

# Leadership Victoria 2010 Oration

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I feel very privileged to have been asked to deliver Leadership Victoria's 2010 oration.

It's also very daunting and I feel a little presumptuous to be here.

In coming to speak to you tonight on leadership, I am reminded of the words of Richard Bach, who said that '*we teach best that which we most need to learn*'.

Making a speech like this has given me a chance to consciously reflect on those moments of leadership where you might seem to have been making decisions almost on autopilot. What you often find, however, is that what feels like it was made on instinct was instinct – but instinct qualified and informed by experience.

I have now been Managing Director at the ABC for more than four years, yet at times I still fear the Imposter Police will burst through the door and take me away.

That's a good thing. Frankly, I never want to get to the point where I feel I have this leadership caper under control. And, frankly, there's never been any danger of that.

At times, it seems to me, the best leaders stumble on through. They are dealing with uncertain and ever-changing circumstances, all too human colleagues, inadequate information. They are operating in a din of noise created by competitors, customers, the media. Their own insights and understanding are often impaired.

And leadership is doing the best they can in that complex, risk-ridden world.

Though I am a bit wary of that word "journey" since it seemed to be in the script of just about every monologue on *Masterchef*, I do want to talk about our recent journey at the ABC and some things I have learned about leadership in the process.

But before I do, I just want to note the degree of public interest in matters of leadership over the past year.

Since this oration was delivered last August, we have seen both a Prime Minister and a Leader of the Opposition lose their positions as leaders of their parties, ostensibly because of leadership issues.

On paper, both Kevin Rudd and Malcolm Turnbull looked like worthy national leaders. Had we ever seen anyone with the work ethic of the former Prime Minister – the obsessive, round the clock determination to master every policy detail and dictate a political agenda?

And Mr Turnbull's resume - complete with Rhodes Scholarship and a stellar legal and business career and high public profile – made him seem like the political leader from central casting.

Both men had ambitions for the nation – and for their own leadership – but after their respective losses, we were suddenly privy to one disclosure after another about discontent within their own teams.

Each was criticised for not engaging with their party rooms, not listening or cultivating debate within them, or not respecting other views. Fairly or otherwise, the projection was that both these self-made, self-determined and directed leaders were long on self-belief but short on belief in those around them. But both are still with us politically, both are so smart, we can expect they will have learnt from these gruelling experiences.

Some political leaders can get away with it.

There is the apocryphal story of Margaret Thatcher. Dining with her cabinet. The waiter asks her whether she will have the beef or the chicken? She says she wants the beef, very rare.

The waiter then asks: *“And, Prime Minister, for the vegetables?”* To which Thatcher replies: *“They’ll have the beef as well.”*

Of course, the first thing a political leader who wants to lead the nation must do, is lead their own party. And I don't think it is insignificant that some of the most successful leaders have emerged from wilderness years leading in the Opposition, often having needed to reform and transform a dispirited party to prepare them for Government.

Your own team may be full of its own factions and history, conflicting priorities, epic ambitions and petty rivalries. Pulling it together to make it coherent and cohesive is remarkable training and a test of leadership before the responsibilities of executive government fall on your shoulders.

Early in the election campaign the press was criticised by some commentators for focusing on questions of party disunity. There were calls to ignore the leaks and focus on the policies.

But with three Opposition leaders and two Prime Ministers during one term in Government, the questions were valid: how unified, how aligned, how committed to working together were those who sought to rule?

It was an appropriate focus on leadership at first principles.

If you are to lead anyone, the team of people who can deliver *with* you must be at the heart of all your leadership ambitions, your strategy and your vision.

There can be such a focus on your strategic intent, on your vision splendid. What you want to do and where you want to go.

But without the right team, without clarity of common purpose, you will get nowhere. As a leader, you are dependent on those you lead.

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It's always interesting working in the media business. I arrived at the ABC having worked in newspapers; all I really knew about broadcasting was how to turn on the set.

