



Take on Board

Transcript – Sally Davis

CEO and chair working towards a no surprise policy with Sally Davis.

Helga Svendsen 0:00

Today on the Take on Board podcast, Helga speaks with Sally Davis. Today we're going to be focusing on the relationship between the CEO and the board. Sally's a consultant and she specialises in strategic planning, leadership and organisational development. And she works with clients in a range of sectors including the arts, universities and the not for profit sector. Her background I find fascinating so Sally started out as a 'Connie' on the trams. For those of you in Melbourne you'll know exactly what that means. For those of you not in Melbourne. It's a conductor on the trams and she was also a tram driver on our beautiful trams in Melbourne. She's worked in the community sector, in the educational sector in vocational education and training. And I met Sally when I was on a board on my first board, the community services and health industry training advisory board, and I met Sally in her interview for the CEO and we gave her the job. So I met Sally when she began I'm the CEO of the organisation of which I was on the board in her interview for CEO. So welcome to the take on board podcast. Sally. It's great to have you here.

Sally Davis 1:10

Thanks Helga. It's lovely to be here.

Helga Svendsen 1:13

So today we are going to talk about the relationship of the CEO and the board, which is exactly how we met. So tell me in that role, which was your first CEO role, how did you go about establishing a relationship with the board and working with the board?

Sally Davis 1:29

So maybe I should just say a little bit about what a strange organisation that was and what a strange board it was?

Helga Svendsen 1:35

Yeah, we were that strange,

Sally Davis 1:38

Because it was actually based on industrial parties. And there were kind of four groups. We made up the board. There were the unions, and the nurses who weren't quite the same as the rest of the Union. So they were quite split. And the employer that was in community services was split between government in its role as employer and private employee. was the role of the board and of the organisation was to establish the requirements for training in the community services and health sectors, nine as competency standards, quite technical work. And it had been quite a lot of dysfunction at that time. In terms of the role with the board and the CEO, it was my first time so I was quite terrified, of course, and people had warned me about all the paperwork. The key things that I had to do was, first of all, spend quite a lot of time actually talking to the chair prior to every meeting, and then once I got into talking to the chair talking to every other person on the board, 16 directors, so I probably spent most of my time on the telephone. And also we had to get consensus through quite a prickly industrial relations landscape, which meant that I had to be very carefully positioned as nonpartisan play a role in giving the board the information that they could use to make the decisions without walking out, which meant everything had to be done in advance. Because otherwise you'd get to a board meeting and people would throw their hands up in the air. And that would be the end of it. So there was an enormous amount of me talking to each of those four groups prior to a board meaning finding out what was the position of each somehow trying to without showing my own view, express that to other parties, and get them talking about it. Sometimes the things that the board might achieve involved actually doing things differently to what the rules said. So then I had to talk to the funding bodies about could the rules be bent to enable a consensus. So most of my time was just spent in on the phone on the phone on the phone, I guess like any senior role Never want the surprises to happen at the meeting. So the relationship between me and the chair was crucial. So none of those conversations were just me going off my own bat, they were taught to the Chair, I'd say, and the chip changed over. So in terms of talking through to the different parties and the different directors, I'd always have to check in with the chair first, and ongoing so that the chair always knew I'm talking to this light, and I'm talking to that light and going backwards and forwards. So that was really critical. So on the phone, on the phone, on the phone, on the phone, and the other thing was always doing a walkthrough. So prior to any meeting of the Board, I would sit down with the chair. And we would do go right through every single item on the agenda, check the papers, did that make sense? Who was going to say what, who was going to be upset, who was going to be happy? what might they say? What might be contentious and just walk through and In terms of a new chair as well, that was really useful for some of the chairs, because that gave them the thinking space about what might happen in the meeting. And for me as the CEO as well, so it was a really a two way thing. I'm just suddenly thinking as well, when there was a new chair that actually was my role in developing the chair, because that chair might have turned up to the meeting and not known. And I was then able to say, this is what might happen, or this is the agenda. Who do you think is going to complain? Who do you think is going to be happy? And we'd work it through together. So that was really important. So it was fun. You were there. Hello. Would you like to add?

Helga Svendsen 5:41

Hey, who's interviewing who? Yeah. Well, I mean, obviously, that was a long time ago. And we still have a professional relationship. So clearly, from my perspective, as one of the board members, and I think I was on the executive at the time. The thing that we were very impressed about was, you know, indeed some of the things you've described your communication skills with the board, and just there was no surprises. And as a board that is exactly what you want. You don't want to turn up to a board meeting or even worse, not at a board meeting, reading in the media or somewhat somewhere else, that things are happening that you're unaware of. So as a board director then and as a board director, now, I love it when my CEO has a no surprises policy. And I love it when they communicate well with the board generally through the chair of the board, but sometimes as required with other members of the board. And I think the other thing I heard from you there is having that independent hat, which is sometimes challenging for a CEO to manage some of the different interests at a board and you managed to walk that tightrope

Sally Davis 6:45

Beautifully, and that was a tightrope.

Helga Svendsen 6:49

So, that was part of your experience there at that at the eye tab, as we called it around, settling into your role as CEO establishing that relationship with board and with all of us, you are in that role for a couple of years. And is there anything else from that experience? I mean that always all fabulous advice to people listening around what to look for in a CEO and what a healthy relationship with the CEO might not look like? Not that there's not other ways of doing it. But is there any other advice you might have for boards as to what to look for in their CEO and how to support their CEO?

Sally Davis 7:24

Probably not. It's mostly about the openness and the ability to have a conversation with the CEO around what the board needs, as well. So to be able to say, we need this kind of information. We need this kind of analysis. We need less of that more of that. I think that's really important. Again, that's particularly between the CEO and the chair.

