



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

Episode 9: Opening doors to women on boards – Part 2

Hosted by: Catherine Fox
Interviewee: Sam Mostyn

Featuring:
Rebecca Warren, GM Strategy and Transformation, CommBank.
Joanne Gilroy, Board Diversity Manager, AICD.

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 [00:00:49] Welcome to part two of Episode Nine as we continue our deeply insightful conversation with one of our most experienced board directors and chairs, Sam Mostyn. Sam, you've always been quite clear about the areas of advocacy and concern for you, indigenous and women's rights and sustainability, climate change, did that form over time or was that at coalescence of being on boards and understanding that you could have leadership and influence? How did that come about?

Sam [00:01:19] I'm really glad you were able to see what my focus is because that's exactly how I describe it, Catherine. I think I've just lived an incredibly lucky life and I mean that in the sense of what I've had, what the influences have been on my life from a very early stage. So in my career, I was lucky enough to work for really great leaders. I worked for Michael Kirby as an associate. When he was on the Court of Appeal in New South Wales so I got to see immediately the issue of human rights, of actually standing for something and using a voice for the things that mattered and that he had to put in the hard work to do that and really care about the issues that you choose to advocate for. I worked for Paul Keating as an adviser in his time as prime minister, one of the luckiest periods of my working life and to see a leader as a prime minister of our country actually able to articulate his ambition for the country. There were things that I really cared about so he wanted a republic clearly. He wanted a fully evolved Australia but that was linked to his desire for a lasting reconciliation with First Nations and First Peoples of this country. His commitment to that was absolute and of course, he'd given the Redfern speech, which had actually for the first time articulate what had happened that had not been taught to any of us or had been shared with us as Australian citizens about the history, the real history of this country. He also cared very much about our engagement with the region and so those things really influenced my thought on how did leaders influence policy. So I've developed at that time a really deep interest in how do you get to hold or influence the levers of policy. Then one of the policy things that really interest me and then that's where gender and women, as a woman who then had a daughter and thinking about the inequities and inequalities I had witnessed and seen all over the place that was a natural way of thinking about what I cared about but then when I joined IAG, one of the most, I think almost surprising and unexpected things happened for me in my first weeks of working for Michael Hawker. He introduced me to Paul Gilding, who at that stage had just come out of running Greenpeace globally and was doing in an

advisory role for the company on sustainability. Mark said to me, you need to immerse yourself to do your job but my job was lovely titled Group Executive for Culture and Reputation. The first time that phrase had been used in the country and he said, I need you to understand entirely what the big challenge is at the insurance sector. Paul can help you but your job in my team is going to be to engage deeply with these issues. So my sustainability in climate change journey doesn't start early as an environmentalist or having an epiphany in a bushwalk or it started in the hard, real risk area of watching insurance sector 20 years ago, saying climate change will be the biggest threat to our economies and to our systems and our way of living. If we don't deal with this as a risk, price it in, get systems ready to actually manage our climate crisis and do that in a way that's all optimistic and actually builds new industries and the insurance sector was very strong on that in the early 2000s when I joined the company. So my interest in climate change stems from that then became deeply personal about these generational things for my daughter, about what's happening on the planet and what was going so terribly wrong in the politics of this so my advocacy for climate change sustainability starts there but then joins, I guess, this issue of a deep interest in how we resolve reconciliation and lasting respect for indigenous Australians and how we do that through the generous offer of the voice and the Uluru Statement from the Heart for the establishment of voice to parliament and the Makaratta Commission to have truth telling at the centre of the engagement with Aboriginal people in this country. So I've had these enormous moments and I've had teachers and people I have just listened to and learnt from who've guided me the whole way so incredibly lucky. All of them have always said to me, keep at least one big foot in the camp of big business and take those issues into those boardrooms to help those that don't have. I haven't had those lucky moments of connection and personal experience to find a way to bring them into the governance of those organisations.

Catherine [00:05:27] I was just going to ask you about that, Sam, because I was wondering if those guiding principles in those areas of incredible interest to you have at times meant that you've said no to a board approach or in fact, you've just decided you would not go towards a certain sector of the economy, let's not necessarily name them but does that happen?

