



Annex 5. Business cultures

American influence upon Australian management

The influence of the US upon Australian business practice has received little detailed examination despite its great impact on the local business environment. The well-regarded business academic database, ABI-Inform, for example contains only one brief article on the subject. Significantly greater attention has been given to the impact of Japanese management practice in Australia, although its mainstream influence could only be described as slight.

The US influence in Australia has extended from the powerful demonstration effect of the success of its companies both here and elsewhere, to the influence of the management consulting firms and the appointment of Americans to lead the turn-around of some of our largest companies. Australian business leaders have also learnt from their travels and experiences investing in US markets.

Both Americans and Australians understand that there is a cultural affinity between the two nations, with the bonds of language, heritage and history. The body of academic work on cultural diversity in business, which is almost the only academic literature to touch upon the business relationship between Australia and the US, points to similarities between business cultures along some fundamental axes. These include a relative egalitarianism, individualism, readiness to take risks, aggression and short-term time horizon.

Australia is regarded as an early adopter of management ideas and its companies have used US management thinking to good effect in their organisational structure and operational management. They are also sophisticated in their financial management and controls.

The weaknesses in Australian business practice relate to Australia's historic isolation from international competition and its historic reliance upon government arbitration of human resource management issues. The former has left it with oligopolistic markets and an industrial structure that lacks focus on core competencies. The latter has led to a relative weakness in human resource management skills. In each of these areas, Australian business has much to learn from US best practice.

US strengths

There are many contributing factors to US success. Geography, culture, demographics and the forces of history all play their part.

The success of the United States is first of all a function of numbers. While other populous countries that have not done so well, the depth and wealth of the US market makes it the world's standout economy. The US' 275 million people and 140 million workers produce about \$US10 trillion in GDP. This is three times the economy of next ranked Japan and five times the size of Germany's economy. American business is characterised both by the strength of its multinational corporations and by the vibrancy of its small business sector, which accounts for more than half its employment.

The rise of America as the supreme economic power has also been accompanied by the rise of American management thinking, which is characterised by a preparedness to put ideas into practice in an effort to improve performance. The articulation of this approach started with the work of Frederick Taylor and his "scientific theory of management" which was translated into practice by Henry Ford with the assembly line and further advanced at General Motors by Alfred Sloan who developed the multi-divisional firm.

US management thinking was fostered by the development of business schools. Harvard Business School was established in 1908, and had an MBA course based upon the use of case studies by 1912. Other universities also set up business studies departments, commonly under their Engineering faculties. The development of discrete management schools became much more widespread in the post-war period.

A new literature of management thinking emerged around broad topics such as leadership, strategy and managing change, or concrete topics such as marketing, information management and finance. Today, business books are the most prolific component of the publishing industry, while business titles are also the most profitable segment of magazine publishing in the United States.

A new industry emerged to propagate management thinking. Although the work of Taylor at Bethlehem Steel is seen to have given birth to management consulting, it was in the 1920s and 1930s that advisory firms started to develop, initially assisting firms with statistical surveys and then with their management method. Today, the global management consulting industry turns over a total of more than \$US110 billion, led by US groups such as Accenture, McKinsey & Co, Booz Allen Hamilton, Boston Consulting Group and Bain.

The Dutch management thinker, Geert Hofstede, notes that although the words, "manage", "management" and "manager" have been in the English language since the 16th century, it was only with Taylor that currency was given to the concept of

‘management’ as a class of people who (1) do not own a business, but sell their skills on behalf of the owners and (2) do not produce anything personally, but are indispensable for providing the motivation for others to produce.¹

Hofstede, whose reputation is built upon his theory of the cultural differences of management, points out that the relationship between supervisors and employees is quite different in Germany, France, or Japan. He suggests that there is no right and no wrong way to do it, and that the sensitive manager must be attuned to the culture of a host country. While this is undoubtedly so, the past 15 years bear testimony to the adaptability of US management methods.

The Economist magazine notes, “Companies around the world are falling over themselves to ape the American way. Daimler, epitome of stakeholder capitalism, now extols shareholder value and has become DaimlerChrysler. Michelin, once the epitome of the French, state-supported way, has caused outrage by proposing to cut its workforce even when profits are healthy. From Tokyo to Turin, businessmen talk the ugly language of ‘core competences’; and ‘re-engineering.’”²

A hallmark of US business is its use of management tools to improve performance. Although, as the Economist says, such tools are increasingly a part of the armory of any global business no matter where it calls home, US firms are much more ready to impose ideas upon their organisations whereas the Europeans prefer a more organic approach to their development.

