

PERPSECTIVE

The good boss

What makes a good boss? Is it the company he or she runs, its prevailing corporate culture or the leader's innate skills? And do the employees even care if the boss is honest and engaged, as long as their pay is increasing and the bonuses getting bigger?

Story Sue Neales

Curtain installer, John Mattiuzzo, was driving through Melbourne's suburban backstreets last Friday when his mobile phone rang. It was a call he had been

expecting all day.

Tony Cassar, the managing director of Victory Curtains and Blinds where Mattiuzzo has worked for the past five years, was on the line wishing him happy birthday.

"It makes a huge difference getting a phone call from Tony every year," says Mattiuzzo, who is one of 130 employees and subcontractors working for award-winning Victory. "You know he's got it on the computer but, from Tony, it's not a gimmick."

"He's like that; he makes everyone who works at Victory feel at home, treats them like an equal and always knows what you're up to and what your kids are doing. He's a really good boss."

Cassar's approach may seem straightforward, yet being a good boss remains a rarity in Australian business circles.

Recent research by Glyn Brokensha, a partner and psychologist with the Banks Management Group, found one in 10 Australian managers reach the top not because they are great leaders and good managers who understand what motivates their staff, but because they are obsessed with power, their own financial gain and hierarchal ascendancy at all costs.

"Even if you're not a total 'power-path', most Australian CEOs and senior managers remain stuck in the archetypal leadership mould which is brusque, aggressive, lacks empathy and says 'no one is better than me in my organisation'," Brokensha says.

"This classic Australian manager's attitude to his employees is, 'kick if you see a head', 'just get the job done' and 'stop complaining'. Unfortunately, it's still pretty uncommon to find a high-quality, good boss at the top of our biggest companies."

Ken Parry, professor of Management at Griffith University's Business School in Brisbane, is more confident that good bosses do exist. Indeed, he thinks they abound in middle management and in smaller firms like Cassar's - but that they are not the people who rise to the top of Australia's biggest corporations.

"We all know the bad examples - the CEOs who are all over the media, who have used their power base and good networking to climb the ladder most effectively

and make a lot of money for themselves," Parry says.

"The problem is that knowing how to get to the top has got very little to do with being a good leader of a large organisation, which is all about managing people. The real challenge for these CEOs, once they make it, is not to forget how to be a good boss to your people at the same time."

Darren and Dianne Furge, from Roxby Downs in South Australia, are one couple who know what it is to have a good boss.

On Boxing Day, while on holidays near Adelaide, Darren - an underground mine worker for WMC Resources at its Olympic Dam mine - was critically injured in a terrible motorbike accident. Their 11-year-old daughter died.

The next morning, as Darren lay near death and news of the tragedy made its way to the tight-knit Roxby Downs community, WMC's manager of mine production at Olympic Dam, Elton Pebbles, rang Dianne.

"He just said not to worry about anything - he arranged it all," recalls Dianne, now back in Roxby Downs with her husband, who is still recuperating.

"At that stage, we didn't know if Darren would survive," she says, "so to have hotels booked for us and to be told not to worry about money, that Darren would stay on full pay and that the company's insurance would cover everything, was just fantastic."

"And the big bosses, not just Elton but many I'd never heard of, kept on calling every few days, seeing how we were, and sending flowers. They still do."

