



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

Episode 9: Opening doors to women on boards – Part 1

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Interviewee: Sam Mostyn

Featuring:
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This episode, Catherine interviews Non-Executive Director and Sustainability Advisor, Sam Mostyn, one of Australia's most experienced female board directors and chairs with experience that spans business, government, sport, the arts and community organisations. Sam talks about the responsibility of being a trailblazer, why she's not concerned about being a quota appointment to a board and why women should worry less about why they're asked to go on a board and think more about the skills they bring to the table.

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 Part One Episode Nine and a deeply insightful conversation with Sam Mostyn, one of our most experienced board directors and chairs. Across the next two episodes, Sam talks about the responsibility of being a trailblazer, why she's not concerned about being a quota appointment to a board and why women should worry less about why they're asked to go on a board and think more about the skills they bring to the table. Sam, you took the board pathway quite early on in your late 30s, I think, from memory. Tell us about that decision. Why did that happen? What came up? What sort of crossroads were you at that point?

Sam [00:01:29] Well, Catherine, I was really lucky in that I was working as a senior executive at Insurance Australia Group at the time and I was approached to introduce a process to join the commission or the board of the Australian Football League. It was a time when it was the first woman appointment to that board and having sought permission from my chairman, James Strong and chief executive Mike Hawker at IAG to take on a board position while I was still an executive. I threw myself into that process and that's another story altogether but I was the last woman standing and appointed to that board in 2005. So I was a full time executive and then my first big non-executive role, although it was on a sports board, a professional sports organisation but it was a big business. So I was 39 when I joined the board of the AFL and it seemed to me to be the right thing to do for a number of reasons. I've been an executive in a big company, in big companies for a number of years and along comes an opportunity to help change the whole nature of governance in a sporting code that I cared about and I had permission from my bosses in my day job to do it. So I threw myself at it and as a 39 year old, not quite 40, it threw me into the world of governance and the role of a non-executive director or commissioner in that case, in a way that was teaching me very early about what it meant to be a governor or a steward of an organisation as opposed to in the executive. I spent over a decade on the commission, so I spent my entire 40s at the AFL Commission and doing my other jobs at the same time. The big decision for me then was to both put myself forward for an opportunity that I felt couldn't come again. So backing myself into that and the second one was getting an incredible experience early about what actually happened in boardrooms, what was different to that in my life experience of being in executive ranks. I learnt an enormous amount before the next board role came up.

Catherine [00:03:28] Which we will come back to but I just wanted to say, was that a bit of a baptism of fire? Gosh, it was all those years ago, it actually was. You were the first woman into an arena that is very masculine.

Sam [00:03:40] If there is an organisation in the country where a woman was going to turn up, this was probably the most hyper masculine, muscular community that had always been run by men but in fact, had been propped up by women. The then chairman of that board, Ron Evans, had the foresight to say it's women that actually create this game, support this game, half our members are women. Women make the decisions, whether they're boys at the time or come to women in sport but the boys were able to play football and he said it was an abject failure to have the governance of that game to not have any representation of 50% of the supporters of the game. So the leadership of Ron meant that they installed a process so they appointed the first woman through a effectively quota process but with ten women interviewed, reference checked, put through an enormously difficult process to find the woman to sit on that board and so when I arrived, the industry had got used to the idea and certainly the commissioners were very welcoming. So as a group of men on the commission, I couldn't have been more welcomed. I did a deal with the chairman at the time, which was he rang me to say; we'd like to appoint you. I said how honoured and thrilled I was but I asked him if we could just have one little additional piece in the in between he and me in the appointment and I said, I will be thrilled and honoured to be your first woman commissioner but we would have all failed if I'm your only or last. So could we commit in the next rounds of appointments to ensure that we don't stop with me because I don't want to be the only woman on the commission, I don't want that to be my legacy. It will be opening that door for others to come and it will make it a better governance board. He did me the great honour of agreeing to that. So in the time I was on the commission, Linda Dessau was appointed a couple of years later. She's now the governor of Victoria so no slouch there. Then Simone Wilkie, a former general in the Australian Army, was appointed, then Gabrielle Trainor and now Helen Milroy, who was the first indigenous person and woman on the commission. So we've had five of us appointed in the times since I start. I kind of think it goes back to those times of entering into a very masculine environment but ensuring that what we were trying to do had legacy and had the capacity to bring more diversity into that. In saying that it was a very masculine industry. I thought I had to have a high degree of self-confidence but also enough tactics and sense of what I was dealing with to do it well, which is difficult at times. There was a lot of women who didn't like the way this appointment was made, who talked a lot about the fact that they were disappointed that a woman got there through a quota and hadn't been compared to a man. So it was women who actually came up to me in the industry to say, we don't think it's done us any good because how will you ever know if you're as good as the men that would have been up for that role?

