

# Leading Issues Journal

November 2000 Issue 1

The Centre for Leadership for Women features two papers from the recently held conference, "It's Time to Make a Stand - Workplace Bullying, Schoolyard Bullying, Unacceptable Behaviour" Organised by Anti-Discrimination Commissioner for Tasmania, Dr Jocelyne Scutt, the conference was held in Hobart, from October 16-18, 2000. Among the topics were Corporate Bullying and Management Responsibility, Transgender Memories of Bullies from Schooldays to Adulthood, Bullying and the Media, Political Bullies and Bullying from the Pulpit.

Dr Jocelyne Scutt in her opening paper, "Definitive Moments - Capturing the Politics of Bullying" reflects on three significant moments that marked the development of her understanding of the politics of Bullying. Professionally competent women being bullied in senior positions and the inadequacy of the then sexual harassment laws to deal with this nature of discrimination; economic rationalism in the form of downsizing and restructuring giving the signal for bullying; and bullying between and amongst women, the subject that is treated by women with fear and silence, are major themes that Jocelyne explores.

Shirley Stott Despoja's paper "Bullying and Deafness" that was presented at the Bullying Conference will give you a first-hand account of the pain and indignity experienced by a person who is bullied because they are deaf. Shirley who is now classified as having a severe to profound hearing loss became hearing impaired in her 20's when she was a prominent Journalist in The Advertiser and was raising her daughter, Natasha Stott Despoja and her son Luke, as a single mother. Shirley also touches on the subject of fear and denial, as did Jocelyne when discussing how women fear confronting the woman who is the bully. However, for Shirley, the threat, she observes, is alive amongst the deaf as they evade talking about being bullied. They accept being bullied and worse still, believe that they deserve it.

To access Shirley Stott Despoja's or Jocelyne Scutt's paper, click on the title of their respective papers below or you can access specific sections of their papers by clicking on the subtitles listed in '*Sections*'.

**To view the Centre's interviews with Dr Jocelyne Scutt and Shirley Stott Despoja, please click on their names.**

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### [Definitive Moments - Capturing the Politics of Bullying by Dr Jocelyne Scutt](#)

No one is untouched by bullying.

For me, three definitive moments mark the development of my understanding of the politics of bullying. One was of women in senior positions being bullied out of them. The second was of widespread work being done over a broad range of disciplines in analysing, discussing and debating patterns and practices of bullying in Australia and elsewhere, and looking towards constructive outcomes for ending it. The third revolved around the silencing that occurs when the subject of bullying is raised and that very particular silence that descends when women talk of women bullying women.

#### *High-Level Bullying Against Women in Senior Places*

In the mid 1980s, I was enlivened to the inadequacy of sexual harassment laws, when Dr Clare Burton and Dr Shirley Randall spoke with me, independently of one another, of the bullying treatment they were receiving in their senior positions in different states, different institutions. One was employed within the university system, the other in government. Each held a senior position. Each complained of intimidation, insults and ridicule they experienced as being meted out to them by the head of their organisation.

Until this time, activists, academics and lawyers promoting equal opportunity and anti-discrimination laws had focused on discrimination and sexual harassment, mindful of:

- the failure to appoint or promote women into positions held by men, as if men had a right to hold them whereas women had to prove themselves time and again, with never enough proof of their adequacy;

- sexual innuendo, sexualised invitations to dinner and other outings, or even more explicit invitations with a sexual content, as well as so-called ‘jokes’ and pin-up posters of women in a startling yet banal array of poses;
- sexualised ‘put downs’ of women in lower-status roles, particularly in service industries such as waiting on tables, hairdressing, and secretarial work.

Here, however, was a seemingly different phenomenon. Two senior women, their competence and professionalism recognised in their appointment to senior levels, under sustained attack. Their experiences, as they related them, were similar. At first, matters went smoothly. The appointments were announced with fanfare. Plaudits were heaped upon each institution for its perspicacity in selecting and promoting women into the upper echelons. Each institution sailed into the thin ranks of those that had begun the long, slow haul toward equality, with women’s talents, capabilities and abilities recognised equally with those of their male counterparts.

Yet, no sooner had the hurrahs died, than (as each recited) these senior officers, these senior women, became targets of criticism and conduct which, they believed, would not have been levelled at them had they been men. They had moved not into ‘no man’s land’ but into the land of no women, or the land where women are disentitled to be, whether appointed or not, whether or not slipping through the net.

In all this, I was reminded of Sophia Jex Blake, medical student, who entered Edinburgh University in the 1850s. She studied well, excelled in her examinations, was the exemplary medical student. Amongst all her fellow students, she was the only woman. This alone was sufficient to antagonise some. Others were antagonised by her daring to succeed in a hithertofore male domain. Not only was she occupying a place that might have been held by a man, she was outshining those who sat alongside her.

Derided and ignored, forced to study alone, she suffered ridicule and abuse. On one occasion, a sheep was brought into the lecture theatre, a sign hung around its neck proclaiming it would do better in examinations than would Sophia Jex Blake.

Despite all this, the following year six more women applied to study medicine at the University of Edinburgh. Faced with this take over, many in the Medical Faculty objected. Not only did prospective fellow students take up the challenge. Lecturers and professors announced their refusal to teach women the intricacies of human physiology: a naked body, whatever the sex, should be dissected in the absence of women, they said. As a wall, they

stood against this live ‘monstrous regiment of women’,<sup>1[1]</sup> forcing Sophia Jex Blake and her fellows to take action through the courts to secure their right to a place in the student body and, for her, the right to continue her studies already begun, the first year all too successfully completed.

The women did not succeed in their struggle, for the courts held that them not to be ‘persons’. At least, they were not sufficiently possessed of personhood to qualify under university regulations entitling ‘all persons’ with the requisite qualifications to study at Edinburgh. They had the requisite qualifications, yet the English House of Lords declared they lacked the requisite personhood.

Dr Burton and Dr Randall charged that the attack on their personhood was of a different kind - yet similar. They could not be kept out of their senior positions by any false notion of a lack of personhood. Laws and regulations disentitling women from entering trades and professions as being ‘non-persons’, and laws and regulations requiring women to leave, once married, just like laws and regulations preventing women from entering various categories of the public service, had all been abolished at Commonwealth and state levels by this time. Yet they could be subjected to belittling treatment that might lessen their performance, or diminish its stature, or ultimately cause them to leave.

The outcome? Each did leave, one to head another educational institution, the other to establish her own consultancy. Bullying, each claimed, led to a constructive dismissal - a dismissal just as surely as one where a court held women could not hold the position, or where the institution said ‘your time is up’.

