I would like to begin by asking you to ponder the question of why it is that in a country which sees itself as a land of opportunity, we have the industrial spectacle of the last few weeks. During that time, industrial relations, always a problem in one Australian industry or another, reached the point where every single person was affected by strikes or bans either as a worker or a consumer. Our newspapers were so full of news on this subject that visitors could be excused for believing that we are obsessed by it.

We have all of the physical ingredients we need to make our country an industrial success and we only have to add the will, yet we haven’t been able to get it all together. Far from being successful, our performance is nothing short of disgraceful. All over the world we have come to be best known for strikes, excessive costs and wasted opportunity. In spite of the very high level of job skills and ability in our community, we have become the butt of jokes about industrial ineptitude.

Explanations as to why this should be are many and varied, but they all amount to criticism of the Australian workforce and its lack of motivation. On the other hand, we all know that it simply isn’t true that all Australians lack motivation. I don’t and most of my audience doesn’t, even though we are Australians, too. Also, there are a great many business organisations where strikes and conflict are unknown and employees go about their jobs with enthusiasm. So, obviously, there are differences as to the circumstances under which Australians work.

The differences, of course, stem from the management, not the workforce. In particular, they involve the extent to which management plays a leadership role in relation to the people for whom it is responsible.

During the postwar years, our secondary and tertiary industries have grown very quickly from a relatively small base. Coupled with this there has been a concentration on the technical aspects of management in developing people to take positions of responsibility. Candidates have tended to be selected for training and promotion because they have performed well in a skilled job or some form of technical education. Only rarely has their sensitivity to the needs of others been an important factor. The result of this is that, to the factory worker, managers in some of our large organisations are seen as being remote, cold, logical and calculating. Where this state of affairs exists, employees will feel alienated from the people they would otherwise look to for leadership. The result is a mass feeling of emotional isolation, inadequacy and frustration. Put this in the context of rising expectations being thwarted by rapid change, and increasing world competitiveness, and you add the feeling of insecurity.

We couldn’t have a better formula for irrational industrial behaviour.

If our industrial organisations don’t take positive steps to correct this situation, the outlook is for more of the same. Our society will become even less productive with living standards continually falling.

The factor that will force much of private industry to act is increasing competition from external sources. It was the relative lack of external competition in the past that allowed the present situation to occur. With the local market to ourselves and no serious commitment to exporting, management in Australia has meant maximising the efficiency of market exploitation rather than seeking human and resource efficiency. The thought is often expressed that the existence of a highly motivated workforce is the principal factor in the ability of other countries to compete in world markets. However, I put it to you that the real fact is that the standard of leadership and hence motivation, in a country’s industry is the
result of its need, or preparedness, to compete in world markets.

In the future, we, also, will have to accept the challenge of competing internationally.

In those sections of the economy which are less subject to competition, there will have to be a different catalyst. Perhaps there will be some other way that, even in those cases, the people in charge can be brought to an understanding that their job tenure depends on the demonstration of good leadership.

Motivation in the direction of an organisation's objectives cannot occur spontaneously as a result of some action on the part of those who constitute the followers. It must come from the people responsible for leadership. Furthermore, it must originate with the most senior person in the organisation. If that person does not deliberately set out to create an environment in which good leadership and therefore high levels of motivation are the normal state, then it can't happen. There might be exceptions in odd parts of the organisation where, by accident, there are managers who have exceptional leadership ability. However, even then the degree of motivation will be limited by the overall environment.

When the person with final responsibility for the affairs of an organisation criticises its workforce for discontent or lack of motivation, he is really describing his own failure to come to grips with this fact.

Let us now refer briefly to the question of change in relation to motivation. When I was asked to talk to you about employee motivation in times of change, I was concerned that the title might suggest that motivating people is more difficult at such times. In fact, the converse is true. Subjecting people to change without leadership to give a new sense of direction is threatening and demoralising. However, if one is to develop motivation in a group then there has to be either the prospect of adverse change in the circumstances of the people concerned or the possibility of obtaining a benefit through change. If there is no threat or potential benefit and if, therefore, conditions will remain the same regardless of effort, then motivation is pointless and cannot be made to occur. It follows that there never has been a better time than the present for doing something about motivating employees. Change is the order of the day and we are constantly surrounded by both threats and opportunities.

