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SPEECH BY THE PREMIER, MR. DUNSTAN, TO AUSTRALIAN INSTITUTE OF
MANAGEMENT ANNUAL DINNER.

3.8.73

MR. PANK, MR. BAYLY, LADIES AND GENTLEMEN:

THANK YOU VERY MUCH FOR INVITING ME THIS EVENING AND FOR GIVING ME THE OPPORTUNITY TO SPEAK BEFORE THIS PRESTIGIOUS AND INFLUENTIAL FORUM.

BEFORE SPEAKING ON THE FORMAL TOPIC OF THE GOVERNMENT'S VIEW OF MANAGEMENT'S CONTRIBUTION TO SOUTH AUSTRALIA'S PROSPERITY, I'D LIKE TO MAKE ONE GENERAL AND IMPORTANT POINT.

THE STATE GOVERNMENT IS KEENLY AWARE OF THE VALUE TO THE COMMUNITY AT LARGE OF THE WORK OF THE INSTITUTE, AND IS GRATEFUL FOR IT.

2.

IF WE ARE, IN THE LATTER PART OF THE TWENTIETH CENTURY, TO KEEP PACE IN AN INCREASINGLY COMPETITIVE NATIONAL AND WORLD SCENE, LET ALONE MEET THE CRISIS OF RISING EXPECTATIONS, WE REQUIRE AT EVERY LEVEL THE HIGHEST DEGREE OF SCIENTIFIC MANAGERIAL SKILLS. THE INSTITUTE'S ACTIVITIES IN FOSTERING A BETTER MANAGERIAL PERFORMANCE ARE WELL KNOWN AND MUCH APPRECIATED.

THAT SINCERE COMPLIMENT PAID, LET ME NOW TURN TO WHAT I THINK ARE SOME OF OUR PRESENT DEFICIENCIES AND SUGGEST A POSSIBLE LINE OF ATTACK FOR THEIR SOLUTION.

SAVE POSSIBLY FOR THOSE UNRECONSTRUCTED ADVOCATES OF LAISSEZ FAIRE STILL AMONG US, I THINK THERE IS ACCEPTANCE IN THE COMMUNITY THAT GOVERNMENT HAS A FUNDAMENTAL RESPONSIBILITY TO INVOLVE ITSELF IN A SOCIETY'S ECONOMIC AND BUSINESS LIFE.

CERTAINLY IN SOUTH AUSTRALIA WE ARE SEEKING TO TAKE A MORE ACTIVE ROLE, AND DURING THE PAST THREE YEARS OR SO WE'VE BEEN ESTABLISHING NEW STRUCTURES TO ENABLE US TO STIMULATE DEVELOPMENT OF THE TYPE WE REQUIRE TO OVERCOME OUR INHERENT DISADVANTAGES OF GEOGRAPHY AND OVERDEPENDENCE ON CONSUMER GOODS MANUFACTURE.

ONE SUCH AGENCY IS THE INDUSTRIES ASSISTANCE CORPORATION WHICH WAS CREATED TO ASSIST, IN VARIOUS WAYS, AT THE EARLY, CRITICAL PHASE OF THEIR DEVELOPMENT FIRMS WHICH WOULD HELP ACHIEVE THIS BROAD GOAL OF DIVERSIFICATION.

OUR EARLY EXPERIENCE SHOWED THAT THERE IS NO SHORTAGE IN SOUTH AUSTRALIA OF IDEAS AND INITIATIVE. BUT THERE WAS, AND IS, A DEFINITE MANAGERIAL GAP. IN SOME CASES, INDEED, WE FOUND THAT IT

WASN'T MONEY THAT WAS NEEDED AT ALL, IT WAS MANAGEMENT KNOW-HOW.

BROADLY SPEAKING, SOUTH AUSTRALIA HAS EXCELLENT MANAGEMENT IN ITS LARGER COMPANIES. BUT THIS IS NOT ALWAYS SO IN THE SMALLER AND UP-AND-COMING FIRMS. MANY WORTHWHILE - TECHNOLOGICALLY SOUND - SMALL FIRMS HAVE FAILED IN SOUTH AUSTRALIA BECAUSE OF THIS.