### ***Bullying and Beyond - A Timeless and Time-Specific Phenomenon***

In 1997 I travelled to Aotearoa/New Zealand to speak at conferences on criminal assault at home and other forms of domestic violence, held in Palmerston and Christchurch. Visiting Kate Sheppard Women’s Bookshop at 145 Manchester Street, Christchurch, I happened upon *Bullying - From Backyard to Boardroom*, co-edited by Paul McCarthy, Michael Sheehan and William Wilkie, one a Brisbane psychiatrist, the others teaching in the School of Organisational Behaviour and Human Resource Management at Griffith University, in Queensland, Australia.

Ironic, surely, that I had to be across the Tasman to find this landmark work, which brings together people working from

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<sup>1[1]</sup> Churchman John Knox’s words.

varying perspectives, from a range of professions, and with a multiplicity of concerns, yet all focusing on the dynamics of coercive power in the workplace and schoolyard.

I bought the book and, in between conferences, workshops and discussion groups, I came upon ‘When the Mask Slips: Inappropriate Coercion in Organisations Undergoing Restructuring’:

Arguably, the general understanding of bullying in the workplace is now at a stage akin to that of the early understandings of gender discrimination which fuelled the drive to anti-discrimination legislation. These understandings are also akin to early intuitions that there should be constraints, redress, and compensation for domestic violence and sexual harassment, and that state intervention in homes and workplaces is desirable in these matters.<sup>2</sup>[2]

Paul McCarthy goes on to say:

In all these areas, progress has been made in developing an understanding of what is immoral, unethical, inequitable, unjust, in terms of ideals of liberty, equality, fraternity, Christianity, citizenship, justice, and humanism enshrined in our democratic way of life. However, neither all these ideals, nor strategies to achieve them, are readily reconcilable. Paradoxically, bullying of marginalised groups may arise out of attempts to achieve any one (or clusters) of these ideals in pursuit of the just, democratic entitlements of the citizenry.<sup>3</sup>[3]

The work of the Women’s Movement in taking up discrimination and other abuses of women and minorities was seen as a positive precursor to possible advances in changing the culture of bullying:

... in the case of gender discrimination, widespread reactions to the Australian judiciary’s inconsistency in judgments on violence towards women, including proposals to retrain judges, illustrates

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<sup>2</sup>[2] Paul McCarthy, ‘When the Mask Slips - Inappropriate Coercion in Organisations Undergoing Restructuring’ in *Bullying - From Backyard to Boardroom*, 1996, Millennium Books/EJ Dwyer (Australia) Pty Ltd, Alexandria, NSW, Australia, McCarthy, Sheehan and Wilkie, editors, pp. 47-65, at p. 57.

<sup>3</sup>[3] McCarthy, ‘When the Mask Slips ...’, at p. 57.

how resentments and empathies may be networked to apply pressure over interpretations of the law.<sup>4</sup>[4]

It was not all this that had the most impact on me, however - although it undoubtedly spoke in ideas that connected. It was the article's focus on the restructuring, downsizing and economic fundamentalism that have given the 'green light' of popular parlance to brutality in the workplace. When economics is promoted as the only reason for living and, indeed, as if it need have no relationship to the living, imprimatur is given to conduct that insults, ridicules, intimidates and offends and that, ultimately, may lead to the loss of life. Economics as currently imposed upon us is an economics that deals in figures only - not human figures, just statistics on a page; it is an economics that sees human beings as irrelevant to social structure, and business as dissociated from the business of human life. This forms a solid, deeply grounded foundation for bullying.

Contradictions abound in this ideological imperative governing Australia today. As s McCarthy points out:

Post-modern organisation recycles early prototypes of charismatic leadership (in managerial excellence), tribal alliances, and traditional family business networks (within new guises of flexible, self-monitoring work groups, and strategic alliances) as orientations to a wild and dangerous global economy. The romancing of pre-modern formations of power in theories of post-modern organisation masks the reproduction of culturally naturalised coerciveness which contributes to the viability of these forms of organisation ...

Economic rationalism both sees the world as a wild and dangerous place driven by the market, and institutes solutions notable for their brutality to less well-off social groups ...<sup>5</sup>[5]

These 'solutions' redound against the interests of people who, for one reason or another, are targeted for disposal when both private and public sectors 'downsize'. The groups that are vulnerable include:

- the middle-aged worker, who may be seen as 'too old' to fit into the 'zap-zap' world of the computer age, whether proficiency in manipulating computer terminals is an inherent component of the job, or not;

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<sup>4</sup>[4] McCarthy, 'When the Mask Slips ...', at p. 57.

<sup>5</sup>[5] McCarthy, 'When the Mask Slips ...', at pp. 60-61.

- the female worker, with munificent keyboard skills that are seen as worthless, because female fingers flicker fast over the keys, and women's keyboard work is never seen as 'computer-efficient' - rather, it is labelled 'secretarial work' and, thus, not akin to keyboard work labelled computer literacy;
- the worker who has been industrial active, with an appreciation of her or his industrial rights, and prepared to stand up for those rights, or the industrial rights of others;
- the young worker, who, in the pride of that 'first job' is unaware of industrial rights and attempts to work way above the level of experienced workers, capitulates (understandably) to stress and, distressed, leaves - without any understanding of entitlements to stressleave or workers' compensation - to be replaced by another youthful worker, vulnerable to industrial exploitation.

### ***Bullying and Silence - Women Silent, Women Silenced***

In 1999 a discussion began on an e-mail discussion list to which I subscribe. Ausfempolnet was established by Dr Elizabeth Shannon at the University of Tasmania as a discussion opportunity for (mainly) women academics, policymakers, activists, students, professionals and others with an interest in and concern about policies and policy-making impacting on women and women's place in the world.

The discussion commenced with an e-mail contribution from a woman who talked of her young daughter being bullied by the boys in the playground at her primary school. She wrote of how she dealt with it, what words and strategies she used to bolster her daughter's sense of herself, and to guard her wellbeing. Did she do 'right' in her strategies, she asked. Was there any other approach contributors could suggest? Suggestions and commentary swept into the cyber-vortex thick and fast.

Then came the next contribution to shift the debate. A contributor wrote of the problems confronting girls in the playground and their parents when the bullies are not boys, but other girls. She wrote of her daughter suffering thus. So, as with this list of verbal women, articulate all - suggestions, commentary and critique hit the cyber-waves. The discussion eddied in a whirl of cyber-messages. Suggestions, strategies, sound advice.

So into the third phase, and in rolled a new message. This time, the message came from one lamenting her treatment as a child, bullied by other girls. She propounded and analysed, analysed and propounded. A veritable flurry of e-mails followed. Contributors wrote of the problems confronting them as children in the playground.

By this time, propelled by a significant absence in the debate, from Melbourne (at the time) I sent my contribution through the ether. Surprising - or not so surprising? Mine it was that ended the debate, apart from a lone message from another woman, hailing from Tasmania. What had I done so swiftly to put an end to the whirl and whisper, swirl and sizzle of this oh-so-discussable subject of the bullied? I had had the temerity to raise the subject not of the bullied, but the bully. My e-mail? I told the following story, having thought about it for some time, observing the discussion back and forth, aware of some of the major players in the debate.