Sam [00:05:45] Absolutely, I mean, I am often disappointed in what has happened with the way we appoint people to boards. I'll use appointing women to boards because I'll often be called by people who just say this would be perfect for you. This is a great company. It's ASX 10, ASX 20 and you'd be so great for it and you should really think about it. I always try and say, I'm sorry, do you not know who I am and it's on the record, I couldn't possibly work in that industry or that company and I'm not doing it because it's a lustre on my CV. So I don't care if it's a big company or a small company or what reputation it brings, it has to be a company or an organisation that I care deeply about and where there's a values alignment and where I absolutely believe in the purpose of that organisation and irrespective of whether it's a listed company, a private company or a not for profit organisation. I'm always surprised that the more those people searching for directors don't think about that first, who actually believes in our purpose. So there were a lot of people who believe in the purpose of the mining sector, terrific but that's not where I can deploy my best skills. If I was there, it would be about transitioning that sector but I'm not the right person in that sector. The boards I'm on, you know, really carefully choose where I am going to spend time and when you commit to an ASX company, it's for at least five years, I think, for shareholders to believe that you are bringing value. So five to ten years of your life you can't be sitting there is because it was a nice thing to do at the time or someone thought, you know, be great for your CV. So I'm actually always values alignment and then once I'm in an organisation, I really seriously ask the organisation and then I guess executives in the companies on the boards on would say they get very used to me asking how does this moment, how does this transaction, how does what we're doing fit with our purpose? Let's go back to purpose, go back to values and I feel that's an important role that board directors do need to continue to ask. We're living in a time where we're seeing a failure to do that on many senior boards that lead to catastrophes that are reputational, then become investor and then become consumer and workplace. You've seen this work, Catherine, on workplace sexual harassment. You know, if there's a company or an organisation that has not committed to understanding how to be a safe workplace for every person and organisation, whether it's their sexuality, their cultural heritage, their age, whatever it is, if there isn't a safe place for those workers, then the boards have failed because they've almost delegated that to an executive and they're not kept in touch with that. Your work, your incredible work over many, many years and Kate Jenkins work doing that extraordinary assessment of workplace harassment in this country tells us that boards have not been playing their role as stewards of safe, great cultures that stick with their purpose.

Catherine [00:08:35] That's makes me also wonder because, as you say, I have written about it and spoken about it for a long time, as a major risk factor and I don't think that message has been taken seriously. I think Kate would probably say the same thing until recently but I did want to ask you about that. How do you make your voice heard? Because we know that a lot of our listeners are probably thinking about possibly taking up a board, maybe they're on one. This is a very tricky thing for the women. As you say, they often carry an extra

mantle when they go into a boardroom. Any sort of thoughts on what you've learnt over your fantastic career about how you make, how you voice some of those concerns that may seem quite peripheral to the other people around the board table?

Sam [00:09:18] It's a fundamental question and probably starts so for those listening that are thinking about joining a board or going down that path, I think the first thing is really think about the values alignment with the organisation you're thinking of joining and have that conversation with the chair. You get only one chance on entrance to negotiate or talk the chair about what it is you want to bring and I imagine there's a number of really important companies at the moment who are searching for directors who are in a state of great transition, new chairs dealing with historical reputational issues or historical strategic issues. They will talk about we're rebuilding our board to be contemporary and to be a different kind of board that understands the world where we are in so women particularly joining those boards, carrying that heavier mantle about their gender, I think need to have the conversation with the chair to say, I do want to know that around this table I'm going to bring my unique and strong skills in X. It might be in culture. It might be in strategy. It might be in the things we need to think about with reputational risk. I would like to be someone who's bringing that I don't want that to be a surprise. Are you comfortable with that? You're getting that permission coming in. It's almost holding yourself with your chair to playing that role. It shouldn't be the role you play by yourself. So the other ask of the chair is and can be at as a board regularly check in to make sure we are still current and we're able to draw on what we understand the world to be and can we make sure our future board appointments make us more relevant to the customers and our own workers and that we don't get stuck in a kind of homogenous, reinforcing loop of people who have a similar life experience so let's be the best board we can. For those are actually on those boards right now, I think, again, it's conversations with your colleagues and your chair about the things you do want a raise and guarding against being the person who just always brings out one issue or becomes known as the person who is always on about that thing. So it is bad to get a reputation as the room will stop and now we'll wait for Sam to raise issues she always raises that's not a great place to be the director. It's not great for the organisation and it is not great for the individual. So working out where the broader range of things you want to be playing in plays to your strength. So be an active participant in the things that go to the heart of the company itself or the organisation so don't be always on the single issue. Know that business well. Know that organisation well. Be broad enough to play in that space and then hold the things that you really care deeply about to deploy with your colleagues in moments that really matter. It's very hard on boards to have positions where you suddenly have to resign or leave because it says something about the culture of a board. So you never want to actually deploy that so working with your colleagues and the chair to say honestly in the reviews good chairs have at least every year. This is where I think we're not going so. Chair, I think you could do this better. You know, there are these difficult conversations. As you said, this is a group of people go into a room regularly and have to face big issues and kind of come together for that purpose. You don't work together for the rest of the time. I also say it's good to know many of your directors and get to know their backstories. I think women do that much better. You know, I think I know more about them than they would probably know about me. I make it my business to know what moves them, what other things are happening in their life so that when we have a conversation outside the board, it's about two people who know each other, not just on the issue we're dealing with at the board. The more you know about someone and what moves them and drives them, you can come up, you can get them to come along where you can be part of what they're doing. So that's the other thing, watch other people around a table; think what do they care about? How can I help with this and make sure we have a really good conversation and I back that person in.

