
Challenge of Leadership

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Lunchtime Address

FutureNet: Business Networking for Young Professionals

University of Western Australia

Perth

25 November 2016

There are two ways of looking at leadership. We might focus on acts of leadership by anyone amongst us or on those in leadership positions and how they exercise their powers and responsibilities. My focus today is on those who occupy leadership positions and my question is: what is required to make a success of leadership? It's one thing to occupy a position of power but quite another to perform to a high standard.

Let me begin by inviting you to consider the factors that may lead to leadership failure. I've seen the following:

- Arrogance bred of an over-estimation of one's strengths and/or an under-estimation of one's weaknesses.
- Ignorance bred of an active disinterest in the world and how it is changing.
- Naivety in respect of human nature and its motivations.
- Contempt for ethical considerations in general and the law.

How many times have we seen the following:

- A deeply intelligent leader incapable of understanding his or her weaknesses, for example, in relation to how to manage colleagues or one who is so convinced of his or her superiority that sound advice is not sought or listened to.
- A leader immersed in the internal power plays or traditions of their organisation and not interested in how changes in the world are impacting on the sustainability of current practices.
- A leader who assumes that all those he or she is dealing with are honest and truthful or who assumes that what appears to be the case is always the case.
- A leader who cuts corners and/or breaks the law in order to achieve results.

Let me illustrate some of these factors with two case studies.

Kevin Rudd led Labor to power in November 2007. His victory was comprehensive and by April 2008 his approval rating (73%) was the best of any political leader in our history. He stood out as knowledgeable, purposeful, articulate and hardworking but just over two and a bit years later was deposed by his parliamentary colleagues and Julia Gillard became Prime Minister. We are led to ask, was this a case the blind ambition on Gillard's part or were there factors that related to Rudd's character? Clearly Gillard was ambitious and accepted the call to action delivered by her colleagues. However, that this call came is best explained by Rudd's failure as a chief executive and party leader. Academic John Lee has described what the evidence tells us: "His limitless self-

confidence and belief in the superiority of his intellect is compelling. From the day he became Prime Minister, colleagues complained he was abusive, scornful and ill-tempered to peers and staff. At the height of his power, entrenched Labor power brokers were mocked and dismissed from his sight whenever they raised complaints about his style. Story after story emerged of Rudd bypassing ministers in making impulsive decisions at a whim, presumably because his was the greatest mind in the government". He was, as Lee observes, "his own greatest devotee and softest critic"¹.

Alan Bond was a no holds bar entrepreneur never far from the headlines in the 1960s through to his downfall in the 1990s, when he was convicted of fraud and imprisoned. He had used his controlling interest in Bell Resources to siphon off A\$1.2 billion into his own Bond Corporation. Money was his goal and little stood in the way between him and it, even ethics and the law. When he sold the Riviera Flats (where the Parmelia Hilton now stands) to British businessmen Alistair McAlpine and Sir Halford Reddish he stripped the site of all "light switches and fittings, water heaters - and anything that could be detached". He delighted in his trickery but McAlpine and Reddish weren't impressed and showed Bond the door both then and later when he offered to be their partners. When his empire crumbled he may have had some personal friendships but no investors or benefactors willing to help him out. Sharp practices have that way about them. As McAlpine observed in his book *Bagman to Swagman* "his decline was short, his struggle to avoid the consequences of his actions protracted but its result inevitable"².

This leads me to outline the four conditions for effective leadership:

1. Self-Awareness and Self-control
2. An interest in the world and how it is changing
3. Political Nous
4. An Ethical and Legal Compass

Self-Awareness and Self-Control

Being knowledgeable about yourself - your strengths and weaknesses and your values and your limits, is fundamental.

Very rarely are leaders strong in all aspects of their work and understanding this should lead them to find ways to compensate, for example by bringing in advisers who can complement their skills and capacities. On the other hand, if someone has particular strengths they should play to them and seek to improve them even further.

Power brings pride of achievement which all too easily can slip into arrogance. Keeping your feet on the ground is important and so too is respect for your own values about how things ought to be done. Cautious, worrying types may not be suited for entrepreneurial-type of organisations just as entrepreneurs may not be suited for the public service. We need to feel good about what we are doing; not feeling good will eventually show up in poor performance.

It goes without saying as well that self-awareness is part and parcel of emotional intelligence fostering as it does a greater capacity to exercise self-control and maintain objectivity in tight and

¹ <http://content.time.com/time/world/article/0,8599,2107671,00.m>

² *Bagman to Swagman: Tales of Broome, the North-West and other Australian Adventures* (Allen and Unwin, 1999), p.24.

stressful situations. A cluttered mind and troubled soul will find it hard to listen to, let alone show, empathy to others. In an important sense leadership is all about you!