My story recounted an episode occurring in Canberra. In a women's organisation of some repute, I was bullied by a feminist of some prominence. (I did not name her.) Covered a period of months, the conduct climaxed at a meeting at Women's House, Lobelia Street, O'Connor. A group of six or seven met for the regular monthly meeting, me and the woman in question in attendance. Discussion turned to the contentious subject. A sharp attack - directed full-pelt against the position I held.

Declining to collapse or be bullied into subjection, I stood my ground, responded, firmly putting my position. I did not intend to back down, and neither I had to. Everyone was free that night to debate the subject, fully, fairly, and on equal ground.

Like a burst balloon, came the collapse, the bullying woman drooping off sobbing, into a corner of the room. Now, as one, everyone present - most being victim/survivors of the bully in times past - turned upon she who stood her ground, me who stood my ground, declaring variously - 'how could you', 'how awful', before turning to comfort that woman-in-the-corner.<sup>6[6]</sup>

Why this dynamic? Why did the group as one run to comfort her, turning upon me - the only one with the temerity - or fortitude, foolhardiness or af/front to stand up to the bullying behaviour?

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<sup>6[6]</sup> As this story is related by one of the participants without the others and particularly not the one described by me as the bully, it is that point of view recounted here. Others - including she whom I experienced as a bully - may have a different view of the circumstances and the dynamic. The audience and the reader are entitled to reserve their assessment. Everyone is entitled to a point of view. Yet an analysis of the group response may open our eyes to our own situation and the susceptibility we have to siding with the bully over the bullied. Each of them had, at one time or another, suffered from the dominance of the one retiring to the corner.



Thus I set out the conundrum in my e-mail message, acknowledging that anyone who wished could, knowing me, or reading my message, label me the bully should they choose, yet alluding to that wellknown phenomenon whereby those in the subjected group (the bullied) too often turn upon she who stands up to the dominator (the bully); too often those dominated side with powerful against less powerful, abuser against the abused, bully against bullied.

Silence.

No more discussion.

Silence.

Thus ended the discussion on the theme.<sup>7</sup>[7]

Too raw a subject, too close to the hearts, minds and experience of the women on the discussion list? Those who had so volubly engaged in the earlier discussion of bullying silenced themselves. Censoring their own thoughts, they wrote no more - on that subject, on the public face of the discussion list, anyway.<sup>8</sup>[8] I had broken rank - I had declared the undeclarable, spoken the unspeakable: that women bully women, that women side with bullies, that women must address the bullying phenomenon as women being bullied, as women siding with the bullied, and as women who can bully.

It is so safe, so easy (relatively) to discuss bullying when it is experienced by others, imposed upon one's own children, observed between children in the playground, or even when it is girls upon girls. But facing up to bullying between and amongst women, particularly women in the Women's Movement, remains confronting, too confronting to acknowledge. Cyber-women all, we are not yet ready to deal with it. Not yet ready to face up to our own demons - whether it is the bully within ourselves, or we, the bully's friend, who side with the abuser and gang up against the bullied - we silence ourselves, and squib on the debate.

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<sup>7</sup>[7] Apart from one woman who responded to mine with a similar experience of her own: she had been bullied, had stood up to the bully, yet had found the women who observed this turned upon her and sided with the bullying one.

<sup>8</sup>[8] They may, of course, have engaged in 'off-list' discussions with others - but why, when the debate until that time had been conducted publicly? The only difference was the entry into consideration the question of adult woman bullying adult woman, and the siding of the powerless with the bully.

A fear is engendered by bullying behaviour. It is a fear that the bully needs placating, not confronting. Those who confront are seen not as offering a counter to the bully or a possibility of changing a situation where many are intimidated by one. Rather, they upset the status quo. Status quo requires that power relationships do not change, that the bully stay on top, the bullied obey the power dynamic, the bullied accepts the subordinate post. A failure to accept subordination, an answering back, places everyone at risk (so the theme runs). For those who suffer in subordination are at risk of the wrath of the person who controls the power.

This dynamic operates in the world of the bully. It exists to support those in power against those with less power, and to undercut the possibilities of change. It survives to perpetuate the bully in the boxseat, with no change in sight.

### ***Conclusion***

‘Workplace Bulling, Schoolyard Bullying - Unacceptable Behaviour’ is a nation-wide conference, with international participation and involvement. It has local, state, national and international implications. It has personal implications and realities for us all.

With thanks to Conference organisers - to the Working Women’s Centre and Therese Butler (then) of WorkSafety, to Ms Santi Mariso of the Anti-Discrimination Commission for commitment and collaboration above and beyond every fair expectation, to Mrs Annette Harwood, Executive Officer with the Commission for work essential, energetically, competently and consistently completed, to Mr Dino Ottavi, the Commission’s Training Officer for back-up work and organisation, and to Conference Design for packaging the Conference; to all speakers here today and arriving over the next two days, for enthusiasm, expertise, intellect, engagement and generosity; and to the expert operating PowerPoint, overheads and other Conference paraphernalia of essential assistance - we thank them all, and welcome everyone to this Conference, for three days of lively listening, debate, discussion and deliberation.

The Tasmanian *Anti-Discrimination Act* 1998 leads the way in addressing bullying as a phenomenon touching us all - in the workplace, in schools, educational and training institutions, in business and voluntary work, in housing and other accommodation, and in the world of clubs. Section 17(1) provides:

A person must not engage in any conduct which offends, humiliates, intimidates, insults or ridicules another person ... in

circumstances in which a reasonable person, having regard to all the circumstances, would have anticipated that the other person would be offended, humiliated, intimidated, insulted or ridiculed.

A bi-partisan - or tri-partisan - parliament passed this law to govern the conduct of all in this state. The message stands clear as a guide for all jurisdictions to follow. Let there be no more conduct that is offensive, humiliating, intimidating, insulting or ridiculing. If we do not actively promote the rights of all not to be discriminated against, done down by prejudice and harmful acts, bullied against, intimidated and ridiculed, we condone both the harm and the prejudice, we are complicit in the bullying.

Welcome to the Conference. Let us all, through working together at now and in the future, create a world where bullying is intolerable and toleration is not just an excuse for doing nothing.

JAS, October 2000

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## **Bullying and Deafness**

**By Shirley Stott Despoja**

When I lost a lot of hearing suddenly, after being mildly hearing impaired for some years, my then partner cancelled my opera subscription.

Isn't that simply a pragmatic response to someone's disability? How can that be called bullying?

The very fact that I ask myself that, still, is a sign of the bully's success. The bully's actions, to be *perfect* bullying, must be ambiguous. He must be able to put a respectable gloss on his actions. He must be able to show his clean hands.

*I am, he said, only thinking of you.*

But in another way, cancelling my opera subscription is a very good example of what bullying is all about, what it does to us.

