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The Challenges of Attaining Growth:

The Blenheim & MGSM Insight Series

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"Superhuman effort isn't worth a damn unless it achieves results"

Sir Ernest Shackleton

Chapter 8

Australia, Australians and Australian Managers

"It's a good life, and it's a long way from anywhere."

There are real questions around whether our lifestyle is permeating into our business orientation. Is there the drive for Australians to compete and be competitive on the world stage and do Australian managers have the competencies to do so?

Chapter 8: Australia, Australians and Australian Managers



"Take the time to deliberate, but when the time for action has arrived, stop thinking and go in"

Napoleon Bonaparte

One of the more surprising outcomes from participants was a real questioning of the desire of Australians to push and succeed over and above in business. There was a strong feeling among many participants that the horizons of success were somewhat limited compared with other countries. This limited horizon or possibly more aptly put, ambition, was a real factor impeding growth. One participant phrased this phenomenon as follows, highlighting what this limited horizon looks like.

"Lack of drive and we place a limited horizon on ourselves:

- Nice car;
- Nice house;
- Maybe nice boat; and,
- EQUALS – have made it!"

And taken to the extreme:

"If you live at Point Piper it makes you a better person."

When this view was put to other participants there was a large degree of agreement and further supporting comments followed about effectively "ambition" within the Australian culture.

"To not 'push further'."

"Even from school we are not pushed to succeed."

"Culturally Australians do not have the DNA 'to step ahead'."

"Lack of ambition in Australians."

"Too laid back – but if that is the lifestyle they want?"

"If 'have enough' that's OK."

"Some people are satisfied to reach a certain level of achievement:

- *Can't see anything else; and,*
- *Couldn't be bothered.*

"Finish at 55."

"Australians are not as aggressive as they should be (in a relative sense vs. overseas)."

"New generation is not as aggressive – soft."

"Lower risk appetite here probably because:

- *Good here;*
- *Good lifestyle;*
- *Easy place to live; and,*
- *Why take the risk.*

"We are a very soft nation because of this"

"There is a 'lack of animal spirit'"

"Perception of success in business not the same as for business in the US."

"I don't get why there are not 3-5 really successful Australian Global companies – we don't aspire in that direction."

Another point that arose, that is maybe culture related was that Australians don't like to sell. This is a real growth opportunity across most if not all Australian companies, because one facet of growth includes selling product.

"Australian businesses I feel are poor at add on selling. If I go to buy a sandwich in America I am normally sold the sandwich plus a coffee, maybe a sweet. If I go to an Australian shop I will not be asked about the fifteen types of bread, the ten types of salami, the coffee, the water bottle etc. I will be given a sandwich. My point is we are order takers and if we look from the top down how many "order makers" do we have in the Boardroom?"

Weakness though it may be, what an opportunity it presents, as probably in Australia, McDonalds is one of the only true success stories with their sales culture of burgers with fries. Not that it is not on the radar and large investments have been made to capture this growth, for example in financial services in Australia where despite this they are still chasing the elusive *"products per customer target"*. We have just not been very successful and some have put this down to the term *"sell"*; or the importing of selling concepts from other cultures that just don't resonate here. Maybe the approach to solving this is, as one Australian ex-CEO has said in the past, is *"working with the grain"*, in this case the Australian culture to do this. Regardless, what it means however is that Australians are leaving growth opportunities *"on the table"* that can be realised by reinventing themselves over time from *"order takers"* to *"order makers"* or add on sellers.

Not that there were others who were very supportive of Australians.

"Australian workers are equal to anything in the world."

"Man for man as good as the US – scale masks a lot of sins in the US."

"I don't see lack of ambition in Australian culture."

However the supporting comments are more around the quality as opposed to the drive to *"go further"* or reach *"higher and higher levels of success"* or *"make more and more money"*.

So why is this so or appear to be the case. According to a number of participants what it comes down to is *"Australian culture is the big inhibitor"*. But what about the culture? It seemed to some our culture is too egalitarian.

"'Afraid to feed the fast horse' - i.e. to recognise and celebrate talent and success and invest more in the best."

"Cultural ethos is different from the US – too egalitarian"

When asked to try and explain why this is the case.

"The difference between the US and Australia that may account for the difference in hunger, drive and ambition may be the Safety Nets in Australia vs. the US:

- *Australia;*
 - *Pension and health safety net;*
- *US;*
 - *No safeguards;*
 - *Raised within this context;*
 - *"Stick stronger than our stick"; and,*
 - *In US an idea in a small community can make a lot of money due to population."*

"We have a lower risk appetite. We have it good here. Good lifestyle, we take it easy, good place to live, therefore why take the risk. The US has a lower socioeconomic safety net. They have underclasses. They also have the respect for the making of money. Australians have respect for support. We are becoming a nation of handouts."

"Also the US and Australia are different due to the school system:

- *Australians are not pushed to be outspoken, not pushed to succeed; and,*
- *The US are."*

Others tried to explain the difference as one of what Australians respect.

