

# Templeton Bulletin



November 2005

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## Pensions: The Battle for the Middle Ground

Even before Lord Turner's long-awaited Pensions Report saw the light of day on 30 November, debate – not to say battle – had been joined, with a flurry of briefings and counter-briefings, Gordon Brown allegedly up in arms at its proposal to reintroduce the link between state pensions and earnings and the CBI wringing its hands over the possible increased burden on employers. Now, however, we can forget the leaks and assess the actual proposals.

As well as backing the link to earnings and a reduction in the Chancellor's favoured strategy of means-tested credits, the Report proposes a graduated rise in pension age to 68 and a new National Pensions Savings Scheme (NPSS) to which employees, employers and government would respectively contribute 4%, 3% and 1%. To help disadvantaged groups like women workers with interrupted careers, the NPSS would be based on residency not on record of contributions. So what is the significance of these proposals and how likely are they to become reality?

Fellow in Industrial Relations Roger Undy is an expert in the field, having convened meetings at the college for the Government to obtain feedback on earlier Green Papers. Broadly he welcomes the Report while questioning some of the knock-on impact: 'At first sight the proposals seem very sensible and to be the combination of moves that one might have expected. The problem is that whatever you do with regard to pensions someone somewhere along the line is likely to get upset, whether the employers, employees, the Treasury or tomorrow's taxpayer.'

The big plus in the proposals, as Undy sees it, will be to create a level playing field and 'stop employers undercutting one another and going for the cheapest pension contribution option.' Indeed he points out that some employers like those in the Engineering Employers Federation (EEF) have already welcomed the proposals for the uniformity they will impose. What he fears, though, is a levelling-down and an increasing

shake-out of defined benefit and final salary-linked schemes (down to 7% of all schemes from 36% twenty years ago).

Undy also takes a balanced view of other 'hot' pension issues such as means-tested credits. While he acknowledges the success of Gordon Brown's credits in lifting a whole tier of pensioners out of poverty, he feels they may have had a negative influence by making pensioners just above the poverty line feel it would be pointless to save. 'It makes a lot of sense, therefore, to go for a higher guaranteed level of state pension.' On the recent agreement – heavily slated by the CBI – allowing public sector workers to continue to be able to retire at age 60, he notes that Alan Johnson, who negotiated the deal with the unions, believes the likely costs have been greatly exaggerated. 'The evidence is that some 80% of workers in the public sector actually move out to other jobs before they reach the retirement age of 60, so it is not such a big issue.' Further, the data quoted by Johnson points to public and private sector workers in practice retiring at roughly the same age, around 62.

The pensions debate will undoubtedly run and run. But will politicians grasp the nettle, or will the Turner Report like so many reports before it be consigned to oblivion on the dusty shelves of Whitehall? 'I think that this time the Government will not be able to kick the issue into the long grass,' says Undy. 'If it is not to look indecisive it will have to act before the next election. The Government will not want the other parties to make political capital - either because it has done nothing or because it has gone out too far on a limb. So my suspicion is that it will use the debate as a way to find common ground and build consensus before the election with the Liberals and perhaps with a more centre-minded Conservative Party under David Cameron.' To get more information on Roger's work see [www.templeton.ox.ac.uk/oxirm](http://www.templeton.ox.ac.uk/oxirm) or contact him at [roger.undy@templeton.ox.ac.uk](mailto:roger.undy@templeton.ox.ac.uk).

30 November 2005

## Health Minister Road Tests Policy in Templeton Workshop

In the run-up to the White Paper on the future of health and social care and following the Green Paper published earlier this year, Liam Byrne, Minister for Care Services in the Department of Health, commissioned a special workshop – run on 9 November at Templeton College for members of the Policy team to test some of the White Paper proposals. Two policy areas were explored: how to improve accessibility and fairness in the delivery of health and social care and, secondly, to strengthen ‘joined up’ delivery for patients where there are multiple agencies, budgets and managers involved. Groups of stakeholders, senior health and social care managers from four local systems (Birmingham, Brent, Camden and Oxfordshire) were invited to the workshop to test ideas using local cases and give feedback on the proposals. Fellows Keith Ruddle, Ian Kessler and Elizabeth Howard helped facilitate. The workshop had been organised at very short notice and at a time when facilities were under great pressure from the many other programmes Oxford Executive Education is currently attracting, but went off very successfully, says workshop Chairman Keith Ruddle, Fellow in Leadership, Organisation & Change. ‘It generated a lot of enthusiasm and practical suggestions from the participants, all of whom were keen to see positive improvements in the services they deliver.’ For information on the Green Paper on health and social care, published in March, see [www.dh.gov.uk/socialcare](http://www.dh.gov.uk/socialcare). For more details of the work and career of Keith Ruddle, who has worked extensively with government and the Civil Service on change management programmes, see [www.templeton.ox.ac.uk/people](http://www.templeton.ox.ac.uk/people).

