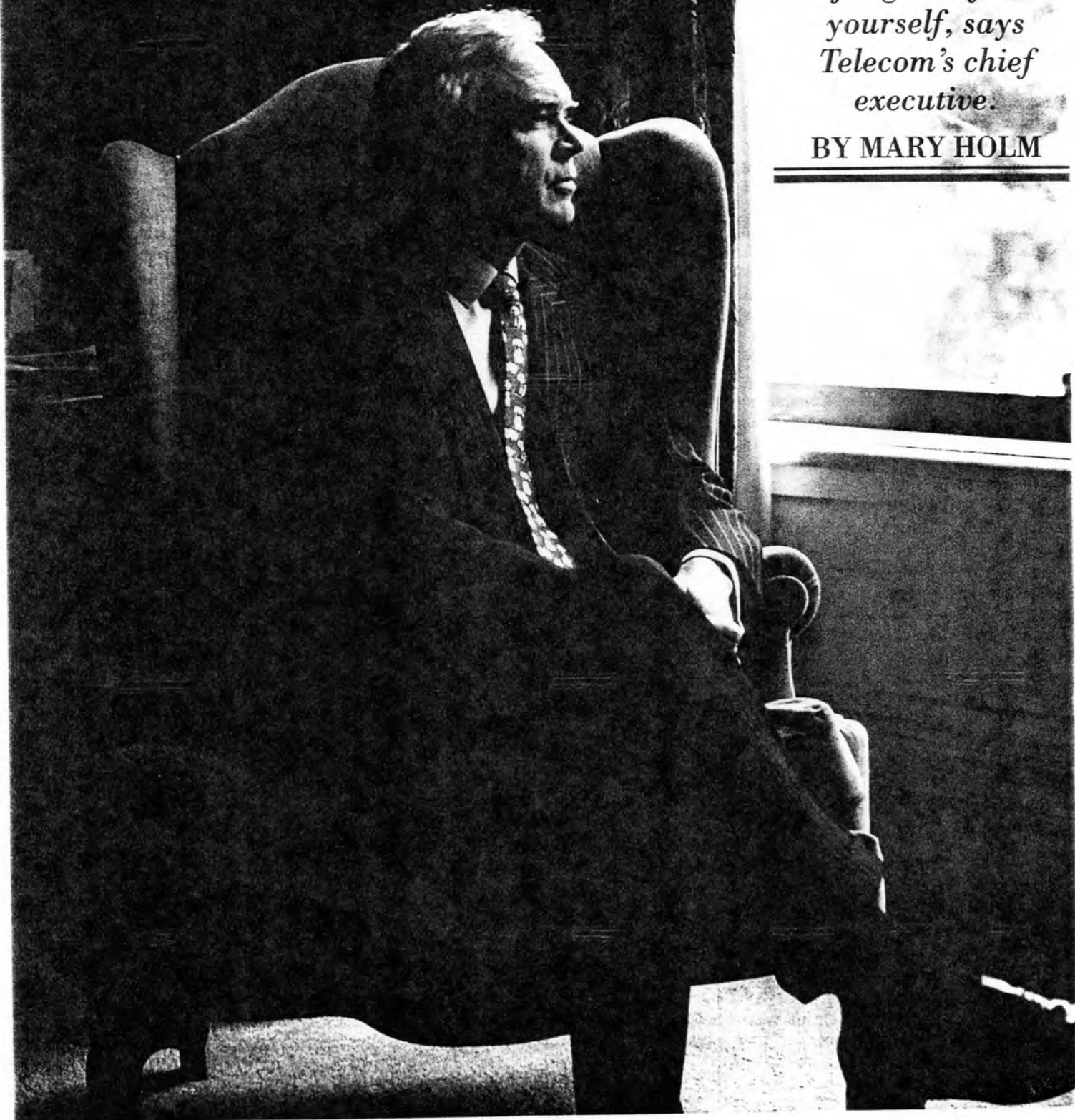


Biggest, best boss

Roderick Deane has been called a hatchet man and even Dr Death. But judge me for yourself, says Telecom's chief executive.

BY MARY HOLM



Biggest is not always best. But the country's best boss, according to a poll of New Zealand chief executives, runs Telecom, the country's biggest company. When you look through Dr Roderick Deane's CV, bigness is rather a feature. Before the Telecom job, he was boss of the Electricity Corporation, the biggest SOE. Earlier, he chaired the State Services Commission as the public service was undergoing its biggest overhaul ever. Earlier still, he was deputy governor of the Reserve Bank. In his spare time, he has been national president of the IHC, which he says is the country's biggest charitable organisation.