"In Australia there is respect for sport vs. US where there is respect for making money."

If we don't step out of this however, one participant's view as to where this could lead:



"I don't care a damn for your loyal service when you think I am right; when I really want it most is when you think I am wrong"

Lt General Sir John Monash

"History repeats itself. We are following the same course of history as the Romans. We began poor, we moved to affluent, it became decadence, and then dependent. We are on the downward decadence scale."

Australian Management

So if leadership is so important to achieving growth, how do Australian managers compare?

"My view of Australian management is that many are concerned with covering their own arses. Why? Because it has been engrained not to take risk. When are people going to realise that you will not be successful in everything so therefore why cover up the failure. The failure is the learning to success. You stay ahead of the competition by keeping on top through better products and seeing ahead."

"Australians are more rigid and it is hard to get Australians to change their attitude. The lack of mobility seen in trying to get an executive to move from Sydney to Brisbane, Brisbane to Perth or Perth to Melbourne. Even if losing the job is the outcome. We have the tyranny of distance and localism in Australia and can't see the big picture. Having foreigners on a Board to broaden our thinking and relationships and solving issues I believe is key to Australian growth."

"Australians:

- *Much more rigid; and,*
- *Hard to get them to change their attitude."*

"Australia 'small thinking' with innovation not valued."

"It is an Australian thing – don't think laterally even if in a mature market."

"We suffer from the not invented here syndrome, whereas New Zealand are very good plagiarists, they take and modify."

"We are not importers of good ideas."

"Not right 'mindset' generally."

"Don't know what good looks like."

"Don't have the mentally wired model – of need to continually improve."

"Incremental in their own market."

"Most managers in Australia nudge the peanut... don't have the stomach for transformational change."

"Most Australian managers:

- *More focussed on their own careers; and,*
- *More concerned with covering their own ass."*

"Lack of 'big picture' view or thinking."

"Localism in Australia – prevents from seeing the big picture."

White Collar versus Blue Collar

The discussion on managers spilled over into the area of productivity, where generally when commentary, positive or negative, on Australia's productivity is raised it tends to be in the context of blue-collar workers. A number of participants held the view that maybe white-collar workers (including managers) have some accountability here.

"Need to focus more on Australian managers (white collar) as a cause of productivity issues rather than blue collar. White collar managers have a lot to be accountable for."

"White collar is good at playing the blame game, particularly when questions are regarding blue-collar productivity. Management are paid to make decisions and provide the structure."

"Easier to kick the blue collar guy – agree white collar has a lot to answer for."

"Agree that the potential productivity gains in the white collar area are enormous."

"White collar are inefficient; more interested in the title and whom they report to."

Others were more balanced in terms of the broad issues related to productivity but believed there was opportunity in improvements from both white and blue collar.

"Capital productivity in Australia is low compared to the world. Our wage costs are high. In fact, we have some of the highest priced labour markets in the world. Our systems tend to be inefficient in the way that we organise work. There is room for both improvements in white collar and blue collar productivity."

The interesting point to come out of the discussion of Australian leaders and managers was their strengths and weaknesses.

"White collar management:

- *Good at what it does – 'diligently doing what they do';*
- *Strength is 'running existing businesses better';*
- *But weakest areas are growth related:*
- *Business building; and,*
- *Entrepreneurial skills – don't rate Australian management in this area."*

One participant posed one of the reasons for this may be because *"Business Management 101 is not there"* and that there are *"too many university courses and not enough vocational or job-related ones."*

Comment

The bias of Australian managers in general to running existing businesses better may well be one of the pointers to why growth is and may continue to be a problem in Australia, together with an underpinning culture that does not have the drive of some others. As one put it, if you make a million dollars in Australia the sense is you have made it, in the US the million dollars will be the motivator to go on and make 10 and then 50 million.

This view was interspersed with comments to excuse or contradict this, such as *"small market", "great idea generation but lack of access to capital"* (some maybe rephrased this as *"risk is not rewarded in Australia so not as entrepreneurial"*) and *"generally Australians are more lateral thinkers than most."*

Could this so called lack of Australian ambition and entrepreneurship in the culture be more a function shaped to and limited by the size of our market and our access to capital to name just two? Maybe we are just very pragmatic and have adjusted our horizons to the opportunity.

If we do have the ability to generate great and more lateral thinkers than most, then if we could gain access to larger markets what might our prospects be? Could our growth dilemma be solved and our small market mentality be overcome with the unleashing of our idea generation and lateral thinking to create new market opportunities, product innovation and yes, growth?

The advent of digital global businesses and greater access to customers on a global scale through digital and the internet may very well be the catalysts that test these hypotheses. Australia may well be at the point where what has limited us in the past may not be the roadblock we have thought going forward.

The other key opportunity to arise in this discussion is that selling skills presents enormous potential for growth should it be realised.