

Webinar Transcript

What is Healthy Governance

So hi everybody, welcome to our webinar today titled What is Healthy Governance? On our panel today we have Lucy Byrne, Julie Garland McLellan and Lynda Carroll. Welcome to you, team.

My name is Sean McDonald, and I shall be your moderator for the next forty odd minutes in the background. Firstly, thank you for attending today. We always appreciate the effort you make to be here for our live webinar events.

During the session, if you have your questions, which, of course, we hope you will do, please try and use the q and a button as against the chat. It just enables us to keep a track of the questions as we're going through the session, and we'll try to answer as many of the questions as we have time for. And finally, if you stay through till the end, which, of course, we hope you will do, we've got 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 exit the webinar today.

For those not too familiar with BoardPro, we are a board software provider, sometimes called the board portal, and we serve just over thirty five thousand users, about four thousand boards, and about eight and a half thousand committees across about thirty four different countries these days.

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 the organization.

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

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

And these webinars that we host every Thursday are also a great way of accessing key governance knowledge without the time commitments 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 this webinar along with the slide deck and the transcript will be sent to you twenty four hours after the session today.

So without further delay, let me have our team introduce themselves starting with you first, Lucy.

Hey, everybody. My name is Lucy. Thanks, Sean. It's great to be here again with Broadpro.

I'm coming to you from Tasmania in Australia, and I am an executive board director on a number of boards, but I also run slots of board governance training in house for boards. Over to you, Julie.

Hi, I'm Julie Garland McLellan. I think a few of you might know me. I'm the person behind the Director's Dilemma Newsletter, which is the world's most widely read practical newsletter for directors.

Work with a lot of boards, been serving on boards myself, and I guess I'm what you'd call a governance junkie.

Linda? Linda, you're on mute.

Thank you. Gosh, you'd think people would be overdoing that now. Sorry about that. Linda Carroll from Te Whanganui Atara, Wellington in New Zealand.

I'm on a number of boards, have been on boards for the last twenty six years. I'm a chartered fellow of the Institute of Directors.

And in my day job, which is CEO of Align Group, we help organizations to align their strategy, governance, culture, and performance. So that means also governance from development workshops, governance framework reviews, strategy and foresight workshops. I'm also an accredited foresight practitioner with the Institute for the Future in California, which is why that foresight comes in as a critical component of good governance. So thank you very much. I look forward to the conversation, Lucy.

Thanks, Trane. Over to you, Lucy.

Excellent. Sean, I just wanted to check. There's a few comments in the, in the chat there that we're echoing. I'm just wondering if others are having that problem or if, if that's just one participant there.

Echoes now sort of. Awesome That's a great start. Okay. So I would like to start by acknowledging the traditional owners of the many lands that we all come from today. For me, that is Kalamalooka 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. So Entree has never been seeded. It always was and it always will be Aboriginal land.

So through my work doing governance, whether that be as a board director or with my consultant's hat on, there's one question that I get asked a lot. And that is what does good governance actually look like and how does it work? So I've had the opportunity to sit on a wide range of boards, both small and large, some governance boards, some regulatory boards, and they've all got a variety of cultures.

Some amazing and some well, let's say, have been challenging. And some of my boards have had hours of reading, two thousand page board packs. And in other boards, I feel like decisions were just made on a on a wing.

I've done training through the AI Australian Institute of Company Directors and a number of times, and also a couple of other board governance training boards here in Australia. And I As I say all the time, I actually think board governance is pretty common sense.

Set the strategic direction, manage the CEO, don't go broke, manage your conflicts of interest. And it really is common sense, right, until you put us humans in the mix, and then us humans, we're funny things. Yes, Julie.

I'd just add, it is not common sense to expect people to read two thousand pages or to make a decision on very scant evidence including nothing more than a verbal presentation.

Yeah. Common sense isn't that common, but if your board papers are running to two thousand, you really need to get training in writing better board papers.

Yeah. Let's tell let's tell the regulators that, Julie, and we'll see if they see if they listen.

So look, what I have come up with through this process and through this experience is my own framework that I now deliver in house to boards. And it's got five steps. Normally, this is delivered in house during a one day workshop. Workshop.

