

Webinar Transcript

To pay or not to pay your directors

So hi, everybody. Welcome to our webinar today titled To Pay or Not to Pay Your Directors.

Great topic. Our webinar team today is Lucy Byrne, Julie Garland McClellan, and Stephen Bowman.

And I'll have them introduce themselves in just a minute. My name is Sean McDonald, and I shall be your host and moderator for the next forty five odd minutes.

Firstly, thank you for attending today. We always appreciate the effort you make to be here for our live events. During the session, if you have any questions, please try and use the Q and A button on your toolbar as against the chat. It just enables us to keep a track of everything. And we'll be answering these during our session as we go and we'll try to get through as many of those questions as we have time for.

And finally, if you stay through till the end, which of course we hope you will do, we have a really short one minute survey at the end of the webinar for you to consider.

Your feedback really helps us bring relevant content to you week after week and enables us to position the wealth of expert presenters for you. So please take a minute to complete the survey as you leave the webinar today.

Excuse my throat. I've got a bit of a a horsey a horsey cough today.

Now for those not too familiar with BoardPro, we are a board software provider sometimes called a board portal. And we serve just over thirty five thousand users around the world, and we're represented in about oh, about thirty four different countries these days.

And we enable organizations to prepare for and run their board meetings more efficiently and effectively with less time and deliver more impact and value for their organization.

And as much as we are a board software provider or a board portal, part of our wider mission is to make the fundamentals of governance free and easy to implement for all organisations, but especially those organisations with resource constraints.

And one of the many ways we do this is by providing free access to hundreds of governance templates, guides, resources, which you'll find, funnily enough, in the resources section of our website.

And these webinars that we host are a great way of accessing really good governance knowledge without the time commitment and costs associated with in person events.

So for the next forty odd minutes, just relax, listen, and add to the discussion by asking as many questions as you would like. A full recording of the webinar along with the slide deck and other resources will be sent to you twenty four hours after our session today.

So let me have our team introduce themselves in no particular order, starting with you, Lucy.

Thanks, Sean. My name's Lucy Byrne. It's lovely to be with you all today. I'm coming to you from Tasmania in Australia and looking forward to having this really great discussion, with you today.

Steven?

You're on mute, Steven.

You're on mute.

I made a mental note to take myself off mute and then forgot my mental note. Steve Bowman from Conscious Governance. I've been working with boards and and senior executive teams for many, many years, primarily around the areas of governance reviews, strategic planning, and all things governance. So I look forward to having this great conversation with you all. Julie.

Julie Garland McLellan, probably known to a few of you as the person behind the Director's Dilemma newsletter.

If you don't know what it is, Google it and get yourself on the subscription list.

I've been working with boards now for well over a quarter of a century, which is quite scary, so I'll say it fast and then shut up. I'm looking forward to today.

Back to you, Lucy.

Great. Thanks, Sean. And really a privilege to be here with Stephen and Julie and looking forward to hearing from them as we go through too.

So thanks, Sean for welcoming me into the BoardPro, family. It's really great, that you do this work to help us as as directors. I wanna start today by acknowledging the traditional owners of the many lands that we all come from. And for me, that's here in Tasmania, and pay my respects to elders past and present and extend that respect to any First Nations people we have with us on the call today. Sovereignty has never been ceded. It always was and it always will be Aboriginal land.

I first joined the board when I was twenty three. I was young and very inexperienced. I'm now forty six and I still claim that makes me a pretty young director, but I know I'm kind of pushing it pushing it now.

Back in twenty seventeen, I was on an economic development board, for our region. It was funded by the local councils. And I remember really clearly sitting around this big boardroom

table and it was made out of this gorgeous Tasmanian timber. We're in our fancy high back leather chairs.

And I was one of the youngest directors and I was female. And I was surrounded by people who knew a lot more about economic development than me. But I just completed my Australian Institute of Company Directors course, And it became clear to me very quickly what we were doing well and let's say what we needed to work on. And I then became the go to on governance.

Not because I was an expert at the time, definitely not, but more because of my recency of training.

And then I got quite excited about governance. And let's be honest, governance is pretty simple. Right? Don't go broke.

Manage the CEO. Set the strategic direction. Manage your risks. It's all common sense until you put us humans in the mix because us humans, we are funny things.

So now I spend my time delivering in house government governance training for boards and leadership teams and governance mentoring along with supporting boards with strategic planning and leadership development.