You can bet, though, that it wasn't size alone that impressed the chief execs in the poll. Deane is known for his intelligence and efficiency. He has been a key advocate and a key player in New Zealand's transition to a more market-driven economy. He does what needs to be done.

Although this reputation has earned him admiration in some circles, others have pointed to the aftermath of massive layoffs. "Hatchet Man", they have called him, or "Dr Death". Sir Robert Muldoon said of him, "His principal defect is an inability to comprehend the importance of his policies on people."

How does Deane react to such charges? "Do I care about people? I've worked with the intellectually handicapped for almost 20 years ... It's not an issue that bothers me. I'm self-sufficient, I enjoy life, I like to get along well with my friends and colleagues. I've committed a large chunk of my life to helping to support people who are disadvantaged. I'm comfortable with that. Some of the people who have made these observations have barely known me. But it doesn't faze me."

In the end, says Deane, "Why don't you make your own judgment?" Okay, let's try. In a long interview, Deane comes across as secure and self-confident about his abilities and achievements. He smiles often and, when he does, his rather penetrating gaze softens. There seems to be a touch of shyness.

Coming out of the interview, what sticks in your mind is the surprising stuff. You expect, and get, some thought-provoking tips on management, on the importance of training, on how tough but necessary layoffs can be. What you don't expect is to learn of some Deane passions: opera, bodysurfing, Janet Frame books, personal computers.

What you also don't expect is a constant reference to relationships. Asked what has been his greatest achievement, Deane replies, "Enjoying life. And being so happily married." Is that more important than your job? "Try a hundred times."

When discussing work, too, Deane constantly refers to the people at Telecom. One who comes in for special praise is his personal assistant, Carole Cossill. "If you get a good PA, they're invaluable beyond belief. I have just the very best."

Cossill came with Deane from the State Services Commission to Electricity Corp, and then to Telecom. And she's not the only one who has followed Deane. "I didn't bring them with me. Maybe 10 or 11 from Electricity Corp applied here after I came here."

Deane believes it is important to understand the strengths and weaknesses of his colleagues, as he calls those who report to him. "I don't like too much confronta-

TOP EXECES

The *Listener* asked the top men (not a woman among them) at New Zealand's largest companies and other major business institutions to select the country's best chief executive. Those who received the most votes were:

1. Roderick Deane, Telecom
2. David Oskin, Carter Holt Harvey
3. Gary Paykel, Fisher & Paykel
4. Kerry Hoggard, Fernz
5. Jim McCrea, Air New Zealand
6. Douglas Myers, Lion Nathan
7. Tim Glasson, Hallenstein Glasson Holdings
- 8-. Hugh Fletcher, Fletcher Challenge
- 8-. Graeme Marsh, Donaghys
- 10-. Graham Gosney, The Helicopter Line
- 10-. Warren Larsen, NZ Dairy Board
- 10-. Brian Service, Salmond Smith Biolab

The line-up is quite different from that of a similar poll five years ago. Then, Hugh Fletcher of Fletcher Challenge was the clear favourite. Next came Brierley Investment's Bruce Hancox and Paul Collins.

Fletcher makes the top 10 again this time, but in eighth spot. And the Brierley bosses drop from the scene. In fact, only three of 1989's top 10 are on the 1994 list. They are Fletcher, Douglas Myers of Lion Nathan, and Gary Paykel of Fisher & Paykel.

Reflecting the pace of change on the corporate scene, two other companies feature on both lists, but with different bosses. In 1989, Richard Carter of Carter Holt Harvey and Murray Gough of the Dairy Board were included.

Those asked to take part in the poll were the chief executives of the 50 biggest companies listed on the stock exchange, plus 20 other big SOEs, financial institutions, agricultural organisations, energy companies and major foreign-owned corporates. About 40 percent responded, including the bosses of six of the eight biggest listed companies.

Many others were overseas, too busy or, in a few cases, too new to the country to know their peers well enough. One said simply, "I don't really take a lot of notice of what other chief executives are doing - unless I'm interested in investing in their company."