The consulting firm McKinsey & Co summarises what it regards as the essential features of a high performing US company saying it must have:

- A clear mission that is inspirational and consistent over time;
- Aggressive long and short term goals that are measurable and adjusted over time;
- A decentralised organisation with many profit and loss units, with few layers of management, and with clear accountability and autonomy;
- Transparent performance measurement, using both internal and external benchmarking; and
- Visible and quick consequence management.³

The leadership can work with motivational levers, providing good incentives, opportunities for career advancement and a strong set of values. It can also work with coordination and control levers. These include a strong focus by the chief executive on people evaluation and career development processes, financial control and planning

1 Hofstede, Geert.. Cultural constraints in management theories. (comparison of worldwide management concepts) *The Academy of Management Executive*, vol7 no 1, 1993.

2 The Economist. “The Revolutionary Spirit”. 16 September. 1999.

3 McKinsey & Company, *Building a Distinctively Strong Performance Ethic*, White Paper by McKinsey & Company New York, 2000

processes that are part of the day to day management, and stringent and intrusive control processes for all business units that track and challenge operational performance.

Australia's proximity to US standards and practice

Although American executives are struck by the many differences between Australia and the environment they have come from, academic studies in the realm of comparative business culture overwhelmingly stress the similarities.

The first and still most influential theorist in the field, Geert Hofstede, set up a group of five different axes for measuring cultural attributes in organisations and found striking differences from one nation to the next. The dimensions he examined were:

- Power-distance: the degree of inequality among people which the population of a country considers as normal;
- Individualism: the extent to which people in a country prefer to act as individuals rather than members of groups;
- Masculinity/femininity: the degree to which a society displays tough values like assertiveness, performance, success and competition;
- Uncertainty avoidance: the degree to which people prefer to operate within structured situations;
- Long/short-term orientation: On the long-term side one finds values oriented towards the future, like thrift (saving) and persistence. On the short-term side one finds values oriented towards the past and present, like respect for tradition and fulfilling social obligations⁴.

When applied to nations around the world, Australia emerges in close proximity to the United States on each axis. On the measure of the acceptance of power and social distance between people, Australia and the US are less egalitarian than Scandinavian countries, but more so than the Southern Europe, Asian and dramatically more than the poorer developing countries.

Australians are less ready to take risks than the US and significantly less than the British, but are ranked a long way ahead of conservative nations such as France, Belgium, Japan and Greece. Australia is second only to the United States as the most individualistic of the 50 nations he studied, while it sits alongside the US among the more masculine cultures.

Hofstede's analysis has become the benchmark for countless subsequent academic studies. His data points to an Anglo culture of management based on high individualism, low to medium power distance between bosses and their subordinates, low to medium uncertainty avoidance and high masculinity. Where Asian cultures

⁴ Hofstede, *op cit*.

were much more focussed on the longer term (hence their high savings rates), the Anglo cultures were biased to the short term.

Hofstede notes that these characteristics are supportive of market philosophy. “The ideal principle of control in organisations in the market philosophy is competition between individuals. This philosophy fits a society that combines a not-too-large power distance with a not-too-strong uncertainty avoidance and individualism; besides the USA, it will fit all other Anglo countries.”

Of course, these are not the only axes along which it is possible to divine meaningful difference between cultures. Another leading theorist in the realm of comparative business culture, Fons Trompenaars, sets up four types of corporate culture:

- family style cultures with personal but hierarchical relations;
- bureaucratic and hierarchical cultures;
- egalitarian but impersonal cultures; and
- incubator cultures.

A striking feature of his studies is the alignment of Australia with the United States on questions to do with the autonomy of management. Of the 52 countries in his study, Australians were the most likely to say that leaving staff alone to get the job done was the attribute that made for a good manager. Canada ranked next, while the United States was not far behind.