So just a bit of a snapshot for you today. And it's got five steps. So acknowledge attributes. And that's all about understanding your own personality traits, skills, and competencies, and that of others.

Understanding obligations, which is about what are you committing to, including the basics of governance.

Contemplating carefully is the next step. So about listening intently, challenging constructively.

And then operating as a collective. That's about focusing on teamwork, culture, governance tools, etcetera. And then the final step there is to review, reflect and renew.

And that's about the performance of you as a board, performance of the organization, and how you look at succession planning. So before I just go into a little bit more detail on each of those steps, I wonder what you think I mean when I say healthy governance. Just pop it in the chat. When you see the term healthy governance, what does that mean to you?

We'll just see what comes through on the chat here.

Functioning boards.

Functioning boards. A responsible board, absolutely.

Clear mission.

Clear mission. Yeah. Unified vision.

Yeah. Look, all of those things. And I think what's important for me is it's not just a checklist. Right?

It's not just a tick box where we do governance and we say, oh, now we've got a CEO tick box. Oh, now we've got a strategic plan tick box. Oh, we've got a risk framework tick box. It's also about us as directors, and, it's about us being able to do our job properly.

So it's the health of the organization, but also the health, of us. And looking after ourselves as directors, I don't think is separate from governance. It's actually fundamental, to it.

So ultimately, healthy governance, as I as I call it, as I've termed it, it's about that connection between you as a director, your fellow directors, and the organization, and the governance framework that you operate in.

So let's go through that now step by step. So the first one there is acknowledge, attributes. And this is all about the We can go to that quote now, Sean, from, Winston Churchill, because I love this quote. Courage is what it takes to stand up and speak.

Courage is also what it takes to sit down and listen. And this is where as, directors, we need to be aware of our emotional intelligence. And look, that term was, made famous by Daniel Goleman in his book, which is called, emotional Emotional Intelligence. Why it can matter more than Haikyu.

And that's about our self awareness, self management, social awareness, and relationship management. And how do we manage that within a board when we're trying to make a decision or we're trying to move the organization forward. And then it comes back to our personality styles. Because also we have the an ace in us, a style, and we need to be authentically ourselves.

But we need to be aware of how that comes across in the boardroom. And difference is what makes a great board function, right? So we are all gonna be different if we have got a well functioning board, but we need to be clear on how the way we are communicating with each other is how effective it's been for the use of the board at the time. And of course, there's a lot of different tests you can do for emotional intelligence and personality styles.

And I challenge you to do that with your fellow directors.

There's disc, migrants, enneagram, those types of ones. But there's also a free online one called sixteen personalities if you Google that. It's based on my groups. It's very quick, it's easy, and it's free. And it just starts a good conversation. We're not pigeonholing people here, but it just starts that conversation.

The the next slide there, Sean, talks about those kind of key attributes that we wanna have when we're directors. So I kinda break these up into a couple of categories. One about how do you want a fellow director to make you feel? And then how are you gonna make other people feel like that? And then the same with the common season qualities. There's some there that won't be a surprise to you. One of the biggest ones for me is about time.

As directors, we need to be able to give time. So, that's being reliable. We need to, read the papers. We need to do our due diligence. We need to put in the work.

So just onto the next slide there, another little, quote that I love. Not sure about the lady crossing her arms here, but, Jim Rong who is a, American entrepreneur and speaker. Be strong but not rude. Be kind but not weak.

Be bold but don't bully. Be humble but not shy. Be proud but not arrogant. So it's that fine line of understanding the attributes that we have ourselves and the directors around us.

And how does emotional intelligence and personality styles play into that.

So on to the next step now, which I won't spend too much time on because this is the real nuts and bolts, and there are lots of board processions and videos, on these.

So really, what are those director obligations and understanding what you're signing up to? Quite often, people will, sign up and put their hand up to be on a board without really understanding the obligations that they have as a director. So there's the f word and the s word. The fiduciary and the statutory duties.