Catherine [00:12:51] And just while we're on that, you've made that point very well and, of course, I absolutely agree with you. Why would we expect nearly 51% of the Australian population to all think the same way? Having said that, one of the things that Board Level does is, I think, really illustrate the richness of the network that women have and how they support each other and particularly in their aspirations or thoughts about pathways onto boards. Is that something that you've also experienced? I mean, I know it is but I'm just wondering, you know, how important that has been to you?

Sam [00:13:21] Absolutely and critical, totally critical and that's why we do operate in a different way. It's a very supportive, very open. It's a very leaning in network. So I know that some of my women colleagues, whether they're on boards or in executive life, if anyone does something well, there's a whole lot of congratulations or when things are going really tough, when boards are going through really tough periods. I know that the most important thing I can do is if I know someone on that board, man or woman but it's often a woman but not always is to get in touch and say, how are you going? Do you need any help? This is really tough because most of the community does not know what goes on in boardrooms and if all you're relying on is the newspaper determination that board or, you know, that group of people, it never gets to the complexity and the kind of what goes on with a group of human beings dealing with real tough issues, trying to come to an outcome that has to satisfy so many different stakeholders. It's

never easy. It's never just one point of failure. So I think the women's network around senior life is one that isn't incredibly supportive and does reach out to each other. I presume that's what the men do as well. I don't get as much of that from my male colleagues but I certainly do it for them. I'll certainly be in touch with any of them if I think, you know, I can offer either help or just congratulate them and say I love what you did there because I think it's important that because it is the other thing about professional non-executive life is it's quite lonely. Unless you've got a really solid foundation, you're working from family and your own community. If you're on a few boards, you move in these satellite areas with different groups and you turn up in a room or in a Zoom meeting, as it has been for the last eight months with that group of people and at the conclusion of the meeting, you leave and you don't see each other then for a month or two months. So if you don't have a really strong inner life, a sense of who you are and connect with those people more generally, it can feel quite lonely in a sort of funny way. I think people don't really realise that you often end up at the end of a board week having been maybe on two company boards that week and get back and think, oh, goodness that group of people aren't my, I'm not spending anymore time with them again for another month or so. So who am I? Just knowing that's what that life is like.

Catherine [00:15:33] It's really salient I think, isn't it? When you start to think about your potential, pathway again, whether it's for you or not, all the strategic stuff, all the stuff about looking at the purpose of the organisation, you might want to be on the board of, etc., but also your personality and where you find you get sustenance.

Sam [00:15:52] And if you get sustenance from the doing of things and it being a team effort that you need reinforcing, in a real way every day, then that's where staying inside a company and running things and doing things and doing with a team and celebrating team success is where you should stay. It might not be in the company you're in. It might be in another organisational sector but the celebration of doing things, as a team around a boardroom is very different. It might be the successful end of an AGM and the delivery of good financial results or a good appointment of a chief executive or, you know, just general happiness in the way and tenor of the way the organisations run. You never get to have that moment with the big dinner over the deal. If you're used to that, you know, in a working environment that's not a feature of board life. Success come in very different ways and so long as you know what your personality and sense of character need, my great sense of satisfaction comes from the long-term governance, the reputational outcomes, the cultural things we're laying down and holding true and taking some deep pride in that with that group of people during that time.

