



ASIC

Australian Securities & Investments Commission

Reflections on leadership

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CHECK AGAINST DELIVERY

Introduction

Thank you for inviting me here to talk to you about leadership. I'd like to begin by acknowledging the traditional owners' ongoing connection to and custodianship of the lands on which we meet today, and to pay my respects to elders both past and present.

It's an interesting time for us to talk about leadership, as we are living in a time of increased volatility, uncertainty, complexity and ambiguity in each of our economic, technological and political contexts. But for me, and maybe for many of you, these changes also impact on my everyday experiences, our personal lives.

This kind of ambiguity can create anxiety and panic in some people. We have been raised in a context where we believe the world is predictable. We now need to work with a different mindset, where the important thing is not to focus on what is probable but what is possible.

This environment demands strong leadership of us. In an uncertain world, there is no script anymore, the answers are not inside a textbook or manual. We have to be bold and create our own path forward. I think that the job of a leader today might be best expressed as finding and communicating a pathway through this chaos.

What I wanted to talk to you about today is:

- some core skills or qualities that I think are essential for a good leader
- how these core skills have been important to me as a Commissioner at ASIC, and the personal approach I have taken.

Core skills or qualities of a leader

First and foremost, leaders must be willing to hold up a mirror and reflect on our strengths and understand our weaknesses. When I say this, I am not talking about technical skills. It is about our capabilities across the board.

As a leader, I think there are three core skills or qualities that will make or break you:

- resilience
- authenticity
- emotional intelligence and how you respond to challenging situations.

Resilience

Resilience is critical for leaders in an uncertain world. Resilience means that we can face the challenges we encounter with strength and grace.

Modelling resilient behaviours as a leader will create confidence in others that both we and they can successfully meet the challenge. It is often through adversity that we grow as people and leaders.

I see leadership as a personal journey as well as a professional one. Some of the challenges that have built me as a leader have come from my personal life, as well as my professional life.

As an example of personal challenges that taught me about resilience, I grew up on a farm and learnt resilience from the way my father modelled it. Our farm was not particularly special – it was not lush land, we probably didn't have enough land to ensure its viability, but it was what Dad wanted to do.

Suffice it to say there were lots of bad years. Dad was forced to supplement our farming income by being a waiter at night. My enduring image of him is, once the good years came back, him riding the horse and mustering the sheep in the dinner suit he waited in – symbolically wearing it out. His nod to being resilient in the bad years.

At ASIC I have learnt resilience is key to effective leadership. We are a public institution – we are accountable to the community at large and we have formal accountability responsibilities to Government and to Parliament. We can be open to public criticism.

It is therefore imperative for our leadership team to maintain resilience, and to model the way the organisation should act. We must keep our eyes firmly on our key day-to-day responsibilities of ensuring fair markets, products and services.

We want always to be open to evolving and learning from our experience; but, most importantly, we also want to be confident in our ability to do our job.

Authenticity

Authentic leaders are more likely to gain the buy-in of teams who want to work with you to achieve the goals you've set out.

Authenticity means being true to yourself, even if sometimes that makes you unpopular. You don't need to be universally liked, but you do need to be universally respected. Authenticity also means you need to admit you might sometimes get it wrong. It takes courage to put yourself on the line and admit you don't have all the answers, and that you are human. You might sometimes need to admit failure.

This does not demonstrate weakness but in fact demonstrates strength and humility, and can build rapport with your team.

You do, however, need to show that people don't have to be exactly like you, and they should work in the way that suits their own values and priorities. For example, I can get very wrapped in my work – I am sure this might be a trait others here today share. Team feedback when I worked in an investment bank was that I was modelling behaviour in a way that staff struggled with.

I had school-age children, so had developed work habits that meant I would spend time with them in the evening at family dinners and organising homework, those sorts of things. Then, because I was a bit of a deal junkie, I would often spend some time doing work later at night. Often, this meant I routinely sent late-night work emails.

Unfortunately, and quite unconsciously, I was creating an expectation – at least in some of my team's mind – that they were also expected to keep the pace of working until late night. Of course, this was not my expectation and, after one of the cultural staff surveys, it became apparent I was contributing to an impression among the team that they were working in a relentless, driven, work-at-all-costs environment.

I was dismayed at myself and realised I had to be much more open in the team about my work habits, and explain that this didn't signal an expectation that they should also be working the same way – that my own preferences and approach were just that.