And really understanding what our individual, obligations are. And then next slide there, please, Sean. Which are similar, but a little bit different to when we're operating as a board together as a group, what are those obligations? And those key things of strategy, managing the resources, the performance of the organization, compliance within your sector, overseeing the risk, and of course accountability.

And over to you Julie.

Yeah, I was just gonna say, although to us because we live and breathe governance and we're excited about it, this is like, yeah, we'll just run through it fast because we all know this.

So many people with the best intentions join boards because they are positively disposed to what the company does and they think that it doesn't apply to them. And so if you've got any directors like that on your board, you've got major problems, because they might have got over

step number one of knowing themselves and what they like and how they like it, but they're gonna trip on the next step and pull all the other steps down after them.

Yeah, Absolutely, Julie. And I think that's a key reason for ensuring that you have director training and capacity building opportunities. And any one given board will have new directors, seasoned directors, and even for the seasoned directors, sometimes they'll have the information back here in their minds. But are they bringing that, education experience they've got to every decision that they make? Sometimes they become a little bit blase too. So it's about bringing people, to the level. And when I do my workshops in house, that's when I see the magic happen because that's where people are learning at the same level at the same time and they can apply that learning to their future board meetings.

We'll go to the next slide, which is one that that I love. Staying healthy and and health promotion and preventive health is, close to my heart, which is where I actually started my work in governance. So this is about making sure we as directors are fit to govern.

This doesn't mean you need to run marathons along a nice beach as on this slide here. But it's about understanding how you operate, how you can absorb large volumes of information, navigate complexity, manage ambiguity.

And it can cause burnout, cognitive overload and fatigue. So making sure that you are in the best place so you can clearly perform at your best.

And the other thing about this is to understand when you need to say no.

If it's not possible for you to commit the time, the energy and the attention required to perform at the level of your organisation, then stepping back is not a failure. It's actually an act of responsible governance. Yes, Linda.

Well, I just wanted to add to that because I think it's really important that we remember that when we're making the commitment to join a board, it's not just to read the papers and turn up at the board meeting. It's to put aside the time to build the relationships outside of the board, you know, outside of the boardroom. So that when you're actually having those robust debates and, you know, the constructive challenge, your relationships will remain intact and they can sort of survive those sorts of robust disagreements at times. And it can turn into conflict, and conflict isn't always bad. So by actually when you're making those commitments to join a board, think about the entirety of what's required, not just reading the papers and going to the board meetings.

Absolutely, Linda. And that kind of comes into the fourth step here, which is about what I call the big c word, which culture.

But look, before we jump to that one, we'll go to contemplate carefully, which is the next step. So like you're just saying, this is about putting the time in to understand. Read and research. Do the work. Listen intently.

Australian listening expert Oscar Trimboli says that on average, we talk a hundred and twenty five words per minute. We listen at four hundred words per minute, but we think at nine hundred words per minute. So just think about when a fellow director's talking, you're thinking at nine hundred words per minute. And there's a lot of stuff going on in your mind.

You might be thinking about what you're having for tea tonight. Did you remember to do the supermarket shopping? Does the dog need to go out to the front yard? All of that stuff that's thinking in your mind is while you're trying to listen.

So you need to practice active listening, you need to be empathetic to the person that's speaking, and also suspend your judgments and assumptions, which is really hard to do right again because we're we're humans.

Challenge constructively. I think that that step is is really important. You've got to have the courage to ask the hard questions, but also to have hard questions asked of you and for that to be done in a respectful respectful way.

Contribute concisely. Make sure that your statements are relevant, that they're brief, that they're strategic, focusing on the big picture, not going down into into operations.

And not just talking so you can prove that people prove to people that you've read the board papers or not just talking so you can hear your own voice.

Disagree gracefully. Like Linda just said, conflict is good. We need to have conflict on boards, but we also need to come to a point where we do disagree, agree to disagree. And whatever the decision that was made, that's the decision that was made when you walk out of the room.

You don't say, we decided x, but I didn't agree with that. You you go forth and that's the decision that was made by the group. We leave our egos at the door, is the saying that we talk about quite often. And then decide with conviction.

Once the decision is made, like I said, the decision is made.

