



business class

WHAT MAKES AUSTRALIANS SUCH SUCCESSFUL BUSINESS LEADERS ON THE GLOBAL CORPORATE STAGE? IRONICALLY, IT SEEMS OUR PHYSICAL ISOLATION PLAYS A LARGE PART, ALONG WITH OUR CULTURAL DIVERSITY AND A STRONGLY HONED ABILITY TO SURVIVE.

By **Jennifer Conley** Photography **Michelle Andonian and Susan Tusa**

It is a subject, as Australians, we hear a lot about: Why do Australians often do so well – perhaps better – when they leave Australia? Steve Irwin, the Crocodile Hunter, was enormously popular in the United States. His enthusiasm, his huge personality, produced an unparalleled affection among Americans for all things Australian. Yet, at home, our love for him was not so certain.

In the corporate world, the number of Australians rising through the ranks to the most senior global positions has people shaking their heads. What is it about Australian executives that makes them so successful overseas? We have had Charlie Bell at McDonald's, Douglas Daft at Coca-Cola, Geoffrey Bible at Altria, Rod Eddington at British Airways and James Wolfensohn at the World Bank.

Andrew Liveris, born in Darwin, is currently president, chief executive officer and chairman of The Dow Chemical Company, a US\$49 billion global chemical and plastics manufacturer, perhaps the largest in the world.

The universally-known breakfast cereal company, the Kellogg Company, has just appointed an Australian to its most senior global post. David Mackay, from country New South Wales, is now president and CEO of Kellogg at age 51.

Effective on 1 July this year, an Australian, Michael McRobbie, takes over as head of Indiana University in the US, a 187-year-old institution with eight campuses, 97,000 students and a budget of US\$2.3 billion. WD-40, the US\$500 million global consumer products company that makes the incredibly handy spray of the same name, has an Australian, Garry Ridge, at the helm. And the list goes on.

Australians are regarded as courageous and adventurous, not all crocodile hunters perhaps, but certainly we are known to have the courage of our convictions.

According to the American Australian Association (AAA), our relatively small and isolated population has something to do with our success. Australians have a strong desire to travel and a sense of adventure, says AAA president Frances Cassidy. "When we did a survey of top Australians in American firms, we discovered that many had found their way to the US via successful overseas postings by multinational companies, particularly to Asia," she says. "This was certainly true of Charlie Bell of McDonald's and Andrew Liveris, currently CEO of Dow."

Bob Charles, the Australian Consul-General in Chicago, believes economic as well as cultural factors have created a breeding ground for strong global leaders in Australia.

Charles is a former member of the Australian House of Representatives. He is an "Australian by choice", as he puts it, moving here from the US in the 1970s as the CEO of an Australian company "behind the huge tariff wall and constrained industrial relations base of the time".

For Charles, economic reform in Australia, including the hauling down of those tariff walls and floating the dollar, began an irreversible process that put Australia to work in the rest of the world.

Fledgling executives in Australia are "exposed early to the cruel, hard, icy winds of competition with the rest of the world", and they are survivors. Australians, he says, have a global viewpoint and exposure to a very diverse international population – which makes us more willing to accept difference rather than recoil from it.

"More recently, the acceleration of our influence in the world and the respect with which Americans regard Australia is quite phenomenal. We punch way above our weight in Washington because of our defence alliance and that high regard trickles on into the business world."

david mackay, CEO kellogg company

David Mackay has tried to answer the question before. Now, speaking to *CEO Agenda* as the new head of the Kellogg Company, with sales in excess of US\$10 billion and 23,000 employees in 17 countries, he wonders whether there is an Australian 'attitude' that can breed success.

He is known to his colleagues as someone who is straight-talking – and easy to talk to – and is well loved within the company. "I've known David since he joined Kellogg US as a brand manager," says Celeste Clark, senior vice-president, global nutrition and corporate affairs and a member of Mackay's global leadership team. "I'd describe his leadership style as approachable, direct, no-nonsense and collaborative." She is not certain whether they are particularly Australian traits.

David Mackay is certain at least some of them are. "It is more acceptable in Australia to be outspoken," he says. "There is great encouragement to challenge the status quo, to be blunt and direct. Having an opinion and stating it comes as part of being an Australian."

He admits it nearly got him fired when he first moved to the US in 1987 as category director, ready-to-eat cereals. "You learn quickly that it really is not acceptable here. People are more respectful here, more collaborative." He survived, he says, because of another Australian cultural trait: adaptability. "You maintain your strong opinion but you learn to express it in a way that is more acceptable and probably in a better way. Adapt or die."

Mackay says an ability to embrace huge cultural differences is another Australian attribute that contributes to success. "When I was growing up and going to uni, everyone was talking about travel. We have a strong desire to get out and see the world. Australians are more prepared to travel."