An interest in the world and how it is changing

No organisation whether political, social or in business, can ignore what is happening in the world. Technologies are always changing and creating new possibilities and challenges. Society never sits still and new movements are never far below the surface. A business, or indeed a nation's economy, is only as good as its competitors and knowing who they are and why they are succeeding is important. Add to all of that the natural environment and how our behaviour as human beings is impacting on the way it works. Climate change is real and needs a response at all levels.

In politics, it may be a new set of interests and attitudes playing out in the electoral process. In my time, I've seen feminism and environmentalism and more recently populism. In business, it might be a new technology being embraced by others and which is capable of outperforming that with which you operate and are comfortable. It might be a management system or it might be developments in information and communications technology.

It's possible to trace the rise and fall of organisations in and around this factor; organizations of all sorts sticking to what they know and ignoring trends that threaten their viability in the marketplace or polling station. Good leaders will be hungry for knowledge about the world and what is happening there rather than being solely focussed internally and tied down by the present. They will make room in their work for this endeavour to be pursued through, for example, a scenario planning exercise.

Political Nous

It's all so easy to look upon an organisation as a factory or a machine - there are inputs, there is a production process and there are outcomes. This is part of the reality of any organization but there is more. They are also mini-political systems within which we see differing and sometimes competing interests being played out. It's not all rational; emotions are involved as are self-interests as opposed to company or organisational interests. There are rules but also unwritten practices about which nothing is said but which may be as important, if not more important, than the rules themselves.

A good leader will be politically astute. He or she will know how "to read the tea leaves", to know when appearances conceal deeper and more important realities, and to recognise the importance of a narrative that explains the whys and wherefores of the organisation to all those who are in it or are its stakeholders. All of us seek meaning in what we do and need to be assured by our leaders that our work is important.

For those working in complex environments, the search for alignments and the construction of alliances will be crucial. Being able to communicate on the one hand and negotiate on the other are crucial skills best backed up by a credibility born of trustworthy behaviour. Treating people badly today may be the difference between success or failure tomorrow- people rarely forget the slights they experience!

It's true, of course, that the level of personal and interest-based conflict within organisations will vary from one to the other. Recognising this is necessary as some may be pathologically disunited

whilst others are minimally politicised. Levels of collegiality will differ and changing cultures may in fact be the challenge facing a leader. Without political nous, achieving that end in those circumstances will be most difficult if not impossible.

An ethical and legal compass

I'm sure we are all aware of the phrase: "the ends justify the means". Lots can be said about it but one stands out - it assumes that the ends and the means are separate entities. This may be the case but just as important is the possibility that the means we choose will affect the very ends we seek. How often have we seen this to be the case; when for example, idealistic revolutionaries turn out to be tyrants, unlike the cautiously inclined conservatives they disparage? However, one thing is for certain and this is that in our type of society - formerly democratic and based on trust and accountability - the way we do things is as important as what we seek to achieve.

This has two implications for leaders. Firstly, it means that development of a good reputation and the political capital that brings, requires an interest in and commitment to corporate social responsibility. To think it's all about profit or votes and nothing else opens us up to the sort of short-term opportunism that can carry negative consequences in the medium or longer term. Very rarely is it the case that what we call "tough decisions" can be avoided but they can be managed either well or badly.

Secondly, it may lead to the temptation to cut corners - and so much so that the law is broken. Currently this is playing out on the global stage as major corporations seek to win influence (should I say "buy influence") in nations whose governments are built on and thrive from corruption. In respect of the public sector it's worth being reminded that all who participate - elected and non-elected - are obliged to always act "in the public interest". At a minimum level this means avoiding any conflicts of interest and following proper process in making decisions.

CONCLUSION

It's all too easy to see leadership in the terms laid down management- speak. They do provide us with an entry point to leadership - the need to define the objectives, to select the technology that is to underpin operations, to arrange the business such that those objectives can be realised efficiently and to have mechanisms to evaluate performance. Big decisions will need to be made about structure, organization, technology and personnel. All of these things are important and can't be avoided but organisations are always more complicated than top-down managerialism would imply. Leaders have obligations above to their board of management, within to their colleagues and partners, and below to their clients and customers. Big decisions have to be implemented and that's when you will be tested as a person within the organisation. Indeed, in the end it's all about you, your character and your temperament, your self-awareness, your political awareness and your ethical compass³.

³ See also Geoff Gallop, "Leadership-it's all about you", in Philip Crisp (ed), *So You Want to be a Leader* (Hybrid Publishers, 2015).