And through this work, there's one question that I get asked a lot and that is, should we pay our directors?

And then there are the follow-up questions. If so, how much? What is everybody else doing? What about the increased risk that we carry as directors these days? How will we manage it? And then the risk the list kind of goes on and on. And I heard this quote the other day at one of my workshops.

I'm happy to volunteer my time, but it's a bit rich to have to pay for the privilege.

It took me a while to process it. I'm happy to volunteer my time, but it's a bit rich to have to pay for the privilege.

So I want to apologize upfront because if you came to get an answer from me today about whether you should or whether you should not pay your directors, I've got bad news for you because I don't have the answer. What I do have is a lot of questions. Questions for you to ask yourself and for your fellow directors.

The important thing I think here is not whether you do or do not pay your directors, but that you have the conversation And that conversation is had in a psychologically safe space where people can really say what they think without fear of being judged, being humiliated because money I've got my trusty little money board with me here today, is a tricky thing to discuss.

So let's have a think about and hear from you, and I think Sean's gonna put up a little poll for us. So I've got two questions for you. The first question is, do you get paid? And the answers might be yes, no, expenses only, or other. And other might be you have equity, you get professional membership fees, you might get an honorarium.

So just answer that question for us first.

Do you get paid?

How are going with those responses there, Sean?

Good. We'll give it another, ten seconds.

Give it another ten seconds. Excellent.

Okay.

Okay. What are the results looking like? We got a mix? Oh, here we are.

Okay.

Interesting. Oh, looking forward to hearing what the eight percent of others are.

Okay. And about half we've got expenses. No. And we've got twenty four percent. Yes. Okay.

Great. So the second question that I've got here for you is on a scale of one to ten, where one's not important and ten is very important.

How important is it to you that directors get compensated in some way for their contribution, whether that be with money or in some other way? So just pop that on the poll, and we'll have a look what that comes up as.

We'll just give that another twenty seconds, Lucy.

Yep. No props.

Gosh. That's quite a spread.

Interesting.

Okay. We'll end that now.

Oh, wow. It is a spread. Twenty five percent though saying it is important.

And of course, interesting to note the comment from Natalie, which echoes my own feelings that some people feel they are compensated in kind or just in recognition and ability to have an impact. So defining compensation carefully would help us understand the spread.

Yeah, absolutely Julie. And I think that compensation is different for all of us, right?

Okay, great. Well, let's go on to some of the questions we can ask. We might move to the next slide there, Sean. Thank you.

So the first one I've got for you here is about recruitment and retention. So will paying directors help you to attract and retain skilled board members?

Would it increase diversity and access to experienced candidates?

I think it's really interesting when we contemplate this one to think about the journey of a director. A lot of us will start out as volunteers, and we'll do volunteer roles for a while, and then our experience deepens, and we might get a paid role coming along. Some of us will then go into those paid roles and stay in those paid roles, but some of us might revert back to being a volunteer later in our board careers, particularly if they're in a financially stable position to do so.

But then it does beg the question, if we pay, would we get a more experienced director? Maybe or maybe not.

And that brings me to think about the cost of living pressures and fairness, I suppose.

So some questions around this one are, are cost of living pressures affecting the ability of directors to serve without compensation these days? Is payment necessary to ensure equity of inclusion?

How about diversity?

So I filled up my car here in Tassie a couple of weeks ago, and, I drove to Hobart for a board meeting, which is about four hundred k's away from where I live. My car is diesel. Sucks for me at the moment in Australia. I pay three dollar dollars a liter at that time. So depending on fuel consumption, maybe that trip cost me about a hundred and twenty bucks.

Now, on that board, it's not the done thing to claim even though we can. It's not the done thing. It's not the norm.

So I could have challenged the norm and claimed because of the current, cost of of diesel and fuel.

But what it made me think as I was driving down there is I wonder if the rising cost of living pressures does that mean that we have got a bunch of privileged people sitting around the board table who have enough financial security to volunteer their time and pay for the privilege.

And it made me wonder if a single mother living in a rural community who would bring great diversity to the board would be able to sit on the board.

I'm not sure.

Then we go to perception and reputation. So how would funders, sponsors, stakeholders perceive paid back board roles? Could it impact the donations, the grants, the public trust in your organization?