Most new leaders upon arrival look around to assess what you have in the organisation, where your competitive advantage lies, your unique proposition in a crowded and cut-throat market. And that's what I did.

I looked for what we had at the ABC that would help us maintain our unique relationship with the Australian people and ensure we had a place in the digital future rather than just in the analogue past.

I could see that we had an inspiring and colourful history, a prestigious brand, strong technological investment and markets we served well and where we had great strength.

But all of these could fade quickly. In media, a technological advantage usually disappears fast.

The funding we needed to serve markets was delivered by Canberra and always susceptible to change. A brand is only as good as your current performance and the media is full of those with a glorious past who never found a way to a meaningful future.

It became pretty clear to me early on, that the only thing the ABC really had to secure its future was its people.

Only our people could create the compelling and distinctive programs to connect with Australians everywhere.

Only our people could come up with new ways of connecting with audiences, so we could reach more Australians in more ways, more often.

It would be up to our people to ensure we made the very best use of the money we were given by the taxpayers.

Our people would be the custodians of our brand. They would make the decisions that would see the ABC fulfil its promise and commitments to the Australian people.

Our people would need to deal with the challenge of change, to learn new skills. To know what to keep and what to leave behind so that investment could be made in new areas, and deliver new services.

Our fate - whether we had a compelling place in Australia's media future or just a sentimental place in its past - was in their hands. And they have proved to be good and wise hands.

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There were some lines from the American academic, John Schaar, I used quite often in talking with the ABC staff.

Schaar said *"The future is not a place we are going, it is a place we are making. The paths to the future are made, not found. And the process of making them changes both us and our final destination"*.

In all the changes taking place now at the ABC, this has been an important one.

Early on in my time at the ABC, I tried to think through where the organisation needed to be in five years time. But of course, in media, almost more than any industry, it was impossible to have any precision. Everything was changing too quickly.

Instead, we had a sense of the key strategic directions of the digital era: the creation of more choice for audiences and ways to engage them, different ways to consume content and the need for distinctiveness in an era of plenty.

But the pathway to the future and the place we were going – these were what we needed to discover together.

The future of the ABC was overwhelmingly going to be determined by those who worked there.

And for me, it has meant that a twin focus - on the strategic direction of the organisation, and creating the organisation and investing in the people who will take us to the future we are making.

When first appointed to my role at the ABC, a number of people tried to warn me about the condition I'd find it in.

"The heart has been ripped out of the place", I was told.

Some of what had happened to the ABC was clear for all to see. There had been twenty years of real funding cuts, and the results of those cuts were quite apparent to audiences - record low levels of new Australian drama on television and the closing of early experiments in digital television.

Successful talent was migrating to commercial operators and we were restrained from reaching our full potential in digital media: most of this because no new funding had been provided.

It seemed just the right environment in which a new Chief Executive could resort to the traditional playbook and, soon after arrival, declare a crisis of famine and pestilence unknown since biblical times.

But if I was honest, I actually discovered the ABC was in far better shape than anyone had told me.

At the time, the media laws in Australia were changing, allowing organisations to move beyond their traditional areas of operation to be genuinely cross-platform.

The ABC of course, was already cross-platform. 75 years on radio. 50 years on television. A decade providing the largest suite of online services in Australia. All building a powerhouse brand – known and respected in every Australian home. Other corporations would pay billions for what the ABC already had.

The ABC I arrived at had tradition, history and heritage on its side – all of which had delivered it to its present place in Australian culture.

But it also had – thanks to so many of these staff - a sense of the future.

Yes, it had the past sewn up - but it was also the most *up to the minute* media organisation in Australia. A current of innovation ran through the place. And that innovation was tied to an important belief – that this public broadcaster was going to just as important to Australia's *future* as it was to its *past*.

I had come from Fairfax, where the markets required it to be so fixated on half year earnings results that innovation proved to be very difficult. The big question there about any innovation was: when would it return the investment made in it?

There was little capacity to experiment and take risks, to fail but to learn from failure.

By contrast at the ABC, the investment profile was very different.

