

## IOD LUNCH TALK – NOV 17

Ladies & Gentlemen, good afternoon.

- Thank you so much for inviting me to join you today – for, what I know is going to be a delicious lunch and an open and lively discussion (I hope). Thank you also for the opportunity to tee things off.
- I should say from the outset that I have had a number of dealings with the IOD as an institution over my career, including attending several excellent events at your magnificent headquarters in London. I have always been impressed with the IOD's efforts to bring business leaders together, to drive innovation and creativity into business and, of course, to enhance professional standards. And I know very well how active the institute is in the Bailiwick, so I am genuinely delighted to be asked to join you today.
- I think it was Abraham Lincoln who said of a hapless colleague '**He can compress the most words into the smallest idea of any man I know**'. I sincerely hope I won't leave you with the same impression; nonetheless I will try to be brisk!
- It's been suggested that I talk to three broad topics. Firstly my views on the position of the Lieutenant-Governor in a modern jurisdiction, secondly my impressions of the Bailiwick having now witnessed it in operation for around 18 months, and finally some general thoughts on the challenges of Strategic leadership in the 21<sup>st</sup> Century.
- So I'll give it a go but, before I do, I apologise now for flitting randomly between the first person singular and the first person plural (between 'I' and 'we' that is). This is not me taking on an air of royal affectation but rather just to suggest that some of what I say naturally reflects on my wife Kathryn's involvement in the job as well as mine.
- **ROLE OF THE LIEUTENANT-GOVERNOR**
- So to begin with a few observations on being the Sovereign's representative here today in Guernsey and the Bailiwick.

- Well, I suppose the first thing to say is that there is no 'rule book' for being a Lt Governor. Many of the responsibilities associated with the role have grown up over centuries of custom and practice – much of it undocumented.
- I am, of course, appointed by Her Majesty to whom I am accountable – not, it is important to note, the UK Government, nor the States of Guernsey.....although direction from Her Majesty to me might well to be issued via the Lord Chancellor.....but that's in his capacity as the Secretary of State on the Privy Council with special responsibilities for the Crown dependencies not as a UK Minister.
- My warrant from Her Majesty the Queen invites me, I quote, ..... 'To Discharge my Duty' by 'doing and performing all..... and all manner of things thereunto belonging'! .....Delightfully broad terms of reference you might agree!
- It does also, rather intriguingly, requires 'All Our Officers and Loving Subjects of Our Said Island and its Dependencies.....to acknowledge and obey me as Lieutenant-Governor & Commander-in-Chief.' This is an interesting statement.....although not one I'm brave enough to put to any substantial test!! But who knows.....one day??
- Anyway, as you can see, the responsibilities and authorities of the position are, a bit like the British constitution, far from clearly defined and there is plenty of scope for interpretation! In fact when I heard I was to be offered this historic appointment.....which is, by the way, awarded by open competition between applicants who have (I quote) 'a distinguished military service background at a high level' .....I approached my predecessor but one, Sir Fabian Malbon, for advice.
- He, in turn, quoted his equally eminent antecedent, Sir John Coward who told him..... **'Just remember that, as Lieutenant-Governor, you don't actually govern anything and it isn't a job – it is a position to be filled. How you fill it is entirely up to you!'** ..... Again a marvelous amount of sea-room..... but, as a job description.....not a great deal to go on!
- Now there are, of course, certain and very clear and specific responsibilities of the role that don't change. Most importantly there is my duty to the Crown to oversee good government in the various jurisdictions under my charge.