At a more personal level, 82 per cent of both Australians and Americans believed that what happened to them in life was their own doing while about 70 per cent of both nations felt that the most important thing in life was to act and think in ways that best suit the way you really are, even if this does not get things done.⁵

Although the work on culture by Hofstede, Trompenaars and others depict a strong affinity between the Anglo-Celtic cultures, there is a commonality among business people the world over. A study comparing the management values in Australia, the United States and Hong Kong started with the hypothesis that Australia and the United States would be similar, but that Australia’s location, development, demography, Asian aspirations and internal dynamics would display some differences. Hong Kong, mixing the traditions of Chinese Confucianism with western business culture, was expected to produce very different results.⁶

The study explored the importance of organisational goals, of organisational stakeholders and of personal management traits in each country. Although of course there were differences, the overwhelming conclusion was the homogeneity of their

5 Trompenaars, Fons and Hampden-Turner, Charles, *Riding the waves of culture: understanding cultural diversity in business*, London, 1997

6 Westwood, Robert I, and Posner, Barry, 1997. “Managerial values across cultures: Australia, Hong Kong and the United States”. *Asia-Pacific Journal of Management*. Vol 14, April 1997.

responses. The study concluded that although traditional Chinese values were held to persist in Hong Kong, exposure to international management and business practices meant they had little impact on personal values associated with management work.

Australia's management strengths

Australian management has a number of strengths. It is flexible and practical. Studies in management culture have pointed to Australia's readiness to accept something that works, whereas US leadership needs to be reassured that everything is done to specifications. Australians work well in teams and are prepared to get on with the job.⁷

Management consultants with US-owned firms point to a number of similarities in business culture. Relative to Europeans, Australians are seen to be much less hierarchical and its senior executives more open and accessible. This informality makes it much easier for both Australian and US born consultants to move between each other's offices than it is for Europeans.

Australians, like Americans, are prepared to 'cut to the chase', whereas European business culture prefers any proposition to be supported by abundant justificatory analysis.

In relationships with suppliers, Europeans are more likely to develop a long-term relationship based upon ideas of partnership, whereas both Americans and Australians are more hard headed, and perceive contracts with suppliers as 'deals'.

Australian business has been quicker to adopt flatter management structures than has Europe. It is seen to share an entrepreneurialism with the United States, although not to the same degree.

Australia is regarded by many executives with American firms as an innovative market. They point to Australia's early adoption of the Internet and of other technologies such as mobile telephony. American companies sometimes use their Australian affiliates to trial new ideas or, on occasion, undertake research work.

Australian companies were quick to incorporate the internet into their technology platforms and to explore its strategic dimensions. It has been one of the best markets in the world for consultants in selling business-to-business solutions.

Australia's early adopter nature can extend to management tools. It is pointed out that both BHP and Coles Myer were working on shareholder value models as early as 1992. The American consulting company that pioneered the concept, Marakon, was formed in Connecticut, and put its second office in London and its third in Melbourne.

7 Irwin, Bruce, *Leaders in Australia: The Australian Cultural Imprint for Leadership*, Melbourne, 1996.

Germany did not start using shareholder value concepts until 1995, while French companies only started applying them last year. The Japanese are only beginning to talk about shareholder value now, while the Italians have yet to begin.

Australia is seen as quick to pick up tools that relate to finance or operations management. The balanced score card has a strong following among Australian corporations. The total quality movement did well here, in the eighties, while technology solutions such as enterprise resource planning are being widely adopted.

Work by McKinsey & Co suggests that Australian companies are comparatively strong on 'hard' infrastructure issues such as targets and organisation structure and, to a lesser extent, financial and operational controls. Most of its companies are also working hard to establish a strong mission, underpinned by strong values.⁸

Weaknesses in Australian management

Areas of relative weakness relate to Australia's market size and its history. Many consultants point to the problems of oligopolistic markets that leave Australian companies very focussed upon their direct competition, but less interested in experimenting with niches or upsetting established supplier or distribution channels.

The inability of Australian companies to invest abroad until the removal of exchange controls in 1984 meant that once they had run out of ability to grow in their core market, they had to diversify into other markets. This created an industry structure that was 'broad but shallow', rather than one which is 'narrow but deep', which is what success in global markets requires.

A management tool widely used in the United States but little seen in Australia is the analysis of core competencies, which involves breaking down the things a company is good at into its constituent parts to find the common elements in which a company is better than its competition. Australian companies rarely go through benchmarking at that level of detail and because of their diverse history, have little sense of the core attributes from which they derive strength. The failure of the early forays into global markets by companies such as Fosters and Amcor may be attributed to this weakness.

