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Working Policy

*Martine Letts, Deputy Director at the Lowy Institute for International Policy, has a background that provides a unique perspective in her role within a policy think tank. By **Jennifer Alexander**.*

Martine Letts has had a career spanning foreign affairs, a time as Ambassador to Argentina, and four years leading the Australian Red Cross. Now Deputy Director at the Lowy Institute, Letts talks about the Institute's goals, the challenges of her role and leadership.

Q: Could you describe your current role?

A: My role is the classic deputy director's one; management guidance of all our activities, but with particular emphasis on business development. The Institute was a philanthropic gift to the nation by Frank Lowy, so while our funding comes mostly from the Lowy family, we must continue to diversify income if we want to be around for the next 50 years. It is my most challenging task.

Q: So it's a leadership role you have in that regard?

A: Yes. The most exciting thing about being at the Lowy Institute is that we're still quite new, and we're still very much in the phase of creating an institution that is both going to broaden the minds of Australians and project Australia's voice internationally.

Q: More recently, you've been the No.1. What led you to take a deputy role?

A: It led to a very interesting reflection on the nature of power and authority. In many ways a No.1 can be under the illusion that they're running the whole show. It's certainly the case that the CEO makes the final decisions, and it's also the glamour role.

I think the role of the deputy can actually be more difficult: while it's a very senior role – and you're expected to command respect and inspire others – you also get down and dirty with a lot of the detail of the day-to-day management. Being number two can actually be tougher, because often you're the one that has to announce the bad news, while the good news is left to the leader; that's a very challenging position to be in.

Q: Policy is usually something government does. What are the Institute's aims?

A: Historically in Australia, governments were expected to be almost wholly responsible for policy development. But recently we've seen many policy departments become very

operationally focused. The Lowy Institute is filling a niche that needed filling. The Institute aims to provide impartial policy advice; it produces non-partisan, empirically-driven, applied research in international public policy. Our researchers aren't doing research for the sake of it. They identify an issue and formulate practical suggestions that we can put forward to policy makers and policy advisers. Allan Gyngell, our Executive Director, calls it "linking knowledge to power". The knowledge we create is linked into the main agents that make policy or are looking for good policy ideas. Our "clients" are the policy departments such as Foreign Affairs and Trade, Defence, the Treasury and the internationally-focused business community.

Q: Do think tanks compete against each other for income, as such?

A: There is still limited competition in Australia, as the think tank community is really still very small, compared to the United States, which is awash with think tanks. One difference worth noting between Australia and the United States is that US think tanks are often parking places for wannabe policy makers whose party isn't in government at the time. That's not yet the case in Australia. We are, of course, a non-profit organisation, and so compete within Australia for that elusive philanthropic dollar.

Within Australia there is also growing competition between conservative and more so-called "progressive" policy institutions for influence with policy makers. The Lowy Institute also has international ambitions. Australia has the 15th largest economy in the world, so we aspire to be, as a minimum, one of the top 15 think tanks in the world. I will be travelling shortly to the US with that objective in mind, to talk to think tanks there and to learn from them how they measure success and what it takes to be considered a leading, influential think tank.

Q: Would you agree that one of the advantages of an independent institute is its very independence?

A: The most important characteristics the Lowy Institute aspires to are the quality of our product and independence. If either of those two conditions is not met, then we may as well fold our tent and go home. Our aim is to provide ideas that we think merit consideration, because they are right for Australia and, by extension, for our region and beyond. While we exercise strict quality control over our publications, there is no "Lowy Institute view of the world". Our scholars are responsible for the views they express.

We also provide a safe venue for bringing together professionals from government, business and civil society who may not normally talk to each other to kick around some ideas they don't necessarily want to be seen as committing themselves to immediately, but which may generate new and innovative solutions to international policy problems.

Q: What are the issues that the Institute is presently considering?

A: We've only got a total staff of 18, which cover six research programs. We focus on issues that are of concern to Australia in a globalised world. These programs cover international

economy, international security, global issues, West Asia, the Asia-Pacific, and, most recently, Melanesia. We want to establish an Inside China program, but that would need to be entirely externally funded.

Q: How was your time as ambassador?

A: It was my first senior leadership role. It is interesting to see how the external world perceives an ambassador. In the public mind it carries more weight than it really deserves. You have a vast institution backing you up, helping you manage your communications infrastructure, budgets and HR; you still have to administer your budget prudently, but there is little room for improvisation or financial risk taking, and you have a bureaucratic safety net. The role of ambassador commands enormous respect and seems to endow you with leadership qualities that may not exist. I was only managing 20-odd people, but Buenos Aires was a small-to-medium sized embassy.

That being said, we did some really good things in Argentina. A place like Buenos Aires is not top-of-mind for Australian government officials, and there was a lot of room to create your own profile and agenda and see some things through to conclusion. That was a great learning experience and very satisfying.

