevor Watson

Cleaners at Parliament House took industrial action in 2015 over a threatened cut to their already poor pay and conditions. “MPs and senators returning to Canberra will have more than just their electoral seats to worry about as parliamentary cleaners refuse to clean toilets and bathrooms,” quipped the ABC. Journalists and politicians had a bit of a laugh and quickly returned to matters of ‘national importance’.

But the dispute was no joke for the affected workers and nor was it for the Deputy Leader of the Labor Opposition and perhaps Australia’s next Deputy Prime Minister, Tanya Plibersek. “Three quarters of the cleaners are women, largely from ethnic backgrounds,” she said at a BOSS Emerging Leaders event. “I see them and the weakness of their bargaining position every day, and every day I think ‘what is being done to you is so unfair’.”

The women who clean our national Parliament, usually out of sight and out of mind, daily reinforce Plibersek’s commitment to the feminist cause. For her, these low-paid women in low-status jobs are on the frontline of an ongoing struggle for gender equality.

Plibersek became the first female member for the federal electorate of Sydney in 1998 and has since served as the Minister for Health and Medical Research; Human Services; Social Inclusion; Housing and the Status of Women. Over the past 18 years Australia may have had a female Governor-General and a female Prime Minister; New South Wales a female Governor and a female Premier; and Sydney a female Lord Mayor. But these milestones don’t impress the Deputy Labor Leader.

“You could look at these facts and say, well, gender equality is done now. But then you look at the gender pay gap, you look at the gap in retirement incomes and you look at issues like violence against women and you say ‘well, it’s not done’, ” Plibersek says. “People say we don’t need to talk about feminism anymore because all these battles have been won. Well, I say, we are not fighting a revolution against an oppressive monarch, but I still believe in democracy.”

In short, Plibersek believes to be anything less than a feminist would be to ‘betray’ women like those who clean the parliamentary toilets for the convenience of her fellow politicians.

Of particular concern to the Member for Sydney is the gender pay gap – up to 30 percent in some industries. It means one in five women retire with inadequate superannuation. “We have greater educational opportunities than our mothers and our grandmothers could ever have had and then you come out of university and almost straight away, the
The gender pay gap emerges,” Plibersek says. “Our education system is fantastic, but the gender related challenges appear. We see women concentrated in lower paid industries and within many industries, we continue to see women earning less than men.”

This gap, she says, permeates almost every aspect of a woman’s life, especially those on lower incomes. “I am very worried about the gender pay gap because having choices in life relies on you having some economic independence,” Plibersek says. “You have a range of choices available in life if you are able to support yourself. It’s not just about economic empowerment, it’s about the choice to stay in a bad relationship or not, it’s even about whether you can support your kids so that they have a good quality of life.”

While Australians like to claim a commitment to ‘diversity’ and ‘inclusion’, Plibersek believes that, in reality, gender equality is hampered by ‘glass ceilings’ and ‘glass silos’ propped up by structural barriers, a ‘profound’ lack of imagination, conscious bias, unconscious bias and outright sexism.

She does believe that women must bear some of the responsibility. In Plibersek’s view, women need to be assertive in defending their rights and “be willing to ask for the work and the pay that they want”. But she is also appalled by the suggestion that women should become more like men in the way they pursue their career and lifestyle objectives. It is organisational change that is required. “I want the women that I work with to be like they are – competent, decent, hard-working people,” she says. “Our organisations have to change to accept that leadership, in particular, comes in different forms – that working hard, being prepared, being thoughtful in your job is actually what you want from people.”

“You need male and female leaders who are prepared to adapt their organisational culture to the reality of modern life. You need men who are not just creating ‘mini me’ versions of themselves. You need women who model successful leadership.”

To overcome existing barriers, Plibersek advocates formal organisational structures that systematically identify and address conscious and unconscious bias. These systems, she says, should ask questions such as “Why is it that we have fewer women working in this area? Why is it that women are earning less?” Leaders, she hastens to add, also need to use their imagination.

“The simple fact is, it’s a lot more comfortable hiring someone who reminds you of yourself 20 odd years ago,” Plibersek says. “You have to recognise this as a human weakness and compensate for it by thinking creatively about the type of person who could fill a role. Does it really have to be me 20 years ago or could it be someone who is working part time, comes from a different background, is younger, and has different life experience? The answer is usually yes.”