14 November 2005

## Leadership Writer

Over the years Oxford executive programmes have earned many commendations (and perhaps the odd brickbat) but rarely have they inspired poetic tributes. So it was a pleasant surprise when a participant on the 46th Oxford Strategic Leadership Programme, John Azuta-Mbata, a member of the Nigerian Senate, produced a poem entitled ‘In the Woods’. All the participants had been asked to select a poem for one of the sessions. Whereas most made their selection from the anthology of 20th century poetry provided, John decided to write his own. It celebrates the unusual and complex strengths of the programme and of Templeton College, concluding:

*‘So serene, so serious, so strategic  
Chasing the ghost of leadership to unmask the spirit and the letter  
Yet so enigmatic, so evasive.  
Knowledge for the sake of knowledge;  
Yet so apt. So relevant.’*

John’s stylish contribution was highly consonant with the overall approach of the Strategic Leadership Programme which makes regular use of literature and the creative and performing arts to help participants gain insights into the roles and challenges they face. For details of the Oxford Strategic Leadership Programme see [execed.oxford.edu](http://execed.oxford.edu).

23 November 2005

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## Bill Impey Honoured

Bill Impey, former College Administrator and Estates Bursar, has been elected to an Emeritus Fellowship by Governing Body. When he retired in 1998, Bill had completed 35 years’ service to the College. The proposer of the election, Roger Undy, Fellow in Industrial Relations, was a colleague of Bill’s for much of that time and pays a warm personal tribute to the key role he played in the development of the College and its values: ‘Bill made an outstanding contribution to the development of both the fabric and culture of Templeton College. He was largely responsible for creating much of the environment which members of the College now enjoy. His attention to detail in the design and maintenance of the buildings in the development of the grounds reflected his consistent commitment to the college and its mission. His dedication to friendly customer-focused service set many of the standards greatly valued today by clients and staff alike.’

The election was initially suggested by College alumni who recalled with affection their long relationship with him and wished to commemorate his contribution to the College. It was seconded by Dorothy Cooke, Administrative Fellow, supported by Bob Vause, Emeritus Fellow and three times Dean of the College, and was announced to great applause at the Templeton Executive Network Reunion (TEN) on 28 October (see separate news item).

3 November 2005

# Quick-Fire Consultancy for Organisations in Change

Change is no respecter of organisations, however well-loved or historic, and two UK organisations facing particular challenges in terms of role, market orientation and management are the Health Service and the Co-op. On 27 October Oxford Advanced Management Programme (AMP) participants broke into two groups and faced a 'Time Team'-type management consultancy challenge: to visit, analyse, reflect and report back on two separate organisations, all in the space of one day. They descended by invitation on the Nuffield Orthopaedic Centre (NOC) and the Mid-Counties Cooperative, their missions respectively to help the NOC position faced with increasing user choice, and suggest how the Coop could best leverage its substantial 'social equity' in a highly competitive retailing market. The mastermind of this project within AMP, Research Fellow in Retail Marketing & Distribution Richard Cuthbertson, delivers an upbeat verdict on the day: 'Although both teams found their assignments very challenging in terms of the complexity of the organisations concerned, especially as most come from outside the UK, they worked exceptionally well together as groups and were greatly assisted by the very open and up-front way in which the host organisations shared information with us.'