Money was in short supply: the annual base funding allocation from Canberra in a good year was at least a percent lower than CPI, and we were very constrained at how we could supplement that with additional income.

It was up to me to work with the Board and the Executive on a strategy to find a way around this. To negotiate the great shifts taking place in the media landscape – like the way technology was changing our relationship with audiences, altering too the ways in which we worked – as journalists, as content makers, as managers.

And to provide a sense of clarity and coherence throughout the ABC about our direction.

I thought that if we could find *some* money, scrape together investment funding, we could innovate around different questions. We didn't have to ask whether the organisation would make money out of our new play – we would instead ask whether the new activity or development offered an opportunity to make a new connection with the Australian people.

Compared to where I came from, it was a luxury and a rare opportunity.

The greatest surprise of all to me when I arrived was the staff. Brawls between staff and management, staff and the Board, management and the Board and divisions against divisions had all been headline fodder in newspapers for years.

Staff had seen public slanging matches between the Government and the Corporation on TV, withering and contemptuous attacks on it through Senate Estimates hearings.

But the staff I found were not angry or fearful, were not beaten down or broken. Their hearts hadn't been ripped out. In fact, many I met seemed very happy in the work and nearly all were proud to be working at the ABC.

Despite all the headlines and the political squabbles they seemed to get on with it. As one executive explained to me, whilst the storms rolled above them, the staff in many parts of the ABC operated in small teams where they had some creative freedom. An ability to get on with their jobs.

It reminded me of an analysis of organisation culture I had read by the MIT Professor, Edgar Shein. Shein argued that some organisations had similar characteristics: staff who had stuck together through difficult times; new recruits learned of the great traditions and heritage of the place in which they worked.

In these places, management and Boards often came and went with big visions, change programs, but little commitment. There was a high rotation on Executive row, but in the heart of the organisation the work went on.

In these organisations, staff felt like they were keepers of the flame – that they alone could be trusted to keep the organisation strong. These were places of strong culture – and if such a culture could be cultivated, it was a marvellous corporate asset.

I was largely unknown on my arrival at the ABC. Now, the appointment of every Managing Director to the ABC has a context. The context for me was that I was inheriting an ABC that had been run by Russell Balding. ABC watchers will remember that Russell didn't have that luxury. I was pretty sure who got the better context.

Russell Balding had done a great job in bedding the organisation down after the turbulence and destabilisation triggered by his predecessor.

Russell is one of the heroes of the ABC.

When I started, I felt tested by the staff early on. Did I believe in the ABC? And did I believe in them? Because they had not always felt that previous Executives and Directors had actually liked the place or wanted it to have a successful future.

There were three moments early in the piece when I felt the staff tested me in ways that became critical for my leadership of the organisation.

The first test was within a week of starting, when a staff member from our Brisbane offices developed breast cancer. I was surprised members of the Executive were so engaged by what appeared to be sad news for the staff member and her colleagues – but they knew there was broader Corporate significance to it.

I, on the other hand, was unaware that this news meant that now, more than a dozen women from our Brisbane office had developed breast cancer, that the staff had demanded action and that previous investigations had been inconclusive about there being anything untoward.

I will never forget addressing that Brisbane staff meeting at that time. Faces full of concern. Young women with tears in their eyes, frightened by the possibility that in the routine, necessary and simple act of going to work each day, they might eventually acquire a serious and potentially fatal illness.

I said we would investigate this together. We would find an eminent panel of experts to review all the data and we would have a staff representative on it. And that the panel would report concurrently to me and the staff.

This was neither a strategy nor a management plan. Just a genuine desire to learn as much as we could from the best people we could find. If we knew as much as we possibly could, we could then make decisions as well as we possibly could.

And we did. And the result was reported globally. The first finding, later refined somewhat, indicated that the odds were a million to one that it was chance that so many women of their age had developed breast cancer. The report identified a cluster that the women had feared. They were right.

When that result came through, we made the obvious decision - what we believed was the only decision.