- Hopefully, in a mature democracy such as Guernsey, this will not require too much of my attention although, it has to be said there is always the potential in small jurisdictions for a particular interest or other to gain disproportionate, and therefore undemocratic, influence – something I must be constantly alert too – especially in the micro-jurisdictions (if I may call them that) of Alderney and Sark. Albeit, even here, the bar for any direct intervention is deliberately set very high indeed.
- But that important duty aside, in a sense the constitutional analogy I hinted at earlier, is no coincidence. In fact it is at the heart of the matter. It is the position of the Lieutenant-Governor that personifies the Constitutional relationship, as a Crown Dependency, between the Bailiwick of Guernsey, the Crown to which it professes allegiance, and the Government of the United Kingdom. This is a relationship born out of almost a millennium of evolution and precedent and, ultimately defined by the nature of the relationship the people of the Bailiwick have **wanted over time** and still **want** with their Sovereign.....and what they **want** by being a Crown dependency.
- So, by extension, I believe the same question applies to my position - what do the people of the Bailiwick actually **want** of their Lieutenant-Governor? I am not sure I know the full answer yet.....but I do have some emerging instincts.
- I sense they want their Lt-Governor to know and understand them, to understand what life is like for people who live in all parts of the Bailiwick..... and at all points on the social spectrum.
- I believe they want a Lt-Governor who shares with them their love of these islands..... with their historic traditions, rights, and privileges..... but also who knows, as they do, that they have to continue to evolve and develop, as the world around them changes.
- And I believe they want a Lt-Governor who represents them with dignity on the public stage..... but who is also approachable and accessible to all.....and who is prepared to push hard to make sure that the facilities of his office are made as available as possible to the benefit of as many as possible.
- Finally, I believe they want a Sovereign's representative who is prepared to communicate with them and listen to them using the accepted tools of the age rather than quill pen and vellum. Hence why I have been so keen to drag Government House, if not actually into the 21<sup>st</sup> Century, at least to its doorstep in terms of our use of the web and social media.

- And I suppose the other thing to think about is what actual 'value add' the position can bring to the community?
- Well, there is the obvious role, through patronage or otherwise, as a sort of 'rallying point' or 'cheerleader' for various organisations and activities around the bailiwick.
- There is also the important, but occasionally underrated, job of being the person who says 'thank you and well done' to all those people who otherwise might not get much recognition for their contribution but, without whom, our society would be very much poorer – or might not work at all.
- And we have already enjoyed some marvelous moments doing this – be it paying belated birthday calls on Mrs Ruth Berry and Mrs Clara Jehan – both 107 at the time (Mrs Berry now 108), or watching the GADOC members bursting into spontaneous song at Lisa Johnston's BEM investiture at Government House, or awarding the first ever Le Murier school DofE Silver awards to an inspirational group of students. There have been many more.
- There have also been some fabulously levelling moments as well. Such as the occasion on one school visit when a particular 5 yr old boy wouldn't let me into his playhouse because I didn't have the correct pass..... or another young man who couldn't contain his disappointment on meeting me - declaring loudly (and somewhat disparagingly!) '**You're not President Trump**'!
- But behind these rather obvious roles there is also a deeper ability subtly to catalyse action or change. When people come to ask for our support for a proposition, I like to say that fundamentally there are three things we can do.
  - First, through our interest we can shine a bit of a public spotlight on a specific issue or organization.
  - Secondly, through the privileged exposure we enjoy across the full range of Bailiwick life and institutions we can sometimes perhaps identify and make connections and linkages that might not be obvious to others.
  - And finally, through events at Government House or elsewhere, we can sometimes bring people together who perhaps wouldn't normally come together to address an issue.....either directly or indirectly.

And, within the bounds of taste, reason, and hours in the day.....we are delighted to do any or all of these in support of an appropriate cause.

- But anyway.....all of this is a mere snapshot of my opinion 18 months into a 5 year evolving term of office. But the one thing I would emphasise in closing this section is that I am determined to maintain the enduring relevance of the institution of the Lieutenant-Governor by listening to thoughts and ideas from everyone on how we might continue to adapt and refine it for the future..... without, of course, compromising its unique and special standing.