The NOC team explored how the Centre might align itself to continue to deliver quality service in a radically changing environment, while the other team looked at how the Coop might more strongly position itself as a family-focused enterprise. The exercise, Richard stresses, was far more than a game: 'Rather than offer superficial recommendations participants tried, despite the time pressures, to reflect the complexities involved and get at the underlying issues. They did exceptionally well.' It is a verdict that the host organisations seem to share. A senior executive in one later wrote: 'We'd like to share your presentation with the Board ... We face a difficult and uncertain immediate future, and your key themes of internal and external marketing are going to provoke a lot of discussion here.' To find out more about AMP visit [execed.oxford.edu](http://execed.oxford.edu).

2 November 2005

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## Reaching the Consumer: Paper or Pixel?

More and more TV screens are appearing in our stores, points out Research Fellow in Retail Marketing & Distribution, Richard Cuthbertson in his 21 November 'Shop Talk' column in the magazine Promotions and Incentives. So which is better: new technology or old? It all depends on what you are trying to achieve, says Richard. 'A moving image on a TV screen may provide a richer context for a product message, but the in-store magazine can be read at leisure. Thus old technology is better at supporting the breadth of a retailer's offer while new technology comes up trumps for manufacturers as consumers purchase. New technology may provide some innovative ways to communicate with the consumer but there is still room for new versions of old methods. Consider a magazine or a paper catalogue such as Next or Argos, which is available online and yet people take them away in their thousands. We may be in the digital age, but the consumer is still human.' For more details see [www.haymarketgroup.com](http://www.haymarketgroup.com).

28 November 2005

## Airport Retailing - Still Grounded?

Airports could do much more to capitalise on their retail opportunities, a meeting of the Oxford Retail Futures Group was told on 22 November. Despite the increase in air travel and air passengers representing the ultimate in captive retail markets, worldwide passenger spending has stayed stubbornly flat at little over \$8 per head a year. There are bright spots, however. Fellow in Strategic Management, Loizos Heracleous, described how Singapore Airlines is using biometric authentication to speed up the processing of passengers and so contribute to a more enjoyable and expansive airport experience. Robert Cook, Managing Partner of the Canadian consultancy Blackstone Gates, outlined his successes in airport 'customer experience management'. Stressing how little airports know about their customers and what they really valued, he said 'airports needed to develop marketing with memory ... Airports need to think differently and realise they are part of a service industry.'

A lively debate ensued ranging across the implications for airport design, the impact of low cost carriers and the tension between maximising airport retail opportunities and concerns over security and intrusiveness. 'Even though biometric technologies hold immense strategic opportunities for companies in competitive environments and governments fighting terrorism and other security risks, a delicate balance needs to be struck between these goals and incursions on civil liberties,' concluded Loizos Heracleous. For details of the Group see [www.templeton.ox.ac.uk/oxirm](http://www.templeton.ox.ac.uk/oxirm).

23 November 2005

## Aristotle, Leonardo, Pixels & Lego

Diversity was the keynote of the 46th Oxford Strategic Leadership Programme held at Templeton College on 13–18 November – in participants, content and approaches. It drew senior figures from as far afield as Australasia, the Americas, India, the Middle East and Africa, ranging in sectors across government, industry, academe, services, energy and communications. The programme, equally, was a fizzing mix of contrasting highlights – a bold pattern of lights and shadows blending ethics and Aristotle, art and lectures on Leonardo, international affairs and complexity theory, ‘serious play’ with Lego and Boardroom psychology. Combining inspiration, leading-edge thinking and the nitty-gritty of real life leadership experience, it set out to stimulate and strengthen creativity in leadership – both personally and organisationally.

This effervescent cocktail of a programme certainly seemed to go down well with those who experienced it. ‘You provided many different baskets of knowledge, others we brought ourselves,’ commented one participant. ‘Yours and ours combined, we were well fed!’ For information on the Oxford Strategic Leadership Programme see [execed.oxford.edu](http://execed.oxford.edu).

23 November 2005

## Top Ten Article

7.5 million articles are downloaded every year from the Emerald Fulltext database, and figures of the downloads are widely used to indicate hot topics and patterns of use throughout the world. Emerald has just released the top 200 most downloaded articles from their full text database, and among the top ten is a special issue, ‘eCommerce: a critical review’, which Jonathan Reynolds, Director of the Templeton-based Oxford Institute for Retail Management (OXIRM), wrote in 2000 in the *International Journal of Retail & Distribution Management*, 28 (10). Despite developments in the last five years, this far-reaching overview clearly still has considerable relevance. As Jonathan comments: ‘Concerns over the challenges of cost-effective multi-channel retailing are more vivid than ever before, as UK retailers face declining sales in their physical stores’. For more information on the article and on the database visit [http://www.emeraldinsight.com/info/authors/literati\\_news/top200/index.html](http://www.emeraldinsight.com/info/authors/literati_news/top200/index.html).