Catherine [00:06:29] So what do you say in those circumstances? Because obviously, I've heard that a lot, too, I've always been a huge supporter of quotas and I've heard you articulate this really well. You've partly explained it already. You opened the door for those coming after you but there's still a very strong sense, isn't there that a target appointment or quota appointment is not going work. There's a legacy around that will hamper you.

Sam [00:06:52] So, yes, I'm like you, Catherine. I advocate for this whenever I can. I start with the view that actually there's been a quota system in place historically for men. If you think about my appointment to the commission, there had never been a process involving a headhunter interviews and panels before I was appointed. Before that, it was the old boys network. They were very decent men who were appointed. I don't have any qualms with them but they were never put through that process. So the quota was working a different way and clearly it was not delivering at the talent that we held as women into those rooms of power or authority. So what I say to the women who have a concern with it is we need to be at the seat at the table where decisions are made. With the recent passing of Ruth Bader Ginsburg and one of the things she said constantly through her career was that women belong in all places where decisions are being made. We still do not have that parity in most of our industries and most of our companies. So I say to the women who worry about the quota, we're not going to get into those rooms through hoping, wishing and praying. You need systems and targets and quotas to get us there. For the women who actually accept that opportunity, it's up to us to bring our best self into those rooms and open the way for others to come and not be burdened by the idea that we weren't meritorious. So decouple the word merit from quota and know that you're being appointed because you were the best person for the job. The job is do play the role really well. So I'd love women to have far greater confidence that when they are tapped on the shoulder for these moments to say yes and step up and show their great character, strength, merit, without worrying about the how they got there. Men have never worried about how they got to those positions and good on them but we need to be there.

Catherine [00:08:30] Let's go forward from that appointment a few years. Obviously that was a character forming and also gave you a terrific platform because you develop skills and so on, so when did you make the transition from your executive career to basically what was a full time, NED career?

Sam [00:08:47] Yes, it's a great question. I think it's one that many women particularly face as to why an NED career and whether it's best to stay in executive life. I think there's an argument for both. I think this comes back to what you built for what your strengths are. So I'd had the benefit of still having my executive role at IAG and having a few years at the commission when Mike Hawker left IAG. I was working for Mike. I'd been a senior executive in his team for a number of years. It had been probably the most exciting executive job I could have ever had and so I knew I'd been involved in something during that time that probably wouldn't repeat elsewhere. I'd had the experience of a board role with the AFL. So I took that moment to think about some and reflect on some advice I'd had from a really wise woman when I first had my daughter. So she was born in 1999 while I was still working full time in London at Cabinet Wireless. She said to me at the time, don't let the early years of Lottie's life define how you think about the rest of your career. You need to know that as a young child, she needs your love. She needs good nutrition. She needs good care and lots of attention but it doesn't have to be from you but where she will need you is when she starts to hit her teenage years. If you want to be the first person she comes to with her issues as her mother, as a parent, you need to have some relationship with her that's beyond transactional or having just been so focused on your career but don't think about that in those early years. Don't give up what you're doing at the moment cause you're on a role but think about the care you need to provide her. So my husband and I discuss that a lot about him taking up a much greater role. So the idea of a blended parent, so it wasn't just about me is as a mother but it was us as parents. So he stepped back for a while in her early years, we had very good support. We have an incredibly privileged position to be able to have a nanny to help us with aftercare, those kinds of things. Lottie loved after school care and those things but as I was thinking about, as Mark was leaving IAG, Lottie was coming towards the end of primary school. I was thinking maybe I'd had the best executive job I was ever going to get. So the idea of thinking about my investment as a parent for Lottie and where I'd seen and observed about the benefits of non-executive life meant that at that point I made a strategic decision to think about is this a time where I become a professional non-executive director? Could I actually move into that world having seen it close up through my colleagues on the AFL board? Because of that board, I'd had a couple of approaches from people who knew me through my work on the commission and so the chairman of Virgin had called me to say, would I consider joining the Virgin board and that call and thinking about my relationship with Lottie as a parent, as a mother and her about to head into high school, I thought this is the moment where I can restructure my life. I know I'm good at the governance side of things. I get what that's about. I don't think I'll find another executive role of the kind I've had and I want to be more engaged in her life. I just knew that that blend of things was really important at the time. So I didn't stay with IAG after Mike left and took up my first role on the board of Virgin. I went through a thoughtful process about why I was doing this. I do say to women particularly, who are thinking about a career on boards, just be careful what you wish for. You do need to know what the life of a non-executive director is like. It's not a lifestyle choice. It was one of the factors in my decision about how I wanted to structure my life, my work and my role as a parent. I also did know that I really enjoyed being a steward and a governor and a director and I thought I had something to bring to that. There weren't many women on those boards at the time. So I thought that was important to step up but it won't be for everyone. The idea that it's just a natural move from the executive world non-executive is one to retest. It's a very personal decision about where you really want to deploy skills and talent.