The executives weren't allowed to vote for themselves. Joked one: "I might ring some of my mates and suggest, 'If you vote for me, I'll vote for you.'"

Votes were confidential, and the executives were invited to make brief comments if they wished. Among comments on the first three place-getters were the following.

On Roderick Deane: "For his intellect and incisiveness."

On David Oskin: "For taking over from the Carter dynasty and achieving strong employee loyalty in a short period of time, commitment to 'Stick to the knitting', and strong bottom-line performance, despite a strengthening exchange rate and low commodity prices."

On Gary Paykel: "Gary has continued to develop top products at competitive prices, with advanced technology developed by their own company. Also a very profitable and expanding company."

tion or personal aggravation. I know I can be blunt at times. I've tried to moderate that as the years have gone by. I try not to be unkind ... That's part of the process of being commercially successful, how well you can make your personal relationships work."

He doesn't mind tackling large problems, "so long as one has a good team to help one ... Once you've got the rules of the game, allowing people lots of room to manoeuvre in getting to the end product, that's what people enjoy."

So who makes the decisions, Deane or his colleagues? "Mostly they're taking decisions with my support, and they will get a feeling for what I think about it ... I'm not a person who hides his view under a bushel. And occasionally I'll say, 'You really ought to do it this way.'

"But, if you are a boss who makes all the decisions, you end up with an impossible work load, and other people are not prepared to take decisions. That is a management style, but it's not mine."

Deane thinks about what people get out of their work, besides money. "For some people, it's just the fun of having challenging work and interesting people to work with. For some, it's good enough if you say thank you to them, and if you make it clear to them and their colleagues that you value their contribution ... I try to acknowledge people. I don't profess to be always good at that, because one's always busy."

Telecom also has a more formal acknowledgement scheme, called Being Your Best. "It allows anybody in the organisation to nominate a colleague for an award." In the first few months of operation, "We were somewhat surprised by the inundation of nominations. It's been fantastic." Hundreds of awards have been made. Successful employees are given gift vouchers of \$50 to \$5000. In some cases, says Deane,

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Rod and Gillian Deane: "My wife is just an amazing person."

the acknowledgement may be as important as the prize.

And he doesn't miss the chance, in the interview, to praise his employees. "Telecom commercially has been very successful, and that's because, despite the difficulties of adjustments we've been through, I think the staff have done magnificently."

"Most New Zealanders would acknowledge that the service from Telecom is vastly different to what it was a few years ago, when people used to wait months for a telephone, and you couldn't get a line between Auckland and Wellington on a business morning. But each year, if we do better, customer expectations rise, so you have to continue to do better."

"Toll calls cost less than half what they did five years ago. But that also means we've had to reduce our costs, and we've

forward and fair and supportive as possible." He says he has made considerable efforts to help them find new jobs. "We do our best to provide generous redundancy payments and support services - training opportunities and placement opportunities."

Many former Telecom employees have found other, similar jobs, says Deane. "Although staff numbers in Telecom have been declining for some years, staff numbers in the information and communications industry in New Zealand have been increasing."

He won't rule out further layoffs. "It would be nice to be able to offer reassurance ... But any telecommunications company in the world is free to compete in New Zealand. We have to continue to adapt, and accept that as reality." He says that probably no New Zealand company could assure

employees that redundancies are a thing of the past. Everyone has had to adapt. He cites Fletcher Challenge, of which he is a director. "They've had to go through an enormous process of change over the last few years."

Nor has the IHC been immune. "We had to reduce staff numbers, and in one period we had to cut wages." Deane copped plenty of criticism over those moves. "But today we have a vigorous, dynamic and caring organisation. We have 3000 people who use the residential facilities each

had to reduce our staff numbers."

Layoffs have been a hard part of Deane's job. "It's a burden for so many people, restructuring. It does induce personal anguish for families. Although one does these things because, in a sense, they have to be done for organisations to continue to progress and for New Zealand to rejoin the world, it doesn't give one any pleasure to be involved in having to reduce staff numbers."

Deane has personally told people their jobs were redundant. "One has to be as straight-

forward and fair and supportive as possible."

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"Restructuring does induce personal anguish for families."

night, 4000 who are in vocational training during the day ... And we do that with \$110 million a year."

Whether at the IHC or Telecom, Deane stands by the tough decisions he has made. "A chief executive has got to work closely with colleagues, but at the end of the day you carry the can, and that's the way the board sees it. If there's a problem in the organisation, even well down the organisation, the chief executive is accountable. There's a loneliness about that sense of responsibility, and you have to be able to cope with that."