1 November 2005

## Flexing the Workforce

The benefits of flexible working are heavily promoted, but are they all they are cracked up to be - and how easily can they be achieved? A meeting of the Personnel Directors Forum (PDF) at Templeton, *Managing the Flexible Workforce*, took a hard informed look at this complex issue on 14 November. ‘There are several aspects to workforce flexibility,’ says Ian Kessler, Fellow in HR Management, who chaired the meeting in the absence of the PDF’s director, Marc Thompson. ‘These include the functional (the tasks undertaken by employees), temporal (the periods and times worked) and numerical (the security and permanence of employment). Any discussion has to span all of these and also take into account the different perspectives of employees and employers – the implications for lifestyle choices as well as for organisational effectiveness.’

The participants, who were drawn from a range of private and public sector organisations, heard presentations that reflected their backgrounds and interests - from Elaine Drage of the Equal Opportunities Commission, David Yeandle, Deputy Director of the Engineering Employers Federation and Sue Rice, Accenture’s HR Director. The Forum ended with a discussion which pursued with great interest the opportunities of flexibility as a route to uncover and mobilise fresh reserves of talent in the workforce. For information on PDF see [www.templeton.ox.ac.uk/oxifer](http://www.templeton.ox.ac.uk/oxifer).

15 November 2005

## Retailing Round the World

The proceedings of the 3rd Asia - Pacific Retail Conference held in Seoul in March have been published by the Oxford Institute of Retail Management, edited by Elizabeth Howard and Christine Cuthbertson. They include papers on recent retail developments in China, Japan, Malaysia, Thailand and Korea together with a parallel analysis of European retailing. Sadly, Ross Davies, Emeritus Fellow of Templeton College and co-founder of the Asia – Pacific Retail Conference, fell ill while co-chairing the conference and died shortly thereafter. ‘In completing this work,’ comments Elizabeth, ‘we hope that the Asia –Pacific series will continue and develop further, building on what Ross began.’ For copies or further information contact [oxirmenquiries@templeton.ox.ac.uk](mailto:oxirmenquiries@templeton.ox.ac.uk).

23 November 2005

# 'Business Leader of the Year' Talks to CEOs

The keynote speech by O2's CEO, Peter Erskine, on 'Leading in Times of Rapid Change' at the CEOs and Chairs Dinner Discussion on 3 November could not have been more timely given the news of Telefonica's merger bid for O2. Peter Erskine was introduced by Templeton's Dean, Michael Earl, as 'definitely the Man of the Moment' – aptly in the light of the coming announcement at the prestigious National Business Awards on 16 November that he had been voted 'Business Leader of the Year'. Peter Erskine gave a gripping account of the mountain O2 had had to climb to reach its current success. 'Although we all live in times of great change,' he said, 'the mobile phone business has been about very fast change indeed, and O2 has been about exceptionally

fast change ... I think the one thing that's helped O2 get where it has, has been that it has never believed it had a right to exist. We knew when we came out of the blocks that we were an orphan. We knew nobody gave us a chance, and we've used that to help us deliver and make ourselves, I think, pretty good at handling change.' He outlined the four mantras – simple to state but complex to deliver – that had helped him build O2: a first-class team; keeping it simple; constant open communication; a clear set of values; and 'deliver, deliver, deliver'. During his speech he also touched on the role played by the O2 Executive Development Programme organised by Oxford Executive Education over the last two years.

Peter Erskine's talk was the springboard into a vigorous debate in the college's Chairs & CEOs Dinner Discussions series. Twenty senior executives from industries as diverse as retailing, communications, services and construction brought their insights and experience to bear on two key questions: what constitutes effective leadership in the face of the dilemmas posed by rapid change, and how can strategy, long-term as well as short-term, be shaped in the throes of a turbulent environment. A resume of the debate will be available shortly. For copies and details of previous CEO Dinner Discussions contact [louise.watts@templeton.ox.ac.uk](mailto:louise.watts@templeton.ox.ac.uk).