Particularly for not for profits, if that's the board you're sitting on, it can be a real issue. So what's the expectation of funders? And does that expectation need to be challenged in the modern world? Can we challenge the status quo?

But will people still donate to us if the directors are being paid?

Really important, questions to be having around the board table.

The next one I go to is the payment structure. So should directors receive a full fee, an honorarium, only have expenses covered? What's commonplace in your sector is the thing to understand here. So for me, I've been fully volunteer.

I've had ones that you can just, claim kilometers. I've had ones where you can claim all of travel, so, accommodation and food as well. And I've been paid an honorarium and I've been paid director fees. So there's different ways that you can structure how your, board directors are, compensated.

And what you decide there might come down to the affordability.

Simply, do we have a budget? Can we afford it? Will it divert funds from our core mission activities of this organization?

Is it budgeted for this financial year? Should we start to budget it for next financial year? And if so, is it sustainable into the future?

Should we have a sliding scale of payment for chairs, treasurers, members of subcommittees? Because the time commitment that those particular positions have is greater.

And then comes the administrative burden. This is always a really interesting one. Will processing the claims create excessive admin work that actually, make the transfer, more cost worth more costly than the, the claim itself.

I remember when I worked for a local council and they calculated that it cost fifty dollars in staff time to raise an invoice for twenty five dollar whole hire fee. Now, was it worth it to raise that fifty dollar twenty five dollar, invoice? I'm not sure.

And then we come to director preferences. Do your directors actually wanna be paid?

Could payment change the culture, the expectation, the level of commitment on the board? Does everybody have to be the same? Could you have some directors that are paid and some that choose to donate their fees back to the organization?

But what would that do to the culture on your board?

And this is where things can get a little bit tricky and creating that psychologically safe space.

Lucy, I think it just comes to mind now that these questions you're posing here, this would be a fantastic briefing paper for that very start of the conversation around should we or shouldn't we? Because often it's often it's a yes or no thing. Should we or shouldn't we? Oh, well, sixty percent of us think that we shouldn't, so we won't.

Whereas what you've got here is you've got all of the different facets that need to be looked at that will be different for every single organization that's out there. And one of the things that I found is the most difficult part of this sort of conversation is who should do it? Who should start it off? And a discussion paper along these lines here, I think, would be a fantastic way to get that conversation started.

Julie?

Yeah.

Agree. I also have a slight allergy to director sitting fees, because as a director, you're responsible twenty four seven, three six five. And if people say, oh, but if I didn't pay them a sitting fee, they wouldn't turn up to meetings, your problem is not remuneration, your problem is director commitment. So, again, it's opening up that conversation and really understanding what's going on in your boardroom.

Lucy.

I think that that's a really good thing.

First, to your point, Steven, once you have something on paper, if you have a blank bit of paper, it makes it a really hard discussion and it takes a brave director to bring it up. Where if you have that discussion paper, you've got something to discuss. At the end of this webinar today, there will be this set of questions, so it will be an easy thing to pull together for our guests on the webinar today.

When I was talking then before about the psychologically safe space, there was one board that I was on that I remember the conversation really clearly that somebody looked at me and said, well, I'm never gonna claim, but you can if you want to.

I was like, okay. Does that make me feel comfortable to claim? And then just last week, one of my mentoring clients told me about a really, awkward conversation that they had around their board table because for some directors, they were doing it as an opportunity to be altruistic. It was their way of giving back. But that clash with some of the younger members, who were sitting around the table that were struggling with cost of living pressures.

So that conversation in a psychologically safe way is so important and I will come to that before we finish up today.

The competitive positioning, I also wanted to just touch on. So will paying directors set your above competitors in governance quality? Or could it create internal external, tensions?

I don't know about all of you, but when I look for a board, I look at how often do they meet, what's the time commitment I'm going to be, and do I get remunerated for my time or my expenses paid. But also for me, I always wanna have one volunteer board position in my portfolio. So if it's the volunteer position I'm looking for, might actually steer me away from applying for that particular board.

And then we come to best practice and compliance. The exciting stuff, right? So what are the legal requirements here? And what's best practice for paying directors in your sector? Are there any regulatory restrictions that you need to be aware of?

So my understanding, and I'm not a lawyer, but my understanding in Australia is that depending on your company structure, is legal to pay directors. If it's allowed in your constitution, if it's approved by the members, if you're a membership organization, if the amount is deemed reasonable, and of course, if conflicts of interest are managed correctly. And that's even if you're a charity with DDR status, but probably the scrutiny will be higher from the regulator if that's the case.