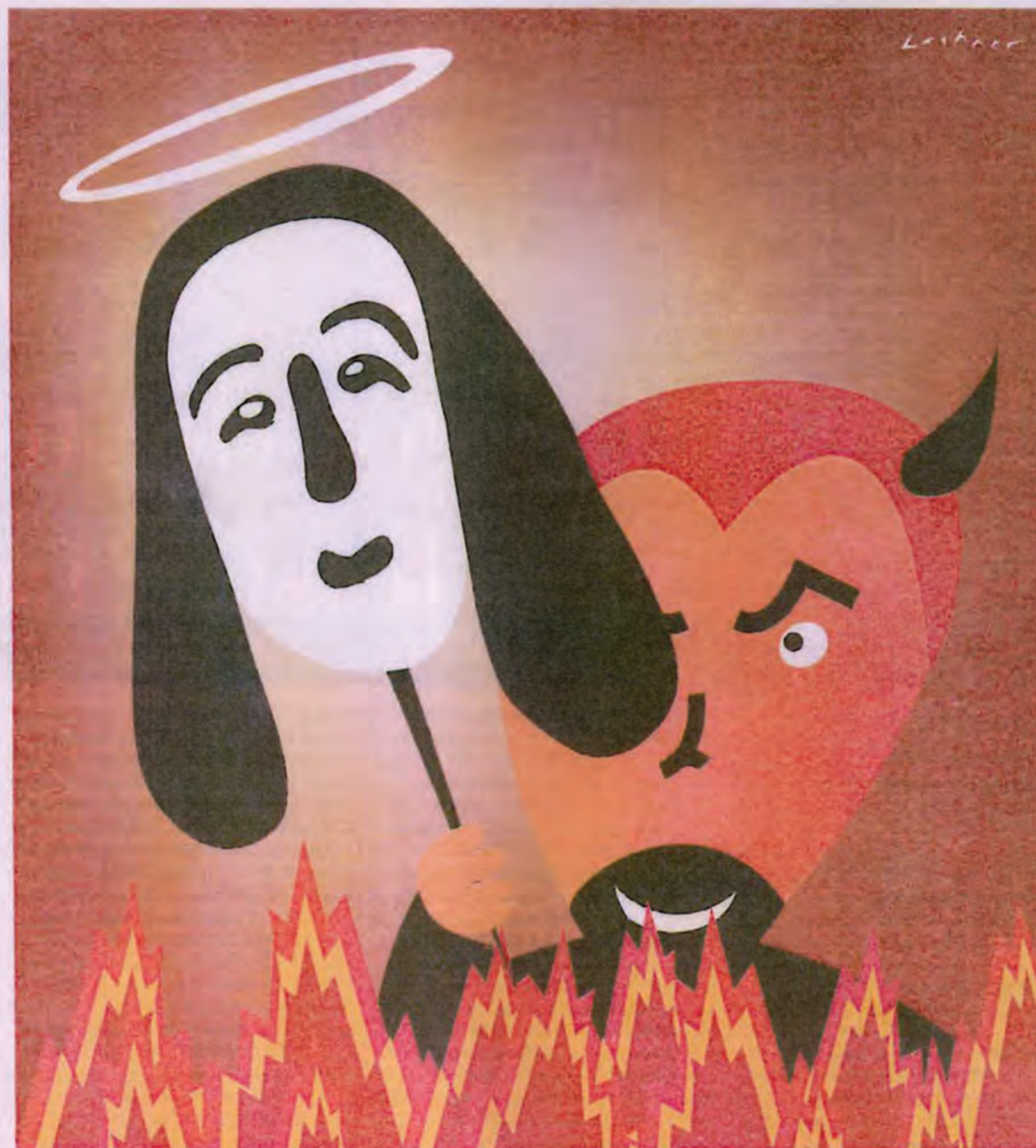
"You expect when you work for a company this big that you're just a number. To find out that you're not, that WMC and its managers respect your husband and care about you and your family, says a lot about the company and the sort of people it makes the bosses. It

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gives you a lot of faith, and loyalty, in who you work for."

Such stories are music to the ears of John Williams, Australian managing director of Hewitt and Associates, a global human resources consulting business with the grand mission of making the world a better place to work. Essentially, that means creating better bosses.

Each year, Hewitt and Associates conducts a survey looking for the best employers in



Australia and New Zealand for *The Australian Financial Review's* Boss magazine. Almost always the best employers are those with the best bosses, says Williams.

But there are not many of them. He nominates just four CEOs in Australia's top 25 companies as stand-out "best bosses". All are from the financial sector.

In no particular order, they are Gail Kelly, head of St George Bank; Allan Moss, Macquarie Bank chief executive; John

McFarlane, CEO of ANZ Banking for the past seven years; and Mike Hawker, CEO of Insurance Australia Group.

"What these four leaders have in common is that they all understand from a long-term perspective that you've got to have excited, passionate employees if the organisation is to prosper," Williams says.

"They're all humble people. They're not ego-driven. They all understand - as any really good

leader does - that it is about the business, not them. And that's how you get the best out of your people - whether it is 30 or 30,000 - by knowing the business is not just about one person."

But Williams stresses that being a good boss does not automatically mean giving employees everything they want. As an example, he points to Macquarie Bank under Moss.

"Moss is one of the best bosses in Australia, but it is no soft, gentle and loving culture at Macquarie," he says. "The point is, he's very clear about the one thing all employees want to know - what is expected of them and what they can expect in return."

"What people hate most is hypocrisy; you can't pretend to have a loving and friendly environment when it is a really tough place underneath. What Allan Moss does so well is make this contract clear and then deliver on it."

"He says: 'Macquarie is a tough place and we demand a lot. But the deal is that we only pick the best, that you will be given the opportunity to do what you want to do, and be rewarded for it financially.' It's not a place for everyone - but Moss delivers on his employees' expectations, and sometimes delivers better than even they expect."

"That keeps people excited, passionate and committed. That's the true mark of a good boss."