### **IMPRESSIONS OF THE BAILIWICK**

- And, naturally, all this is closely related to the second point I have been asked to cover – the Bailiwick itself, and my impressions of it. And I hope you will understand that, given the requirement for me to remain staunchly a-political, in this section I might have to confine myself to rather more general observations.
- Again, just over 18 months in post, I have a kaleidoscope of thoughts and impressions, the majority of them (just to set your mind at rest) overwhelmingly positive.
- I am, like a lot of newcomers, hugely taken by the many advantages Guernsey enjoys. However you look at it, it is a **privileged** place. We are still **firmly** in the top 20 jurisdictions in the world in terms of GDP/capita and in the top 10 in terms of life expectancy.
- The islands we inhabit possess great natural beauty and, by and large, people seem happy, active, proud of their community, determined to enjoy themselves and, for those willing to seize them, opportunities abound.
- I see an independent and innovative island spirit.....honed over many centuries of having to find and exploit niche openings thrown up by the Bailiwick's unique position on the boundary between the United Kingdom and continental Europe.
- I see a compact jurisdiction with good access to government, a mature and respected legal system and, through dint of our small size and good internal 'connectedness'..... at least the potential for rapid and agile decision making.

- However, I don't suppose you came just to listen to me tell you how wonderful Guernsey is. You know that already but I suspect that you, like me, know there is scope for further refinement. So perhaps I should also make a few constructive observations in the spirit of critical friendship.
- The first is to cherish the past but don't let it inhibit your future. Guernsey has an extraordinarily rich history, one that underpins its well-deserved reputation for free-spirited determination and self-reliance. But I do detect, just occasionally, a tendency to obsess on it in every minute detail.
- This sometimes seems just a little myopic to me and to the detriment of our understanding of the broader context and Guernsey's position in it. It also seems an all too convenient excuse for some to shy away from necessary change. We should certainly value our history and always continue to learn from it, but we shouldn't let historic events, even ones as seminal as the occupation, be the only things that defines us. I like Victor Hugo's formulation. '**Change your opinions, keep your principles; change your leaves, keep intact your roots.**'
- The next point is to take very great care of our position as a Crown Dependency. I say this because, although I remarked earlier that it was important for the Bailiwick to reflect on what it wants out of its status as a CD, we should resist the temptation (in our enthusiasm to generate growth, prosperity, profit, or just local political advantage) to push the envelope of our unique autonomies too far.
- Our freedom and security is guaranteed by the UK, as are our rights when we travel around the world. Much of our legislation, and the resource heavy policy heavy-lifting that underpins it, derives from the UK as does our representation in most major international negotiations.
- And in reality of course, our Government does not bear the expectation of providing global leadership in trying to solve some of the major international challenges of the age, challenges which now take up a huge portion of governmental bandwidth. Rather, our Government can concentrate on what matters closer to home..... and on positioning Guernsey to best advantage in the global race.
- And, perhaps most important of all, we retain the autonomies and freedoms to set the vital policy, fiscal, and regulatory parameters to achieve this.

- I am sure this is generally well understood but just occasionally I see what can best be described as 'maverick' behaviour (normally in public commentary) that crosses that boundary, more often than not through naivety, but it is potentially damaging nonetheless. Against a backdrop of Brexit, blacklisting, hacks, leaks, Paradise papers, and general ignorance of what the Crown Dependencies are really like, we just need to press our case with great care and sensitivity.
- And I don't think this is a matter of 'towing the line to the UK' or of being 'pushed around' by our bigger neighbours, but just a pragmatic reflection of the need to protect the very significant benefits of CD status.
- My third observation is that collectively we must make intellectual space & time for a more rigorous discussion on the future strategic direction of the Bailiwick.
- Clearly Guernsey is limited in what it can do to dictate the course of major international developments, rather it must box clever to anticipate them and exploit any opportunities that might arise as a result.
- You are the experts but my impression is that, the finance sector, whilst still by an order of magnitude the largest and most fundamental element of Guernsey's prosperity, is asymptoting in terms of its potential for further growth as competition sharpens and margins are squeezed. Our other key industry tourism seems steady but, again, not showing any particular signs of expansion. I think we are all searching for a renewed sense of where the Bailiwick's future success might lie.
- I am not saying we should be looking for a complete change of direction akin to the switch from growing to high finance, but I do think we need a revitalization of vision and ambition. And I don't think it's that hard to see what this might mean in broad terms.
- One way or the other, Guernsey's future is going to revolve around agile, knowledge-based service delivery and entrepreneurship (most probably in financial services but maybe elsewhere as well) complemented by high quality niche 'destination' or 'experience' tourism and perhaps production of specialist goods that are not too vulnerable to high transportation overheads. A concerted push to determine the investments we need now in order to put in place the right strategic enablers, and give ourselves a 'head start' on this, seems to me what is required.

