



Board Level podcast
Australian Institute of Company Directors, powered by CommBank

Episode 11: Opportunities a board career offers.

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Interviewee: Dr. Kristin Ferguson

Featuring:
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This episode, Catherine interviews Dr. Kirstin Ferguson. She is an award winning leadership expert and shares how opportunities in board careers can drive change. She is the Deputy Chair of ABC, and a Director at SCA Property Group, EML and Hyne Timber.

Rebecca [00:00:03] Hello and welcome to Board Level, the podcast that's changing the conversation around boardroom tables. Board diversity and gender balance makes sense. It delivers better outcomes for shareholders, consumers, employees and the community. I'm Rebecca Warren, General Manager of CommBank's Women in Focus and we're proud to support the AICD in this valuable conversation. As a board member myself, I know the challenges and the value of contributing at this level. We all have a role to play in improving board equality and diversity. So let's level up with your host, Catherine Fox, award winning journalist, author, presenter and leading commentator on Women in the Workforce.

Catherine [00:00:48] Welcome to Episode 11, and a rich conversation with award winning leadership expert, Dr. Kirstin Ferguson. Kirstin shares the opportunity a board career offered in driving systemic change. We discussed how having a smorgasbord of mentors adds value to your impact, and the underestimated role social media can play at board level. Kirstin, tell me about taking on your first board role. Why did you come to that decision? How did it come about?

Kirstin [00:01:18] Well, it's interesting you should ask that because looking back now, it was a pretty, whether it's fortuitous or serendipity or just fate but I got a call from the Queensland government asking me if I'd like to join the board of Sunwater, which was one of their government owned corporations. Now, at the time, I was the CEO of a consulting organisation that was run out of Brisbane but was operating around the world and I had no idea what Sunwater was. I really didn't know much about being on a board and I remember when the person was ringing me, I was Googling, you know, what this all meant but I have always been one to say yes to opportunities. They spoke about the skills that I had that they felt would be helpful for this particular board and as always, I said yes and so I found myself unexpectedly on my first board. This is back in 2008 and I ended up staying on that board for about eight years. So it was a wonderful starting point and it was probably just a bit before there was a big push for women on board. So those kinds of calls were a bit more common than they would be now, where obviously there are a lot of directors wanting to go on boards but I'm very grateful that I got that call.

Catherine [00:02:38] And tell me before that call had the idea of going onto a board been something in your head? Had you been thinking about it?

Kirstin [00:02:48] Not at all, I don't know that I could have told you much about what boards were, for or what they're about. I mean, I had studied law, so I did understand corporate governance at its most basic level but the aspiration to join boards wasn't one that I had had but as soon as I was appointed to my first board and really was very green, obviously I did the AICD course straight away. So I was very fortunate that Sunwater, the company put me through that, which was very wise of them and for me. I really grew to love it and understood what the profession of being a director was all about and continued on that

board while as CEO for a number of years and it was when I was offered a second board role that I decided to make the leap and make that a full time career.

Catherine [00:03:37] And when you were asked on that first board, you were told that you had skills to bring to the table so clarity around that is a real theme that's been coming out of these conversations. What were they looking at in your CV? What were those skills?

Kirstin [00:03:53] Yes, I think one of the interesting things is, you know, as the CEO, so I had corporate and commercial skills and I built a business. I've done law. There was a range of different attributes, I guess I could bring to this particular board as well, which was in a hazardous industry, some water and dams and pipelines and I was running a business of health and safety consultants. So there was some technical knowledge that I was able to bring as well but what I didn't know initially is how to apply those skills in a strategic way. Obviously on board, you are not the doer. You are asking really good questions and you're sitting above sort of the fray and looking with a really big picture of what was going on. It took me, I reckon, a couple of years to really hone that skill. So while I had the knowledge, it was very tempting to always get into the detail and I feel for all my fellow directors in that first year up to as I was learning my way as well about the right questions to ask and the way to really help guide executives in that you're not the executive. You are obviously there for a different purpose and I've now been on boards for 12 years and are much better at that and in fact, embrace it. I'm very happy not to be doing the doing but learning how to ask the right questions is key.

Catherine [00:05:16] That transitioning, it's interesting looking back over your career because of course, you started out in the Air Force, didn't you?