**Bullying clips our wings.**

Bullying stops us from flying: flying over the top of our disabilities, soaring to acceptance, to reconciliation with our previous ideas of what we were.

Bullying gets in the way of grieving, the very natural and necessary process of coming to terms with loss. Loss of hearing is a major loss indeed. Although comparisons with other forms of sensory loss are odious to most of us, Helen Keller, who was both blind and deaf, made no bones about it. She explained that blindness separated her from objects but deafness separated her from people. Loss of even a moderate amount of hearing separates you from the soft-voiced lover, the sweet-voiced child. If it happens suddenly you are in a panic of isolation. Some stay in that state of panic for the rest of their lives. Walls go up all around you. The looks on the faces around you say it all: from now on you are a source of irritation to others. Your deafness predominates over your personality. Getting through to Shirley becomes a task, when once getting to know Shirley was perhaps a pleasure, perhaps a disappointment, but not a *task*.

And deafness *enrages* people, often without their knowing it.

Not the deaf people, but others.

One day in the late 70s, when I first became arts editor of *The Advertiser*, I was pinned against the wall of my office by an enraged man who said I had failed to recognise him and that he would not let me go until I did. It is true that I had met him once before and obviously his ego was cruelly stung that I did not recall his face to give it his name. The truth is that a person losing hearing concentrates so fiercely on the lips that must be read that she or he often fails to take in the whole face.

It is not failing memory. It is panicked deaf behavior, but most newly deafened people think they are losing their memories if not their minds. I got out of that sticky situation by ducking under the furiously raised arm. He behaved foolishly and didn't deserve an explanation, but his dislike followed me down the years. Deafness has consequences like that. We don't, on the whole, tell people about what happens, because quite often people are enraged by deaf behaviour without knowing it.

But we who are deaf know it.

It savages us.

We can't often speak about it.

As with most forms of discrimination it is the relentless accumulation of small incidents as much as the major incidents of bullying, that wears us down.

This is what one person found about his daily life when he was thinking about the low self-esteem of many hearing impaired people like himself:

**The main problem is that we get walloped across the kisser a hundred times a day. But each wallop is subtle. Each blow is unobtrusive, almost concealed. There's never anything you can complain about, or put your finger on.**

**My hearing aid dealer (he continues) takes off my hearing aid. "Wow, you've really got this one cranked up!" he says, as if he's caught me stealing pennies from orphans.**

**Bang. All of a sudden I'm one-down. I was doing something wrong and I didn't even know it.**

**The phone rings and I answer. I have to make the caller repeat something he's saying six times. And I still can't figure out what he means. So he gets mad.**

**Bang. Right across the kisser.**

**I'm at a meeting at work and my wristwatch alarm goes off, but I don't hear it. First one person gives me a dirty look, then a second, then a third and then a fourth. Finally I catch on when they point at my wrist.**

**Bang. Bang. When people routinely get angry with you... you start wondering about yourself. It can't just be them; it's got to be you – they're right. You ARE strange. You ARE different.**

(That was written by Paul Saevig)

**The hearing impaired are perfect bully fodder.**

Drop your voice level one little bit, and you can watch me squirm. You can see my confidence dissolve before your eyes. You can see, if you look into MY eyes, the beginning, the swelling of panic. Keep your voice low an instant longer. Now I must declare.

I say to you: Sorry, sorry, I am deaf, I didn't hear you. Would you repeat...?

Listen to yourself as you repeat. People can't seem to repeat without raising their voices, not a notch, but quite a lot.

Do I hear the words you are shouting? No: I am paralysed by the thought that I hear anger, I hear exasperation, you think I am stupid....

If you are a nice person you will repeat what I missed quietly, clearly, looking at my face, and perhaps choose other words if you want to break the stalemate.

If you are a bully, oh, you are loving this. You enjoy your own exasperation. You shove in the knife.

“You ought to get a hearing aid?”

“Hearing aid?” I say. “I am wearing one.”

“Then you’d better get a stronger one”. It is said with a smile whose sweetness can hardly be contested.

“Just a suggestion...”

And the bully shows his clean hands.

Let me take you to my old workplace. The bully turns to the other people in the daily editorial conference, a group situation that my hearing aid does not cope with. I am struggling, sweating...trying to pick up clues from lips, body language, doodles people are making on paper, anything.

The bully smiles, “What are we going to do with cloth-eared Shirley?” he asks in a voice of great kindness.

A second or two passes.... yes, I have heard it right. Cloth-eared Shirley.

I turn to my colleagues. “Should he say that?” I ask.

“Oh come on, Shirley. Have a sense of humour.”

The pack have been led. They have no trouble finding me. And the bully has told them it’s OK.

The demand for the deaf to have a sense of humour is a bullying tactic any of us who speak frankly about our disability continually endure. Sometimes it comes from the deaf themselves who believe they must laugh at themselves to appease the hearing world. I recently parted from a deaf journal that put the heading *Gloomy Shirley* over a pseudonymous attack on me for speaking frankly about deafness.

Where are our resources? To what can we have recourse?

If hearing impaired people complain about bullying abuse we are more than likely to be told that we misheard. What a trap. What an advantage for the bully.

Our relationships, at work, anyway, are, by this stage, probably so impaired that we dare not present ourselves to be supported. A professional is just as likely to say he or she finds it difficult to communicate with us. Yes, upfront just like that. It is extremely difficult to find a therapist when you are deaf. It is not impossible, but it is difficult. Years ago, before my hearing aids helped me as much as they do today, a male psychiatrist said to me once (in a letter; he was not going to set himself up for tiresome verbal repetition) that he was in the business of communicating subtle thoughts and nuances. My deafness would naturally impede this.

Do we ring a friend? Listen to music? Turn on the TV to forget?

Some of us can, many of us can't. The strain of hearing on phones and through radios and TV etc negates the relaxing effect. Never recommend relaxation tapes to the hearing impaired.

It is the nature of deafness that our resources are cruelly limited. Even our talents and skills are under threat. The bully must smile at that.

But the deaf are suspicious to the point of paranoia, aren't they? No, the hearing world is paranoid about the deaf. What could be more sick and suspicious than the frequently uttered: "She can hear quite well when she wants to." It should be obvious to anyone that a hearing impaired person hears better in some situations than others, but this is used against us, to invalidate our disability and replace it with a character failing: stubbornness, evasion, cussedness, selfish refusal to hear.

The very common phrase *falling on deaf ears* is a good example of deaf being a pejorative word. Deaf ears, it is implied, are stubborn and uncaring. If something falls on deaf ears it is implied that someone is at fault for ignoring information. In my experience, the hearing impaired strain after hearing, are more conscientious than most in trying to follow an argument or just acquire information.

My daughter has done her best to have this phrase removed from Senate parlance because of the hurt it causes to hearing impaired people. Some hope!

The suspicious incantation: "she can hear when she wants to" is among the commonest reactions to adult deafness in the family. Not my family, thank God.