Emotional intelligence

Emotional intelligence has been recognised as being a key predictor of the success of leaders.

Emotional intelligence is the ability to be in tune with yourself and your emotions, as well as having sound situational awareness. Being able to know, understand and respond to emotions effectively, overcome stress in the moment, and be aware of how your words and actions affect others is a core leadership skill.

Emotional intelligence increases organisational performance for a number of reasons, including the ability of leaders to inspire discretionary effort and intrinsic motivation from staff. Individuals are much more inclined to go the extra mile when asked by an empathetic person they respect and admire.

At ASIC, over the last four years, we have been regulating in a dynamic market environment where technology, combined with globalisation, challenges the things we do and the way we do it. To do our jobs best we need to be nimble, we need to expand our skill sets and our approach to issues.

These sorts of challenges can be confronting, so while I am enthusiastic about opportunities to work on new things or to do things differently, I have learnt, often from my mistakes, that not everyone else is a believer – at least, not a believer in changing what they are doing or their focus at the pace I am advocating.

Listening, thinking about individual reactions to change and having open discussions about how to tackle change is key.

Leadership at ASIC

As you rise up the corporate ladder, becoming a professional with deep expertise in a field and experience in running an organisation as a strategic endeavour, it can be a trap to lose sight of the many humans that form your organisation – your employees.

In my role in ASIC, I have really come to see and believe that our teams are our only true asset. My philosophy is about wanting to lead people in a way that motivates them to be their best, and continually grow as people and professionals.

As I make strategic decisions in the organisation, I always look at the human element, asking ‘How will this decision affect our staff? How will it affect their ability to perform at their best?’

Empathy

To look at issues and decisions from this human resources frame, empathy is critical.

Empathy is the ability to put yourself in someone else’s shoes and understand how they may feel or react to a certain situation. When you have empathy, you have the capacity to feel compassion. The more we can relate to others, the better we will become at understanding what motivates or upsets them.

But in the workplace, I think practicing ‘tough empathy’ is important. Tough empathy isn’t about giving people everything they want, being overly accommodating or making allowances. It’s about giving them what they need to grow and achieve success. For me, it means thinking about being very transparent about what we are trying to achieve and why, and being straightforward about our limitations.

In recognising that our workplace is human, I think we want to lead in a way that allows employees to show up as themselves, and to leverage their individual strengths and natural behaviours. A leader’s ability to optimise a diverse, talented workforce will depend on their ability to lead inclusively.

Inclusive leadership

Inclusive leadership aligns with my personal values, and I see a strong business case for it.

As we travel into more volatility, uncertainty, complexity, and ambiguity, we can't afford to look at the world through only one lens, or make assumptions about the world. We need to constantly seek out different perspectives, different ways of thinking, and continually challenge ourselves and our assumptions.

Demographic shifts are also putting more pressure on leaders to be inclusive of diversity.

We want to treat people fairly based on their unique characteristics and understand their uniqueness and diversity, while accepting them as part of the group and leveraging the diversity of groups for smarter decision making. In the current environment this approach can reduce the risk of being blindsided by risks we did not foresee.

Some questions we can ask ourselves about how successfully we are approaching inclusivity in our organisation include:

- *Equity vs equality* – Am I treating people the same, ignoring their differences? Or am I treating people fairly, recognising and accommodating their differences?
- *Adaptation vs adoption* – Am I pushing people to fit in and assimilate into the majority approach and culture? Or am I encouraging mutual adaptation, working out how people can meet half way, creating comfort for different approaches?
- *Difference vs similarity* – Am I focusing on similarity, mostly the things that our team members have in common? Or am I taking time to recognise and identify people's differences and the value these could bring to the workplace?
- *Unity vs uniformity* – Am I excluding difference and aiming to make everyone do everything in exactly the same way? Or am I building a team that is united in its goals while different in its approaches, leveraging the value difference has to add?

Conclusion

Do we really have what it takes to lead in this unique environment of volatility, uncertainty, complexity and ambiguity? Well, there is no choice – this is the everyday context that we operate in. So we had better be focused on building our capabilities for success – leveraging the incredible platform of diverse skillsets, personalities and behaviours that we have in our people.

I hope that has been useful to your own leadership journey, and I would be very happy to take questions.