

Get out of your comfort zone to advance: Vamos

BY: DAMON KITNEY From: [The Australian](#) November 27, 2012 12:00AM

STEVE Vamos has a message for corporate Australia: get more comfortable being uncomfortable.

The Telstra and Medibank Private director, former Ninemsn chief, and president of the Society for Knowledge Economics, a think tank which aims to make Australian workplaces more innovative and productive, says there are crucial lessons in the latest round of job-shedding by companies across a range of sectors.

Speaking ahead of his address this week to the annual Creative Innovation Asia Pacific conference in Melbourne, which features a range of speakers, including Google's chief technology advocate, Michael Jones, Mr Vamos believes that while Australian firms have improved in their management of people issues in the context of the tough economic climate in many industries, there is still a way to go.

"The trend is positive. In the GFC companies tried to hang on to their people. So I think the value of people is far better recognised. But while the trend is positive, I do think we could be better," he says in an interview with The Australian.

The big four banks, led by ANZ and Westpac, have slashed more than 6600 jobs over the past year as part of an aggressive cost-cutting drive, adding to the more than 10,000 finance sector jobs that have been cut in Australia since the start of the GFC.

Companies in the property development, media and mining sectors have also slashed jobs, while in the telecommunications sector Vodafone Hutchison and Optus have cut hundreds of positions in recent months. "It is much better to have frequent tremors than one massive earthquake," Mr Vamos says.

"At IBM we laid off 1000 people from a 4000-person workforce in the early 1990s.

"It was building and building, but wasn't dealt with.

"The more often you have these difficult conversations that deal with reality, the

more likely you are to have these small changes that are less catastrophic."

Mr Vamos says the key to avoiding the massive earthquake is for managers to become "more comfortable being uncomfortable".

"People who run start-up companies are rarely comfortable. They know their future is not assured. People who run established businesses need to think the same way. They need to be prepared to fail -- to move out of their comfort zone," he says.

"Organisations over time often unconsciously develop sacred cows or undiscussables. And those things are very dangerous. When I was a salesperson at IBM, when they were at their peak, if I lost a deal I was not allowed to blame the product deficiency.

"It protected the product development groups from market reality. It comes down to being constantly willing to question your reason to be and to have hard conversations about our reason to be."

Last October, the Society for Knowledge Economics released the results of a two-year study into leadership and workplace productivity funded by the Department of Education, Employment and Workplace Relations. This research involved 78 firms and more than 5600 employees in the services sector.

It found that high-performing workplaces were up to 12 per cent more productive and three times more profitable than their peers. They also did better in many important "intangible attributes" such as encouraging innovation, leadership of their people, and creating a fair workplace environment. In this context the practices of management and leaders is crucial.

"It is difficult for CEOs to show their vulnerability to team members. You need to show who you are as a leader, not just go through the motions with the official stuff. Our whole economy will live and die on how we treat people," says Tania de Jong, founder of Creative Innovation and global founder of Creative Universe and Creativity Australia.

"You need to get your own house in order before you get a consultant to come in. It can create a divisive effect unless everyone is singing from the same song sheet."

Mr Vamos says the Society for Knowledge Economics is currently involved in five "interventions" with companies to help them improve their management and leadership practices to make them more productive.

He also questions the prevalence of many companies to rely too heavily on consultants for the formulation of strategy.

While he says many use consultants to develop a high-powered strategy for the future, "not enough effort is made to simplify that strategy to ensure it is cascaded down to all people".

"There is a great saying from Mark Twain: 'I'm sorry this letter is so long -- I didn't have the time to make it shorter'. The same applies to strategy. We don't take the time to make it simple, clear and executable," Mr Vamos says.

"Putting time and effort into that alignment process is an example of good practice we promote. And is something that more and more companies are adopting."

Mr Vamos also stressed that the rise of social media was nothing to fear and should be embraced by corporations.

Corporate leaders at a recent retail forum staged by The Australian warned that social media was increasingly proving to be a double-edged sword: engaging customers but also requiring constant monitoring to prevent brand damage.

"The fundamental test of dealing with social media is the old sunshine test. What if this got out in the light of day? If everyone knew we were doing this, how would they react?" Mr Vamos says.

"If your stakeholders are going to react badly to what you are doing, you'd better think again. Social media is essentially saying your behaviour is constantly subjected to the sunshine test. If you are a company with good ethics and good principles, the social network will forgive."

"Social media is a great illustration of the amplification of stakeholder voice. If you are doing wrong, you will suffer. In terms of strategy development, it means you better build your strategy with all your stakeholders in mind.

"Strategy must be stakeholder-centric."