8 November 2005

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## Judgement Day

Marc Thompson, Senior Research Fellow in Employee Relations, was one of the panel of judges for the Daily Telegraph Business Awards on 2 November and attended the reception at newly opened Moorhouse building in the City of London. The awards were presented by the entrepreneur Simon Woodruffe, founder of !Yo Sushi! and panelist in the Channel Four programme The Dragon's Den. In the HR Director of the Year category, which Marc judged, the winner was Angela O'Connor, HR Director of the Crown Prosecution Service (CPS). A number of awards were also given to other business people, including a lifetime achievement award to Sir David Prosser, the retiring head of Legal & General. For details of Marc's career and research see [www.templeton.ox.ac.uk/people/](http://www.templeton.ox.ac.uk/people/).

3 November 2005

## Silver Jubilee Meeting of NHS Chairs

15-16 November saw the 25th gathering at the college of the NHS Chairs Group founded by Templeton Honorary Fellow Rosemary Stewart. 'This is the time of the greatest change in the National Health Service,' comments Rosemary, and the members of this high-level, invitation-only group – limited to twenty members – used the occasion to debate the implications for their organisations.

Following dinner on the first evening and a speech by Professor Alastair Buchan, Oxford Professor of Gerontology, who runs the Oxford Radcliffe Trust's pioneering Stroke Unit, Nicolaus Henke, Director of McKinsey & Co's UK Health Care Practice gave a presentation the next day with Ben Richardson, the project's Principal Co-leader on 'The Outlook for the NHS and Implications for Payers and Providers'. Jane Cummings, Director of Implementation at 'Choose and Book' in the Department of Health described how patients would be offered choices of hospital when they visited GPs and outlined how far primary care trusts had got with implementing the scheme. Finally, Stephen Dunn, Senior Policy Adviser in the Strategy Unit of the Department of Health, drew on his time as a Harkness Fellow to discuss lessons from American experience. Rosemary can be contacted at [rosemary.stewart@templeton.ox.ac.uk](mailto:rosemary.stewart@templeton.ox.ac.uk).

18 November 2005

# Applause, laughter, and the importance of risk-taking: the TEN Reunion 2005

The Templeton Executive Network (TEN) Reunion on Friday 28 October featured a lot of applause at various points during the evening. However, the loudest round came when the Dean, Michael Earl, announced that the College was granting an Emeritus Fellowship to Bill Impey, the man who, more than anyone, 'created the special ambience that is immediately noticeable to everyone who comes into the College.' More than 100 alumni of Oxford's executive and degree programmes couldn't have agreed more.

The announcement crowned an enjoyable and stimulating event. The tone was set by two lively seminars: 'Let the buyer beware: Customer management vs customer privacy', led by Jonathan Reynolds, Fellow in Retail Marketing, and 'Capabilities, Strategic Alignment, and Innovation' led by Loizos Heracleous, Fellow in Strategy and Organisation. These were enhanced by the presence of participants on the current AMP, who, at the end of their third week, were in full 'study mode' and eager to benefit from the differing experiences and viewpoints of TEN members.

The Annual Lecture that followed, 'The Importance of Risk Taking', was delivered by Luke Johnson of Risk Capital Partners. In an inspiring address, the audience was urged to make bold decisions and not to 'play for safety': 'Most of us are more disappointed by the things we didn't do in life than those we did.' While much of the discussion that followed focused on Johnson's role as Chairman of Channel 4 (and he made a spirited defence of Big Brother), he clearly achieved his objective of both rattling and encouraging his listeners.

'The TEN reunions are always excellent social events, but we like to feel that they are useful and that we get people to think a little bit too,' said Michael Earl. 'Judging from the earnest discussions and laughter that I heard around me, and even the business cards that I could see being exchanged, we succeeded on all fronts.'