We immediately shut down our Brisbane headquarters and began the extraordinary task of relocating over 200 staff to nine different sites across

Brisbane, whilst continuing to deliver to audiences on radio, television and online.

I was asked later about the magnitude of that decision – to effectively evacuate the site. But there was no hesitation. Nothing could be more important to us than the health and safety of our staff. Frankly, I only later understood how carefully our staff were watching all that – not just from Brisbane but around the country. Did we really care? Were we just going through the motions? Would we really be transparent? Were we defensive? Would we act?

The second early test of my right to lead the ABC came with my first major speech as Managing Director. It was on editorial policies and standards – the subject that had generated and still generates significant criticism of the organisation. What I said on that occasion on our editorial standards still holds true I think. We are nowhere near as bad as some of our critics like to make out. We are not always as good as we would like to be.

But what was important was the message that as an organisation, we were not hiding in a bunker, in a hapless defensive crouch, discounting anything our critics had to say because it was their problem not ours. We needed to be mature: to listen to our critics, to engage with what they were saying, to be honest in the assessment of our own practices.

We continue to do so: reviewing our editorial policies and training, independently auditing our performance, providing new tools for internal quality assurance. Of course, some critics are speaking through their own commercial interests, or from an ideological opposition to public broadcasting. Some just like the sound of their own voices. And we pay some of our own staff to criticise us to a large audience in prime time television.

But it is important the ABC be open enough and in a sense, humble enough, to recognise our own imperfections, engage with our critics and have processes in place to improve our performance.

Senate Estimates is an interesting process for someone in my position. Three appearances a year. But then, the ABC gets nearly a billion dollars of public money. That makes for more than \$300m for a couple of hours work, not bad money in anyone's language.

Senate Estimates provided yet another opportunity for staff to get to know how and what I felt about the ABC, and through that, decide what sort of leadership I would be providing.

Sometimes Senate Estimates is set-piece theatrics. But sometimes it can be a revelation. With 65 live microphones on radio broadcasting each morning, more than 700 hours of television a week, millions of pages on our websites, Senators have occasionally been able to surprise me with examples of what we had done. Fair enough. Some of it has not been pretty.

On other occasions, the questions have been ill-informed and malicious. Attacks on the organisation and our staff, on professionalism and integrity. On occasion, not based on reasonable fact or fair-minded judgement at all. And those criticisms needed to be refuted emphatically and confidently.

Most of the time, Senate Estimates generates minimal media feedback. Nearly all the feedback I have had from Senate Estimates hearings over the years has come from our staff who might listen to the streamed proceedings or read the transcripts.

They would look to see if I was supportive where I could be and facing up to criticism where it was justified.

This sense of the kind of organisation we want to be has been reflected in a number of changes in recent years. We want to be engaged, not isolated. Proactive in putting our case forward, but not defensive in the face of criticism.

I think there are some strong examples of how we have done that.

Our most recent funding bid illustrates the mindset. We deliberately did not go to Canberra and argue that our funding had been cut in real terms for a long time and that it was amazing we had been able to expand our content as we had. Both are inarguable truths.

But every organisation seems to go to Canberra with cap in hand. And the ABC's previous approaches with this kind of story had demonstrated minimal benefits. The story needed to change.

This time we went to Government as a long-term partner in Australia's public life, as a stakeholder. We argued there were things the Government needed to do that the ABC was in a position to deliver on, like helping the move to the switch-off of analogue television and the move to digital; to support local television production in the face of increased foreign content; to increase regional and rural broadband content production by communities.

Of course, we didn't get everything we asked for, but we received the greatest funding increase in a quarter century. Funding based on our confidence to deliver. Funding backing our people, who had a clear track-record of success.

ABC3 came on air last December, and it is already the most popular channel for primary school children on Australian television. We have a major new slate of Australian drama coming to television from next year and have launched ABC Open – a significant new initiative for broadband content development outside the major capitals.

However, there were also things we felt we needed to do that had not been funded. We needed to create a continuous TV News service available to every Australian.