After the workplace bullying I have described, *The Advertiser* ship sailed into calmer waters. Bullying and copycat bullying receded and the staff felt safe again. Not I, however.

I finally left the Advertiser not because I was too deaf to do my job. Far from it. I parted company because I was accused of NOT being deaf. Some people with whom I had worked for years said I was using deafness as an excuse for getting out of some jobs.

They said I could hear well enough when I wanted to...

With a severe to profound hearing loss and 30 years of struggle trying to hear – my deafness was a mountain I climbed daily – that accusation literally sent me mad for a bit.

At least I felt the world was too mad for me, anyway.

I brought a workers compensation case and was successful.

But you never escape the bullies.

Evelyn Glennie, the world's most famous percussionist who is profoundly deaf, survived exactly this kind of bullying when she was the first deaf student at London's Royal Academy of Music. Unable to cope with the great mystery and genius of a deaf musician achieving early success, students bullied her by claiming that she exaggerated her deafness.

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Until now I have used the word deaf and hearing impaired interchangeably. And I am sure that most of you are aware that there are important differences. I can only speak as a person who has post-lingual, acquired hearing loss. **I became hearing impaired in my 20s** and wore a hearing aid from age 28. I am now classified as having a severe to profound hearing loss. Technology has improved my ability to live in the hearing world, but never imagine that hearing aids correct hearing as spectacles correct vision. At best hearing aids amplify sound with some degree of discrimination. In the past three years I have been able to supplement my hearing aids with a Microlink assistive FM device. It cost \$4000 and is not covered by any kind of benefit, so its blessings are beyond the reach of many. The descriptions "hearing impaired" or "hard of hearing" which is favoured in the UK, sound like genteelisms. Without my hearing aids I am close to stone deaf, so I feel no qualms about using that word with a lower case d.

But the capital D Deaf who use Sign are a culture within our multicultural society. They do not regard their lack of hearing as a disability. They are proud of their beautiful and expressive means of communication. I don't romanticise their world, but they are proudly different from the small d deaf, who long to hear.



I cannot speak for members of the Deaf culture *at all* .. But I do know that many of them feel bullied by the promotion of the cochlear implant and the assumption of the wider population that to hear by any means is desirable. The so-called miracle cochlear implant, which earns so many dollars for Australia, is a threat to Deaf culture.

Among the most vulnerable to bullying in the world of hearing impairment are the late-deafened, as they are often called. They are the people who acquired hearing loss not only post-lingually, but in their later years when learning to use a hearing aid is a cruel test of their patience, their nerves and the ability of ageing fingers to twiddle the little wheels of volume controls. Minituarisation, developed because of the shame hearing impaired people are taught to feel about wearing hearing aids, has been a curse for many of these late-deafened people..

When I was a young woman trying to hide my hearing aid behind my hair and full of shame because of my disability, I thought it terrible to be young and hearing impaired. Now I am glad I acquired when young all the skills I have now to compensate and to cope with technology.

The late deafened have to cope with family and friends unused to the problem and often unwilling to modify their ways to accommodate or even understand it. The late deafened face great hostility and are often bullied into isolation within the family, let alone in the wider community. If you are told often enough by family members that you are not trying, that your hearing aid needs turning up because you are not hearing or turning down because it is squealing, the will to cope dies. Family members manage their stress and guilt about the situation by saying “She can hear when she wants to,” or that “he has just given up...” Some of the most bullied people in our society are the hearing impaired elderly in their families or in nursing homes. When the problem of bullying the Aged is finally opened up, I pray that the special situation of the elderly deaf is addressed by asking them about their situations. I have to say here that I oppose euthanasia laws because I believe the aged and especially the deaf aged will be bullied into dying before their time.

I am not insensitive to the strain deafness puts on the other member of a partnership or other members of a family. If you are deaf and have a hearing partner, it is natural, I am afraid, to depend too heavily on the partner’s ears. And I too have been exasperated when a hearing impaired person refuses to explore different means of hearing, such as assistive listening devices so that the TV and radio are not forever too loud for others to bear.

But often you will find behind that resistance a history of being rejected for their disability - and bullying

I first wrote about bullying in the 1980s, long before I was emotionally able to write about hearing loss.

I wrote a column for *The Advertiser* every Saturday, and because at the time bullying of the grossest and physical kind was going on around me – even as I wrote – it was an act of considerable bravado. But in those days I still thought the pen was mightier than the sword...well, mightier than a slap in the kisser, anyway.

So I looked for bullies in general, and I found them everywhere of course. In fact I began to wonder whether we were all working very hard to make the world safe for bullies. There were bullies on the bus where the boys used their schoolbags to cut a swathe to the seats where they could best torment the girls. Bullying was a huge part of domestic violence. I witnessed bullying in hospitals, in the parliament...

Bullying was everywhere and most obviously in the workplace. I had no trouble at all identifying it. We all know when we are being bullied. It is when we are forced to fulfil someone else's expectations out of fear, regardless of our own standards. If we are young this is accompanied by stomach cramps; if old, by chest pains. A bullied member of our editorial conference vomited before he got to the door of the room that was his torture chamber.

I had an archetypal bully for a maths teacher at school. She not only exposed wrong answers: she wrong-footed the child who tried to explain or apologise. She played cruel games with children's names, physical appearance and posture. The victim was brought to the blackboard for more torture. Some kids wet their pants. A few kids bought immunity by ingratiating themselves with this monster. Even as a half-baked 12-year-old I knew that if the class rebelled against the bullying we could stop it, but it never happened. Never did we attempt to challenge the hypothesis of her power, which was that we were all lazy and despicable and powerless. Our worst fault was our complicity with the bully, and knowledge of that may have been pain sharper than that of being bullied. I tried to test that belief at a class reunion 30 years later. The subject was changed very smartly.

We know when we are doing the bullying. We want perfection at someone else's expense and get a thrill from the by-product of fear and our ability to assume innocence easily if someone notices what we are doing.

The advantage of the bully is feigned innocence and the disadvantage of the bullied is self-blame.

The deaf are seriously into self-blame. It is rare that they can declare their handicap without apologising: *Sorry? Sorry?* They say. *I didn't catch that. Sorry.* The biggest achievement of my deaf life was to learn to say *What?* without adding sorry. I lapse often.

Well back in those days, before I even thought of writing about deafness, I thought I would test my belief that bullying was universal and increasing in our climate of restricted employment, by asking people for their experiences of being bullied.

There was a strange reaction. If I asked them by phone (a special volume control phone) I could hear an intake of breath on the end of the line, then silence, followed by excuses about being busy or a change of topic. If I asked them in person, they broke eye contact, and mumbled something like: "Well if you want examples from *literature...*" or told a story about someone else being bullied, never themselves.

Bullying is a common experience but one so painful that it is not often willingly shared. People will deny it if they can. If they can't deny it, they may justify it.