The next step there is on operating as a collective. So this is about focusing on teamwork, culture, and the governance tools that you need to be able to do your job.

But the key part of this, as Linda touched on before, is the big c word. So that's culture. We can only exercise the authority of the board when we are working together as a collective. And to be able to do that, we need to have a positive culture. And as Linda was talking about before, that's not just in the meeting. You don't just sign up for eleven touch points per year. When you're on the board, you are on the board for the entirety of the organization's operations within your term, of course, that is.

So I think culture is a really interesting thing and I've said many times that if you understand what a culture of an organization or a board is like, ask that question in your interview.

That always goes down well.

Within this quote here, I like the term culture is all about the way people are acting when nobody is looking.

I also say that culture is very hard to explain but easy to feel.

You know when the culture is yucky. Now whether that be on your board, whether it be on the organization or whether it be at the Christmas dinner when you've got uncles that are arguing, you can feel when the culture is not going well. And of course, as Sean's just put up there, what eats strategy for breakfast? It's culture. No matter how good your strategy is, if you can't get the culture right, you won't be able to retain your board members or your staff members. So it's something that you need to focus on. And that brings us to the next slide, there, please, Sean.

So this is what we say about the tone at the top, the mood at the middle, and the buzz at the bottom. And this is part of the board's job. You can't just concentrate on the tone at the top for you. It's your job to be aware of the culture throughout the whole, throughout the whole organization. And thinking about how do you how do you do that? Yes, Linda.

Well, I was just going to say that one of the key things that, that we do when we're talking about, culture is aligning it and making sure that it's aligned to every facet of the organization.

So when we go in and we work with boards where they're saying the culture's not right, if you actually start looking underneath, as you've got here, Lucy, it's a great example of how you can dissect. But through the whole organization, We have so many facets and actually doing a cultural audit around those facets can identify why it feels shucky. So, yeah, I like your model. It's great.

Yeah. Yeah. Thank you.

There's a fabulous book by Doctor Larry Taylor called Setting the Tone at the Bottom, which is a fabulous manual for directors who want to learn how to impact the that.

And the other thing I'd pick on this is you use the word align. Align doesn't mean identical. It means aligned. So your culture in your sales division is going to be measurably different to the culture in your finance division or the culture in your HR division, but they're still going to be aligned and they're gonna have that huge area of agreement, but one will be much more people focused, one will be much more focused on accuracy, one much more focused on results and task orientation, but getting the balance of the different cultures right is perfect and the author of the book again for Gwen Wright, Doctor Larry Taylor he goes by Larry, not Lawrence. If you PM me afterwards, I will send you a link to it.

Really great conversation there, Julie and Linda, I think we take it back to our role as as board directors. It's how do we understand the culture?

Are we just gonna say at board meetings, what's the culture like for the organization?

You know, it doesn't Yeah.

What did we score on our engagement survey?

So things about, do we have executives coming to board to present their board report? So we're hearing from more people than just the CEO.

Who who speaks? What's the body language like? Are we attending all staff functions? Are there morning teas or or lunches where there's interaction between the staff? Are there days where you can see operations at a level that's appropriate for a board director to do it so that we're able to engage in a way that we're actually observing the culture rather than just being told. So don't tell me, show me. That's what we wanna see as directors.

Again, this is where as directors, if you're a director and a volunteer, you're on sometimes setting the tone at the top and sometimes feeling the buzz at the bottom, but you have to remember which time is which. I often challenge people, know, what hat are you wearing at the moment? Are you being a shareholder or are you being a director? Are you being a director or are you being a volunteer? Because it's very easy for the board to undermine the management if they get inappropriately engaged at the bottom. But at the same time, those insights they get can be very valuable to the board, but you've got to repackage them.

You've got to lift them up to the strategic level, not keep them at the anecdotal level.

So, so yeah, I love this, we could talk about this all day and really sorry for Gabriela because we're not going to do a promo for the platform, but I'm sure people will be happy to talk to you afterwards and do that. But today we're just chatting about governance.

Yeah.

And it'll be over too soon.

Yeah. That's the challenge.