Kirstin [00:05:23] Yes, absolutely and if you'd told me when I was a young, you know, 17, 18 year old cadet at the Australian Defence Force Academy, I was going to end up on boards and a deputy chair of the ABC, I would have thought you had rocks in your head. It wasn't what I ever had in mind for a career and it's not something that I would have envisaged but you know, part of this philosophy, you're saying yes to opportunities. You are going down the weird and wonderful roads and I'm really glad I have.

Catherine [00:05:53] Because I think when I was younger just the other day, the advice was often that you should stick to a particular area. You know, you should hone those skills and stay that doesn't seem to be, it certainly hasn't been the case for you but also, a lot of very successful women have a remarkably diverse career path behind them.

Kirstin [00:06:12] I think so. I mean, it's only looking back maybe we're not so young, Catherine, looking back, you can see the picture and yet definitely not Venus, a linear career. I started in the Air Force and I did law and worked in law firms and I went off to this almost startup of psychologists in the health and safety. Now I sit on boards and I've gone on to do other things as well as boards. Perhaps it's my personality that I like, you know, doing lots of different things but I think that what it brings is a tool kit from each of those experiences that makes you a much more well-rounded director. It's true that every single experience you have, you can bring mistakes and learnings and lessons from those periods to what I'm doing now and, you know, I'm really glad that my tool kit might look a bit like Mary Poppins because there is a whole bunch of weird stuff in that bag but all of it together combines to give me a really diverse range of experiences to draw on.

Catherine [00:07:18] So, Kirstin, from the time that you first went onto a board, I have no doubt that you've relied on advice from mentors, role models, people that you've been working with. How important is that?

Kirstin [00:07:29] I think having mentors, advisors, sponsors, whoever it is, is incredibly important. Seek them out and then be really grateful for the time they give you. I remember on that first board that I joined, there were directors that I would seek advice from whenever I could and in fact, one of those directors is my current chair on a completely different board. So we've stayed in touch over those years and I've always sought his advice on different aspects of a board career and I think that's really important because there is a lot of experience out there to draw from. I tend to think of all my mentors and advisors a bit like a buffet, go to them for different things but I'm very grateful for them and I highly recommend you really value and appreciate what they can provide.

Catherine [00:08:17] So when you're faced with this buffet of advisers, potential mentors, how do you pick?

Kirstin [00:08:24] It's not always as easy as I'm going to have you as my mentor. There needs to be, I think, a really natural connection that you have with people. We all know who those people are. I mean, its people that you find easy to talk with and that seem to be willing to offer you advice. I would say it never works if you just sort of bowl up to someone and say, will you be my mentor? It's a bit like asking can we buy a house together before you've even been on a date with someone. You really need to understand that person and see whether or not there's going to be a good fit so it's hard to have a really strict prescription on how you would pick someone but it's those people that, you know, if you have opportunities to be formally given the mentor. So I was really fortunate that I was part of the AICD Chairman's or ASX Chairman's Mentoring Scheme really early in my board career and so I was formally allocated a mentor and that also worked really well. So I was very lucky as the mentee, you have to do all the work and make sure that relationship is valuable to the mentor as well. I ended up being appointed to a board that he chaired and so it became a really fabulous connection that the AICD facilitated. So there's sometimes there's formal ways you can find them and informal as well.

Catherine [00:09:46] You've also been and this is a little bit counterintuitive, I think, around boardrooms but you've been a great user of social media. You connect a lot with people on social media. You're very proficient on it as well. Tell me about using that because I guess the advice would have been maybe steer clear from social media when you're on boards.

Kirstin [00:10:04] Oh, absolutely, it was sort of 10 years ago when I was on Twitter and sharing things on social. I remember having directors come up and tell me to stay away from it that I wouldn't be taken seriously, that it's not a place for directors to be. I'm really glad that I heard that advice but I chose to find a way to use it that I think is really beneficial for me as a director because social media is incredibly important to understand what's going on in the world around us. You hear different views. You hear views outside your bubble of people that you might sit in a boardroom with. You can hear about your industry or about the company. You'd also just hear perspectives that are important to forming a judgment and a view on certain topics, particularly social issues. I think that's increasingly important for directors. On a practical level for anyone aspiring to be a director, there is a whole wealth of networks on social media that you can tap into and a lot of my really strong contacts and people I know are on social and we've obviously taken that offline as well and become really good advocates for one another. Part of being considered for boards is also having a profile that people know who you are and I know one board role that I'm still involved with came through having a profile on social media, someone simply asking, you know, do you know any directors who can use social? My name came up and then I had to go through that process and go through a headhunter and be selected but the opportunity definitely came up through awareness and through my profile.