Ultimately, Plibersek says, it is corporate culture that needs to change. “You need male and female leaders who are prepared to adapt their organisational culture to the reality of modern life. You need men who are not just creating ‘mini me’ versions of themselves. You need women who model successful leadership,” Plibersek says. “So, you have graduates entering the workforce who see both the male and female leaders in their organisations having a commitment to gender equity and there is a whole range of ways you can promote that.”
Gender equality, Plibersek says, leads to improved business outcomes. “We make better decisions in any organisation when we have a better range of life experience at the table. I think there is plenty of evidence now that shows that companies are more likely to be profitable if they have women in leadership positions.”

When it comes to the public sector, the Deputy Labor Leader believes in affirmative action. “If you are talking about women on government boards, you set a target and you hold ministers accountable,” she says.

“It’s not hard to achieve, you just have to make it a priority and that means public servants looking a bit more broadly than they have in the past for competent people to fill those positions. They are out there, plenty of them.”

Plibersek tells a story of cultural inertia in the public service. “When we were in government, we set a target of 40 percent of women on government boards,” she says. “And yet the Department of Agriculture was really bad at shortlisting women for these positions. Finally, the [then] Minister, Tony Burke, asked the department to explain its male-only shortlists. ‘One of our criteria is previous experience on one of our boards,’ came the reply. I think that is a terrific illustration of informal bias.”

While women will be the beneficiaries of a change in thinking across the corporate and public sectors, Plibersek argues that men also need to drive the change. “Men need to play a part when it comes to the pay gap, equality and the discussion about violence against women,” she says.

“They must also break down the glass walls and look across their organisations more creatively. They must look at HR or accounts and move women into transport and logistics. It doesn’t require a different talent pool — it requires a more thoughtful and creative management.”

With gender equality and understanding in mind, Plibersek urges men to participate more fully in family life. “Men who have their own caring responsibilities are more willing to change their organisations because they know that if you set a breakfast meeting at 6.30 before childcare opens, you will only get people who have no childcare responsibilities,” she says. “You have to think about gender equity in the workplace for women and men to successfully change organisational culture and you have to make room for both men and women to balance the rest of their lives.”

While on the subject of men and their role in promoting gender equality, Plibersek has a simple piece of advice for parents of the next generation: “Raise your sons right.”
Fast forward: the future of work

AS TECHNOLOGY LIBERATES EMPLOYEES FROM FIXED DESKS AND WORKFORCES BECOME GLOBALISED, THE NATURE OF WORK AND HOW IT IS CONDUCTED IS RAPIDLY CHANGING – AND MANAGERS NEED TO CHANGE WITH IT.

Written by Jane Counsel, Senior Diversity Consultant, Executive Central and MBA Unit Facilitator

Every time I walk into a cafe, I observe how technology is transforming the way people work. Once the sanctuary of coffee snobs and the brunch brigade, Australian cafés are the new bastions of work, where you can order a latte with a hot desk to go.

Australians enjoy some of the most reliable internet network coverage in the world and are among the world’s largest users of mobile devices, enabling them to work pretty much anywhere, anytime. Much of the office space consolidation in corporate Australia is driven by work increasingly being defined as what people do, not where they spend their working day.

Technology is just one of the major global megatrends disrupting modern workplaces and triggering a reimagining of how and where work is done. But what does this mean for our leaders, and how well equipped are they to lead in the future of work?

The author of The Shift: The Future of Work is Already Here, Lynda Gratton, a globally recognised authority on future-of-work trends, says the changes workplaces are experiencing are as significant as the industrial revolutions of the 18th and 19th centuries.

Gratton and her International Future of Work Consortium have identified five key future-of-work trends: disruptive technology; globalisation; demographic change and longevity; societal expectations; and scarcity of natural resources.

By 2025, Gratton predicts these trends will produce five generations in the workforce, 5 billion people connected by hand-held devices, India and China as global powerhouses, workplace flexibility and non-traditional career paths as the norm, and a scarcity of natural resources driving a move to sustainable, agile workplaces.

So what qualities are critical for leaders in the future of work? In a globally connected world there is nowhere to hide, so authentic leadership becomes critical as leaders are judged on their ability to manage diverse, global teams.

Leaders will also be judged on their ability to influence and inspire as traditional leadership symbols, such as hierarchy and a command-and-control management style, become less relevant.

An agile management style that can navigate complexity and ambiguity will also be important in managing the unprecedented rate of change and disruption predicted. Leaders will also need to be connected beyond just social media groups as globalisation drives a war for talent and resources.

In the new world of work, knowledge will be a crucial commodity, and the truly great leaders will be defined by their ability to turn complex issues into innovative solutions.

