



Business Bosses Hide Out In The Qantas Chairman's Lounge

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Liberal Party pollster, Mark Textor recently gave a penetrating insight into the hopelessness of the policy advocacy provided by many of Australia's business leaders. Business leaders, he said, had "deskilled" themselves when it came to communicating to the community, and had "retreated further into their bubble".

According to Textor representatives of big government, big business, and big unions "all meet each other in Qantas lounges and have the occasional manufactured blue on the stage of a forum. And yes, they do have some fundamental differences, but my contention would be that it's not as big as the differences between small and big businesses, not as big as the differences now between the public and political class."

Textor is correct. The role of big business in the Australian economy and in national politics is the subject of a forthcoming research paper written with my colleague, Dr Chris Berg of RMIT University. Coincidentally it's entitled *Australian business and the Chairman's Lounge syndrome*.



The Qantas Chairman's Lounge is probably the most exclusive club in the country. Membership is by personal invitation of the chairman. It's tucked away behind a private door in airports across the country. Unlike the Qantas Club, you can't buy your way in.

Too many of this country's corporate leaders suffer from the syndrome. Its symptoms include an intense desire to be accepted by one's peers, fear of controversy, and preferring what's comfortable and safe.

The perfect metaphor

Membership of the Chairman's Lounge is elite, small, and hermetically sealed from the rest of the world – a perfect metaphor for the leadership of big business in Australia. As with all such groupings of limited size, the pressure to conform is high. The global business elite have Davos at which they can assuage their guilt for getting paid many multiples of the average wage for doing not much at all. In Australia we have the Chairman's Lounge.

A feature of those who speak for big business in this country is how homogenous it is. There might be a degree of diversity when it comes to gender or ethnic background – but not when it comes to politics.

Even if the CEO of an ASX 100 company believed that Donald Trump as President of the United States will be good for the world – they wouldn't dare say it. But the point is they wouldn't think it in the first place. It's easy for Chairman's Lounge members to adopt social and environmental causes because most of the time they're not affected by what they preach.

Few Chairman's Lounge members would notice if their family electricity bill went up by \$100 a year because of climate change policies. And because government red tape hurts small business much more than big business, which is one of the reasons why so few business leaders talk about the need to reduce excessive regulation.

A CEO of a big business in Australia is most likely to have attained their status, and therefore their membership of the Chairman's Lounge, not because of their creativity or their skills of entrepreneurship for example, but because they can play corporate politics. The reality is that many CEOs of big businesses in Australia are company bureaucrats. And the companies they work for are bureaucracies that have a culture of bureaucracy.

US differs

In America it's different. In America the five biggest companies by market capitalisation are Apple, Alphabet (Google), Microsoft, Berkshire Hathaway, and Amazon. And Facebook is number six. In Australia our biggest companies are the four banks and the two miners. Our biggest company, the Commonwealth Bank, used to be owned by the government. So did two other companies in our ten largest, CSL and Telstra.

Consider what happened when the American executive Sol Trujillo was CEO of Telstra between



2005 and 2009. Trujillo was not an internal Telstra hire who had spent a career with one jealous eye on the Chairman's Lounge entrance. He was described as "combative". But by "combative" people seemed to mean that he firmly stood up for his firm's policy interests in public.

Such forthrightness and policy engagement was not appreciated by his peers. Trujillo left the country nearly a decade ago. These days too many of this country's business leaders prefer the peace and quiet of the Qantas Chairman's Lounge to the rough and tumble of fighting for something in the public debate.

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