<http://www.templeton.ox.ac.uk/alumni/>

9 November 2005

## Wine List Honour

'I am delighted to announce that Templeton won the runner-up award in the Taittinger Wine List of the Year category at the Conde Nast Johansens Awards for Excellence,' writes Domestic Bursar, Tim Royal. It was won in the face of stiff competition - sixty other nominated institutions from the UK and Ireland - and Templeton was the only college to make the list. The award was made on the basis of the variety of wines that the college makes available to its executive clients, reflecting the range of countries from which they come. Its cellars hold over 170 bins, ranging from one of his own favourites, Chateau Beychevelle to rare Mexican reds acquired, says Tim, just in case a programme participant from that part of the world should ever ask for them.

The awards ceremony, which Tim attended, was held on 14 November at the Jumeirah Carlton Tower in London. 'It was, he says, 'a great result and comes on top of the many other prizes for cuisine and facilities which Templeton has carried off in recent months, including Top Award for Oxford College Catering Excellence, Top Newcomer Award from the University Chefs Organisation and Conde Nast Top Conference Centre of Excellence.' Next month may bring another top gong: college chef Darren Lomas has put in for the University Chef of the Year award. Good luck and fingers crossed!

21 November 2005

# New Graduate Student Officers

The results of this year's GCR elections are:

– *GCR President: Siva Sundaram (MBA Programme)*

Siva has a Bachelor's in Mechanical Engineering from Annamali University in India. Before coming to Oxford he worked for ten years in the USA, most recently as a Senior IT Consultant for Accenture Tech Solutions. His interests, include cricket, tennis, travel and world culture and current affairs. Active in politics, he helped successfully lobby as a member of the Immigrant Support Group for the passage of the Immigration Bill S2045 in the US Congress, was a member of the US India Political Action Committee and campaigned in the 2004 US Presidential Election.

– *GCR Vice President & Social Secretary (Onsite): Maja Korica, (MSc Programme)*

Maja has a BSc degree in Hotel and Service Management from the division of Rochester Institute of Technology in Dubrovnik. Alongside her studies she worked full-time at Croatiansun, one of the leading real estate operations in Croatia. Her academic interests include professional service firms, learning organisations and power and politics in organisations. She writes: 'My free time is mostly spent socialising with friends or reading books on a wide range of subjects (from art to politics to alternative travel guides), attending concerts, learning foreign languages (currently building up my French and Russian), travelling and exploring little known places'

– *GCR Manager: Joshua Steiner (MBA Programme)*

Josh originally studied medicine, but left college in 1995 to work in the booming website and software sector, first in the USA and then in Sweden. He adds: 'Professionally, I am interested in the trend of outsourcing from technical, ethical and economic perspectives. I also enjoy an eclectic mix of conversation fodder from anthropology to philosophy to physics. My main outdoor hobbies are travel, bicycling and hiking.'

– *GCR Treasurer: Suman Banerjee (MBA Programme)*

Before coming to Oxford, Suman worked as an IT consultant at Tata Consultancy Services in India. He holds a first class Bachelor of Engineering degree in Electronics & Tele-Communication from Bengal Engineering & Science University (formerly BE College, Shibpur). He writes: 'I am an avid traveller. I love to explore new places & learn about people, societies and cultures. I am also passionate about photography, writing travelogues and diaries, international cuisine and I do a bit of cooking too.'

– *Co-Social Secretaries (Offsite): Chad Bettac & Johannah Dods*

Chad Bettac graduated from West Point with a degree in electrical engineering and a commission as a US Army lieutenant. He served five years in Germany, earned the rank of captain and was deployed to Kosovo, turkey, Kuwait and Iraq. After fulfilling his service commitment he completed a 4-month internship with Dell Inc. As well as operations management his interests include running, snowboarding and home improvement.

– *Guest-Dinner officers: Nicoletta Occhiocupo & Paul Hwang*

Paul worked as an intellectual property lawyer before coming to Oxford. 'I am a person with numerous interests, qualifications and even nationalities!' he writes. 'A big modern history and movie buff I am also interested nightlife, sport, travel, the Internet and electronics.'

– *Student Representative: Michael Smets*  
– *Tennis, Squash & General Sports Officer: Denis Horellou*

– *Boat Club President: Judith Kleine Holthaus*  
– *Boat Club Captain: Michael Smets*

(Michael, Nicoletta and Judith are of course already well-known to us).

<http://www.templeton.ox.ac.uk/graduate/>

1 November 2005