Catherine [00:11:45] You've also been and it would be remiss of me not to mention this, a wonderful supporter of other women using social media. Of course, you started a campaign #celebratingwomen, which dear listeners, Kirstin and I happened to write a book about that but I mean, the impact of that was really uplifting. I think that was one of the things about social media. It does get a bad rap in some ways and that's justified in some parts of it but as you say, it's a wonderful connector and a wonderful way of lending visibility and profile to women as well as it can be.

Kirstin [00:12:18] Absolutely and I mean, I won't go into the detail of that campaign but it was all about believing that every woman is a role model. I wanted to find a way to do that new social media but for those who are listening, who are wondering how do you do that and keep your brand, I guess, as a director, which is very different to being out there, having social media campaigns. You know, I think if you can find something you believe in that's very much aligned with where boards and companies are going and in this case, it was around gender diversity and really recognising women. I never found those two activities to be in conflict with one another, they were very much aligned. I think another piece of great advice I've had is that if you've gone from being an executive and then into board roles, which many people do, you'll notice that you're not working necessarily 40 hours a week. You have time between board meetings. I was always advised that if the board meetings are your bread in a sandwich so they sort of frame what you're doing. There needs to be something in the middle as well and I'm someone who needs to be doing more. Social media has been a fantastic way in that campaign and the book that I wrote with you and then the amount of speaking we do about that as well. All of that builds a real richness I find to my career so I love being on boards but I love doing other things for the community as well.

Catherine [00:13:45] Yes that's really important, I did want to just take you back because I've heard you talk about this. Your advocacy for women was bit later in your career than perhaps others may have found but it was also something that was triggered from boardrooms. I wondered if you could take us through that because you were looking at information, weren't you in the boardroom that made you understand that some of these issues were really systemic and needed addressing?

Kirstin [00:14:12] Well, I think the gender pay gap is a great example of something that unless you actually see the data, I think it's quite hard to comprehend that it is existing. You only ever see your own pay packet and so unless you're able to really directly compare between a male and a female, it's quite hard to see when you're sitting on board. You see that data. You can see the senior executives that have roles that may be quite similar and they might have similar experience yet you say women generally being paid less than men. So it was definitely being on boards that really opened my eyes to that and caused me to be asking very serious questions in board meetings about how this can be perpetuated. What are we doing to fix it now, not in time but this person isn't being paid fairly today and, you know, that came with some difficult responses. Sometimes it's challenging or I found challenging and we had to work through those, I think as the years have gone on, though, those questions now are asked by everyone, thankfully, men and women. It's something that obviously as a board, we need to be ensuring isn't happening at all and there's a much greater acceptance of annual gender pay audits and pay reviews, which I think is helping but we've still got a long way to go.

Catherine [00:15:33] Yes, but as you say, the advocacy has certainly paid off in some ways where we're nowhere near where we need to be but it's certainly much more discussed. It's a valid part of an agenda.

Kirstin [00:15:44] And it's not easy, it's not easy. Certainly at the start of my career, as often the only woman on boards and thankfully that's not the case anymore. It was always nerve-wracking to be the one to say, hang on, can we just talk about this issue? Often they'd be, I look around the table, I'm not really sure what you're getting at and what you're suggesting here and actually, yes, I am suggesting that she's not being paid fairly good because she's a woman that's a lot easier now that we have a lot more women on boards. There are no boards that I sit on now where I'm the only female and that is a great thing because having those, well, it's not just having other women but having diverse views around the table actually makes for a better experience of sitting on boards as well.

Catherine [00:16:32] Do you have any advice for listeners on sort of the ideal kind of combination once you've moved onto a board career, let's say you've taken up a board career as your main sort of occupation. I imagine your diary gets very busy but how many boards do you think are viable and what kind of combination?