Australian companies are also less rigorous in their measurement of customer satisfaction and loyalty, a reflection of concentrated markets, historically protected by tariffs, in which the existence of customers is taken for granted.

By comparison, Australian companies are less comfortable with the behavioural elements of management, such as transparent positive or negative feedback, performance pay and consequences for under-performers. People management practices were seen as weak.

⁸ McKinsey and Company, "Building a Distinctively Strong Performance Ethic—Australasian Scorecard", 2001.

It is probably in the area of human resource management that the difference between Australia and the United States business is greatest. Although there are strongly unionised areas of the US work force, such as the motor industry and the airlines, the US has never had anything like Australia's centralised wage fixing system. At its peak, this led Australian companies to abrogate large areas of human resource management responsibility over the setting of wages, working conditions, promotion, discipline and, in some instances even recruitment, to the Industrial Relations Commission, and its predecessor, the Arbitration Commission.

A recent study has found that foreign-owned companies in Australia invested much more in human resource management than Australian-owned companies. They were more likely to have a specialist personal/human resource manager and to provide formal training to all first line managers in employee relations. They were more inclined to be part of employers' associations and more likely to draw upon the employee relations advice of law firms.⁹

US firms were more likely to have explicit plans of corporate goals and were less likely to recognise unions than either Australian or British-owned companies. They were more likely to use bonus and appraisal schemes, joint consultative committees and innovative work practices.

US firms also have a much longer and stronger tradition of using performance pay. Human resource consultants say that whereas American managers regard having half their salary tied to performance as normal, Australians will more commonly have 15 per cent to 20 per cent tied to bonuses. Whereas US studies show a much greater level of support for pay for organisational performance, Australians are used to the bonus for individual performance. There is less acceptance in Australia than in the US that when profits are flat, bonuses will not be paid at the same level.

Listed US companies report their earnings quarterly and go to considerable efforts to ensure that they hit their forecast numbers with great predictability. Having everybody in management with their salary equally tied to meeting the numbers guarantees a high level of focus upon performance.

The study mused on whether the practices of international firms had an effect upon their Australian equivalents. It noted that the studies of Australian human resource practice in 1990 and 1995 had shown an increase in the use of structured management techniques, including disciplinary procedures, however the central conclusion was that Australia still had a distance to travel.

US executives posted in Australia underline the gap between human relations and leadership practices in Australia and the United States. There is a view among American chief executives of operations in Australia that Australians are poor at

9 Walsh, Janet, "Human resource management in foreign owned workplaces: evidence from Australia." *International Journal of Human Resource Management* 12:3 May 2001.

teamwork and lack a sense of accountability to leadership. Former Telstra chief executive, Frank Blount, comments, “Among the 26 direct reports, there was too little teamwork and too much empire building”.¹⁰

The head of a \$1 billion turnover US subsidiary comments, “I did a lot of team moulding work and management retreats, but it didn’t work. We’re shifting all our senior staff to Singapore....I’ve never worked so hard and got so little work done. There is not the same level of accountability to a senior manager that there would be in the States.”

Former Westpac chief executive, Bob Joss, says he found a culture of passing on orders, moving things as quickly as possible from the in-tray to the out-tray.”

“Everything was everybody else’s problem. There was no ingrained sense of responsibility, ownership or accountability. I could see how this would lead to a level and depth of experience that was much weaker than I ever thought possible.”

“People warned I’d be frustrated by the ‘she’ll be right attitude’. I didn’t really understand what they meant until I arrived and began to see a lot of sloppiness in delivery or a quite ordinary level of service that people were happy with.”

An advertising executive comments that Australians are motivated by process rather than results. “It doesn’t matter how much gets done or what goals are achieved. What matters is involving everyone, giving everyone their say and ‘a fair go’, an equal opportunity.”¹¹

She comments that whereas Americans are motivated by success, Australians are motivated by duty. “In America, quality means certified. In Australia, quality means relationship. Americans use resumes, degrees and awards or instant credibility, a kind of success shorthand. Australians find such iterations meaningless, pompous and offensive. Accomplishments aren’t as highly valued as personal characteristics and carefully developed friendships. Earning trust can take years. As a result, goal driven Americans see Australians as lacking ambition; duty-driven Australians think we have priorities backwards.”

Frank Blount says his sense is that “Australians broadly view leadership as something rather uncomfortable, the job for the masochist, the insanely ambitious, the workaholic, or the outsider.”