And just finally on my list of questions here, the alternative forms of compensation. So are there other ways directors can be compensated, which is what came up in the poll at the start of the day and in the chat? And this might be things like covering professional memberships, training, conference fees.

So one board that I was on, I paid for Australian Institute of Company Directors fees each and every year. And one of my clients last week told me that each director on their board gets paid five hundred dollars a year to spend on training of of their choice.

So it does come down to that conversation, and thinking deeply, turning our minds to as we need to as directors and taking the time because it is There are a lot of questions to to answer and a lot of people will have different opinions. And it is that, that icky thing, right, of talking about money. Money and humans is a funny, a funny mix.

So they're the kind of questions I've got here on my slide pack, all of the questions that you could use to develop that, that discussion paper that, Steven was mentioning. And you could also use it as template for a form that you could fill out and people could answer. You could use these questions as the basis for an online survey so it could be done anonymously.

So there's a couple of slides there, Sean, you might just pop up for those questions which will be in the pack that I've run you through there.

Great question in the chat from Lance or in the Q and A from Lance about where remuneration acknowledges the personal legal liability and accountability a director takes.

And I do know some organisations that will pay extra for an enhanced level of D and O insurance. And that's a very expensive insurance. But sometimes people just expect you to take that one on your own shoulders because you volunteered. What about you, Stephen? What do you see in terms of boards acknowledging that liability and trying to compensate for the costs of handling it?

Do you know, in all my years of experience, I've never seen that as an issue that's been discussed, ever. And it's interesting because it probably should be now that I'm reflecting on it. But the level of legal liability I have a simple point of view about this one. Make sure you do all the right sorts of things and do them in the right sort of way because then that is the best way of minimising your legal liability.

So you know keeping everyone up to date, making sure you've got good induction programs, making sure that you have your reviews every now and then to make sure that we are doing all the things that we should be doing that is creating value for our organisation.

Professional directors will often take out their own insurance of some sort or other. My personal view is if you've got a new director coming on and their first question is how much is directors and officers insurance? I'd be digging a bit more deeply into their background perhaps than I would otherwise. I've seen that happen as well.

Lucy?

Yeah. Thanks, Stephen and Julianne, for that question.

With the clients that I've been talking to, that question of legal liability has become particularly, I suppose, front of mind with the highly regulated sectors. So particularly aged care and disability at the moment and the increased risk that those directors take on. So again, I think it's about thinking about and looking at the norm and the best practice around your country of what's happening within your sector.

With that in mind, we might go to the next slide on psych safety, Sean. So I remember when somebody, I was on a webinar like this, so I was sitting at home in my office and the lady running the webinar said, Who knows what psych safety is? And I was like, Oh yes, I know what that is. I've done my work in health promotion. And then she explained it and I thought, Oh, I don't think I really did know what that meant.

So Doctor. Tim Clark is one of the most respected researchers in this space. And, I'll read this paragraph from him because I can never quite remember it off the top of my head. But Tim explains that the four stages of psychological safety are a universal pattern that reflects the natural progression of human needs in social settings.

When teams, organisations and social units of all kinds progress through these four stages, they create deeply inclusive environments, accelerate learning, increase contribution and stimulate innovation.

We thrive in environments that respect us and allow us to feel included, feel safe to learn, feel safe to contribute and feel safe to challenge the status quo. If we can't do these things, it's emotionally expensive. And fear shuts us down. We're not happy. We're not reaching our potential. But when the environment nurtures psychological safety, there's an explosion of confidence and engagement and performance. And what I really like about Tim's work is the follow-up questions to that which are so ask yourself if you feel included, safe to learn, safe to contribute, and safe to challenge the status quo in your board.

But most importantly, ask yourself if you're creating that environment for the other people around you.

So as that sits in your mind, we'll go to the next slide, Sean.

Just one of the things with that, the safety to challenge, I think, is the most misunderstood area of all of them.

Because often what we find is the greatest tension in many boardrooms is when someone's challenging, but they don't know how to. So they go for the jugular. So the whole notion of respectful dissent. Anyone who's listening to this, I would very much encourage you to look at the body of knowledge out there on respectful dissent.