Are leaders in Australia ready for this new world of work? Many are at risk of failing to capitalise on the future-of-work megatrends due to a historical culture of presenteeism in the workplace and a propensity to hire a mirror image of themselves, which often limits innovation and productivity.

Australia’s next major economic boom will be driven by the services industry, and the nation’s ability to reap the rewards of this will largely depend upon the degree of progressive change in our society on diversity, as it is established that diverse teams are more innovative and productive.

The more progressive organisations are aware of the megatrends and understand the business imperative for diversity. They are addressing the gaps in their workforce to increase the representation of women in leadership, culturally diverse leaders, flexible workers, people who identify as LGBTI, employees with disabilities and intergenerational teams.
Stand up and be counted

Diversity and inclusion initiatives are not just about ‘soft’ power – they offer companies a measurable cost benefit. So when will corporate Australia face the issue squarely?

Written by Senior Lecturer Dr Dimitria Groutsis and Associate Professor Di van den Broek
Innovation and culture

Look around your workplace and ask yourself: How diverse is my team? What does my senior leadership group look like? Are my company’s diversity policies creating an organisation that is representative of the broader society? Are my organisation’s diversity initiatives well-resourced? Are the policies in place simply paying lip service or are they creating a diverse, inclusive and dynamic workplace culture?

Armed with a 90-question survey along with our partner institution Macquarie University, we invited those who are responsible for implementing diversity management initiatives in workplaces throughout Australia, including diversity managers, human resources managers and other managers, to reflect on such questions. Our findings show that organisations require committed leadership, resources and a unique organisational infrastructure to manage diversity effectively and to create a culture of diversity and inclusion.

So, what makes a diversity and inclusion (D&I) program the real deal, and how are Australian workplaces measuring up?
There is strong evidence that adequate D&I resourcing, as well as having a strategy with accountability for outcomes, leads to substantially better performance:

- 64% of D&I practitioners who report an adequate D&I budget said that their D&I initiatives were somewhat/very effective at improving business performance, compared with 39% of those with no D&I budget.
- Of the 20% of the total cohort who linked managers’ performance criteria to improvements emerging from D&I initiatives, almost 70% of these organisations’ D&I initiatives were somewhat/very effective at improving business performance.

Australian D&I practitioners are committed and motivated to contribute to positive change within their organisations:
- Over 90% of D&I practitioners said that they do their job because they believe in the business case for diversity.

Many organisations take D&I seriously, with senior leaders involved with organisational initiatives:
- 62% of practitioners reported that the most senior person with responsibility for the diversity function of their organisation was a member of the senior executive, such as the chief executive or managing director.
- 78% of practitioners reported that their board members supported diversity initiatives within their organisation and more than 80% reported that senior management also did.

However, organisations are underresourcing their D&I programs and not adopting approaches that will deliver the best outcomes:
- Budget: While nearly 62% of D&I practitioners reported they had a D&I budget, 39% reported that this budget was not sufficient to fulfil their role adequately; 38% of practitioners reported they had no D&I budget at all.
- Managerial capability: Only 13% of D&I practitioners agreed/strongly agreed that managers in their organisation had adequate skills to deal with equality issues.
- Missing diversity dimensions: Less than a third (31%) of organisations reported that they address the needs of a culturally diverse workforce.
- Monitoring: Only 41% of D&I practitioners reported that their organisations measured the outcomes of their D&I initiatives.
- Recognition and reward of D&I practitioners: Only 11% and 17% respectively are extremely satisfied with their opportunity for promotion and with recognition of their work.

There is no doubt that some firms are devoting energy and resources toward turning D&I from a cost burden to a performance driver. With evidence of the business benefits arising from D&I initiatives, this is an investment that all organisations could review. If firms want to be world leaders in promoting diversity and inclusion, they will not only need to know where they are now but also where they aspire to be.

For more information:
sydney.edu.au/business/research/mgmrg
sydney.edu.au/business/staff/dimitriag
sydney.edu.au/business/staff/dianev
Changing times in China

With the signing of the historic China-Australia Free Trade Agreement in 2015 comes unprecedented opportunities for doing business with a rapidly growing nation. But is business ready?

Written by Anna Lin (Master of International Business ’11)
Trade Commissioner Commercial Consul, Guangzhou,
Australian Trade Commission

Down a small laneway in a sleek coffee bar with concrete walls, you can find one of the best lattes in town. Around me are young urban professionals wearing skinny jeans, and almost everyone is using their smartphones. “If you post a photo of your lunch and share it with friends, you get a free coffee.”