Simon McKeon, executive chairman of Macquarie Bank Melbourne also nominates honesty, along with empathy, as key ingredients of a good boss, especially in a time of near-full employment and skills shortages.

"Gone are the days when bosses can say one thing and do something else," he says. "It's at a boss's peril if he ever takes anyone for granted or treats his employees with anything but the highest respect. These days, they'll simply go elsewhere."

McKeon's other three planks of good leadership are leading by example from the front, always being prepared to serve, and to sometimes do the difficult and dirty work yourself, rather than delegating. "Share the dirt and share the glory," he says. Then, always listen, and be very clear about communicating the way forward honestly.

The main problem for bosses, he says, is that it is easy to become isolated at the top, out of touch with customers, employees and the mood of the organisation. Typically, a CEO appoints his own senior managers that he can trust. But such lieutenants may be too self-serving or too ambitious to tell the boss hard truths.

"Good leadership is knowing what the true environment of your corporation is, and being able to make the right calls accordingly," McKeon says. "And that means consciously going outside your direct reports and making sure the feedback you're getting is broadly based. It may even mean an open-line, direct-email policy."

Griffith Business School's Parry says McKeon is right to identify isolation and smugness at the top as a barrier to the rise of more good bosses.

Two years ago, Parry completed a ground-breaking study of 1300 managers and senior executives in NZ's corporate world, asking the question, "Do our chief executives

who are experiencing conflict and bureaucracy at work and who see self-interest rather than leadership at the top.

All this does is harm the CEO's credibility. "And credibility is the backbone of leadership," says Parry.

So what does make a good boss? Is it someone who gives their employees time off to watch their kids compete in the school sports carnival? Who takes part in the office footy tipping competition, tears down the office partitions and introduces a flat management structure?

Or is it the boss who flies the staff to Hayman Island in cold midwinter for a corporate strategic

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have their finger on the pulse?" It found that most bosses had little true idea of what their employees were thinking about the organisation, and what they felt about their work.

Universally, CEOs perceived their own companies to have almost ideal, effective and dynamic leadership cultures, with dominant cultural characteristics of encouraging people and innovation, giving space for open discussion and support for staff to strive towards "big picture" organisational goals.

Yet the further he moved down the corporate ladder from senior managers through middle managers to supervisors, the less Parry found that the leadership culture of the organisation was perceived to be about consultation and transformation, and the more it was seen to be about orders, self-interest and control of power at the top. At the bottom, supervisors were openly scornful of their organisation's leadership.

CEOs did not believe the future was uncertain or turbulent, judged role conflict within their company to be low, and thought staff morale and effectiveness were high. All other levels of the organisation - most strongly at middle management levels - disagreed on all fronts.

"What it showed was that perception is what counts when it comes to being a good and effective leader," Parry says. "Just like in politics, perception is reality."

"It's the managers, supervisors and process workers who do the operational work of an organisation. Their perceptions are the ones that affect the actual performance of the organisation much more than the CEO's."

From Parry's experience, it's only the better bosses who get a good picture of what is going on around them, looking at things from the perspective of the troops, and being empathetic with their needs and perspectives.

Just mouthing platitudes about being "people-driven" is not enough. It doesn't jell with staff

review, or who offers rewards for stellar performance of fat bonuses, gourmet dinners and weekends away with the wife?

Telecommunications industry consultant Terry Cutler, a former Telstra senior executive, Australia Arts Council chair and CSIRO board member, isn't so convinced about the latter. Simply, he is uncertain that the United States-led pursuit of individual praise and financial reward within corporations translates well to the Australian psyche.

"What we are finding in the CSIRO is that people want genuine recognition for achievement from their bosses, but are uncomfortable with rewards for individuals in a collaborative team environment," Cutler says.

"And they don't want dinners and airline tickets; that sort of management by frequent flyer points is patronising and condescending, like giving trinkets to the natives. What people want - and what the good bosses deliver - is the opportunity to do what they do best even better, with bigger jobs and more resources."

Over at Victory Curtains and Blinds in Melbourne's Mulgrave, Cassar agrees, to a point. He sees incentives and rewards, like tickets to the movies or footy as a useful bonus for his staff, as long as it is part of a wider and genuine philosophy of caring.

"I shake hands with everyone at the beginning of the day. I smile, I call everyone without fail on their birthdays and I send flowers whenever one of our staff has a baby," he says. He also organises Friday lunch barbecues and cooked breakfasts for his staff every couple of weeks to encourage informal get-togethers.

"But they're not just gimmicks I've read about in some book on how to make your business do well," he says. "I do it because I want my people to work where they enjoy what they're doing, where there's a bit of laughter and where they have a say in how the business is run."

"And if that makes me a good boss, that's great, too."