
They included recruiting the best quality people and fostering an environment which encouraged both innovation and accountability. “Essentially if someone has come up with a good idea, there’s a ‘can do’ philosophy,” David said. “It means people can get out there and build their own business and create something. Our flat management structure provides an environment for ideas and a culture of maximum accountability. It’s a fundamentally different philosophy.”

To attract the best people, David initiated a remuneration policy that rewarded achievement. “The profit sharing plan has been in operation for close to 40 years without too many changes,” he said. “It’s about sharing the rewards of success between the shareholders and the staff. If the organisation does well because you’ve done well for the organisation, then you’ll share in those rewards. It conveys a sense of equity and fairness.”

While encouraging entrepreneurial freedom, David was careful to implement strong risk management principles, which were formalised in later years with the establishment of the Risk Management Group.

“We have always had right from day one an appreciation that risk is very important,” he said. “If you look at the CEOs in order, every one of us has a very heightened awareness of the importance of managing risk. Some of our competitors don’t have that.

“The key thing is to make sure the risk management systems protect the organisation against a relatively extreme circumstance. Everyone can protect the organisation in benign conditions. You need something that’s going to protect the organisation where it’s extreme.”

One such circumstance occurred on 20 October 1987, which David recalled as “the most horrendous day in my life in the organisation. We all went home one night and then the next morning when we come back the stock market is down 25 per cent. Contemplate the amount of wealth that is destroyed by that. That’s where our risk management system stood us in very good stead. We hadn’t over-extended ourselves and so there wasn’t the sense of panic there might have been elsewhere around the market.”

Similarly, Macquarie’s risk management framework enabled it to remain profitable during the recent global financial crisis. David’s leadership was marked by 40 years of unbroken profitability.

Another of David’s lasting achievements was his contribution to the development of the What We Stand For document, which evolved into Macquarie’s goals and values, a long-standing cultural blueprint. “The six points of What We Stand For have endured for a long, long time – things like integrity, high professional standards, giving superior service to our clients, teamwork rather than individual superstars, earning profits obviously. We spent a lot of time developing What We Stand For and we constantly reinforce those goals and values with our staff,” he said.

In addition to his many business achievements, David leaves a substantial philanthropic legacy. He had a major personal involvement with a range of community organisations, including the Salvation Army, Opera Australia and Social Ventures Australia. He was a key figure in the transfer of business skills to the not-for-profit sector and drove initiatives to improve the sector’s sustainability.

He also inspired an enduring culture of community engagement among Macquarie staff, dating back to 1978 when he established one of Australia’s earliest corporate foundations, the Hill Samuel Charitable Fund. When Macquarie Bank was formed in 1985, there was no question that the new entity should have a philanthropic arm, which David chaired for 26 years.

Since then, the Macquarie Group Foundation and Macquarie staff have contributed more than \$A145 million to community groups globally, as well as thousands of hours in volunteering and pro bono support. David promoted a model of ‘engaged philanthropy’, enabling not-for-profit organisations for the first time to harness a company’s business expertise, strategic advice, networks and resources, as well as its financial support.

“I was always taught by my parents and grandparents that if you are successful in life, you have an obligation to give back,” David said. “The Foundation is an important and long-standing part of Macquarie’s philosophy. There are thousands of our staff who are very much involved in volunteering, donating and doing things for the not-for-profit sector. We would be right up there worldwide, which is something that makes me very proud.”

David tendered his resignation as Chairman of Macquarie Group Limited and Macquarie Bank Limited on 17 March 2011, due to ill health. In the weeks before he passed away, he reflected on what he had learned as a 22-year-old Harvard Business School student that continued to drive him and Macquarie so many years later. “There are two things that stand out,” he said. “One of the concerns I’d had going to Harvard was, on the one hand I wanted to be successful in business, on the other hand ethical standards had been inculcated in me, particularly by my grandfather, and how was I going to reconcile those two things? One of the professors showed the path as to how you can be successful without compromising ethical standards in any way.

“And another professor told me: ‘Don’t accept anything. Question everything’. That’s always been very much part of the culture at Macquarie.”

He voiced only one regret. A proficient rugby player, he did not play the sport again when he returned to Australia from his Harvard studies. Others he had played with went on to represent Australia. David was to make his mark in other fields.