“The culture of the US rewards leadership with enhanced status and aspiring to a leadership role is regarded as normal and desirable. We even respect our political leaders.”

¹⁰ Blount, Frank and Joss, Bob, *Managing in Australia*, Sydney 1999.

¹¹ Doran Bernadette, “Understanding Down Under”, *Brandweek*, 28 September 1998.

American executives in Australia have also commented on the ‘macho’ nature of its business culture. The advertising executive comments “Australians are outrageously sexist by any American standard, and things happened to me every day that would not only be politically incorrect, but also illegal (in the US).” Both Bob Joss at Westpac and George Trumbull at AMP did a lot to change the work culture to make it more welcoming of women in management.

Some of these observations reflect the frustrations of particularly tough assignments, such as turning around corporations that were either in financial difficulty or required a large cultural change, including Telstra, Westpac, BHP, AMP and Coles Myer.

It is notable that leading US management consultants do not reflect the pessimism of these US executives, several commenting favourably about the accountability and teamwork evident in Australian corporations. The consultants note that the companies that most readily adopt international best practice and that are the most interested in new ideas are also the most successful Australian businesses.

Mechanisms for US influence

Ideas can travel quickly, although the cultures on which they may depend for their success may develop more slowly. The most powerful external influences on Australian management practice are:

- Management education;
- Experience in international markets;
- The demonstration effect of foreign companies operating in Australia;
- The services of the management consulting firms;
- The appointment of US executives to Australian companies;
- Capital markets; and
- Informal contacts.

Management Education

The origins of management education in Australia go back to the thirties with courses targeted at executive managers started by institutions such as the Mt Eliza Business School. The major impetus for the development of modern business schools following US curricula came in the sixties, with what started as informal business studies groups at both Melbourne University and the University of NSW. A number of influential Australian business leaders, such as Rod Carnegie and Jim Wolfensohn, had impressed the Australian business community with the strength of learning provided by US

business schools from which they obtained their MBAs. There are now about 40 post-graduate business schools around Australia.

A survey of members of the Business Council of Australia reveals that 24 per cent have MBA qualifications, of which 70 per cent were obtained from US universities. A further 10 per cent have PhD degrees, while 42 per cent have post-graduate qualifications of some sort.¹²

One powerful method for the propagation of US ideas in Australia is through its business books and magazines. Business publishing is the largest single segment of the book publishing industry, while US magazines such as *Fortune* and *Harvard Business Review* enjoy a wide circulation amongst the upper echelons of Australian business.

Experience in international markets

Australia was slow to develop international business because of the barrier posed by capital controls, however it has developed apace since then.

Few Australian companies have operations in the US that register with the consciousness of business there. Besides the exceptional example of News Ltd, Lend Lease, Brambles and Westfield also have some profile, while companies such as CSR and Boral have some local importance in the states where they operate. However, a large number of Australian companies have some level of operation in the United States that exposes them to US management practice. Australian companies going to the United States have not found it easy, however those that have survived their early reverses tend to make good profits.

An avenue of international influence in which Australia significantly lags other markets is the presence of international directors on its company boards. Many of Australia's largest companies do, however, sponsor trips by directors to visit international markets.

The demonstration effect of foreign companies operating in Australia

Foreign companies influence Australian management practice partly through supplier and customer contracts. The motor vehicle industry, for example, helped to create a number of world class Australian motor vehicle parts suppliers by assisting them to meet the international quality and performance standards they required. Food companies such as Kellogg and McDonalds have similarly influenced their Australian suppliers.

Many individual Australian managers have gained direct experience of US experience by working for US companies. Ziggy Switkowski, for example, gained his first

¹² Uren, David "MBAs and the business community". *The Weekend Australian*, 2 December 2000.

leadership role at Kodak. A number of the US' biggest corporations are now headed by Australian executives. One of them, Ford, has more than 70 Australians in senior executive positions around the world.

The services of the management consulting firms

The first Australian management-consulting firm, W.D. Scott was established in 1938, but it was in the post-war era that the industry developed. The dominant firm until the end of the 1970s was the British owned PA. By the early 1980s, however, the large accounting firms, such as Arthur Andersen and Ernst & Winney and Price Waterhouse, had established executive recruitment services and begun to provide a broader range of management consulting services.