You could be in Sydney’s Darlinghurst or Melbourne’s Chapel Street being asked to post on Facebook. Except you are in China and using the ubiquitous social media app WeChat. As a former Sydneysider, it’s one of the many ‘am I in China?’ moments I have regularly.

These moments make me realise it is more important than ever to understand how China is changing and what this means for Australian business.

China’s emergence as Australia’s biggest trading partner, its largest source of foreign students and most valuable tourism market has revolutionised the relationship.

Let’s start at my current posting. Capital of Guangdong province, Guangzhou (historically known as Canton) is a dynamic city that has gone through a remarkable transformation. From what was a busy trading port in South China, Guangzhou’s hosting of the Asian Games in 2010 spearheaded the city’s makeover. The spaceship-like Guangzhou Opera House and the Guangzhou Library, resembling leaning stacks of books, are permanent features of the new ambitious city centre known as Zhujiang (Pearl River) New Town.

This is China’s third largest city and home to a population of 14 million, almost two thirds of Australia’s total population.

Guangzhou has a long history of trade with Australia. Many of the pioneers of Australia’s Chinatowns and famous Cantonese cuisine can be traced back to this region and a large proportion of Chinese Australians have Cantonese ancestry, myself included.

Times have changed since Guangzhou and Sydney established sister-city ties in 1986. The Chinese economy is in the midst of a transformation that will see a slower, steady pace of growth, paving the way for increased levels of consumption that will directly benefit Australian businesses.

Australia has a unique opportunity to capitalise on strong people-to-people connections and expand business links with China. The spotlight is on how we take our bilateral relationship to the next level.

China’s new generation of consumers
Savvy Chinese consumers are seeking safe, clean and green food products. Check out any Chinese supermarket and you’ll come across many Australian-branded food products such as Devondale and Tasmanian Honey. More and more Aussie brands are making a splash on various online marketplaces such as Alibaba’s Tmall or JD.com.
Chinese consumers are increasingly purchasing products via e-commerce platforms that offer the convenience of ‘anytime, anywhere’ shopping. According to Taobao (think eBay), the busiest time for mobile shopping is 10pm and mobile purchases are about one minute faster compared with those made through personal computers. It is estimated that in 2015 e-commerce transactions China-wide accounted for US$540 billion, approximately 10 percent of total retail transactions.

China’s new breed of consumer is also seeking new experiences, driving the travel boom that is great news for Australia. Chinese tourists had the highest expenditure per capita and in November 2015, Australia hosted a record 1 million visitors. More than 130 direct flights each week connect six Australian cities with 10 cities in China during the high season (November-March).

The integration of technology in daily life includes using the WeChat app that has a payment functionality that allows users to book flights, order taxis, pay utility bills, make a restaurant reservation, transfer money to friends after splitting the bill, and much more. WeChat’s 600 million users are also sharing reviews of brands, asking their friends for immediate ‘buy or don’t buy’ advice and researching product information.

So what does this mean for Australians wanting to do business with China?

Australia has a unique opportunity to capitalise on strong people-to-people connections and expand business links with China. The spotlight is on how we take our bilateral relationship to the next level.

This is why it’s vital for Australian businesses to understand how to take advantage of the landmark China-Australia Free Trade Agreement by working with their partners in China. It’s also about understanding the new generation of Chinese consumers, how they make their purchases and the importance of social media in their decision making.

Australia and China have plenty in common: a large land mass, populations concentrated in coastal cities; fierce inter-city rivalries; and the desire for a better future for our children and grandchildren.

China is not a homogeneous country. There is huge diversity of terrain, languages and cultures in each Chinese province and city, much like the diversity of Australia’s cities and regional areas. There are potential growth opportunities for many businesses in China, it’s just about choosing where they might be.

For information about doing business in China, visit: www.austrade.gov.au

For information about the China-Australia Free Trade Agreement, visit: www.dfat.gov.au/fta/chafta

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Guangzhou, China
There are two types of stories that explain the process of innovation. The first features a team of underdogs who had an idea, fought people who said it couldn’t be done, and triumphed in the end. The second tends to feature a lot of boxes, arrows and light bulbs – a prodigious production line of ideas.

When I started studying corporate innovation six years ago, I thought the first story was more or less a fairytale or, at the very least, very rare – applicable to Steve Jobs, maybe, but almost nobody else. What was left then were stories of the box-and-arrow variety, in which new ideas just seemed to roll off an assembly line as long as a certain set of critical factors and conditions were met.