THIS PROBLEM OF LACK OF MANAGEMENT KNOWLEDGE IS ONE WHICH REGULARLY ALSO FACES THE INDUSTRIAL DEVELOPMENT DIVISION OF MY DEPARTMENT IN OTHER WAYS AND PART OF OUR TASK IS TO TRY TO HELP THEM. WE HAVE APPOINTED AN OFFICER WITH THIS JOB. HIS ROLE IS NOT TO DO THE ACTUAL WORK FOR THE FIRM BUT TO ASCERTAIN THE PROBLEM AND SEND THE PEOPLE TO EITHER AN ACCOUNTANT OR SOME OTHER EXPERT. IN THIS, WE ARE SIMPLY RECOGNISING THAT MANAGEMENT - THE LEVEL AND ABILITY OF IT OR EVEN THE LACK OF IT - IS OF FUNDAMENTAL IMPORTANCE AND THAT, FOR THE GENERAL GOOD, THE GOVERNMENT HAS A RESPONSIBILITY

TO ENCOURAGE THE SMALL TECHNOLOGICALLY-BASED INDUSTRIES TO PROSPERITY.

IT IS PERHAPS A TRUISM, BUT ONE THAT BEARS REPITITION, THAT MATTERS OF BUSINESS ARE BECOMING FAR MORE COMPLICATED. TECHNOLOGY IS ADVANCING BUT OUR MANAGEMENT TRAINING DOES NOT APPEAR TO BE KEEPING PACE. YET SOUTH AUSTRALIA PRODUCED THE LATE ELTON MAYO - ONE COULD WELL ASK WHY THERE IS NO ELTON MAYO BUSINESS SCHOOL.

ELTON MAYO, IN THE WORDS OF COLONAL LYNDALL URWICK, DOYEN OF BRITISH WRITERS ON MANAGEMENT (AND NOW, IN HIS EIGHTIES, RESIDENT IN SYDNEY) WAS "THE FIRST PERSON BORN IN AUSTRALIA TO MAKE A REAL IMPACT ON WORLD THINKING ABOUT MANAGEMENT".

ELTON MAYO WAS BORN IN ADELAIDE IN 1880. HIS FATHER WAS AN ENGINEER BUT THE MAYOS WERE A MEDICAL FAMILY. WE IN ADELAIDE ARE FAMILIAR WITH THE NAME OF DR. HELEN MAYO AS A DISTINGUISHED MEMBER OF THE MEDICAL PROFESSION.

ELTON MAYO BECAME A MEDICAL STUDENT AT THE UNIVERSITY OF ADELAIDE, BUT WAS UNABLE TO BECOME VERY INTERESTED. HIS PARENTS SENT HIM TO EDINBURGH UNIVERSITY, BUT HE ABANDONED HIS MEDICAL STUDIES AFTER TWO YEARS. HE THEN WORKED AS A JOURNALIST. LECTURED IN AN EVENING COLLEGE FOR WORKERS AND TOOK A LABORATORY JOB IN WEST AFRICA. AT THE AGE OF 25 HE RETURNED TO ADELAIDE AND TOOK UP A PARTNERSHIP WHICH HIS FATHER BOUGHT FOR HIM IN A PRINTING BUSINESS.

HE MET SIR WILLIAM MITCHELL, THEN PROFESSOR OF PHILOSOPHY AT THE UNIVERSITY OF ADELAIDE, WHO ENCOURAGED HIM TO STUDY PSYCHOLOGY WITH HIM. AND HE COMMENCED AN ARTS DEGREE WHILE CONTINUING HIS

BUSINESS ACTIVITIES.

MAYO THEN BECAME A LECTURER AT THE UNIVERSITY OF QUEENSLAND. HE BECAME INVOLVED IN ASSISTING IN THE TREATMENT OF RETURNED SOLDIERS SUFFERING FROM SHELLSHOCK. IN APPLYING PSYCHO-THERAPY TO THESE PATIENTS, MAYO DEVELOPED THE INSIGHTS AND CLINICAL METHODS WHICH - AS HE WAS ONE OF THE FIRST TO RECOGNISE - COULD BE APPLIED TO THE PROBLEM OF THE ADJUSTMENT OF THE WORKER TO THE ENVIRONMENT OF INDUSTRY. APPOINTED TO THE CHAIR OF PHILOSOPHY AT THE UNIVERSITY OF QUEENSLAND, HE CONTINUED HIS INVESTIGATIONS INTO SOCIAL UNREST. IN 1922, MAYO OBTAINED A ROCKEFELLER GRANT AND, AT THE AGE OF 42, WENT TO THE UNITED STATES. WHILE IN A RESEARCH POST AT THE UNIVERSITY OF PENNSYLVANIA HE ACCEPTED, IN 1926, AN INVITATION TO

JOIN THE GRADUATE SCHOOL OF BUSINESS ADMINISTRATION AT HARVARD UNIVERSITY.