The larger pure US consulting firms then started building their Australian operations to service both the blue chip Australian companies and the local affiliates of their US clients. Although PA still operates, the consulting turf is dominated by companies like McKinsey, Boston Consulting Group, Booz Allen Hamilton, AT Kearney and Accenture. The technology consulting area is dominated by Accenture, EDS and IBM's consulting operation. In human resource consulting, the leading firms are Korn Ferry, Heiderick and Struggles, Spencer Stuart, Russell Reynolds, TMP and Egon Zender. Only the last of these is not from the US.

The appointment of US executives to Australian companies

The influence of American managers has had a powerful impact in Australia's financial services and telecommunications industry. Frank Blount decisively changed the culture of Telstra from that of the public service to a private corporation. The pattern of suppliers to Telstra also changed from European to American, and this has helped to preserve the influence of US management culture in the organisation after Blount's departure. Although George Trumbull's tenure at AMP did not end successfully, he is seen to have significantly changed its operating culture and both it and Westpac have acted as powerful models for the rest of the financial services industry. Senior management consultants suggest that these industries are now much more advanced than Australian manufacturing industry as a result. Department of Immigration statistics show there are 4 324 American executives in Australia as temporary residents under business visas. This is second to Britain, which has 9 631 executives in the country on the same basis.¹³

Capital markets

The influence of portfolio investors upon management practice is exercised both through the comments of analysts working on their behalf and the discipline of the

¹³ Department of Immigration and Multicultural Affairs. *Temporary Entrants 1998-99. Statistical Report No 29*, Canberra 2000.

market itself. Institutional investors are increasingly looking for the consistency of earnings that are expected in the United States. They are also tightly focussed upon cost ratios, and relate Australian data to that which prevails in other markets.

Leading broking houses sponsor tours by executives of Australia's largest companies to London and New York to meet institutional investors, and this can be a powerful source of information and inspiration for Australian chief executives.

Informal contacts

American executives comment that Australian executives, particularly those in their mid-forties and above, are very reluctant to move to overseas locations, however Australians are prolific travellers. There is a constant flow of Australian executives to the US, Asia and Europe. There is also a constant flow of visiting American executives and management thinkers who come into the orbit of Australian business leadership.

Potential gains for Australia from closer US relationship

There is a growing self-consciousness in the United States that its lead is due in part to its preparedness to implement ideas. This is reflected in studies such as Bain's survey of leadership tools and the continuing surge of investment in both business education and management consulting.

A benefit for Australia from building a closer relationship with the US is that its cultural affinity with the US and its strength as an early adopter of ideas will give it early access to new US thinking. Australian companies have already demonstrated the gains from putting US management thinking to good effect in their organisational structure and operational management, as well as in their financial management and controls.

A closer relationship with the US will play to Australia's management strengths. The autonomy and entrepreneurialism of its managers, and their preparedness to try ideas to see if they work are creative forces in Australia's business environment. A readiness to deal means Australian firms can move quickly.

Not everything that works in the US will work here, and Australia has its own distinct strengths that need to be understood in order to be developed. For example, work in the field of leadership has pointed out that Australians do not regard failure as a learning experience, as do Americans. Nor are Australians inspired by big visions that they regard as unrealistic. Leadership in Australia works by building bridges with followers so that they can envisage the future and feel secure about taking the necessary steps to get there. Attempts to simply transplant a US style of leadership to an Australian environment will fail.

However, Australians do have much to learn from the US about managing the motivation of staff, and about building accountability into their organisational practice. Australian firms need to analyse why US firms spend more than they do on human resources management, and appraise the benefits they gain from it.

The US will also continue to be a leader in innovation and technology. The understanding that this is an area in which strategy can make a profitable difference will become increasingly evident to Australian firms as they reduce their reliance upon oligopolistic domestic markets and establish deeper niches in global markets.

The diffusion of ideas may be extraordinarily rapid, with global media, capital markets, educational curriculum and management consulting firms ensuring that the latest ideas are put before business around the world. The example of shareholder value, however demonstrates that not all ideas find equally receptive audiences in all markets. Australia's cultural affinity with the United States gives it some advantages in picking up best practice, however there are important aspects of management in which our firms lag behind the world's leaders.

Although there are many channels through which ideas may find their way into Australian practice, they are all influenced by the strength and intensity of the relationship. The more cross pollination of investment, travel, trade, education and executive experience there is, the more we will learn.