However, after following three research and development teams on a daily basis for nearly a year, I learned that neither story sufficiently explains the innovation process. While underdogs are part of the story, they don’t necessarily triumph in the end and nor do they always act in ways beneficial to the innovation process. The messy, painful processes I observed seemed to owe more to Darwin than Drucker. Innovation turned out to be a very human, very political struggle that the technically focused scholars and consultants who studied the subject had never really described.

In fact, the box-and-arrow model seemed to have surprisingly little application to their real-life experience. Instead of being supported by their organisation, teams spent a lot of time fighting it. Instead of gaining more resources as they proved their idea’s worth, they had to spar for control. Innovation did not seem to be a structured, linear and relatively predictable system of activities. Instead, it was a dynamic, messy process vulnerable to external shocks. I fought this insight for a while – it’s a strange feeling to see something you weren’t expecting to see, particularly if you’ve read a lot about a topic.

Looking back on it now, I think of one of my first research projects as an undergraduate at the University of Cape Town, South Africa, which concerned cross-cultural racial interaction among students. I had been excited by the chance to meet people from different backgrounds and cultures, but when I arrived at school I found it didn’t actually happen. Instead, students seemed to self-segregate by their background or culture. At that point, I had to throw my theory out and accept the fact that my fellow students just did not behave rationally and, by extension, that human beings aren’t very rational creatures.

Similarly, the innovation process I saw didn’t make sense from an organisational perspective. This was not a smooth-running industrial process, but a struggle that was both technical and political.

The political aspect, in fact, which most theorists scarcely mention, seemed to me to be one of the most predictable elements of radical innovation. Somewhere along the way, a difficult struggle over
ownership of the idea ensues, between the team that invented the new product and the managers who are in a position to get it developed.

These two parties tend to have a hard time getting along, mostly because they have such different aims. The inventors are technically focused and eager to perfect their idea. The manager, meanwhile, is more pragmatically focused on overcoming the political and commercial hurdles that could prevent the idea from being accepted in the marketplace.

What lessons should business leaders draw from my research? There are at least four useful ideas. The first three apply to innovation; the last to almost anything:

**Innovations depend on successful teamwork.** A successful innovation requires the application of two very different skill sets: first, the technical acumen to build a device or system that actually works and, secondly, the political power and persuasive ability to sell that idea to the rest of the organisation. Few people have both skills, but to succeed you need both.

**Sooner or later, your teams won’t get along.** Fighting between the inventors and managers over ownership of an idea is a natural part of the innovation process. Expect it, make time for it, and try to strike some sort of compromise. If either the managers or the inventors are winners, the odds are good your idea won’t be. Managers should make sure that the innovation team doesn’t feel shunted aside. Frustrating their sense of ownership is an excellent way to prevent more good ideas.

**Don’t trust the models.** Innovation models should be taken with a pinch of salt. Unless the innovation is minor, it’s likely to prove resistant to the box-and-arrow treatment. Innovations are so often the result of various kinds of accidents – a misunderstood instruction, the wrong chemical mixed in the wrong formula at the wrong time, or an executive sponsor’s irresponsible obsession – that I’ve become sceptical of any theory about how they might arise.

**Question your questions.** Your own preconceptions limit what you can see because it’s easy to ask questions that just confirm what your model says you should see. The main reason I was able to see innovation in this new way is that I came to this study by way of my earlier work in social psychology, which made it possible for me to see a political dynamic whereas the more technically focused scholars who preceded me saw only technical challenges.

This article draws its inspiration from Lameez Alexander’s PhD thesis, *People, Politics, and Innovation: A process perspective*. It can be downloaded at: repub.eur.nl/pub/77209

The article was published in *RSM Discovery Magazine 21*.

For more information, visit: discovery.rsm.nl
State owned and operated

Does state ownership constrain or facilitate corporate strategies of internationalisation? We investigate how they balance the profit motive, governance structures and investment.

Written by Professor Bo Nielsen, Discipline of International Business

The global sources of foreign direct investment are changing, and state-owned enterprises (SOEs) comprise a growing proportion of the pool of available global capital. In 2013, SOEs invested $US160 billion ($A222 billion) internationally, representing 11 percent of global foreign direct investment flows, despite making up 1 percent of total multinational corporations.

SOEs also dominate cross-border mergers and acquisitions: of the 14 largest foreign investments of Chinese financial institutions, nine were undertaken by SOEs. While we tend to think of China and perhaps the other major developing nations (Brazil, Russia and India) as sources of SOE foreign direct investment, listed SOEs are a much wider phenomenon: they are common in many emerging economies, and play important niche roles in several West European countries as well as Japan, the United States and indeed Australia.