Kirstin [00:16:50] I was always told the magic numbers four and I think that's more in the listed space but it has actually been a good guide. I'm on four gusting five but that's because I'm going to be coming off the board of the ABC in November. So I've accepted another board sort of in anticipation of that. Four for me, it works well. It doesn't really matter if they're not for profits or something else, because not for profits often take up a lot of time anyway. I think the four number has come about because proxy advisers have that strict sort of number when they're looking at listed boards. In terms of the makeup of boards, I think particularly for new directors, it is something to think about because if you go down a path of all your boards at government boards, for example, or all your boards and not for profit, you do end up getting put in a bit of a pigeonhole. I think you want to have as many diverse boards as you can. So my current makeup of boards is two listed boards, two private companies and a government board and that for me works really well. The listed boards are both ASX 200s and they are wonderful companies and fantastic people but a whole different sort of set of pressures because you're obviously a public company. The private companies I am really loving being part of because it's generally a smaller distance between the board and the executive. You're very much more closely working together and they really value the external expertise that directors bring with them and again, I really enjoy those as well. Then I like to do at least one government board but just one because I think that's part of our obligation to be giving back and to be finding ways to contribute to the community in society.

Catherine [00:18:43] Yes, indeed and tell me about if a board position comes up and you're considering it, tell me about your due diligence process. How does that happen? What do you do? What questions do you ask?

Kirstin [00:18:55] Oh, that is the most important question because I've really got it wrong in the past as well. I mean, there's lots of due diligence checklists and the AICD has some terrific ones. You go through and look at the financials and look at the strategy and read the board papers, etc., etc., and that'll get you

so far. I think much more important is understanding the chair, in particular, the chair's integrity, their decision-making processes and the makeup of the board. Is there a majority of one shareholder? You're going to be the only or very few independent directors. You know, those kinds of dynamics, I never understood initially until I've experienced them. Then you realise how difficult some situations can become and so I think the more you are on boards, the more you add to that due diligence checklist but a lot of it can't really be written down. It's more really just understanding the people around the table, whether they're people you can trust, not just in good times but when things really hit the fan. Are you going to be able to sit alongside them and trust that they've got everyone's interests at heart? I think if you ever have any doubts about any of that, it's not the board for you.

Catherine [00:20:09] Yes and tell me in that context, too, you've mentioned your five-year term at the ABC. How important is sort of looking at tenure on a board because sometimes people do stick around boards, possibly a little too long.

Kirstin [00:20:23] Yes and it's really difficult. So I think well, two things the ABC is unique in that it, like many government boards, has a fixed term so that's five years and that's fine. It's actually quite helpful because, you know, there's no discussions or anything like that, you just know your term is coming up whenever that five year date is so it's very transparent. On other boards, I think the AICD again has a good guide of about 10 to 12 years and that's something that I think is about right. You can start to feel that you've been around a bit too long, I think probably around that 10-year mark. I've only got one board where that's coming close. So there are times when you, well, I would have a discussion with the chair about what their plans are and how they'd like to transition and what kind of skills we're looking for. I mean, I'm just a big believer in transparency that said, it could be really awkward, too, when you have other board members or chairs who may not feel that same way. There's a recognition that there needs to be change and so I think starting the way you intend to continue is being transparent about it from the start is a really helpful way to go now.

Catherine [00:21:41] Tell us about your diary, I imagine it's pretty full and pretty much is set in stone for a year or two hence. How do you manage that and what does your week look like?

Kirstin [00:21:53] Well, pre-COVID or post-COVID? Pre-COVID, it was just insane and I was travelling constantly every single week and doing meetings, board meetings and other meetings and speaking events and different things. COVID has been wonderful in my mind to really clarify how you spend your time and how the best use of your time. So my board meetings are still the bread in the sandwich for me. So I know the dates a year and a half out, which I just love. As someone who likes to be out to do other things so I know what my commitments are and that is my week. In any given week, I'll have one board meeting or two board meetings, sometimes all in sequential days over one week, which I quite like as well. Then outside of that, my time is really my own, which I use to really focus on my career and my professional director career. So I do a lot of reading, a lot of attending, different webinars, speaking at different events and writing. As you know, I like writing as well. COVID has been a wonderful opportunity to formalise that I now do coaching, so I'm doing a lot of virtual coaching with business leaders and I love it. I think I was born to coach. I was so excited when I'm talking to other leaders about, you know, their own leadership and being on boards a bit like that. Obviously, you're always working with the CEO and their team and you want them to be the best that they can be. So my week never looks the same but I'm quite pleased not to be travelling and I'm not sure that I'll easily or willfully transition back to that level of travel. Zoom has shown we can do a lot online.

Catherine [00:23:43] How does the virtual board meeting work? What's the upside and perhaps what's the not so great side? What do you think we can expect in the future?