Catherine [00:12:40] And where you think you can make. I guess, the most effective impact.

Sam [00:12:44] That's right.

Catherine [00:12:45] Tell us what it is like. What's day-to-day like for Sam Mostyn. I imagine that's one busy diary.

Sam [00:12:50] It is a very busy diary. As someone who has a non-executive life, which has many different parts moving all the time. I do have a problem in that I find it hard to say no. So my portfolio is quite wide. I'm quite clear about why I do say yes and my portfolio is balanced between ASX companies, private companies and then a range of non-profit and charitable and other cause related boards. I couldn't do my big ASX company boards if I didn't have the balance of the others. So for me it's a blended portfolio that really makes me tick. I have an incredible E.A.; we've worked our way of having support, which is completely virtual. So MJ looks after me, we never see each other. She's has a number of other jobs and so, again, for women who are busy, who don't have a single point of an office, to have support like MJ, who takes care of my diary, it keeps me in check, who makes sure if I'm saying yes to too much, she put me back. So I have someone who's helping manage the kind of complexity and so what's going on in the day-to-day arrangement. As a result of that, many people on boards will know this; my diary is generally pre-booked for at least two years. So ASX companies pre-book, so the company secretary will pre-book meetings, I've got meetings booked in my diary to 2022, 2023 at the moment and that's important on the ASX boards because to actually corral directors say 10 or 12 people at a time over

the course of a year and you have to attend every meeting. It's not one you can choose to be at. They go in first. So we lock in the ASX-listed company boards and then we build the diary around other things. So there are other things I have to say no to because those boards will take preference. So it's a lot of planning but in all of that, I also plan in time for myself, for my family. You know, I have an extraordinary lucky life with the things I'm able to do. I still go to the footy or COVID has changed that a little bit this season. I still keep up with my creative interests and friendships. So there's a discipline about the diary and actually know where to put the work and in saying that the diary is busy then you have to actually commit to the preparation for them. These are not just meetings in the diary. Many of them are strategic. Many of them are end of financial year so the preparation for those particularly if you then chair some of the subcommittees on board. So I often chair the remuneration and resources committees and I sit on audit committees' preparation. So there's a lot that's going on to prepare and so in taking on those roles, you have to care a lot about the businesses, have to care a lot about the role you're playing and understand where you're playing and always understand that role of stewardship.

Catherine [00:15:29] So, yes, that's important. When do you think you really sense that stewardship and governance, which you've already mentioned were your sweet spots?