Over the past decade, there has been a big increase in Chinese SOE investment in Australia, with SOEs accounting for nearly 90 percent of the $20.8 billion of total Chinese investment in Australia, while other foreign SOEs — including from Japan, South Korea, Singapore, and Malaysia — also have a history of investing in Australia.

SOEs differ from wholly privately owned firms (POEs) in terms of their governance, attitude to risk and access to resources. Moreover, the processes owners use to shape the strategies of their firms depend upon the institutional framework under which they operate. Hence, even firms with similar types of ownership may make different strategic choices when institutional contexts vary. So we set out to investigate: Under what institutional conditions do state owners facilitate or constrain corporate strategies of internationalisation?

There are three mechanisms through which owners create incentives to invest internationally: they set objectives; they shape the governance structure; and they appoint management teams that eventually design and implement their strategies.

The primary objective of POEs is to maximise profits. SOEs, however, may introduce non-commercial motives into their objectives. SOEs are also necessarily subject to more complex governance structures than POEs, and this can create dysfunctional incentives for decision makers in SOEs. In particular, SOEs are subject to two mutually reinforcing agency conflicts: the first between the public and the government; and the second between the government and the SOE management.

This essentially means that state ownership introduces the possibility of diversion of company resources from outcomes that would pertain under
private ownership, introducing a bias in favour of domestic investment over overseas investments.

In our cross-country comparison of state-owned and privately owned firms’ foreign direct investment behaviour, we found that strong controls will limit the ability of representatives of the state to impose objectives upon the SOE that: (1) deviate from the interests of minority shareholders; (2) limit the ability of managers to exploit principal–principal conflicts to their own benefits; and (3) ensure that managerial qualifications rather than political alignment drive the selection of top management teams.

If, on the other hand, institutional control mechanisms are weak, strategies of listed SOEs and POEs with respect, for example, to internationalisation will diverge; SOE managers will use their insider power to pursue personal objectives to the detriment of profitability, such as displaying a home country bias.

Managers around the world increasingly face new types of competitors, especially from emerging markets that are state owned. To appreciate the motivations and strategies of an SOE fully, managers need to evaluate and understand the institutional environment of its country of origin.

If the cultural traditions of a country support strong controls over elites, or reforms strengthen formal institutions or governance arrangements, then state ownership may not imply great deviation in behaviour from what would occur under private ownership.

However, where institutions do not provide adequate controls over the state apparatus and management, listed SOE internationalisation strategies are likely to differ substantively from those of their privately owned counterparts. Specifically, SOEs under weak control institutions are likely to exploit domestic opportunities, including rent seeking opportunities, and pursue foreign investments primarily where they can leverage their political assets. This may influence how managers of Western private firms can interact strategically with state-owned competitors in the global market place.


For more information: sydney.edu.au/business/staff/bo.nielsen

*Cross-country sample of 153 majority state-owned listed companies matched (compared) with 153 wholly privately owned listed companies of similar size and from similar industries, representing 20 different countries, both developing and developed. All companies are among the 5000 largest multinationals in the world.*
Partnering with the Pacific

Information and communications technology is having a huge impact on business in the Pacific Islands, offering considerable opportunities for collaboration with Australia.

Written by Samantha Cook, Associate, Pacific Legal Network; BOSS Emerging Leaders MBA Scholarship recipient 2016
Most Australians could point to the Pacific Islands on a map, but many aren’t aware of Australia’s longstanding relationship with the region. Increased access to information and communications technology (ICT) is creating new opportunities for engagement in the region. Using digital platforms to facilitate new forms of collaboration is driving a market-based approach to bolstering development in the region.

For some, ‘Pacific exposure’ comes in the form of a week lazing by the pool, soaking up the sun armed with a good paperback and a cocktail. Along with producing great rugby players, the Pacific is usually associated with holidays and leisure – and rightly so, because it’s paradise.

But apart from its holiday romance with the region, Australia is a member of the Pacific Islands Forum – a regional group comprising leaders from 16 member states – and one of the largest trading partners for most Pacific countries. Australia is also an aid donor and a source of foreign investment.

The region maintains important historical ties with Australia, from joint efforts in World War II to former colonial administration links and predating federation, when the Australian sugarcane industry was developed off the back of indentured Pacific Island labourers. Today, the region remains of strategic defence importance, and Australia maintains many cultural links through a mutual love of sport and the outdoors.