Staff from across the ABC – in every State and Territory – were involved in an overhaul of how we made television and used technology in news production. The money saved was then reinvested to create ABC News 24, launched last month.

Across the ABC, particularly in our news division, there was a strong commitment we should do this. We have more reporters locally, nationally and internationally than anyone else. In the early days of radio, television and online, we were providing news services to the nation. And now, with the development of digital television, we could broadcast a service around the clock.

It was such hard work to save the money, to rework our processes, to retrain our staff to deliver this service. We had not a cent of extra funding. But there was a common belief that we should do it – staff, Executive and Board – right throughout the organisation.

And we made that path to the future for the ABC by the ABC staff - our only enduring asset – working to make it possible.

It has not come without significant internal challenges. The legendary walls between the ABC silos have had to be broken down. ABC News 24 required the close cooperation of nearly every ABC division.

iView is another example. I wanted to develop an online catchup service, like the one the BBC had in development. But their iPlayer had a budget of more than \$100 million. The ABC, of course, had no such budget. But innovation sometimes loves constraints, and the outcome was that our people, working cooperatively and across divisions created iView – and it has been a tremendous success for us.

There were some lessons to be drawn from iView. Richard Branson recently spoke about the importance of playing his hunches.

He knew he could get one set of accountants to run over the numbers and they'd tell him a proposal would fail, another set of accountants would tell him it would succeed.

As I read that remark I recalled one of the first conversations we ever had about iView. I asked what was the greatest risk with it? "Success" I was told, because of the pressure it could place on our servers. But we took the risk of that success and ran with it. And as our audiences discover iView, they love it.

Increasingly we talk about being content-driven and audience-focused. A continuous challenge in working at a place like the ABC, or other iconic media institutions, is not to be self-reverential, caught up in your own ways of working and your old ways of thinking.

Part of the challenge and wonder of the new digital world is that creates so many new ways of connecting and engaging with audiences, and so many ways for the

views and insights for audiences to be seen and heard. Contemporary broadcasting is anything but one-way. And a defensiveness around change, an unwillingness to engage with the new and where audiences will want to be, will result eventually in irrelevance.

This focus on the way we work and finding new ways to connect has been reflected in new corporate values: Integrity, Respect, Collegiality and Innovation.

We launched them to surprisingly little cynicism in what can be a cynical organisation. They are thrown back at me quite often by staff who want to hold me to account to decisions we are taking or actions we are endorsing. That's a good thing. We hold each other to account.

And at our Executive, we are trying hard to live these values, under the close scrutiny of the rest of the organisation.

As Kouzes and Posner say in *The Leadership Challenge*

*'To act with integrity, you must first know who you are. You must know what you stand for, what you believe in and what you care about. Clarity of values will give you the confidence to make the tough decisions, to act with determination.'*

Helped by advice from one of the leading thinkers in HR matters, Professor Roger Collins, we have tried to have more round table thinking at the top table: where executives are not just there to state their divisional view, but to be part of a guiding coalition.

I have spent a lot of time recruiting the right people. Thinking carefully about whether we have the right people in the right jobs. Investing in the next generation who will move to the top table. Leadership development is a priority for us, taking significant investments of time and money.

All these things help take momentary success into greater organisational resilience and sustainability.

At times these have been our most difficult moments. The sustainability of the organisation does not just depend on achieving outcomes, but how you achieve those outcomes.

You can be fiercely territorial, you can use your staff as fodder, you can be single-minded around goals – and achieve them. Yet reaching your goals by those means strips the organisation of goodwill and generosity, burns people out, erodes trust and dissipates confidence.

On the other hand, you can lead with values and around principles, have clear strategies around common purpose and develop a style of leadership that enables your people to work at their best and to get you there. The ends are

important - but so too are the means.

Surely the moment of mature leadership comes with the recognition that you cannot get there on your own. No matter how fine your education, how robust your intellect or your strategy, no matter how ferocious your own work ethic – finally – it is your people who will get you there or not.

Leadership is about letting them loose to be the best they can be as part of an organization with a clear strategic direction and purpose.