Kirstin [00:23:52] Yes, well, I am a real advocate for the virtual meetings so are you asking someone who is already very much convinced that I think they're the way of the future. What I love about them is that there's a number of things, firstly, there tends to be less waffle, just get straight into a meeting. They start on time. I mean, there's none of this wandering back from the morning tea area. Everyone just starts on time, which I love ex-military, as you pointed out, so there's a lot more focus. You are there to make decisions and you get through your meeting. I've also found it's been a real equalizer that those people who used to dominate discussions tend to be, you know, equalized along with everyone else because the etiquette is you're on mute unless you've got something to say and that in itself is a fantastic tool. We wouldn't have wished that you could put people on mute now but having everyone on mute, unless you are speaking, is a really wonderful way to get everyone's contributions. I also like that, you know, if you are on Teams or Zooms or whatever it is, you're all sitting there equally. So the big people that used to be

able to sort of throw their weight around, no longer have that, as in the really powerful people who held the weight of the room. Everyone's faces are on there and I do find there's a direct correlation between those people and the ones who can navigate their laptop quite right. You're looking up their nostrils and never remember to come off mute so it's quite interesting to see the power dynamics have really changed but I love that, you know, people come to work with their dogs behind them. They're not in the power suit. It's a much more authentic environment you can dial in from anywhere. There's just lots of practical ways that I think the virtual meetings will stay, let alone the cost savings, so the cost of travel, the cost to the environment of travel, just our diaries being freed up to be able to spend on other things means that I suspect for regular monthly meetings that will be done by Zoom. I do think, though, when you asked about the downsides, you know, strategy off sites, visiting sites, doing all of those things will continue to be done in person but you might do that, say, two or three times a year. You won't now, I don't think, travel every single month to come together.

Catherine [00:26:24] So Kirstin, is the future more of that mix for you a bit more waiting in some areas, coaching obviously sounds like a bit of a passion and the writing, I assume?

Kirstin [00:26:35] Writing, I'd like to do a lot more of and so I'm writing for Forbes at the moment and I've done a few opinion pieces in the Sydney Morning Herald. I am going to do a few more of those and I love writing about leadership so leadership has kind of been my passion always for all my degrees. Seeing it in practice in boardrooms is always something I'm really passionate about and culture and obviously we've seen a lot of issues for boards and companies dealing with corporate culture and the combination of that with leadership so that's something I'm very passionate about and obviously bring to my boards as well where you can assist with that. Going forward, I think boards will always be my bread, the bread in the sandwich but I love being able to fill that sandwich with different things that take my interest in that all together as we said, talk about, add to the toolkit of diverse experiences.

Catherine [00:27:28] So just on the leadership area, any kind of I know it's hard to be simplified about this but what does good leadership look like to you?

Kirstin [00:27:39] Well, it's a simple answer to it in my mind a simple question, it's being authentic, empathetic, having the emotional intelligence as well as the technical expertise. I think for too long we may have hired and focused on those leaders who are brilliant technically, they've got to the top of their industry for whatever reason and we assume that will be good leaders and they just are not always the way. So I think I'm passionate about those leaders that can combine that technical skill with a sense of being a humble servant-leader. I think it's what people younger than us, Catherine, are looking for and expecting in our leaders and people who can really earn trust. I'm excited to see more of that in the future.

Catherine [00:28:27] Indeed, now, Kirstin, let me ask you, what is the one thing you wish you'd known when you set out on your career?

Kirstin [00:28:35] I wish I had known that it will all come to trust myself that everything that I might imagine at any point in time will all come and to relax along the way. I think I've always been in a hurry to get places. I was 35 when I joined my first board; I think 37 or 38 on my first listed board. I've always been in a hurry and I wish I'd known that there's no reason to rush. You know, it's all going to come, just make every choice one that feels right for you. Say yes to opportunities and trust in yourself and trust that others who are offering you those opportunities see something in yourself that you might not see and trust them.

Catherine [00:29:23] Thank you so much.

Joanne [00:29:24] Thanks for listening to Board Level, hosted by Catherine Fox for the AICD and powered by CommBank's Women in Focus where we're sharing stories from women making an impact in the boardroom. I'm Joanne Gilroy, Board Diversity Manager at the AICD. We're helping build the capability of the next generation of outstanding boardroom leaders. Visit AICD.com.au to access show notes from this episode and other valuable resources. Subscribe to Board Level wherever you get your podcasts so you don't miss an episode. Leave a rating or review and help keep the conversation going.