How do we dissent? How do we challenge? But how do we do it respectfully? Difficult, but trying to get some people to do it is where most of problems arise.

Back to you, Lucy.

Some good questions popping up in the chat.

I particularly like the anonymous one about whether we should talk about directors' obligations such as code of conduct, not just what they are paid or whether they are paid. Yes, you should.

The whole thing, in my opinion, has to fit together. What do you think, Lucy?

One hundred percent agree. And what Stephen was saying there really resonates as well. And I think it's both ways. It's how to challenge respectfully, but how to be challenged so that people can take it and accept that it's been done in a way that's about the betterment of the organization and you as a team and not take it and be offended and take it, you know, pulling at the heartstrings. So I think those things go both ways. And I think code of conduct is really important and directors need to be aware of it.

But the big c word to me is more important. And that C word is culture.

And I think really this slide that we've got up now speaks that.

And culture is also one of those nebulous concepts that we talk about.

I always use the term that it's hard to explain, but easy to feel. And you know when you walk into a boardroom and you're walking on eggshells. You know when you walk into a boardroom and people are ready to engage, to challenge, to be curious, to ask questions.

So I really think that stuff around code of conduct is how you build it all together as a group for the culture, for the tone at the top, the mood in the middle and the buzz at the bottom. So really this slide just gives you some examples of when you have psych safety and when you don't. So what does it actually practically look like, on the ground? So seeing mistakes as opportunities to learn rather than seeing mistakes as threats to your directorship. Trusting fellow directors and chair, fear of fellow directors and chair.

Sticking your neck out One of the Having it chopped off.

Sorry, Steven. You go.

Sorry. One of the one of the great hints, that that we can provide people is to really have a look at your induction program. So this isn't covered in part as part of your induction because typically most induction programs will never look at culture or the signals of behavior or how we do things around here or how to deal with difficult situations. And that can be really nipped in the bud and supporting your new directors by actually helping them through that, by saying, look.

Here are some examples from the past. Here's how we dealt with it. Here are the things to watch out for. But for the the new director to also pick up on the nuances in there and ask their mentor, and they should have one, ask their mentor or ask the chair, what does this actually mean?

You know? Why was that happening? What can I do? And so a lot of these issues can actually be dealt with right up front through the induction program which is very seldom done.

Yeah. Yeah. Really good point, Steven. You go, Julie.

Yeah, and really important, the more time you spend talking about how to disagree, the more likely you are to be able to get the value out of those disagreements and proceed. And I'm loving the question in the Q and A about governance culture and organization culture being different. If the difference is tiny, it's a huge opportunity. If the difference is huge, it's a huge risk. But, yeah, how to know when the differences are helping you to move and grow because friction is what gives you traction.

And I think Sean would like to answer that one too. No? No, he wouldn't.

He's just typing I'll stop talking and let Lucy get For anybody just to finalize that kind of conversation around culture, anybody who's looking for a new board, I challenge you in your next board interview to ask a question at the end of the interview.

Tell me about the culture of your board.

And I love doing that because you can tell straight away by the people on the panel of the way they react, look at each other. Oh, yes, it's either the cross dance or, yes, we've got a very good culture. Or who would like to answer that question? It's quite an interesting little experiment.

And when I have done it, I can tell straight away of whether this is a collegial board that's working well together or whether there is a bit of angst, within the board. So find that question next time you go for a board interview. Okay. We'll go to the next slide now.

Sean, which is, the final one here. This is a bit of a checklist, for everybody. So have the conversation, really important. Check your constitution.

That's the deciding document. Does it allow your directors to be paid? And if it doesn't, are you willing to change it? Because of course you can change it, but you've gotta go through the process of doing that.

Keep it reasonable. So benchmark against other organizations that are similar to yours and, avoid the the corporate level director fees if you are are not for profit. If you're a member based organization, make sure you're seeking, members approval for the payment. Make sure there's a transparent resolution at a AGM or or special meeting.

Justify why you are making this change. So making sure that if the workload is unusually high or what's changed or the regulations increased. Julie? Yep. It's not just members associations.

If you're a small listed company, something I find people who are relatively new to the listed space sometimes forget to do, you do need to get your shareholders to approve the pool of payment from which the directors are So, really understand your constitution and the rules you are operating under as to whether you should pay and who has to approve how much.

How much. Yeah. Really good point. Thanks for that pick up, Julie.

