



What Difference a Leader?

- When must the regime change?

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The move against the Liberal National Party, demonstrated in the steady decrease in the electorate's expectation that an L-NP Federal Government will be re-elected at the next election, began well before the ALP leadership change saw Mark Latham become Leader of the ALP.

But there is no doubt that the new leader has brought about a dramatic change in electoral support.

This raises several questions. The first being: "Could a new leader for the Liberal Party, for instance, taking over from Prime Minister Howard when he turns 65, make the same kind, or magnitude, of difference to the L-NP's electoral stocks?" You may recall in November of last year, immediately after the Federal Cabinet reshuffle, the L-NP pulled ahead of the ALP for one Morgan Polling period. Clearly, more than one good Morgan Poll is needed, but then a Cabinet reshuffle is not really a change in leadership.

While these thoughts no doubt occupy the minds of the L-NP Government of the day and the Opposition, similar issues are being raised, weighed and even publicly debated in and around one of Australia's highest profile boardrooms. The National Australia Bank has replaced its leaders – Frank Cicutto and Charles Allen have gone. However they are finding that the answer to the question, "What difference a leader?" may well be "Not a lot", or "Not enough".

In Australia, and the rest of the democratic world, governments have either been returned or replaced every few years at the will of their electorate. There is a clear, transparent process, enshrined in law, history and protocol, which allows, encourages and, in the case of Australia, enforces electoral participation in the determination of

who will ultimately rule the country. This means every few years the government of the day has to be evaluated and either retained or ousted.

The boards of even the largest and most powerful corporates – although nominally

anything especially different, but much symbolism attaches to the ousting of the old leader and the promise of the new.

But what happens when the whole structure and values embodied in the regime are called into question, when the board itself faces the loss of confidence of its constituency (or constituencies)? Regardless of what happens to Prime Minister Howard or the L-NP Government, it is unlikely that the boardrooms of Australia will be immune from the pressure to do their job or go.

It is less than a year since the Governor-General resigned, following an extended period of fairly intense public scrutiny, criticism, disappointment and loss of confidence. As has been pointed out in previous articles, the Australian people have lost a great deal of confidence in the fundamental institutions of society. As a people we are less trusting – our eyes have been opened. We have seen that there is less reason than we had thought to trust companies – HIH, One-Tel, Ansett, Pan Pharmaceuticals. We have seen more unfulfilled promises and we've seen at first hand the 'Politics of War', and the theatre of post-War rationalisation.

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What is needed now is a mechanism, or a process by which they can be reviewed – an independent three-way audit of shareholders, customers and employees must be the cornerstone of such a process. The share price alone is too blunt an instrument. It does not compare to a real 'election'. ■

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responsible to shareholders – have not had to face such a critical and final review of their performance. When was the last time shareholders voted the board out?

Chief executive officers have been replaced with fairly remarkable speed and it seems with increasing frequency – and there is no doubt a new leader can make a difference (just like Mark Latham). It may not be that the new CEO is any better than the outgoing CEO, or that he or she does