As a journalist who has asked people to talk about terrible things in my time, I found that people will talk more readily about their dead children than they will talk about bullying.

The years pass, and now I am free from having to dissemble at last. I am drawn into the world of deafness – hearing impairment – and I discover bullying all over again.

I see the hearing bullying the hearing impaired. I see the mildly hearing impaired bullying the severely hearing impaired. Hearing people tell me about their lack of patience with hearing impaired family members, thinking I will sympathise with them, when what they are describing is their bullying behaviour to a person with a disability...an invisible disability, of course, a common disability, a goddam irritating disability, so maybe that makes it OK. In their minds, anyway.

But now we are in the age of the world-wide web where everyone confesses and shares experiences on the internet, the perfect medium for the deaf. I believe that I can post a question about bullying and deafness on a hearing loss newsgroup and get a heap of information.

And I find the very same resistance, the same denial and evasions, the same changing of subject, the same pain that is, I have come to believe, for many anyway, *unspeakable*.

A few people leave messages describing how they are or were bullied. A few. Most of them slide from talking about their own

excruciating experiences to the safer ground of needing to protect deaf kids from bullying. But then other kinds of responses started to flow.

This one: “I’m 40 years old and I grew up in New York City. I know all about bullying and I’m a stronger person for having dealt with it as a boy. **Listen: this topic really isn’t worth discussing: sorry. I just prefer not to whine about the minor hurdles in life.**”

Another: Instead of wasting your time doing a paper on bullying, why don’t you do a positive paper on cochlear implantation.

Another: Right. Kids get bullied. That’s life. As a parent you have to pull that kid through it by giving him the right way of thinking. You don’t want a hearing impaired child to have a chip on his shoulders. You want to rise above it. **I don’t know. This thread is getting a little old.**

Another: I have been bullied, of course, but that’s human nature. You say you are being bullied because someone rudely says you are too deaf to hear her screeching cocky so she’s not going to do anything about it. **Have you asked her if she is troubled by something in her life at the moment?** My friends sometimes use a bullying tone when I can’t hear what they say. They don’t mean anything but I shed a few tears often. My husband used to make me repeat things to him so that I knew what it was like to live with a deaf person. I am more concerned for the children...

Another.

Bullying is like shit. It happens. **This topic is boring...**

You don’t have to be very smart or sensitive to hear the pain behind those replies, despite the denials and attempts to end the conversation.

As I said: the deaf are perfect bully fodder. In many cases they think they deserve to be bullied.

Not all bullies are loud-mouthed. There is the bullying silence. Many hearing impaired people are left in that bullying silence as their relationships fail under the impact of their difficult, their lonely, their infuriating, disability.

Australian novelist Kate Llewellyn has written wonderfully about bullying silence in her novel, *Dear You*. For the biography she is writing in her fictional persona, she tries to interview a woman who remains silently carving away at a block of wood, “toying,” says Llewellyn, “with the steel tip of her malice towards me.”

The author calls a taxi to leave, whereupon the bully protests, showing her bloodless hands. But, Llewellyn says, “As always with the bully, it is not on the hands but on the boots. It happens when no one else can see or hear. It is in the school lavatory away from the eye of the teacher or others. Quietly, swiftly, the kick to the groin. Then the deadly air of innocence comes down like a knight’s visor. Only the victim, lying there quietly, gestures to the boot.

“Not everyone is willing to look.”

# Leading Issues Journal

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## In this Issue

The Centre for Leadership for Women focuses on the topic of Intellectual Capital. This relatively new concept comprising the tangible and intangible value of an organisation, appears to be gaining momentum in the field of management and organisational research.

What precisely is Intellectual Capital? How does one develop it? How are organisations acknowledging and implementing this concept to their competitive advantage?

Ms Ann Sherry, Group Executive, Human Resources for Westpac Banking Corporation and CEO of the Bank of Melbourne, a Westpac subsidiary, explores these questions in her address entitled, "Capturing the Wealth of Intellectual Capital in the Public and Private Sectors" which she presented to the Institute of Public Administration Australia on 4 June 1999. With specific reference to the Westpac Banking Corporation, she discusses how an organisation can harness the People, Organisational and Customer capital. She concludes that the value of intellectual capital does "not lie in ownership but in successfully leveraging the benefits of the different forms of capital residing within the organisation."

To view the Centre's interview with Ann Sherry please click here: [Interview with Leaders](#)

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## Capturing the Wealth of Intellectual Capital in the Public and Private Sectors

By Ann Sherry

### Introduction

Two years ago recruitment company Morgan & Banks listed on the Australian Stock Exchange. With a capital asset base of around \$11 million, conventional analysis would have predicted the company could fetch a price of around \$20 million to \$30 million. Instead the company was soon valued at over \$300 million – almost 30 times the book value of its assets.

This indeed was an extraordinary result. But a closer look at the company tells us why, and illuminates the key issue I want to talk about today. Morgan & Banks is a business that revolves around placing the best people in jobs. The bricks-and-mortar assets of Morgan & Banks are worth far less than the inherent value of something more intangible: its intellectual capital. For Morgan & Banks, the talents of its people, the cleverness of its management, and the strength of its customer relationships are the real keys to its future.

In today's competitive environment, when the same products or services can be delivered at equal price by a whole host of providers, factors such as quality, value, service, and innovation are accepted as givens. Our customers and our communities expect no less than that.

Our competitive edge is now shifting away from product and price to people. Knowledge and the ability to capture and bring the knowledge to life with innovation and superior execution are replacing physical materials and assets as the building blocks of a great organisation.

This realisation raises key questions for public and private sector organisations today: what is this concept now being called intellectual capital? How do we in practical terms harness

an organisation's collective intellectual resources? What are the implications for how we recruit and how we organise jobs. How do we use people in a clever way, how do we retain them and develop their potential? These are some of the issues I want to raise today.

### **What is Intellectual Capital?**

Knowledge, of course, is not new. Plato and his fellow philosophers theorised on the meaning of knowledge 2,000 years ago. People in corporations have always sought, used and valued knowledge, even if they didn't realise they were doing so. The most experienced or knowledgeable person would be the person to get the job, or the promotion, or be the source of wisdom and decision-making within the company. In the Public Service, the smartest brain would often be the leading manager and policy driver, someone who could think, manage and implement.

What has changed is our competitive environment. Deregulation, technology leaps and increasing globalisation have had a far-reaching impact on our business. The information revolution means that information streams are becoming the key input along supply chains between companies and their customers rather than touchable, tangible goods. Many companies now spend more on technology that gathers, analyses and distributes knowledge than they do on machines that manufacture goods.

Companies can no longer rely on opening their doors, turning out the same products, and expecting customers to turn up as they have always done. In banking, for instance, customers can go to a mortgage originator or an insurance company for their home loan. They can seek out a foreign investment bank for their investment products. Or they can be get a credit card sponsored by a telecommunications or an automotive company, while knotching up frequent flyer points with an airline at the same time.