And that brings us to the next one which is managing any any conflicts and doing that properly, and of course documenting everything. So board minutes, contracts if that's applicable to your organization, and of course the conflicts of interest register. So that's a really quick kind of step list to take you through the process.

And I now wanna come and I'll just get you to go to the next, discussion slide there.

You've come to this webinar now, and you're all amped up, ready to have this conversation. You've got all your questions. You're armed with it.

But if I go to you first, Julie, if director payment was actively reviewed at your next board meeting, what do you think would happen?

It would depend on the board. One of my boards is a government board. We are not paid anywhere near enough, but we love what we do and we love the important impact of it being done for everyone who lives in the relevant So at that one, we'd probably whinge and moan and

get it off our chests and then we'd shut up and put up. My not for profit board, we would look at it and go, 'Ah, nah, we don't have the money, we can't afford it'.

A few of us would obviously be quite sad about that, but I think we would have a general consensus emerging very quickly and very happily that the money was better being spent on the business itself and on serving the members of the organization. So it really is it doesn't what I think is important about that is not so much what would be the outcome, but would you feel that your board would have a good quality discussion and reach an outcome in a respectful and creative and appropriate fashion?

And if the answer to that question is no, you've really got to ask yourself what are you doing with those people? There are better boards out there.

Really good one. One of the great organisations that is out there is a cooperative in the housing sector, and what they have on their board is they've got seven cooperative members and three independent directors. And they're very clear the cooperative members will get paid, because that covers expenses. They are low income anyway. And the independent directors come on knowing full well they won't get paid, and they never have any trouble finding the independent directors. So it just depends on the organization, the conversation, and the logic behind why you're doing this.

And then the next question, which I know you're going to cover, is how do we know how much?

It's not as difficult as it seems. So anyway, back to you, Lucy.

Yeah. I think one of things you're just touching on there, Steven, is about the expectation. And again, that goes back to having clear onboarding processes. And, you know, I know one board that I joined many, many moons ago, there was a way that you could claim, but nobody told me about it. So other people were claiming, but I wasn't because nobody told me in the onboarding process. So just that lack of knowledge and and process was was a challenge for that for that organization.

So I think one of the other things I wanted to to touch on, and maybe I'll go to you first here, Steven, was this how could you contribute to the conversation to help the board make a thoughtful, well considered decision if this was to happen at your next board meeting for one of the boards that you're on?

Or is that a question to me?

That was a question to you, Steven. Yeah.

So the the contribution would be, okay. Let's find out what else is happening. Let let's not do this in a vacuum. So let's find out who else is paying or not paying, what their logic is behind it.

Don't try my view would be I wouldn't try and do it in in in isolation. I'd be looking at the various resources that are available out there and Damien in the chat there has put in one that

Enterprise Care has, for example. There's also many others out there that provide some sort of input. So do the research, do the work, don't just make it a philosophical question.

That can be part of it. But the contribution would be, let's understand why we want to do this. Let's understand what others are doing. Not that we should follow them, but we understand why they've done that.

And from that, we can make the choice that will be a contribution to the organization rather than not just sitting around and tossing it up in the air.

Yep. I think that's great. And really, that's our job as directors. Right? We're doing our research.

We're reading. We're understanding. We're doing our due diligence. And this conversation is no different to any other agenda item that you might, come across in your board meeting.

So, look, I think that's great. On the next couple of slides, will be in your slide pack, Sean, we have got some resources there for you to look at from lots of different organizations, from the AICD, from the ACNC, etcetera, a few legal firms as well.

And look, there's no easy answer to the amounts. Large public companies, can be anything from fifty to a hundred and fifty k per year and way above. For private companies or startups, it might be from a few hundred bucks to up to fifty thousand dollars.

And also with those startups, they might offer equity in the company as well as part of the compensation.

And then of course for your not for profits and your charities, it could be anything from being fully volunteer to having your expenses paid to having an honorarium to a couple of grand to up to about twenty grand. But there's no I don't like doing the figures because there's no right answer. All of those other questions that I posed to you at the start of the webinar are the important ones and you will land on the amount at the end where it is reasonable. Just remembering that kind of concept of it being reasonable.

So that kind of brings us to the end of the the content, and I'm wondering if there are any other key questions that people would like to ask if you wanna pop them in the q and a. And Julian, Steven, are there any that have popped out for you that you would like to focus on now?

