

PWC PEARLS LEADERSHIP PROGRAM

SYDNEY, MARCH 2011

In this conversation I would like to present you with three challenges.

Hero's Journey

The hero's journey has always fascinated me. I like the story of King Arthur and the quest for the Holy Grail. Similarly the hero's journey is present in the Star Wars films where the hero Luke Skywalker encounters adventures and trials in his quest to become a Jedi knight and is guided by Obi-Wan-Kenobi and Yoda. It is also illustrated in the Lord of the Rings trilogy where Frodo embarks on his adventures and trials in the quest for the ring.

The hero's journey is the inspiration for the work of Professor Joseph Campbell, who draws on the collective wisdom of religion, myth and culture. The stages of the journey appear not only in myth and literature but if you are sensitive to it in the working out of the plot of your own life journey. You become the hero in your own life adventure.

The story of the hero's journey involves leaving your current situation, embarking on a new adventure, encountering trials and testing, realizing your own potential and bliss and then bringing your experience and knowledge into your live journey.

Campbell states that a good life is one hero's journey after another. Throughout your life you are called to new adventures. Each time there is the same problem of whether to take the risk or not. There are many distractions in society to prevent you from doing so and the results can be a personal sense of alienation, despair and destructive behaviours.

A major call to adventure in my own life took place when I entered religious life to become a Franciscan priest. It was a radical change in direction, from a comfortable middle-class lifestyle to living a life based on ideals of simplicity, celibacy and communal living. It changed my life and took me on a journey that I would never have imagined.

One special experience was visiting Fiji as a young man to spend time with a Jesuit missionary, Marion Ganey. He was a social entrepreneur before the term became popular and a pioneer of community credit unions – similar to micro-finance. He founded over 400 community credit unions with more than 60,000 members. He

set up a training centre in Suva to provide training for community leaders throughout the South Pacific.

I flew with him to the island of Taveuni and went with him to the village where he told stories about credit unions and how they helped people take control of their lives. He talked about loan sharks and how they enticed people into debt with exorbitant interest rates. In contrast he explained the principles of the credit union: save regularly, borrow wisely, repay promptly. Afterwards we were presented with a whale bone and sat in a circle late into the night drinking kava and talking. He empowered simple villagers to take control of their lives and communities.

It was a change of life experience for me and inspired me to make a difference in the lives of people and to be a social entrepreneur.

My subsequent years establishing a social enterprise, being CEO of Mission Australia and developing a blueprint for welfare reform under the Howard Government, enabled me to live out my call to adventure. I feel fulfilled in that I have made a difference in the lives of disadvantaged Australians and in the development of good social policy.

I would challenge each of you, if you have not already done so, to expand your life experience. It will take you outside your comfort zone – it might be time spent in a third world country, in a rural, indigenous community, working with young people at risk or homeless people, developing micro-finance programs or assisting social entrepreneurs.

I believe that it is these first hand and often confronting personal experiences that will sow the seeds of a social conscience in you and enrich your personal life journey.

Strategic Partnerships

A second challenge is to develop strategic partnerships with Third Sector organisations that are mutually beneficial.

Two examples:

Mission Australia Centre at Surry Hills, which after a \$7 million renovation is a best practise model of working with newly homeless males who on average are 32 years old. The program includes case management, job search training, work

experience, budgeting, buying food, cooking, dental and medical care, counselling and support services.

Funding for the renovation came from Peter Hunt, Managing Partner of Caliburn, other high net worth individuals, foundations and corporates, and the construction was completed on time and within budget by Boulderstone Hornibrook, under the leadership of CEO, Liam Forde.

PWC Transparency Awards recognizing quality and transparency in reporting in the Third Sector. Not-for-profit organisations face many ethical dilemmas in relation to government contracts, board governance, financial reporting, conflicts of interest, corporate partnerships, executive remuneration and investment portfolios. The PWC awards focus on strategy and mission, performance, financial reporting, structure and vision. They promote best practice in the Third Sector.

Corporate Responsibility

A third challenge relates to the ethical conduct of corporations.

Undoubtedly business is under pressure to take on corporate responsibility (CR) obligations i.e. the duty of management to consider and respond to social and environment values beyond a company's economic and legal requirements.

However there is still a school of thought proposed by Milton Friedman and his followers who argue that the role of business is to create profit, build shareholder wealth and provide jobs for employees. There is no need for corporate responsibility or philanthropy.

Even when corporations profess to support CR, there are sometimes questions as to whether it is in the DNA of the business. CR is often linked to a company's foundation, staff volunteering, payroll giving programs or meeting GRI (Global Reporting Index) indicators. While these are of great benefit to the community, they are also remote from the engine room of business and decision-making processes.

The BP Corporation's "Deepwater Horizon" oil spill off the American coast is an example of how CR and ethical behaviour do not necessarily overlap. BP has an excellent record in philanthropy (foundation, staff volunteering and pay-roll deductions for charities). It is a leader in Global Reporting Index reporting (GRI).

However the Deepwater Horizon drilling rig explosion displayed a poor application of risk management practices and ethical conduct. It killed 11 workers and caused a massive offshore oil spill in the Gulf of Mexico, the worst environment disaster in US history. The subsequent report on the causes of the disaster blamed BP and its contractors Halliburton and Transocean for cutting costs and having inadequate safety plans.

The dilemma that this example highlights is: how does a corporation ensure that ethical conduct is integrated into the DNA of its core business. The history of the Global Financial Crisis illustrated that this was not the case in investment companies such as Lehmann Brothers.

Perhaps you can be advocates of corporate responsibility in your leadership roles.