- I know that there are many in both government and business who are trying to develop such a discussion [refer to Cttee for Economic Dev – Guernsey’s Economic Vision].
- The challenge is, for those who want to contribute to the debate, to do so in a sustained and disciplined manner that ensures an inclusive and comprehensive analysis, and avoids solutioneering and hobby horses. With respect this is about more than a longer runway – however good an idea that may or may not be.
- And, if I may be frank, I think there is more that you as business leaders can do here. I know you air these matters regularly in fora such as this but, I am not sure you have yet really synthesised your thinking into a single, coherent, and compelling 'business view' which can be put both to government and the public. And I do think business needs to recognize the requirement to educate and to sell its case to the broader public (and their representatives) not all of whom have shared fully in the prosperity of Guernsey’s recent past.
- And the challenge for the rest of us is to avoid dragging what should be a genuine strategic discussion back into the day to day minutiae of island life..... so that the matter is given the intellectual time and energy that it deserves.

## **LEADERSHIP IN 21<sup>ST</sup> CENT**

- This brings me neatly to the third subject area I have been asked to consider - the challenges of Leadership in the 21<sup>st</sup> Century. I must admit, of the 3 topics for today, this has given me by far the most cause for reflection.
- It is, after all, potentially an enormous subject and probably one that I have not given quite as much thought to over my career as I should. By my own admission, I have been rather more of a ‘get on with it’ sort of leader, than one who has dwelt too long on the ‘theology of leadership’.
- However after some mulling over I have decided to focus on testing what seems to me to be the implicit proposition in the framing of the question - that somehow the demands of leadership in the 21<sup>st</sup> century are different and, again by implication, more challenging than erstwhile in history.

- The suggestion is certainly alluring. Without doubt, the world is infinitely more interconnected than ever before, even than it was just 10 years ago. Massively greater amounts of information (albeit some of questionable provenance!) move around the world in a fraction of the time it used to.
- Armed with nothing more than a handheld device, every person on the planet has the potential to become a node in the global information network and also a potential commentator, negotiator, or instigator with the ability, if they so wish, to reach everyone else. We may soon add artificial intelligence to this mix.
- Leaders at all levels in both government and business find themselves increasingly prone to a saturation of issues apparently all requiring their immediate attention. Action-reaction feedback loops become more intense and less predictable, and there seems to be an ever growing sense of volatility and chaos.
- Discrimination and prioritization become more and more challenging. We struggle to discern what is important and what is not – in part because everything is important to someone, and that someone now has a voice.
- How can one exercise rigorous, reasoned leadership when perfectly sound policies are derailed in an instant by the smallest of things that somehow becomes totemic in the eyes of the media or public.
- And then there is the question of how, as society and individuals, we regard our leaders and respond to them. It sometimes seems that, again through both the volume, ease, and reach of commentary, it is all too common for today's leaders to find themselves trying to meet what I might call 'the sum of all expectations' ..... both in terms of what they deliver professionally, and how they live their lives, both public and private. Is it really now a case of being expected to 'please all of the people, all of the time, and on all of the issues'?
- And, juxtaposed with this, is there also a collective loss of deference, and a growing sense of the almost immutable right of the individual over the collective, which makes the leadership task even more impossibly demanding?
- So there would certainly seem to be a case to answer

