



CONSUMED BY DATA

THE FAST THINKING INTERVIEW

Gary Morgan is the executive chairman of Roy Morgan, Australia's largest independent research company, best known for its weekly political polls and media research, two cornerstones of a wider and deeper company than is broadly understood. The company was founded in 1941 by his father Roy, and extended significantly over past decades by Gary both geographically and in service and product offerings. The combination of his activities – international business, entrepreneurship, researcher and trends commentator – provides him with a unique position from which to view the world. In this exclusive interview, John Keeney, *Fast Thinking* editor-in-chief, examines the known and little-known facets of the man and his company.

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And yet, for example, when you write and speak on such things as "Everyone knows the difference between right and wrong" or "housing affordability" or "the state of democracy in Russia", wouldn't you say you are marrying social and philosophical interpretation based on data? Or indeed philosophising without data? I am excluding entirely from this question the 'white as white' media data you produce - I am interested for example in your various papers and speeches which are less well known.

We have to differentiate entirely between a speech, or an address and the production and strict interpretation of hard data. Of course I hold opinions about some issues, which may transcend hard data. Take this mining tax for example. [Gary Morgan was among the first to speak out loudly on this issue which has now passed through a number of stages, and led, at least in part, to the undoing of a Prime Minister.] Objecting to the mining tax is based on common sense - the notion of federally-mandated re-allocation of revenues belonging to one State, somewhat arbitrarily to other states is simply terrifying! Yes, that's an opinion and I do say, a well-founded one!

FAST THINKING When you do work for an individual company, is this based just on the provision of research data or do you provide subsequent consulting services?

GARY MORGAN We see ourselves as active interpreters of data, so we do advise clients in the use and meaning of data - but let me stress that all judgments made are done so on hard data, not theorising, not over-extrapolating.

Though in a number of your addresses and in some of your writings you make what appear to be philosophical comments and opinions. Outside of the strict media data arena, you've made statements such as "Australia as a nation has a remarkable degree of myopia" [the general non-response by citizens to Asian currency crisis, late 90s]. Do you then regard yourself and the company as engaged in social philosophy? In such areas I think we would call ourselves social interpreters.

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Do you accept the title, on occasion, of social philosopher?

No, let's leave it at interpreter and move on. Others can call it what they will.

OK, are there areas that you would like to examine, study or measure, which you haven't had opportunity to do so as yet?

I think the area of health needs much more research. There are many issues such as women's health, cancer, mental health and others. There isn't enough data, and we need more. Health is an area which is insufficiently explored and is crying out for more hard data!

Do you believe that the federal government should be engaging in more focussed research, and if so, in what areas?

What I think would be appropriate and enlightening is to find individual institutions which were able to fund specifically focused health research themselves.

This is a good, if perhaps idealistic view. But the central question remains, should, in your opinion, the federal government be engaged in more specific research on pointed topics?

Only if a benefit can be shown whereby they add to what the private sector is doing.

As an observer of business, and as a successful businessman yourself, you have commented to me that "managers need five years to genuinely learn their business". Can you elaborate? I sense you feel that there is perhaps too much impermanence or superficiality at top management level here and elsewhere.

This is a major problem, it is not limited to this country, but it certainly is present here. I believe that there is too much short-term thinking generally. You can attribute this to a number of causes, including the demands of quarterly reporting in public companies.

Headhunters are continually seeking out individuals of quality and encouraging them to move on quickly to more lucrative positions. Headhunters get a fee for each move, company boards are full of 'lame duck' directors only interested in the fees they collect - a shocking situation. Look at the people on the boards of the companies; too many couldn't get a CEO job!

Consider the great Australian business leaders such as Frank Lowy. He has devoted his entire life to perfecting and understanding his particular business. How common is that? Think about the continual 'hands on' ethic of a Rupert Murdoch, now worldwide. What can be said of Murdoch is today he is still continually getting better at what he does.

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What is one solution to this?

More people. I support the higher immigration intakes. It is something which has continually strengthened this country. I could use my own company as an example. We have a multicultural group of key staff, and they function together extremely well. We need more experienced cosmopolitan people. In our own case, I have observed that cultural differences provide different ways of looking at things, and the synthesis of these is generally superior.

What have been the most influential management books you have read?

I haven't read any. Maybe that's because I studied economics and mathematics and am consumed by data.

What, in your opinion is missing in Australian innovation and entrepreneurship?

First there is too much government control. Whatever else may be said of government, its role is clearly to create a fair, honest and open marketplace - that means true competition. Many industries are dominated by one or two players, because Australia is relatively small. The government needs to look at mechanisms that allow more active competition.

Looking at one of your strongest and best known products, Single Source data. Why do you judge this superior to other methods?

In research, you cannot properly overlay one set of responses against another - it is out of context. There is a need to discover answers to a wide range of questions from a single person to achieve a true measurement of 'interaction' of activities? Put this another way - you cannot reliably link data from one source to another, you need data from a single respondent.

And you are the only organisation doing this?

Largely, yes. I would say that no one has done it as consistently nor as well as we have. To their credit, Nielsen has done some work in this area. It should be understood that it is a painstaking process; it requires knowledge and dollars, people need to be rewarded for their efforts which may take 2-3 hours of a respondent's time. You cannot gain this on a superficial level; commitment in accurately collecting data is needed.

What is the greatest innovation created by Roy Morgan?

The establishment of a continuous public - being weekly - opinion poll. And I stress the word continuous. This is Australia's own, and through a company which is Australian-owned.

What is the most pleasurable or positive aspect of your daily work life?

That's easy. It's coming to work and seeing a number of committed, experienced staff members at work, and seeing daily reports on our data that has produced information which nobody else has produced.

And the worst part of your job?

It is, unquestionably, when I see or read about survey or poll results that I know are flawed or incomplete in some way, and yet published as reliable - it happens every day!

This begs the question as to your belief in the importance of transparent, understandable opinion polls in the role of a healthy democracy. What in your opinion is the importance of this in a democratic society?

People who publish public opinion polls must publish the exact question, sampling method details, where and when survey conducted, and make available the computer sheets of the results (data).

You've extended your entrepreneurial activity into gold mining. What is happening?

This is nothing new. We have had a company, Haoma, for more than 18 years, working with top people from the University of Melbourne, including Professor Peter Scales [University of Melbourne], and Hugh Morgan [ex-Western Mining], Edwin van Leeuwen [ex-BHP Billiton] and others, trying to discover new methods on extraction of gold, silver, nickel, iron etc. Look at this piece of ore. [Morgan shows a rough grey quartz rock, as large as a tennis ball] Up to one per cent of its make-up is gold. Until now it has been impossible to extract the gold, but now we have perfected a process which can effectively retrieve the gold from the ores I've shown you. A real breakthrough.

So, what advice would you give to aspiring entrepreneurs moving into overseas markets?

It is not easy - cultures are very different!