So yeah. Look. I think that that point you've made there, Julie, about our different roles that we have. I think one of the other things to talk about is that operations and governance and making sure when we're going back to step two about understanding obligations, which hat we're wearing. I often tell a story about a, I call her the show bag stuffer.

And she was an older lady who was a volunteer on a not for profit board. She had plenty of time.

And this organization ran a lot of events for young people.

And she would often spend hours upon hours stuffing the show bags for for these major events.

And that was fine because in that role, she was being a volunteer. She was giving extra time. But what happened was it set up a level of expectation that other directors should do the same

because it wasn't clearly communicated. So it's okay if you have your hat on as a director and then you put your hat on as a volunteer, but that has to be communicated in a way that feels fair and safe for everybody and it's not setting up obligations or expectations for other directors.

We'll move into the next slide there to keep us going on today. Like Julie said, we could talk about this for hours. So review, reflect, and renew. So this is all about reviewing the performance of your board.

So the board performance, which is an expectation these days.

And whether it's done internal or external, whether it's a whole of board, or whether you can do directors and chairs annually, biannually, what's the budget, what will you do with the results, it's how long is a bit of stream. Right?

One thing that when I do, board performance, reviews for organizations, it's about making sure it's fit for purpose. If you are a smaller organization, making sure that, the the review is fit for purpose for you. If you're a bigger organization, it might be more complex. So making sure that that is on your agenda somewhere, somehow.

And the next slide, Sean, is all about reviewing the performance of your organization. And that's really coming back to what is the mission of your organization, who are the beneficiaries that you are trying to support, And making sure you stay into that and how are you reporting that? Being really clear on what might be seen as mission stretch, which could be helpful compared to mission drift where it can be unhelpful or bad. So looking at whether the good stuff might be things more about, responding to emerging or changing needs within your, your community, adapting to change changes in the environment or or your sector, particularly if there's regulation involved. But mission drift might be more things like stretching people and resources to things, stepping outside your your sector, taking you away from your key beneficiaries and your key your key intent.

So a question I try to is often with boards where they get grant funding.

Yes. And they lose sight of the mission and start to follow the grant funding.

And not only is it demoralizing for staff and unsettling for the culture, it's actually dangerous if you're a not for profit, because the ATO will suddenly turn around and go hang on, you're not a not for profit, you're a service delivery company.

And that is a very dangerous position to find yourself in. It can be company threatening. Linda?

Yeah. I mean I also think that we have to be clear about what why do we have strategy? We have strategy. We have a purpose so that we can have our decisions guided by that purpose.

So if we start to be guided by where the money's coming from and our whole existence is perhaps a fragile existence because we are reliant on that money, then aren't we in a situation where we actually have to consider the sustainability of our entity and maybe we need to be

looking at our purpose and looking at where the funding's coming from and make sure there is some alignment. As chair of the New Zealand Strain Quartet, our funding from the Creative New Zealand is going through some massive changes at the moment. And so for us, it's very, very clear. We need to be one hundred percent certain of what our purpose in Aotearoa and the world is in terms of delivering beautiful and mind bending classical chamber music, but actually also be thinking about you make your decisions on your basis of your purpose.

So you need to be quite strategic in how you think about that, don't you?

Yeah. Thanks, Julie and Linda.

Seen that quite often with organizations and I call it a money grab. They're just going out for the money and that's the lowest hanging fruit and they they go for the money. Like, Julie was saying, it can put you in a awkward position because, whether it be with the ATO or whether it be that you actually can't equip the grants properly because, you don't have the skills in space. And that brings me to the thought of just because there's a gap, doesn't mean that your organization is the right one to fill that gap.

So being really clear of, is this an opportunity for us? Or is this just an opportunity? And sometimes that's about providing that opportunity to colleagues or stakeholders that might be more suited to do that work. So just to finish with this slide, simple question I always ask, is this helping us to deliver our mission better?

Or is it pulling us away from it?

Just because there's a gap doesn't mean we need to be the ones to fill it.