THE WORK OF THE HARVARD TEAM AT THE HAWTHORNE PLANT OF THE WESTERN ELECTRIC COMPANY FROM 1927 INTO THE EARLY THIRTIES IS NOW FAMOUS AS THE MOST IMPORTANT SINGLE PIECE OF RESEARCH INTO THE HUMAN SIDE OF ENTERPRISE. (IT MAY STILL BE THE LARGEST SUCH RESEARCH PROJECT - AS A MATTER OF INTEREST.)

IT IS PART OF THE MANAGER'S CONVENTIONAL WISDOM THAT MAYO'S TEAM DREW ATTENTION TO THE IMPORTANCE OF SOCIAL - AS OPPOSED TO PHYSICAL - FACTORS IN INDUSTRIAL PERFORMANCE, TO THE SIGNIFICANCE OF THE INFORMAL GROUP - AS OPPOSED TO THE FORMAL ORGANISATION. BUT THE MAYO TEAM ALSO DEMONSTRATED THE COMPLEXITY OF THESE SOCIAL FORCES. MAYO'S WIDE EXPERIENCE OF LIFE, HIS CLINICAL TRAINING AND INTEREST AND HIS HUMAN SYMPATHIES AND PERSONAL IMPRESSIVENESS ENABLED HIM

TO APPLY METHODS OF PSYCHOTHERAPY AND SOCIAL INQUIRY TO THE FACTORY FLOOR. IN SO DOING, HE ENABLED INDUSTRIAL PSYCHOLOGY TO TAKE A GREAT LEAP FORWARD.

IF WE IN SOUTH AUSTRALIA ARE TO COMPETE AND TAKE OUR RIGHTFUL PLACE AS THE THIRD INDUSTRIAL STATE OF AUSTRALIA, IT IS PERHAPS OPPORTUNE FOR A BODY SUCH AS THE A.I.M. TO TAKE UP THE CHALLENGE OF CREATING AN ELTON MAYO SCHOOL OF BUSINESS MANAGEMENT FROM THE NUCLEUS OF THE SCHOOL AT THE S.A. INSTITUTE OF TECHNOLOGY. SUCH A SCHOOL COULD WELL EXPLOIT ADELAIDE'S ADVANTAGES.

PERHAPS I CAN TAKE A FEW MOMENTS TO ENUMERATE THESE AS I SEE THEM:

1. THE SIZE OF THE CITY; THE SCALE OF OPERATIONS HERE ENSURES THERE IS A WIDE DEGREE OF COMMUNICATION AND INTERACTION. ADELAIDE HAS A LONG-STANDING RECORD OF MATTER-OF-FACT CO-OPERATION AND PRACTICAL ACHIEVEMENT IN LARGE PROJECTS;
2. THE GOODWILL WHICH EXISTS IN ADELAIDE TOWARD MANAGEMENT EDUCATORS BY MANAGERS IN PRIVATE AND PUBLIC BUSINESS;
3. ADELAIDE'S GROWING ATTRACTIVENESS AS A PLACE TO LIVE CAN ATTRACT BOTH STUDENTS AND ACADEMIC STAFF. IT IS INTERESTING TO CONTRAST THIS WITH THE CURRENT PROBLEM OF SOME COMPANIES IN GETTING EXECUTIVES TO ACCEPT PROMOTION TO MELBOURNE OR SYDNEY.
4. THE PHYSICAL CONCENTRATION OF FACILITIES REQUIRED FOR MANAGEMENT EDUCATION AND RESEARCH IN THE CITY SQUARE MILE

I THINK THERE ARE VERY STRONG ARGUMENTS FOR ESTABLISHING SUCH A SCHOOL. I BELIEVE THE POTENTIAL BENEFITS ARE ENORMOUS IN WHAT IT COULD DO TO EQUIP OUR MANAGERS TO PLAY A FULL ROLE IN AN INCREASINGLY SOPHISTICATED AND COMPLEX SOCIETY. CERTAINLY THERE WOULD BE SOME DIFFICULT PROBLEMS TO BE OVERCOME BEFORE THIS IDEA BECAME A REALITY. I PUT IT TO YOU TONIGHT, HOWEVER, THAT YOUR INSTITUTE'S ALREADY IMPRESSIVE RECORD WOULD BE FURTHER ENHANCED IF YOU WERE TO GIVE IT DETAILED STUDY.

I BELIEVE YOU, AS MEMBERS OF COMMERCE, INDUSTRY AND THE PUBLIC SECTOR, COULD WELL TAKE UP ELTON MAYO AND THE CHALLENGE OF A BUSINESS SCHOOL. IT IS ONE AREA WHERE INDUSTRY CAN MAKE A CONTRIBUTION TO THE PROSPERITY OF THE STATE. . . . THANK YOU.