- But, on reflection, I'm not sure I really buy into it, at least at the most senior levels of leadership. If you consider the course of history, even over just the 20<sup>th</sup> century, it is hard to argue that the strategic complexities and potential for chaos is greater now than at some of the more tumultuous moments of the last 100 years.
- For example, the crisis and the series of subsequent decisions that led to the outbreak of WW1 may have happened in slow motion by today's standards but they were every bit as out of control as any modern chain reaction crisis, and just as unstoppable.
- Or, if you really want to study strategic leadership in moments of chaos and collapse just reflect on the challenges facing the British and French Governments in the dark days leading up to Dunkirk. The 20<sup>th</sup> century abounds with numerous examples of changing paradigms, crisis and chaos all of which have required the highest qualities of human leadership to work through. And as for the nature of people, they may be less deferential and more individualistic but, radical terrorists aside, they are generally less likely to want to string you up if you fail - physically at least!
- All too often, today, I think we allow ourselves to be distracted from the real art of leadership by the trade-craft of the spin doctor and the communications director. For me most great leaders, certainly of recent history, have shared a number of fundamental characteristics that will endure irrespective of the medium and moment in which they do their business.
- First of all they all have and reflect a clear and credible 'vision of the future', not just a 'position of the moment'. Fundamentally they can see the end game. They know what they are sailing towards..... not just what they are navigating past.
- They can filter out the noise and recognize both what the military call the 'centre of gravity' of a problem and the 'main effort' in resolving it.
- They communicate and cooperate instinctively using whatever the tools of the age. It's ideas and words that are their fundamental stock!!
- They are also collaborative at least insofar as they recognize that, in most structures, decisions are seldom best made on the spot by a single individual, but rather 'forged' out of a collective appreciation that, normally over time, draws different positions and opinions together into a single way forward.

- This is certainly something that requires rare skill and dexterity, especially when working cross department in 'big government' or even more so in the international arena. But I have seen it done well, and when it is it, is a thing of considerable elegance!
- Good or great leaders also seem to me to have not only the ability to see the big picture but also to understand its linkage to key detail and to know exactly when to intervene without succumbing to micromanagement. I have sometimes heard this described as the ability to view the world through both the telescope and the microscope simultaneously.
- They are self-aware, at least insofar as to understand how to get the most out of themselves. Churchill famously took an hour's sleep religiously after lunch to enable him to work until 2am every day and he would also often work in bed, much to the bemusement of his secretaries. But it did enable him, in his own words, to do one and a half days work every day for the entire duration the war
- Finally real leadership ability seldom shows itself unless it is highlighted by some sort of crisis.
- In the military at least, it is certainly accepted wisdom that anyone can be 'in command' when everything is going to plan, it's when it isn't that the commander earns his or her spurs – when either events or 'the enemy' ('competitors' in your terms I suppose) intervene.
- So, I genuinely think these leadership qualities are enduring and timeless albeit their application will always need to be fine-tuned to the moment. Ultimately for me, leadership is a very human 'skill' and boils down to the vision to see your head-mark and the ability to understand human nature sufficiently well to take your organization there. Clarity, imagination, determination, integrity and the ability to build and maintain trust are all key attributes.....doubtless you will think of several others.
- And if all that fails, you can always resort to the style of leadership that is personified in an apocryphal naval officer's performance report which reflected of him....'**His men would follow him anywhere, if only out of a sense of curiosity!**'
- So, Ladies & Gentlemen, I think that is enough for now. Once again, I apologise if I have been too general in my remarks but hopefully there is enough there to spark some debate and I am more than willing to amplify with details of my own specific experiences in any questions you may have after lunch. **Thank you**