So my final slide here is kind of pulling that all together, Sean. What makes an effective board? And the answer to that, of course, is healthy governance makes an effective board. Going through these five key steps of acknowledging your attributes, understanding your obligations, contemplating carefully, operating as a collective and review, reflect and renew on the work that you do and making sure that you have set up your board with the right people to take the organization through to be sustainable and responsible to create outcomes for those beneficiaries of which your purpose or your mission is designed.

So that is my model of healthy governance and I'd love to have conversations with anybody who is interested in going a bit of a deeper dive into each of those key stages. Because as I said, the learning for directors is really valuable when it's done in house as a group. Back to you, Sean.

Thanks Lucy. So we're ahead of time team. First time ever.

So we're going to give you a bit of time back in your day everybody. So please feel free to connect with our presenters today on LinkedIn. I'm sure I look forward to your connection if you'd like to be put in touch with Lucy, Julie or Linda, indicate your interest on the survey as you exit the webinar. Now we have a ton of great webinars coming your way over the next few weeks. You can see all of these on our website, so take a look at some of the great topics we've

got coming your way. You'll receive an email from me tomorrow, which will include a recording of today's webinar, the transcript, and the presentation slides from Lucy.

They'll also be hosted on the webinar library of our website over the next forty eight hours. So, of course, if you are considering board management software, Julie, you had a comment? We've got questions now appearing in the Q and A.

It's like everybody was holding back to see if there was time.

Let's take some questions.

Somebody was saying, what if the role of your organisation has largely disappeared due to regulatory changes, in our case NDIS, what's the role of the board in coming up with a new strategic direction?

I love that one Ian.

You have to ask yourselves, does our mission still exist?

If it does, all that's happened is you've got the same mission, but you just haven't got the same funding. And you've got to come up with a strategy to find funding, which is a new strategic direction.

Might have to play a smaller game, you might have to play in a different pool, but I think the boards when you suddenly discover that your cash flow is being switched off, it's your job, it's the first thing Lucy said when she talked about the board's obligations was strategy.

You've absolutely got to do it, it's the first thing Ram Charran says when he talks about what boards do, it's the first thing Bob Garrett says.

Strategy is definitely the buck for that stops at the boardroom table. So you've got to make sure you've got one, or you've got to wind up in an efficient and legal manner.

And and I think we need to be very clear about what we mean by strategy. So we don't mean a strategic plan.

We mean the strategy is the logic of the organization. Why do you exist? What field do you play in? And only then can you get into planning for that.

So it's that actual sitting back and thinking about what is it that your organization is delivering to your community or your stakeholders or your region or whatever. And so that is the core fundamental question that your board will be facing them sort of facing, won't won't it? Because they yeah. The fundamental reason for being has has been pulled out from under them unfortunately.

It's a great example of making sure that we don't set strategy or a strategic plan that's so fixed it's not changing with needs. Think COVID really made boards think about that. I know in some

countries, think in Japan or other countries, they commonly have strategic plans that are twenty or fifty years and I always find that mind boggling of how that actually, how that works.

I think that that is really a good example, Anne, of particularly in the NDIS space at the moment and making sure that we are flexible and adaptable.

I was just seeing Sue's question here in the Q and A as well about when the board's made up of volunteers, it's difficult to have a balanced board and improve confidence.

And it is difficult too and I think the other thing that happens here is quite often people say, Oh well, I'm just a volunteer.

Unfortunately, that doesn't cut it. It doesn't matter whether you're a volunteer or you're a highly paid director on the board of Qantas. You have the same obligations and therefore it needs to be a key part of your board strategy to ensure that your board directors have that opportunity to build their capacity and capability. So that's why I love doing this work in training, particularly in those not for profits, supporting volunteers to lift up their understanding of what their obligations are. Not to scare them, but more to say, okay, you've got this, but you've just got to be aware. You've got to have your eyes open.

And again, it's good governance to put time and resources, meaning money aside for governance training to build the competence of those directors.

Yeah.

And you should have started building their competence the moment they joined.

If you've got a board that has sat there for years watching management present what they're doing and nodding sagely and endorsing things.

When they suddenly have to go oh heck, what are we actually really here for and how are we going to do that now that the world has changed?

It's going to take them so long to get up to speed. I just really hope you can manage it.