Q: And then Secretary-General of the Australian Red Cross? How did that come about?

A: I had always wanted to do something outside of government, and being then in my early 40s, I thought I'd better get on with it. Perhaps Argentina gave me a bit of excess confidence! I was a left-field candidate for the job, but I liked the idea of a good mix of an international and ethical, humanitarian focus. In the Department of Foreign Affairs and Trade I enjoyed the multilateral work, especially when we were part of setting an international agenda for arms control, disarmament and non-proliferation, which I had the privilege of participating in. What I was not prepared for in the Red Cross was the time spent on working on internal governance issues to ensure that we maximised our chances of support for the Red Cross's vision and mission for service delivery within Australia. In fundraising, for example, we had the challenge of trying to acquire a national footprint for corporate sponsors, while maintaining the passion and commitment of the local service deliverers, who very much identify themselves with their state and their region. State and national boards were highly parochial, sometimes to the detriment of the Red Cross's ability to deliver services. We didn't have the balance quite right when I got to the Red Cross, so I spent a lot of time trying to address that.

Q: Do you ever really know what leadership challenges you'll face until you're there?

A: Not really. The Red Cross board knew there was a problem. Fundraising was going down, support of the organisation was levelling out, there was a diminution of service delivery. I firmly believe that when the Red Cross was going through the process of looking for a new CEO, it looked for someone who they thought would be able to deal with those challenges. But

what they maybe didn't know was that it couldn't just be a cosmetic change; I think many board members thought that you could address a flagging profile simply by introducing somebody more energetic that could fly around the land and wave the flag. But the reality was the Red Cross needed structural change. It would have been a dereliction of duty to ignore it; so I had to try and push it through.

Q: What is management? What is leadership?

A: If you want to be a successful CEO you have to understand both. But there is no one person who has these qualities in equal measure. It is important to be flexible, important to understand what goes into being a good manager and what goes into being more inspirational. Having said that, as a manager you also have to motivate and lead your team, and be able to calibrate the team to maximise its performance. Good leaders generate enthusiasm through great ideas, and give the organisation both a sense of a stable base while fostering innovation.

Q: Can management skills be learned?

A: Management skills can certainly be learned. You have to because we've all got our weak points. One thing that I would say is important is for every leader and senior manager to be given the opportunity to take time to go and learn outside the work environment. It is especially important in the non-profit sector.

Q: Could you give an example of this?

A: At the Red Cross, while I could sense that some structural change was needed, I didn't have an external reference point for justifying it. When I went and did the Company Directors Course, it not only provided great training, but also affirmed what I felt needed doing; it gave me tools and arguments with which to go back to the board and say well, because we're a non-profit doesn't mean we mustn't meet the same standards of efficiency or accountability.

Q: Do you have a learning experience to share?

A: What doesn't kill me makes me stronger. It is important to make mistakes, in order to build up resilience. The most fragile people I've met are those who've enjoyed a dream run, then all of a sudden they're faced with something tough and they crumble.

Q: You're saying that there are some things that require context and time, that apparent failure is a necessary passage in order to reach a new position?

A: In my experience, organisations rarely change by virtue of a "revolution". Most organisational change builds on the initiative of a series of CEOs and Boards. Even the most radical change takes years to be acknowledged. You do not change the culture just by

changing the law; that is the task of a succession of leaders. No one leader can ever claim all the credit.

Q: Could you tell us about your experience at the Red Cross during the Bali bombing fundraising crisis?

A: It was a testing time for us. The public saw our integrity challenged, and many believed we had done wrong by somehow misleading the Australian public about how we would distribute the money. In my view though, the real crisis was within the organisation. The Australian Red Cross had never had a challenge to its reputation and near-iconic status like this. There was a kind of a collective depression which was really quite remarkable. That for me was the hardest part to manage. In the end our reputation was quickly restored because our systems were shown to be robust by external, independent audits.

Q: Are there people in business or government that you respect, and why?

A: Westpac's Gail Kelly is somebody I find particularly inspiring. She seems to have that work-life balance. She strikes me as somebody who has authority without excessive ego.

Q: What does work-life balance mean for you?

A: For me, it means I've got enough time outside the office to regenerate. When you are in a work environment for too long, you actually go stale. And you need outside stimuli, it could be sport, singing in a choir, going to the theatre, listening to music. You get better at it as you get older: making a judgement about when you don't need to be there.

What works for me is doing something that requires some effort, but is completely different to what I'm doing in the workplace. And that is some sort of physical exercise, swimming or walking; and I sing in a choir, which is also uplifting. If you're in a choir, you're not supposed to be the prima donna, you are part of a team and you can produce the best results by playing your part in the team rather than being the leader.

Jennifer Alexander is the CEO of the Australian Institute of Management - NSW and ACT.