He, his wife Michelle and two daughters, aged 19 and 13, one at college in California and the other entering high school soon, have certainly been great Australian travellers. Mackay joined Kellogg Australia in 1985 and, in 1987, moved to its headquarters in Battle Creek, Michigan. In 1991, he took a headhunter's offer to run the Sara Lee Bakery in Australia and travelled extensively throughout Asia for six years. He has said his time away from Kellogg was excellent experience: while he learnt a few things Kellogg was not good at, he also came to appreciate his former company for its emphasis on its brands, its innovation and its commitment to its staff.

He returned to Kellogg in 1998 as managing director, Kellogg Australia, and was promoted to managing director, United Kingdom and Republic of Ireland later that year. Seven years ago, he returned to corporate headquarters in the American mid-west.

Mackay believes the smaller scale of Australian operations means Australian executives have a broader and more diverse level of involvement within companies while, importantly, the business environment is as sophisticated as anywhere. Executives therefore develop leadership skills across a variety of complex functions. In the US model, executives typically grow within a function "and pop out of the function into an executive role".

"In Australia, you have the opportunity to get involved in a lot of functions and to learn the inter-relationships between them, how one part can affect another, how to influence a part when you don't have any direct authority over it. You have to win them round, and do it in a consensual way. It's valuable experience."

andrew liveris, CEO the dow chemical company

The Darwin of Andrew Liveris' childhood and youth was the most ethnically diverse city in Australia – and rivalled some of the most diverse cities in the world. A second-generation Greek Australian himself, his best friend was the son of the first Asian mayor of an Australian city, Harry Chan, who was renowned for supposedly knowing the names of every Darwin resident and all their pets.

It was a small town and truly a global village. "Small towns bring you big advantages," says Liveris, who now heads one of the world's largest corporations, The Dow Chemical Company. "Darwin gave me an appreciation of diversity. You had the small community, good neighbours, we were all in it together."

CEO of Dow since 2004 and Chairman of the Board since April last year, he has been with the company 30 years, the bulk of it spent in Asia.

Australians, he agrees, are definitely successful disproportionate to the size of the population. "I often hear: 'You Australians are everywhere!'," he says. "Financial services, in the consumer goods world, IT, medical. In business, the marketplace is so small that, really, if you want a business career, it is a prerequisite to think about going overseas. Australians have to be more flexible."

And in a competitive executive marketplace, small differences stand out. "We speak English, we understand many of the same things, but we are adaptable, and we are agile in a business sense," says Liveris.


"An Australian is a decision-maker. He moves on, doesn't dwell too much on the past. People do notice the Australian ability to make a decision."

The week following our interview, Liveris' strengths as a leader are put to the test yet again: In the midst of scotching rumors about a leveraged buyout, the company discovered that two senior executives had engaged in highly inappropriate business activity – unauthorised discussions with third parties about the potential acquisition of the company – and their employment was promptly terminated.

Liveris agrees with David Mackay that Australians are more direct and it is an attribute he finds refreshing when he makes his frequent trips home. In its worst case, however, that candor can be too sharp, too dry, and can offend.

"In general, we are forgiven because Americans see us as what they used to be like – the frontier America. Americans like the notion of Australia."

"But you do modify yourself as you go along. You become a little more diplomatic, a little more sensitive, you take your time. Americans are phenomenal people. In Australia, we have trouble accepting a leader; we try to keep people more or less the same. Here, the people will look to a leader for leadership."

In Asia, Liveris honed his skills in understanding diverse cultures and had long exposure to the American business model. He and his family have now lived in midland Michigan for the past eight years. Americans and Australians, he says, are not so different. "The more you think about the differences, the more similar you realise we are. I think you can adjust to the American style and still keep your unique attributes." 

THE LIST GOES ON

A snapshot of Australian-born leaders who have travelled a long way to the top

GREG COOTE, former executive of Columbia Pictures, now executive chairman of Anytime, a multinational on-demand digital movie service based in Santa Monica

JAMES P. GORMAN, president and COO at Morgan Stanley's Global Wealth Management Group

DAVID HILL, chairman and CEO of Fox Sports America

RORY HUME, executive vice-provost and vice-president for Academic Affairs, University of California system (10 campuses including Berkeley, with a state-funded operating budget of US\$3.2 billion)

MICHAEL MCROBBIE, president, Indiana University (eight campuses, 97,000 students and a budget of US\$2.3 billion)

MALCOLM DUDLEY-SMITH, executive vice-president, Warner Bros

GARRY RIDGE, president and CEO, WD-40, San Diego

RUPERT MURDOCH, CEO and chairman, News Corporation, New York

JAMES MURDOCH, CEO, BskyB, London