If one examines the many styles of industrial leadership in order to understand some of the factors involved in motivating people, they will be found to fall into three main categories.

Firstly, it is possible for a person responsible for the motivation of others to operate in an authoritarian way. Put in other terms, this means that he will tend to generate an atmosphere in which people will feel threatened. They will perceive the possibility of adverse change through punishment or the loss of their job if they don't behave as instructed. They will tend to be personally weakened by that experience. They will be resentful and their motivation will not be continuous.

It seems to me that many people who are authoritarian in their leadership have a high level of natural potential for motivation themselves without it being matched by a natural or professional ability to arouse the same state in others. In consequence, they act out of a sense of personal frustration. In terms of motivation of employees, the result will fall well short of what can be achieved under different circumstances.

The second type of leadership style one encounters is that of the democrat. This person will tend to be an administrator rather than a motivator. He will be a bureaucrat whose leadership, in the industrial climate, will suffer from a lack of entrepreneurial flair. He will not generate a high level of motivation because he will fail to create a strong sense of direction. The motivational result he obtains will also be patchy, varying throughout his organisation according to the natural talents of those in charge of its sub-groups. Inevitably, he will not provide the solution needed so badly by Australian industry.

This seems an appropriate point to refer to the proposition that workforce participation in decision-making will contribute to employee motivation. This idea is generally put forward by people who have no experience of Australian industry or its leadership. It demonstrates a complete lack of understanding of the problem and will provide no more than window dressing. The people who make up our workforce do not want to
make industry’s decisions. They want to be properly led. That means they want their interests to be taken into account when decisions are made, but they want the decisions to be made by adequately trained and competent leaders.

The third kind of leadership is the one based on a professional understanding of the needs of the people who are being led. In this case the person responsible for the motivation of those in the organisation will create a state of affairs in which these needs are met. The result will be a high level of motivation and less of the conflict which stems from frustration and polarisation.

The best way to try to understand this kind of leadership is to first examine some of the characteristics which tend to be common to the most highly motivated and successful groups of people in industry and elsewhere.

1. There will be a strong sense of purpose and direction. Members of the group will know what they are trying to achieve and why. They will have clear guidelines and objectives which will be consistent with the group purpose.
2. Group members will feel dignified by their involvement in and contribution to the pursuit of the group purpose.
3. The people concerned will have a sense of identity through their association with the group.
4. Group members will be fully informed and aware of their progress towards their objectives. They will know the bad news as well as the good news.
5. Their knowledge that they are being relied upon to contribute will make them feel stronger, more adequate and more confident.
6. Members will have a sense of security which they will associate with the successful pursuit of the group purpose.
7. There will be a feeling of excitement as a result of an awareness of the fact that the group is competing with other similar groups in the industry.
8. There will be strong discipline and a clear understanding of the behaviour necessary for continued membership of the group.
9. Above all, members of the group will be confident that they will benefit from their success.

If those are the main characteristics which the most highly motivated and successful groups of people will have in common, then they do more than help us to understand how some leaders operate. They also describe the kind of situation we should have in mind when we contemplate the problem of motivating employees in times of change.

Contrast this description with the picture one is likely to find in a great many Australian businesses.

Often, the picture will be almost exactly opposite to the one in the highly motivated team. With management and the workforce polarised and alienated from each other, the atmosphere will be one of suspicion. Instead of there being a common sense of purpose, the workforce will experience a feeling of exploitation. Under these circumstances, the idea that people might benefit from the success of the enterprise will certainly not be a motivating force.