Helping him cope are his wife and daughter. "I have a very strong and loving family relationship. My wife is just an amazing person. She's enormously supportive, understanding and caring."

How long has he been married? "Oh, forever. Over 30 years. With hardly ever a cross word. Amazing. My wife Gillian is very talented, very intelligent, and seems to know how to handle my stresses and strains without difficulty."

The Deanes have lived in the same house in Kelburn for 25 years. It's a former student flat, along the road from where Deane flatted as a student. The family also has a bach "up the coast". He doesn't feel they live extravagantly. "We live a comfortable lifestyle. I'm fortunate to earn a good income."

The couple has one daughter, 26-year-old Kristen, who lives with them and is severely handicapped from a rare degenerative disorder. "She can't do anything for herself," says Deane. "But she, if anybody, taught me what life's all about. She taught me you've got to live life day by day, and make the most of it, if you're fortunate enough to be able to do that."

Mind you, even before Kristen was born, her father was an optimist. "I'm

not a person who has ever felt dissatisfied with life. I just enjoy life, and work. I hardly ever feel down to it. I never get depressed."

It was this same buoyancy in then-prime minister David Lange that made Deane enjoy working with him as chairman of the State Services Commission. "Most of the time, Lange created a feeling of enjoyment and positiveness in people who worked with him. He could always liven a debate with his wit."



"I just enjoy life and work. I never get depressed."

Stimulating conversation is one of the great pleasures in Deane's life. What else? "Having an interesting job, and interesting people to work with, and a warm family environment. Lots of good music, and lots of friends to have dinner with. That's what makes my life go round. I like reading good books, I love going to the opera, and I

love going to the symphony."

He is a keen photographer, and reads widely and "erratically", because he doesn't have much time except over Christmas. Then, he often reads "whatever Gillian is reading". Favourite authors include Janet Frame, Maurice Gee and Maurice Shadbolt.

Personal computers are another love. Deane has one at work and one at home, where his private business affairs are on-screen. He is not a good typist, he says. "I tend to use them more for analytical purposes, and telephone lists, and putting together a table. I'd like to use it a lot more, it's fun. I'm always anxious to learn new programmes. But, at the end of the day, I don't have enough time."

On the more active front, Deane says he is not a fitness freak. "I've got two big labradors and I take them for walks. And I don't have a weight problem. I love walking and, every now and then, when nobody else is looking, I might jog. But I don't have all the gear."

DEANE'S HOT TIPS

Roderick Deane will be appalled to see this heading. "I'm not into writing textbooks on management. It ill behoves one to generalise. I don't think there's any special secret style," he says. And later, "It's too easy to sound self-righteous, as if you know the answer to complex questions - the skills of working together and building on personal relationships. There are no simple answers."

Still, in the course of an interview, he describes some techniques and ideas that others may benefit from. Among them:

● Use written objectives. "First you have to decide what is the vision of the organisation, what are its broad objectives. And then you have to decide what are the roles of each person within that structure."

The people who report to Deane "like to know what's expected of them ... They do a first draft, and I sketch one out, then we get together and discuss those. And their remuneration is partly linked to the achievement of those objectives."

● Allow time to talk with colleagues. "It's important to know what's really going on, and what's troubling them, and make sure they are clear about where they're heading." Deane runs "lively and vigorous meetings with colleagues. You have to encourage them to be uninhibited." He likes to put up options and then "give the ideas a thrashing".

● Allow time to think. "There are a few really big issues each year that really matter in a strategic commercial sense. If you get them right, you will be successful. If you get them wrong, you will be in difficulty."

"You need to create enough space and time to reflect on those issues, free of meetings and paperwork. You have to manage time skilfully to do that, and be quite disciplined about what one takes on."

● Encourage diversity. "We want to have access to the diversity of talents in society. We need to work harder at doing that." Of Telecom's top management group of eight people, two are women. "That might not be high enough, but it's probably as many, if not more, than most companies in New Zealand."

● Pay to meet the market. "We don't have a high staff turnover in many areas. We pay according to the market for talents we need."

● Learn to compose written work in your head. Deane has taught himself to dictate papers, of anything up to about 20 pages, into a dictaphone. He works straight through, rarely making changes later. "I can picture a paper in my mind. It's a technique - too few people utilise. It's a great time saver."