So it’s not surprising that Australia along with New Zealand have been pioneering overseas business in the Pacific. Previous waves of investment – before the internet and espresso era – reveal that despite geographic and, at times, political challenges, economically beneficial business relationships can be created and maintained.

Having worked with companies, insurers, financial institutions, multilateral development banks, international organisations and social entrepreneurs as a corporate lawyer in the region, I’m in a unique position to see the ideals of shared prosperity achieved. Business-to-business exchange contributes to economic advancement, whether through creating jobs, providing training and skills development, offering access to products or services, offsetting risk or through deepening financial markets.

In the past decade, waves of change to the business landscape have swept across the region as Pacific governments have undergone a process of deregularising the telecommunications
sectors.¹ Increased access to ICT has given rise to a ‘digital renaissance’ in the region and is transforming business and people links.²

Before this, the region had low mobile phone and internet penetration rates.³ However, greater competition in the markets has lowered the cost and increased the use of mobile phones.⁴ Similarly, the laying of undersea fibre-optic cables in countries such as Vanuatu has provided a faster and sustainable option for the internet.⁵

The impact of improved ICT is already apparent – in the tourism industry, accommodation was previously limited to bookings through a travel agent or directly with a limited number of resorts and hotels through facsimile and phone calls. Now through increased internet penetration, holidaymakers can book directly with a larger number of boutique hotels on international accommodation websites. The digital revolution is diversifying the tourism sector and deepening the economic impact of tourism within the region.

Tourism is just one example, from service providers to primary producers, ICT has given the region a different voice and with it, new opportunities. Australia as an innovative nation with a sophisticated services sector and a growing culture of social entrepreneurialism has a great opportunity to leverage off its strong ties and to collaborate and share in these opportunities. Big business could benefit from a fresh option for the outsourcing of back-end commercial operations in the region.⁶ Similarly, in the small-to-medium enterprise (SME) sector, an increased internet presence will maximise opportunities for niche Pacific product exporters and provide the region with exposure to a broader range of Australian businesses, sectors and services.

Australian SMEs in engineering, design and technology can not only offer services and solutions, but can also play a role in building an energy-efficient Pacific while assisting the region to mitigate environmental challenges.

Collaboration requires trust and established relationships, as well as the right environment and tools to allow those relationships to thrive. ICT has added a new dimension to Australia’s relationship with the Pacific, and as the region strives for inclusive economic growth, Australia is, more than ever, positioned to collaborate with the Pacific Islands to share prosperity through business-to-business exchange.

² Ibid.
³ Ibid.
⁴ Ibid.
⁵ Ibid, p.6.
⁶ See for example Sally Rose, ‘PNG’s Kina got an app for Aussie super funds’ (Australian Financial Review, Monday 16 November 2015, p.16) in which the idea of outsourcing back-end commercial operations to Papua New Guinea are discussed in detail.
Investors and other key stakeholders view a company’s transparency about its operations and performance as a fundamental element of good governance. Transparency facilitates accountability, makes information available on a more equal basis to all involved, reduces the cost of financing and promotes the accurate pricing of shares. The public interest is also served by this fostering of trust in business which, in turn, promotes stability within the global economy.

In a complex and changing world, however, transparency can mean different things to different companies depending on their home base and reach of global activities. A wide range of factors in different countries can influence the quality of information disclosed, including: the nature of business activities; development of the capital market and sources of financing; the quality of accountants and the development of the accounting profession; the extent of economic development; the nature of the political system; the legal system and rule of law; and the extent of corporate regulation.

Managerial attitudes to ‘openness’ and the disclosure of information often vary widely across countries as well. Every country has its own history and traditions of corporate transparency that have evolved over time, with differences that often limit understanding and communication across borders.

With the rapid globalisation of business and financial markets since the turn of the 21st century, the nature of transparency and good governance has taken on a more global as well as local perspective, whereby investors and other stakeholders wish to have access to more comprehensive information.

Corporate disclosures need to reflect the increased complexity of international business operations, and the nature and quality of information provided needs to be comparable internationally. There have been moves to address this problem by establishing global transparency standards for a number of years. Most importantly, since the early 2000s, the International Accounting Standards Board has set global accounting standards, ie, International Financial Reporting Standards (IFRS).