There is a nice one in the chat about gradual introduction of remuneration. Something I see often with family boards that they will bring in an independent chair and pay that person.

But chairs, committee chairs and then others.

What's your view of having a progression towards remuneration?

Have you seen that work?

I have seen it work where it's being communicated. So again, where it gets awkward is if you bring somebody in and then the expectation is that it's gonna roll out to others, but it doesn't or there's not a clear timeline for that or I thought I was gonna get paid next year but now it's not gonna be for five years. So really having a planned approach to that, and a way of reviewing it, noting that the world changes all the time. So what we decided five years ago might not be relevant to today's context. But so that it's open, it's transparent, and that it's well communicated to everybody who's involved.

What about you Stephen? Have you seen that work or have other examples of that?

There's so many different examples of different ways of doing it.

The cooperative that I mentioned before was one example. There's other examples where the directors can choose to have their salary donated.

And so that's what some of them do because they're doing it for philanthropic reasons, but the organisation felt they couldn't not pay someone, so they'd pay them, but then it automatically went to a charitable organisation. There's others that take it and it really, really helps them on the same organisation. So the one thing that we sometimes forget is that what are the barriers to getting a director joining us who will provide us with a perspective, a point of view, and a sense of curiosity that is unique to them and their lived experience?

And what would we need to put in place to help that happen?

And if that if that then becomes part of this conversation around should we remunerate or not, it's a much deeper question than do we pay them?

You know, what are the what are the barriers that we need to take away to enable not just the equity and the fairness, but the sheer brilliance of some people that we wouldn't get to hear from if those barriers were still in place? And I think that's a different conversation than just should we pay them or not?

Yep. Great question in the chat from Megan about offering to pay for directors to do a directors course, but they can't get them to actually go and do it. I would look at maybe bringing the course to them, maybe just getting one person to come along and give it to them in bite sized pieces and have a conversation about what's holding them back. It's probably fear as much as anything else and that should lead to a conversation about what is in our culture that our directors are frightened to even try to learn.

But it is a difficult one, but education people who don't take education, there's probably something something you need to find out about that.

Really, really lovely question from Lance.

Tap us up on LinkedIn, Lance. That's a great one.

And yet, the anonymous person who wants to know how can you decide whether to pay yourselves, it's tough, but that's why it's a group decision, not a single decision.

Someone's got to do it and it's us.

Just one last comment from me. I would encourage people to do their research on what directors get paid because you might be surprised. In many instances, it ain't that much.

So it's not necessarily about the quantum, it's about should we or shouldn't we? And then when you start to look at the quantum, particularly in the not for profit sector, people said, we'll be spending hundreds of thousands of dollars per director. No, not necessarily.

So, yeah, educate yourself in these areas about what is there. Look at the many surveys that are out there for Australia, New Zealand. There's Irish ones. Every country has a survey out there, not just about public company directors, but directors generally. And just educate yourself on what that actually means. Lucy?

Thanks, Steven and Julie. And, yeah, look, I think the conversation, as I said at the start is the important bit.

You know, having somebody to help you have that conversation is something that you could, we could do as well.

And coming back to that director education, think it's so important. In the work that I do in the workshops when I deliver in house to a board, the rich learning comes from everybody learning together rather than that director goes and does that training, that director goes and does that training. So I love having the boards together in the room because they're learning whether they're a seasoned director or they're new, they're learning together at the same level and that's where you see, the team dynamics and the big c word really come alive, the culture of the the board. Look, it's been a great session today and I look forward to connecting with you all in LinkedIn and hopefully seeing you at some future board pro events. Thanks for having me Sean.

Thanks Lucy. So everybody, you will receive an email from me tomorrow, Friday, which will include a recording of today's webinar, the transcript, and of course, the all important presentation slide deck. These will also be hosted on the, webinar library of our website within the next forty eight hours.

So if you're considering board management software for your organization, of course, we'd love to hear from you. But better still, why not try our free thirty day trial? It's really simple and straightforward to engage.

You don't need a credit card, and it's really easy to get started. So thank you again everybody for your attendance. I hope you enjoyed the session today. Don't forget our really quick, one minute survey as you exit.

Thanks again, Lucy. Brilliant stuff. Julie, Steven, for your conversation. I look forward to seeing you at our next webinar. Everybody, have a great day.