On the other hand, we all know that in countries which are noted for their industrial success, that pattern is quite common. Why the difference? Is it because there is something unusual about the followers? If that was true it would be a convenient excuse for not trying to do better than we do now. But it isn’t true because the emotional responses of groups of people will be generally similar no matter where they live. Just to back that assertion, I will quote the example of an Australian group whose leader, in the normal course of communicating information about progress towards the objective, told of the effect of quality rejects on the final result. Without any prompting, the group then met outside working hours for two hours a day to discuss ways and means by which they could contribute to an improvement. In due course, they proposed changes in work practices which would solve the problems. It’s also worth mentioning that the meetings were convened by a union steward.

If one looks for them, there are plenty of examples to show that the principal difference has to be the standard of leadership rather than followership.

I believe there is one other important difference in these terms between people from country to country. This is the general level of community discipline, which varies
considerably from one society to another. However, once again this doesn't provide us with an excuse because it only influences the size of the group which can be led by a person with a given level of ability. This means that people in a highly disciplined society like the Japanese can be led in larger groups than would be the case in a less disciplined community such as ours. That doesn't leave us at a disadvantage because what we lose in terms of the advantage of group size is offset by the greater flexibility of our people in dealing with unprogrammed obstacles.

Unfortunately, this is an area of management where it is not possible to set out a procedure which can be followed to achieve the desired result. Also, there is no doubt that some individuals will display more natural aptitude than others in developing motivation. However, most people can do a better job if they are prepared to make the effort.

Even though there is no precise formula, there are some essential ingredients on which one can build.

As I have said earlier, the first and most important point is that there must be commitment at the top of the organisation. The chief executive has to make it clear that managers at other levels will be judged on their willingness to try to improve their leadership performance. He must also ensure that adequate training opportunities are available. Above all, he must be sincere in his own acceptance of the fact that he is responsible for the kind of relationship which exists between the company and its employees. If he is cynical in his approach, he will fail.

The second ingredient is that the company must know what is the purpose of its existence. If it doesn't know or can't decide, then it is hardly likely that its employees will have a sense of direction. In establishing the purpose of the organisation it is not sufficient to simply see it as the making of a profit. Employees at lower levels will not be convinced that their interests will be considered if that is the only purpose of the enterprise and they will not be able to relate to it. On the other hand, they will readily accept the proposition that profit has to be earned if they are to have security. In any case, in a competitive world, profit has to be the by-product of success.

The purpose of the organisation has to deal with the service or other economically useful product which is to be provided and aspirations for success in relation to competitors. It also has to aim to deal with the needs of the main stakeholder groups including the employees. Only then can it embrace profit as well.

Once decided, every employee should be made aware of it.

The next ingredient is that one has to create as many means of communication with employees as are possible. Communication is a two-way word. It is useless to set up a means by which employees can be told only what the company wants them to hear. There must be provision for them to obtain the information they feel they need and we shouldn't be surprised when employees voice their criticism. In fact, criticism should be invited.

Once established, the communications system must be used continuously. People in positions of leadership have to communicate, communicate and communicate. In doing this, one of the hardest things to accept is that an important reason is to create and maintain management credibility.

Throughout this whole process, employees have to be made to feel that they are being invited to participate in the competition in which their company is engaged. Furthermore, they should know that difficult objectives cannot be reached if they don't participate.

The communications system should also be used to make sure that employee expectations as to the way they might hope to benefit are consistent with the realities of the situation. There must be benefits from success, but if expectations rise beyond what can be achieved, there will be disappointment and disillusionment. The best example of this is the way the Shah of Iran built up the expectations of his people to a level which couldn't be realised. The result was chaos.

Benefits need not always be in cash terms, but if there is not to be some benefit, there will be no motivation. It can come in the form of greater security. That is, the avoidance of adverse change. It can come in other intangible forms. At the same time there are many cases where it should be an economic benefit.
Finally, if over the long haul we are going to bring about really worthwhile improvements in the picture of Australian industrial relations, we must begin now to emphasise leadership ability in the selection of our senior managers. We must find people with the right personal characteristics and teach them to be managers. The opposite approach of looking for technical skill and ignoring the question of sensitivity to the people factors has been a complete failure.

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