While many countries, including Australia and those in the European Union, but not the United States and Japan as yet, have adopted the IFRS as a signal of their commitment to high-quality transparency, in practice the application and benefits of global standards is somewhat uneven across companies and countries. My recent research, for example, with co-authors Tony Kang, Zhiwei Lin and Qingliang Tang (see Management International Review, Vol.55, Number 6, 2015, pp.827-56) investigates the quality of earnings numbers reported by companies in 14 member countries of the European Union following the adoption of IFRS in 2005. We found that cultural and institutional factors remain influential and explain transparency differences that are still present even under a global standards regime.

This finding suggests that the adoption of global standards is subject to persistent national, cultural and institutional influences that may be moderated but not eliminated by global institutions and regulations. The globalisation of cultures or ‘rules of the game’ even over the long-term seems unlikely and thus places a limit on what is possible in global standards.

Irrespective of these global standards, national traditions and local interpretations of corporate transparency will always be influential to some degree. Investors and other key stakeholders need to be more aware of this inherent limitation on global standards and to factor this into their evaluations of corporate performance in an international business context.

For more information, visit: sydney.edu.au/business/staff/sgray
In 2009 I woke up in a Bangkok hospital after plummeting five metres head-first into concrete after our balcony collapsed while I was on a family holiday in Koh Samui. At the time I was told by doctors I shouldn’t have survived the accident and my prospects of a full recovery were slim to none. Since then my life has not been the same – but not in the ways you’d expect.

When I finally returned to Australia, I was told that I would have to defer university for at least two years or even give up on going. Thankfully I didn’t listen and I didn’t give up. Now, seven years later, I have an honours degree in law, and first class honours in commerce from the University of Sydney Business School for my thesis on innovation. Recently I co-founded and launched Crowd Conga, an online platform where you can save on almost anything by creating crowd purchases or what we call ‘congas’.

My accident changed my way of thinking. One of the biggest lessons I’ve learned is that you can’t always accept what the world tells you. Just keep going and you will have a chance to learn from your mistakes and innovate. I’m passionate about innovation and how it can change the world for the better and I refuse to give up.”

Jeremy Webster
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“My professional journey began as a scientist, then a founder, and now I am an investor in other start-ups. I had always been interested in the financial services industry, but my time at the University of Sydney Business School improved my knowledge and understanding of how the sector operates. Coming from a background in science and technology, the Business School helped me make the transition to investing in science and technology companies. It was the catalyst for spotting a gap in the market for financial technology start-ups, and led me to launch one of the world’s first Financial Technology (FinTech) Accelerators.

Over the years I have been lucky enough to help 17 FinTech start-ups get off the ground and on their way to building successful world-class companies. Along the way I have also played a part in putting Sydney on the map globally as a leader in the FinTech sector.

I am immensely fortunate to have graduated from the University of Sydney Business School, which has produced some of the finest alumni in the world. My aim is to live up to the high standard set by the alumni who have gone before me.”

Toby Heap  
Master of Commerce, 2011  
Founding Partner, H2 Ventures  
au.linkedin.com/in/tobyheap

In the news

Invest in yourself  
In 2015, Anita Mitchell, General Manager, Sustainability, Barangaroo South, Lend Lease, was the first graduate of our BOSS Emerging Leaders MBA Scholarship program.

Mitchell looks after the environmental and social sustainability strategy for the $6 billion Barangaroo development and urban renewal project on the shores of Darling Harbour – the largest project in Sydney since the 2000 Olympics.

“The MBA has taught me much more than just technical skills,” Mitchell says. “I learned that empathy, authenticity and vulnerability are key leadership qualities – they are some of the hardest but most valuable traits to cultivate. I also learned that I alone need to take control of my career – to engage in conversations and plant seeds with management about where I want to go next, not to sit back and wait to be noticed.

“Future leaders need to reflect on how they can lead the kind of organisations we all want to work for: dynamic, inclusive, successful businesses that also do good. With an MBA, I am better prepared to be that kind of leader.”

Read more:  

Innovating to improve lives  
Groundbreaking HIV diagnostic technology developed by a Sydney company headed by a Business School alumnus, John Kelly, has won financial support from an investment fund backed by Microsoft founder Bill Gates and his wife Melinda.

Atomo Diagnostics will use US$6 million from the United States based Global Health Investment Fund (GHIF) to further develop the production and distribution of the Atomo HIV Self-Test and the AtomoRapid testing platform which can also be used to diagnose a number of other conditions.

GHIF is supported by the Bill & Melinda Gates Foundation, as well as pharmaceutical firms Pfizer, GlaxoSmithKline and Merck.

Read more:  
Chief Executive, Hospital, 2025

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