The traditional, loyal customers are fast becoming an endangered species, as new information-rich customers take advantage of their access to competitor information and seek out better prices and better service. With the internet now enabling customers to link even more directly to businesses, customer power can only grow.

Change, though, is not just a private sector gig – the public sector is also confronted by pressures for change. Governments around the world are demanding better performance from their public servants and higher value out of a diminishing public dollar. You can't expect an assumed level of funding or even an assumed domain of expertise in areas where the public sector would have ruled supreme. Virtually all your work is open to contest.

You too must find a competitive edge and demonstrate your value in providing services to customers.

But knowledge, information and data - what is it we're looking for? How do we know what's important? I define data as the raw information that exists within the company. For Westpac, for instance, 35 per cent of our customers are aged over 45. Information puts the data in a bigger context; the over-45s are a growing customer segment with a higher potential spend on financial services products as opposed to straight transaction services. The knowledge is where we temper the information with experience and a dash of strategy; we will grow the over-45s segment by 20 per cent if we package the financial services, superannuation and on-line equity trading to meet their diverse needs.

Intellectual capital is actually the combination of data, information and knowledge. As leading business writer Tom Stewart says, intellectual capital is "the sum of everything everybody in a company knows that gives it a competitive edge".

For my bank, it's the knowledge that resides within our workforce; the training, experience and intuition of our staff, and the relationships that we have built between our people and our customers. But the full weight of intellectual capital extends beyond mere existence of knowledge and skills. It's our ability to capture the knowledge, to nurture capabilities, develop a willingness to share the knowledge, be able to distribute and use it, and then translate the knowledge into a product or service.

### **How to Harness Intellectual Capital**

This leads us to the question of how we actually harness the intellectual capital that resides within our organisations and transforming it into a business driver. I believe that we look for intellectual capital in one or more of three places: in our people, in our organisational structure, and in our customers.

#### People capital

When most people think of intellectual capital they think immediately of people. People are of primary importance, of course, because it's their collective brainpower that makes up the organisation. When I say brainpower I don't mean brains measured solely by academic brilliance, but also brainstorming power – the sum of human innovation, ideas, and enthusiasm.

Bill Gates says that, in the information age, "How you gather, manage and use information will determine whether you win or lose" (*Business at the Speed of Thought*, 1999). I would argue that how you inspire, manage and motivate the people who are gathering the information will be the real key to success. Without them, the information has minimal value.

Westpac's driving strategy, for instance, is to get closer to our customers – to make every experience customers have with our bank a professional and personal experience, one they want to repeat time and time again. The way we do that is through enabling staff to understand our customers and empowering them to deliver the services they know the customers want.

Rather than treating people as adjuncts to the main activity of the business, the organisation has to invest in people and bring them into the centre of the organisation.

Traditional hierarchies where the decision-making and knowledge resides at the top, and is parceled into segments as it makes its way down to the bottom, are no longer relevant. The knowledge organisation seeks to break down structures and enable people to operate in a boundary-less way. Information and knowledge in this type of organisation spreads in a far less controlled, but far more productive, way.

As GE chairman Jack Welch says with confidence, you have to get everybody in the organisation involved. "The best ideas will rise to the top."

At Westpac we're still learning how to encourage that to happen; it's an ongoing organisational challenge. But you can see perceptible changes at the retail customer service



level, where banking has changed from mainly branch-level service to a mix of face-to-face contact and electronic solutions such as telephone banking. The shift has actually freed up staff from a lot of paperwork and basic transactions and changed the nature of their jobs, so that, for instance, they might be part of a customer team in a telecentre where their focus is on customer solutions.

Westpac encourages staff to develop individual development plans, which involves them defining their goals and deciding the training, mentoring and other assistance they need. In other words, they decide what they want and go for it.

The training then becomes individually oriented rather than an organisation-wide blanket. This way, the people are motivated to take part, and generally gather far more benefit than if they feel they are part of an enforced training camp.

The measurable benefits of education and training provide some evidence of the importance of intellectual capital. A study of 3,500 workplaces in the US in 1995 by the National Centre on the Educational Quality of the Workforce found that on average, a 10 per cent increase in workforce education level led to an 8.6 per cent increase in total productivity. By comparison, a 10 per cent rise in capital stock increased productivity just 3.4 per cent.

Put another way, the value of investing in human capital is about three times greater than the value of investing in machinery.

The other aspect of harnessing people capital lies in creating the right culture – making people proud of where they work, understanding what their collective goal is, and believing in the vision of the company.

We do this through promoting the core values of our company – explaining who we are and what we are striving for. And we seek to live our values through the human resources policies of encouraging diversity, rewarding through merit, and offering flexible, family-friendly conditions.

We also encourage staff to be part of their communities through programs where we match dollar for dollar any donations made by staff to charities of their choice, or if they prefer, provide paid leave so that they can contribute their time to the charities.

These policies are not altogether altruistic. They're based on the belief that if our staff are satisfied in their work, then they'll carry over that satisfaction in the way they deal with customers. Westpac's experience of the last few years has driven home to us that there's a clear link between happy, motivated staff, and happy, satisfied customers. Nurturing this link has seen our staff satisfaction levels increase from around 5 on a scale of 1 to 10, to reach 7.5 and our customer satisfaction increase by 25 per cent. That's quite a leap, and I think highlights the fact that investment in our people capital has a very clear dividend for the future.

### Organisational capital

If we do invest carefully in our people, then we're well on the road to harnessing our intellectual resources. But the second part of the journey involves the organisation itself.

We need to build an organisational structure that connects people to the vast data we collect, and make it meaningful and useful to our business.

Today workers can be so overloaded with information that the number of emails on their screens is starting to look like a 100-year flood mark - only the level keeps on rising and rising.

We're receiving, storing and shifting so much information through our intranets, web browsers, search engines, databases and knowledge exchanges we're in danger of over-investing in information as a result. No wonder the information alarm bells are sounding.

The challenge for the organisation is to discover the meaning of the information. It has to marshal resources so that the data can be mined in an intelligent way, so that it can contain and retain the knowledge it needs, and so that the information can augment and support ideas being put to work. We have to remember that technology is only a tool in this quest.

When our managers or financial advisers sit down and speak to a customer, or operators answer telephone queries, we need to have the collective resources of the bank at work, so that the right information can be available to support the customer contact.

While some may hanker for the old days of knowing their local bank manager, customers in most cities use at least five different branches in carrying out their everyday banking.

No one staff member can handle all a customer's transactions, and no one staff member can answer all a customer's enquiries. The immense diversity of services offered by banks today makes that task far too complex.

However, technology does make it possible to store and access the customer information, and essentially to enable us to know our customers. In this sense, the intellectual capital lies in our data warehouses and our thinking ability to use the data in a smart way that delivers customers a benefit.