Catherine [00:16:59] Sam, what's changed in boardrooms in a very obviously a very general sense but what's changed since you went onto that AFL commissioner role in your late 30s? What's different now?

Sam [00:17:12] Well, thankfully, there are more women, but as you know, as all of the women advocating for greater representation we still haven't really hit anything more than the 30% threshold. In the ASX 200, we've typically gone backwards and we've certainly gone backwards with women leaders as chief executives. Better in the broader ASX company and I think what we are there and we just need to keep on saying it's not enough just to get to 20 or 30%. This isn't a numbers game. This is about the quality of the decision-making and governance that will benefit always from having more women and more diverse people in those rooms. The topics are different. You know, the things that used to be very difficult to raise are now front and centre. So, you know, I started talking about climate change and the ESG so environmental, social and governance issues as an investor issue 15 years ago and it was seen as let's get the sustainability person in or are we just managing that fine, the corporate affairs teams got that under control that has moved into the centre. So the ESG investors who are no longer just marginal investors, these are the superannuation funds. These are the big investors globally who have said they look at those things at the centre of their investment decisions. So boards have had to get themselves up that curve of all of the sustainability like tests so that's the quality of a culture. So culture has moved to the centre where, again, it was get the H.R. person in, tick that box when I first joined boards. Now and I think we could do much better if more boards had people who had a deep understanding of how cultures are built, who have deep HR background, understand the systems that sit behind that. It's not just a hopeful, let's just set a tone and values that this takes a lot of hard work, cultural development and the board needs to understand how to test that, because if you get so far removed from it, things go wrong. We've seen that catastrophically in Australia, around the world, most recently. An investor steps straight in and demand accountability so that's changed. We've seen directors step down. We've seen chairmen step down. We've seen chief executives sacked so that was not happening 10, 15 years ago so expect more of that. The issues are much more complex and the carrying of that weight, as a governor of a particular listed company; I think is far greater than it was when I first joined boards. It requires people who have got the cognitive ability to take on that load, understand what the role is, not be frightened by it and open themselves up to the opportunity with the right group of people to be better and better governors of the long-term value of the organisation. I think we're starting to see that. I hope that's just

the beginning of much higher performing boards that have much greater diversity, that are not frightened, don't talk about these external things as not relevant but look at everything as relevant to what we do around that table.

Catherine [00:19:53] Sam, if you had to nominate one thing that you wish you'd known when you set out on your NED career, what would that be?

Sam [00:20:01] It's such a hard question to answer because I think there's a suite of things now I wish I'd known but if there's one and it's growing with me over time, I wish I'd known at a much younger age about what actually happens when a group of people are charged with the responsibility of some of the most complex decisions in an environment where the rest of the world actually is watching the outcomes. You're dealing with people who've got their own limitations and their own life experience limitations and you are charged with some of the most significant decisions to make. Sometimes there are significant decisions about shareholders returns. Sometimes it's about the organisation's culture. Sometimes it's about the way the company or the organisation operates in the broader world. There's no end to the complexity of discussions that come to that group of people. It's so much more complex, so much more interesting. I guess I underestimated the power of a great chair in that context. So anyone who wants to be a chair and I've had the great privilege work with some really exceptional chairs. To watch the chair able to bring that together, to allow the conversation to go out as far as it needs to without becoming disruptive and then bring it back in and come to a decision that is about the collective response because what you know when you're inside a board is you can't have an individual view. You don't take votes in good company boards, not have majority votes. You leave bound by the decisions you make and sometimes you won't agree entirely but you've got to have known that the process of bringing those really smart people together to make that decision that you've been prepared to accept the outcome and then not go out and actually make it your business to undermine it. You are collectively responsible for what you do in that room. So to see the chair role in making sure that all voices are heard, have those debates and then bring it in for the decision that's a degree of complexity that I would have underestimated. On the flip side, I now see what those amazing duties and skills are of exceptional chairs and how important that appointment is to make sure there's a functioning ability for that group of people to do the best they can in a really interesting set of circumstances that are not always built for the absolute perfect answer but need to get to the best answer given the structure that you're in.

Catherine [00:22:26] You've not only obviously observed those skills and seen them at a high level but you've applied them. I can say that because I've seen them in action. Thank you so much, Sam.

Sam [00:22:36] Thanks, Catherine. It has been lovely.

Joanne [00:22:38] 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.