No American President in 60 years has faced the challenges faced by President Obama, with war and recession and deep political divisions. And of course, the verdict is yet to be passed on his performance.

But I am struck by his ability to be graceful under this pressure. And his strategy is around his team.

He was quoted as saying:

*“I don't think there is some management trick here. I think I've got a good nose for talent, so I hire really good people. And I've got a pretty healthy ego, so I'm not scared of hiring the smartest people, even when they're smarter than me. And I have a low tolerance of nonsense and turf battles and game-playing, and I send that message very clearly. And so, over time, I think, people start trusting each other, and they stay focused on mission, as opposed to personal ambition or grievance. If you've got really smart people who are all focused on the same mission, then usually you can get some things done.”*

It's an approach to management and leadership that seems right for our modern, integrated, co-dependent world.

It's a view of leadership that brings its own intrinsic rewards. Often it means developing the strategy, clearing the space, and then letting others who know it much better than you to get on with it.

My own daily contribution to the development of ABC3 and ABC News 24 was minimal. My involvement with both most strongly was making it possible for both to happen – and then allowing our teams, our people with their insight, experience and expertise, get to work. Getting out of the way, letting them get on with it, has its own rewards.

As Harvard Professor Clayton Christensen recently wrote:

*Management is the most noble of professions if it's practiced well. No other occupation offers as many ways to help others learn and grow, take responsibility and be recognised for achievement and contribute to the success of a team.*

The ABC will soon be turning 80. As The Sydney Morning Herald remarked a couple of years ago, the ABC has not only played an important part in Australian life, it has played an important role in innumerable individual lives.

Despite the flood of media coming to us from around the world on television, on radio, on our computers and phones, there is still an important role for the ABC.

Ensuring that the ABC gets to play that role is a significant responsibility – and it's up to the ABC Board, its management team, and its staff across the country to fulfil it.

The ABC must be there, in an Australia that is still to come. Providing comprehensive, independent news services; local radio voices; specialist content; Australian stories; the promotion of the arts and culture; the discovery of new talent. Informing, educating, entertaining. Acting as the host, as Australia's town square, to a national conversation where many viewpoints can be heard. Our commons in a crowded world.

We feel the argument for the ABC is more important than ever – and we need to continue to prove that argument – through what we do every day. The ABC's future will be secured by its performance – and its performance will be delivered by its people.

A talk like this can make it all seem rosy. But leadership is about good days and bad days, successes and failure. Feeling like you are never really on top of it. Always with more to learn.

I recently read *1776*, David McCollough's epic account of the war between America and Britain. I knew the outcome of course – the American republic – but didn't know much of the detail.

There is a picture of that legendary leader George Washington – inspiring his men by riding amongst them, talking with his troops, immaculately attired, looking and acting the part. But he's also at times seen to be anxious, unsure and unwilling to make a call, anything but a leader. We see him scrambling, going backwards and finally triumphant - lucky in the end.

McCullough wrote of him:

*"[Washington] was not a brilliant strategist or tactician, nor a gifted orator, nor an intellectual. At several critical moments he showed a marked indecisiveness. He made serious mistakes in judgment. But experience had been his greatest teacher from boyhood, and in this his greatest test, he learned steadily from experience. Above all, Washington never forgot what was at stake and never gave up."*

It should give comfort to all of us who find ourselves in leadership roles. We may not have the full suite of abilities or qualities we've been told a leader needs – yet still we lead. We must learn as we go; remember what is a stake; never give up.

At the ABC, unlike Washington, we are not fighting for nationhood, not fighting a war. But the stakes are high, the opponents noisy, the opportunities many and the consequences significant. The work matters because the ABC is one of the things that makes Australia, Australia.

It is our people who will lead the transformation of the ABC. Their energy and ingenuity. Their ability to solve problems, overcome restraints, to find new and compelling ways of telling Australian stories to the nation and to the world.

It is an honour to lead them; to lead such an organisation.

And it has been an honour to be able to address you tonight.