Sam [00:15:38] I think I watched it at close range a couple of times, so I was really fortunate at IAG to have James Strong as our chair. Mike Hawker was a sensational chief executive but he was backed in by a board led by James, who's sadly no longer with us. James was one of the great teachers of what it meant to be a chair and what it meant to be a committed director of a company. I think his breadth of interests, his breadth of capacity. When the wisdom he brought to that board as a chair, I got to see it close ranks. I would go to those board meetings as an executive and I could see a really great functioning board at play. So it's good to have role models that I was giving a reminder through my executive life about good boards and bad boards. I'd certainly seen in other instances earlier in my career poor functioning boards or poorly constituted boards with no diversity, no real leadership, no centre of gravity that was about the long-term. I think what I saw in James and I've seen in others. We don't have long enough to go into all of them but I've seen others this commitment to the longer-term and to principles and values and purpose and something it was set by a board with a chair that was orchestrating that with the right group of people around the table. What that then let the company do from that very sound base and that protective measure, I guess, I got really fascinated by having been an executive to be part of the system that actually sets that in place and then appoints the right chief executive that's the most important job that the board does and set the parameters for that chief executive and then hold the culture to account and be a reminder about the long-term on behalf of not just our shareholders but all the various stakeholders that the board is responsible to. Now, I've just found that it suited something in me about purpose and how you can hold organisations to account with good people who care about the long-term.

Catherine [00:17:29] How do you if you let's paint a scenario, perhaps you have taken a board position, you've done your due diligence and your own preparation but realised, in fact, it isn't functioning terribly well and gosh, groups of human beings, this tends to happen. What can you do about that? I guess this may well be something that people hold in their minds when they're considering a board career. I could perhaps get into a scenario that really doesn't suit me and I've made a commitment.

Sam [00:17:54] It's a really great question, Catherine, because it goes to the heart of what happens once you're in that room or in that community of people that you are in lock step with because you have a common purpose about the governance of the organisation. So fixing is all the utilities in the world is really important. So any niggling thought about something before joining a board reference, checking, getting third party views on the things that are a sort of deep sense of is this right is important. So and then the quality, the chair, I think is terribly important and a relationship with the chair coming in to understand why you're coming in. So I've been really proud of the fact that the boards I've joined, I've had really exceptional chairs who've had that conversation, so Ron Evans in joining the AFL, which then became Mike Fitzpatrick and him knowing exactly what I wanted to contribute the same at Virgin and then at Transurban and now Mirvac. So I've been very lucky to have boards where the chairman I've had really great relationships with the chair coming in. I had it with Ron Evans, obviously at the AFL and then with Mike Fitzpatrick, who became the chair. But as I was joining the examples of Transurban and Mirvac when Lindsay Maxsted approached me for Transurban. He said, we would be delighted if you join up into a process. And I said, But why me, Lindsey? I get that I'll be your first woman so I could put that to one side of the gender thing I know is important. So I am that woman. But what am I bringing in your mind to this board beyond my gender? And he said it's the best question. What I need is the things that keep me awake at night that I don't understand is in the things that you have. Fill that gap. We don't have someone who understands community corporate issues, our government relations and the depth of culture and where the board will cities that we don't have that on our board at the moment. And it's a skill

I really want to bring into that into that room. And so I thank him a lot because it's easy when you are the first or second woman on a board to think, okay, we're now doing the gender stuff without understanding what I was being respected for coming in. So Lindsey was very clear about that and was glad he was able to give me that answer. And he's given me a space around that table, which is now shared by all of the board. But it was something that had not been around that board table at that time. It is now there in large numbers, but it wasn't at the time. So I knew why I was being appointed. So gave me confidence with Mirvac was a different story because with Susan Lloyd Hurwitz's, the chief executive. One of the only women chief executives of an ASX 50 company in this country, John McKay, is the chair had committed with her involvement to a gender balance board. And at the time, I was approached along with another woman, Chris. Christine, we were told we were there. There were no men being considered and that they wanted to make two appointments, both women, to bring the board to gender equality. So both Christine and I had to get comfortable with the idea again that this wasn't just a women's numbers game. So why? So I asked on the same question and he gave me a really brilliant answer as to what I was bringing in and quite different to Christine and quite different to the rest of the board. He said, but it's important because we are committing to having agenda equal board to be a better board, make better decisions, better support Susan and her team. And so six months later, when I was doing my performance review with him, he said, can you tell me what's different, Mike? What do you feel on this board that you might need others? And it was the simplest answer. I didn't have to prepare myself ever to go into that room on anything based with being a minority or woman. So all of us went into that room as equals every time because as many women will know as people who go in as minorities. You kind of prepare yourself sometimes for how will I be heard? How will I inject myself into this conversation? How will I deal with the fact that I'll say something and a man will repeat it back and no one likes to credit me with that? There's a whole psychology of women on boards when you are the first or second about how you're heard. There's a weight to that of going into those meetings about your influence and how you deploy it. At Mirvac because I was joining a completely gender balance board, there was none of that. We all contributed it as full human beings with all of our skills. There was no predominant voice. There was no predominant tone. We sort of were, we weren't representative for the whole community but at least we were representative of the gender split in the community. So the conversation was different, problem solving different, levels of understanding of how the world works different and so a really elegant way to think about why taking out the notion of a predominant culture works for better decision-making.