The issue for every organisation then becomes connecting the people and the technology: what information do we collect and who do we provide it to? We have to build our knowledge stocks – to know what knowledge to store, know where to find it, what priority to give it, and then devise how to access or distribute the knowledge. We have to avoid falling into the trap of collecting too much information for the sake of it, then failing to use the data. That's disconnected information, not capital.

Westpac has giant customer databases, as you'd expect, but we also have a knowledge management database that tells us who knows what in the company so that we can access their expertise, regardless of where they sit in the organisation.

We can pinpoint, for instance, who knows government, who knows company X or industry Y, who knows how to speak Mandarin, who has done a particular type of merger or acquisition. We're not defining people according to what their job title is, but their broader base of skills and experience. Ideally, instead of undertaking jobs and following a vertical career path up through the organisation, people work on projects that can take them from side to side, gathering knowledge and skills as they go.

We've done three mergers with regional banks in the last four years, and as an organisation we've developed and now retained the intellectual capacity to go out and undertake new mergers if we decide that's the best strategy. (Today you would argue it has also given us capacity to really judge whether we have the pre-conditions for success right as well.)

Our team for the integration with the Bank of Melbourne last year comprised people who had the knowledge and capabilities needed for a merger exercise. People were there because of what value they could add to the process, not because of their place in a particular business unit's hierarchy.

Westpac has built what I call "pods" of intellectual capital throughout the organisation. These living pods show how people combine with technology and a flat organisational structure to deliver knowledge that is active and accessible. Information will never be intellectual capital unless it moves.

### Customer Capital

The third and final aspect of intellectual capital is customer capital. This is possibly the most valuable form of intellectual capital because it's the customers who pay the bills, and it's their ongoing loyalty that will build a business. Every company that has customers will have customer capital.

The information revolution means we can track their every contact point with us, like a technology footprint, through data bases showing what transactions they conduct, what products they buy, what queries they have and payments they make. Figures such as customer retention rates, or the flip side, defection rates, profitability per customer, and market share in different segments are all really measures of customer capital.

The value of knowing your customer is enormous.

One US automotive company estimates that every percentage point increase in customer loyalty – that is, how many cars they return to buy – is worth \$100 million a year in profits. A US credit card provider estimates that if it cuts the rate at which customers defect by just 5 percentage points, it will increase the lifetime profitability of the average customer by 125 per cent.

We take customer capital very seriously at Westpac because it lies at the heart of our business strategy. We have spent the last decade rebuilding our customer base through regional acquisitions and through getting closer to our existing customers.

We looked at every customer relationship we had, assessed its current profitability and its potential for future source of business. Today we constantly look for ways to add value to every relationship, and we do that by knowing customer needs then delivering on the products and service.

In our merger with the Bank of Melbourne we adopted a three-pronged approach that combined the business objectives with our staff and customer objectives. That means we didn't jettison high-cost customers for the sake of getting the figures to match the projections. We worked very hard to protect the strong relationship that the Bank of Melbourne had with its customers so that we could carry that over to the new integrated bank.

We did that in many ways – through close and regular consultations, customer surveys, building a customer focus with staff, and introducing policies that delivered on the type of bank that the customers said they wanted to emerge from the integration.

At the end of the day we finished with 30,000 more customers than the combined Westpac and Bank of Melbourne had started with – a first, I think, for any bank merger. We increased our number of priority customers by 25 per cent, and lifted customer cross sales from an average of 1.7 to 2.9 products per customer. The true test of course, will be in the longer term. Indications are that customers have made the transition, and now the challenge is to retain their loyalty.

### **What About the Public Sector?**

I've been talking mainly about the private sector today, using my experience at Westpac as an example of how we're building intellectual capital.

But the principles can still apply to the public sector.

1. The value of agencies and departments does not lie in the property, cars, equipment or systems they own. It's in the unique and distinguishing intellectual capabilities of the people who make up the Public Service.
2. Capturing the wealth of intellectual capital covers the broad spectrum – your people; your organisational structure; and your customers, or clients.
3. For people, you have to foster teamwork, build a workplace culture that encourages and rewards skill and performance, and empower people to use all their knowledge resources.
4. For the organisation (and I know that today it's a very devolved organisation), it's a matter of having the capacity to define and capture the right kind of information that floods through your systems every day, and translate that into living, workable policies.
5. And for your customers .. well, you have to define who they are – is it the people of Australia, or the government of the day, or is the issue how do you best serve both, as an independent adviser to government and as an implementer of policy? I know I could start getting into hot water here ... but the point is that it's the public-interest aspect of a public servant's work that makes it unique, and that creates special, if not complex, demands.

Notwithstanding the complexities, I think it is possible to use your skills to hone in on particular constituencies or stakeholders, assess their needs and aim to provide innovative solutions. We all have varying constraints, both financial and community, but we can seek to capitalise on our customers by investing in them too.

### **Conclusion**

I'd like to conclude with one last observation on intellectual capital. Harnessing intellectual capital is not the same as other forms of capital. We don't buy and own staff, customers or their information. Value doesn't lie in ownership, but in successfully leveraging the benefits of the different forms of capital residing within the organisation.

Knowledge management thinkers Klein and Prusak emphasise that intellectual material does not actually become intellectual capital until it has been "formalized, captured, and leveraged to produce a higher-valued asset".

*"Intelligence becomes an asset when some useful order is created out of free-floating brainpower .... when it is captured in a way that allows it to be described, shared, and exploited; and when it can be deployed to do something that could not be done if it remained scattered around like so many coins in a gutter. Intellectual capital is packaged useful knowledge."*  
(my emphasis)

In the private sector the packaged, useful outcome is more easily discernible – it's what people buy.

For the public service I think the packaging and usefulness is still a key – but possibly it's "buy-in" rather than dollars and cents of purchasing that you look for. The "buy-in" to your ideas. To the incredible level of information you hold about Australians in your databases. To how you use the information to advise government and then to build better services for the community.

Today organisations – public and private - have to differentiate themselves on the basis of what they know, so that they can use their knowledge to do things better, smarter, and quicker. Intellectual capital gives them the power to do that.

Morgan and Banks doesn't own the people it recruits and places in employment. It captures the insight, contacts and cleverness of its people so that they make recruitment a success. You don't buy Microsoft shares because of its software factories, because it doesn't own any. You buy its ideas, its competitive edge, and its nous in a fast-moving market. You don't shop at amazon.com because of its chain of bookstores. They don't exist. You buy its extraordinary access to any book in the world and its cleverness at delivering what you want – quickly and cheaply.

When organisations start to value the intellect power of their people as greater than their tangible assets, and as worthy of serious investment, then they will be equipped for competition in the information economy of the 21<sup>st</sup> century. We're working towards that goal at Westpac.

I believe the public sector has a head start on using intellectual capital. I'm not so sure that either the value or the opportunity is articulated well enough to either the community or the Government. That is your challenge.