A recently appointed CEO, again, when you've got a new CEO as a board, you should be saying to them, look, here's the long term vision, this is what we want the world to be like.

And I've seen tiny little not for profits with amazingly audacious visions, but they really help the CEO to work out what it is they're doing.

Diana, contractors as trustees, that's a big conflict of interest. I'd suggest you get some independent trustees as well, and also that you do do the master class on managing conflicts of interest or have it hosted in house, what would you say, Linda?

Well, I was reading Poora's Yeah.

That's a nice one, isn't it?

And I was starting to type it, then I did something, and I've lost the ability to type. So I just want to say, Poora, that, tools to use for converting anecdotal evidence into useful points during strategy and foresight workshops is to get people into small groups and they just brainstorm using a pistol or a steeple analysis.

So that's looking I'm sure you can look it up online. Look up pistol. And then getting them to actually think about all of the things they're seeing in the political realm and the legislative and the economic and the environmental and so on. All those things that are barreling towards you. And if you can capture it in that way, you're going to get a robust set of trend data that will assist you when you're doing your strategy thinking.

Sorry for cutting across you, Julie. I just saw that, and I thought, oh, that would be helpful.

That was a really interesting one. For those of you that are sitting there going, what was Paola talking about?

I'll give you an example from a bank where one of the directors routinely would blow up and go my card got chewed up by your machine!

This was a while ago and they actually asked me to come and mentor this person because they were so sick of it and when I talked to him quietly and calmly, he said well, the trouble is that we've got rural branches, if our ATM doesn't work, what are those people going to do?

What happens if they go to the one in the petrol station and they have to pay two point five zero every time they get money out instead of it being free.

And it's like, well those are the strategic level when you start saying hang on, what percentage of our customer base is rural? How many of our branches are the only bank in town?

What's our reliability for those branches and what's our backup plan? Now you are up at that strategic level and suddenly the rest of the board is understanding why your anecdote keeps getting repeated because they can see the strategic implication and the level of service and response that their bank needs to provide.

So it's really important to think through how does this anecdote scale up to a big picture strategic level implication and if it does, it does and if it doesn't, just keep it as a nice story to have over tea.

Sean, do we have time for one more response?

Got a couple of minutes. So, yes, let's do let's do one more Marion.

Marion's asked a really good question. How do you deal with a board that has a fifty percent of members, a tight knit group who email each other led by the deputy chair between meetings

and they then ask the CE to action what they've discussed. So I just want to say there's some really there's very clear formality around relationships between the CE and the board. And one of the problems that this shows is the fact that the protocols are not operating.

So board members should not be going to the chair or any management team member. They need to go through the chair to the CE, I mean, and managers. So and similarly, the CE needs to go to the chair and through to other board members. And some people say, oh, this is such a terrible formal protocol.

Why do we bother with this?

But the reason we bother with it is is exactly in your example, Marion. And it's also because if I'm a board member and I go to a senior manager and say, I want you to do this, they are going to get torn between what I'm telling them to do as a board member and what their manager, the CE, has told them to do. And it makes life very, very difficult for everyone. So formal protocols managed by the chair could actually override this problem. I'm sure Julie and Lucy have other ideas.

The ACNC has just suspended the chair elect of an organization because the board was communicating with staff and causing so much confusion that it was actually considered to be a psychosocial injury.

And after a Safe Work New South Wales direction that the board should only communicate with staff through the CEO at board meetings, This person breached it and has now been suspended and replaced with an external person appointed by the regulator. And that is a not for profit members organization that's been in turmoil for a while because the board were behaving in this sort of fashion. They were trying to give staff instructions and do things. So these things, they're not just nice to have governance conventions, they actually have significant legal consequences.

Mean breaching a safe work order, oh, that's scary.

Let's finish off team.

Sorry.

We're at time. So thanks again, everybody for your attendance. I hope you enjoyed the session. Don't forget our short survey when you exit the webinar. Thanks again, Lucy, Linda and Julie for your conversation.

Fantastic. I look forward to seeing you all everybody at our next webinar next Thursday. Have a great day.