He's a "very enthusiastic" swimmer. "Gillian says I'm the oldest surfer on the west coast. I love body surfing. I used to be a surfboarder. I was very active when I was younger. I still swim a lot and body surf a lot."

Deane pauses and looks out his office window over Wellington Harbour. His mind flicks back to his school days at tiny Opunake District High: "It had the most magnificent surf beach. That was one of its redeeming features."

But country schooling in those days wasn't easy, says Deane. "There was an enormous amount of physical punishment ... It was terrible. I'm totally against physical punishment. In standard 5 or 6 I was strapped almost every day for two weeks for writing too small."

He spent his last high school year at New Plymouth Boys High, after leaving the Opunake school without a final report. He's not sure why. "I did the assignments. I was a bright but erratic student. My relationships with my teachers were slightly stressed. I did ask lots of questions."

At New Plymouth, he didn't perform well at first. "I was having difficulty making the grade in anything academically. In the first few weeks, I couldn't even scratch up 20 percent in a maths test."

"One day the headmaster, a fellow named Burton, walked up to me at morning-tea time, and asked me if I was Deane. I said I was, and he said, 'Why aren't you doing better?' I said I wasn't sure. He said to come back to school after dinner. I was in private board. So I bicycled home, had dinner, and bicycled back. It was a long bike ride."

From then on, the headmaster tutored Deane and another boy two or three nights a week. "He was the most incredible teacher. I worked like a gaily slave. I'd sit up until two in the



"I love walking."

morning. I had to do his work as well as the regular homework. It really brought me out of myself ... It transformed my attitude to school."

"A couple of years later, at university, I said to Gillian one day, 'I think I might try and get in touch and find out how he had identified me, and particularly to thank him.' A week later I read that he had been killed in a car crash."

The work habits Deane learnt in high school continued at university. "I sort of ended up doing a stack of things. I was there for nine years. I started out to be an accountant, and then decided to be an economist, and I did a whole series of professional exams." He wound up with a PhD in economics. At one point, he held a fulltime job, with the Union Steam Ship Co. and took a fulltime university course. At the same time, he played hockey for the university, competition table tennis, and swam. "It was all a bit busy."

Does he still have that level of energy? "I believe in making as much of one's talents as one can ... I work quite long hours, but I know how to catnap. It's too easy to run out of adrenalin. I'm good at the half-hour catnap, maybe before I go out for dinner at night." He doesn't, however, nap at his desk. And he likes to get his eight hours sleep a night.

And next? "I've never been ambitious in the sense of worrying about my next job. My advice to young people is always get on and do what you're doing and make the most of it, and opportunities will present themselves. Because that's what happened to me ... I've had a variety of top jobs. I haven't sought any or applied for any, but I've enjoyed each one."

Is there anything, beyond work, he would like to achieve? "No." He thinks a little, then adds, "To be content with oneself is, I think, an enormously valuable attribute in life. And I'm basically content with myself." ■

TRAINING AT TELECOM

Telecom's commitment to training "is as extensive as [that of] any other New Zealand corporate", says chief executive Roderick Deane.

Everybody in the company, including Deane, has recently been going through 20 hours of quality training. "It's about trying to improve the way we do things and the way we work together. They take a particular issue, and four or five people - not just at senior level, but right through the company - say how they're going to resolve the issue. We're trying to create an environment of teams working together."

In a more ambitious programme, the company has been training all frontline staff, including sales and service people and those at the national faults centre, about the new systems Telecom has been introducing, and how to sell them. This has involved about 900 staff, for an average of eight weeks each.

"With more competition in the marketplace, Telecom has to be at the leading edge of technology. The sales performance and marketing performance of the staff has improved substantially." One of Deane's aims: when someone rings up with a problem, it is resolved with the person feeling better about Telecom.

Training programmes where employees climb cliffs together to build team spirit "suit some people better than others. I know some people have felt uncomfortable and embarrassed if they're asked to engage in physical activity. We all learn in different ways."

"Working in teams is an ongoing matter. No single learning experience, whether it's physical exercise or brainstorming in a hotel, will ensure you act day to day as a good team."

He likes the feedback from the training programmes. "Lots of young people are going to the courses. I've been to a number of them. They've been so enthusiastic. People love the opportunity to learn new skills."