Catherine [00:22:25] So that's a fantastic role modeling, I suppose, because you yourself are now a chair. You chair Citi and the Australian Women Donors Network, which I happen to be on the board of so I can actually attest, dear listeners, to the skill with which you chaired that board. So tell me about that have you learnt those? I mean, do you bring all of that to the table? You must that collective wisdom, I suppose, when you're chairing.

Sam [00:22:50] I hope so. I really hope so.

Catherine [00:22:5] I think you do.

Sam [00:22:52] I think. Well, thank you and, you know, I've always said that and Catherine knows this at the Women Donors Network and that's where I am. I don't think the chair should have some greater power or role other than to be the conductor of the best outcomes from the team around the table and that's where I do know I have got a skill that the listening, the sort of the having enough sense to not always come in first or think that the chair holds that role but to get the best out of the creative and intelligence that is sitting around the table and to give everyone a safe space to do that. So I'm really proud that on AWDN, we're predominantly women. We can probably do with another man on our board, we do have a man but we're predominantly about women and gender lenses. On Citi, I've always maintained that we needed to have absolute gender balance and we're a small board but we have that. So it's two women, two men, we're a small board because we're an Australian part of a global entity but that balance, I think, is going to be maintained. I'm coming towards the end of my time at Citi after 10 years. So I feel really proud that will be set in some kind of protocol that will be gender balanced. We are going to have to do some more work on that at Mirvac now that we're beginning to turn directors over so we'll keep focused on that but wherever I have an ability to think about that, I'd like to do that but increasingly I'm thinking much more about my privilege, not just as a woman who's had these opportunities, but a white woman. So until recently, I was chair of the GO Foundation so Michael O'Loughlin and Adam Goodes Education Foundation. There is probably no organisation I have loved sharing more than GO because of what we do and we have just awarded our 500th scholarship to young indigenous students as part of that. I have a couple of years left on my chairmanship but on our board we had a spectacular indigenous leader, Sonya Stewart, who's just been appointed the chief executive of the Law Society of New South Wales. She was appointed about 18 months ago to the GO board and I was always conscious that Michael and Adam had said their great hope for this organisation was for it to be indigenous governed and indigenous run. I sat there thinking I'd loved sharing this I think I do a good job but Sonya

Stewart is here as a director. I've got to step aside. So we entered into a conversation with Adam and Michael as founders and with Sonya and they said nothing would matter more to them than the ability to take that opportunity right now and transition the chairmanship and they said the only condition was, would I stay on the board. So I'm lucky enough to stay at go, which I am very grateful for But Sonya is now the chair of the GO Foundation. So I think in addition to creating spaces for others and for women, we've got to increasingly think of those that never get to those tables and whether it's indigenous people, people of different cultural heritage, there's an age question sometimes but people have a completely different thinking style, cognitive understanding of issues, opening spaces up as a chair to do that, I think, is now a fundamental part of what it means to chair.

Catherine [00:25:50] You've been listening to an episode of Board Level. In part two, we continue this valuable conversation with Sam Mostyn. See you there.

Joanne [00:25:58] Thanks for listening to Board Level, hosted by Catherine Fox for the AICD and powered by CommBank's Women in Focus. It's 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 valuable resources from the AICD. Subscribe to Board Level where you get your podcasts so you don't miss an episode, leave a rating or review and help keep the conversation going.