Helga Svendsen 7:45

So when you are in that role, what did the board or the chair do well, or indeed not so well, to support you in your role? Because you've talked about how you provided support to the board and the board provide support to you

Sally Davis 8:00

I have one example that's quite interesting because I was brand new as a CEO, I was brand new and Sydney didn't know Saul had some staff who were really difficult to recruit for, because it was such a weird organisation. And one stage I had an issue with one of my staff members are, I actually was able to speak to the chair. And the chair coached me around how to deal with this particular staff member and how to manage it. And I really appreciated that and I thought that at that point where I was at that was appropriate for the chair to do. I suspect that some CEOs would be nervous about that because I don't ever want to look stupid in front of the chair. But I think if you've got a good relationship, you should be able to trust the directors to give you the support and to ask for it and the directors should be able to openly and supportively respond to the needs of the CEO.

Helga Svendsen 8:55

Okay. So I know since then since that role, you than a range of consulting roles that, like I talked about earlier on, and I know part of that has been supporting people who might be aspiring CEOs. So what's been your advice to them in that regard in relation to the working with the board,

Sally Davis 9:15

What we were talking about in terms of the relationships and how important they are has never changed, and also how to frame how to communicate effectively. I've got a really lovely example of a woman I've been recently doing some coaching with. She said, I could name her so shout out to Haley Bennett, who's just been promoted to the deputy CEO role at the Australasian College of Dermatologists. It's professionals Association, and they've been incredibly supportive to her in helping her career. So they're very good at that whole succession planning even for themselves as the board and I did the board strategic planning for them as well. So I had both sides of what was going on two examples with Halle, which I thought were really interesting. Sam would probably help anyone thinking of working in a CEO role. One was that I think there was a new director appointed to her board, and she was during the email, you know, I'm here if you need me. And when we were talking, we said, let's re shift that, instead of offering to be there, if you need, why don't you offer to go out and have coffee? meet this person? It's national body. They're not all in Sydney. So why don't you establish that relationship and offer to show her around and make coffee, all that sort of stuff. And that worked really well. She was apparently incredibly grateful. So again, the importance of relationships is a two way thing. The second example was that I facilitated the board strategic planning day and it was very visionary, very far reaching very blue sky and was aiming to take a big step. And there was consensus or there were other people besides just directors at the day. There was a lot of energy, a lot of enthusiasm and there was some issues with the industry around relevance in government etc. And so the strategic plan that came out is quite a big jump. But then when the board gets together, and they have to actually approve the budget to go with it, and how much more is going to go with it, and the reality checking starts to happen. So I worked again, with Haley and also with the car and we really work through how do we translate that strategy into

operational matters, but also how to frame it so that it's not an asset to big so that it's a sensible ask and how to do the discussions in advance and no surprises, find out in advance, talk to the chair, talk to other people to get the strategy translated in a way that made everyone comfortable with the amount of the stepping up that was associated with that. So that was the second good example was again the preparation and framing and consulting again, around that.

Helga Svendsen 12:01

And how do you advise clients or work with clients translating the plan into something more operational in the budget is key. And the boards often come up with these fantastic strategic plans and then get down to the nitty gritty you have, how do you communicate some of those things differently? Because there's a whole range of different communication styles. There's a range of different things that different directors think are important. How do you avoid that instance? How did you had it?

Sally Davis 12:28

First of all, it was really important that Haley and team and the others and the senior staff were actually at the strategic planning day. So they were part of hearing the messaging. Secondly, they had also done quite a lot of preparation around what was feasible one way and ideas and so they contributed with the operation on the ground ideas that sometimes directors don't have because directors are doing other jobs. So they were able to contribute those into the planning process. They were part of the consensus and they had ownership. So they heard all of that. Then what we did afterwards was we ran some workshops with the whole exec back at the office around what does this mean? What's achievable? What have we already got? What can we build on? When can things happen? And that was really a similar process to strategic planning, but it was facilitating the operational staff around what's doable, what's feasible, what's in place, what's new, what's, what's coming up that they know about, and then making sure we can demonstrate that connection back to the strategic plan.

Helga Svendsen 13:31

Was there any sticky moments in that process where some of the things may not have been translated?

Sally Davis 13:37

Not with them because it was a small organisation and that whole executive team were part of the strategic planning days so there wasn't any sticky points. The main times I've had that some of what I do is where often organisations will do a strategic plan that's massive on thinking of universities, for example, their strategic plan is so big that we're You try and translate it down to a faculty or a school

within a university. There's a massive gap in what that means. But generally those organisations do that intentionally because I don't want to make everyone the same. And there's quite a lot of permission and authority for the people at the ground to do more themselves and to bring their own knowledge, so long as it's consistent with more principles and broad directions rather than incredibly specific.

Helga Svendsen 14:26

So in those larger organisations, then because you're writing a smaller organisation, it's easy to have everybody there. So it's easy to get that alignment in the room. In a larger organisation, what's your advice to boards in terms of ensuring that there is alignment but also that difference in the different levels?

Sally Davis 14:44

I think the language of the strategy has to be inclusive, and I think there's an enormous role for either the CEO or people on the board to actually come and spend time in the organisation talking to the base. We're heading up the business units who are doing their own plans underneath it, so that you've got that alignment.

Helga Svendsen 15:08

And speaking of alignment, you've worked with an organisation where Well, shall we say there was a bit of disparity between the board's perception of circumstances and the CEO's perception of circumstances. Can you tell us a bit about that example and what your advice was in that?

Sally Davis 15:27

It's actually quite common. So hello. When I'm doing coaching with CEOs or senior staff, they often express concern about who they're reporting to. It's too much paperwork. It's too difficult. They don't understand us. I don't know what we're really doing them up there. So I think that's actually fairly common. I had an example recently where the CEO that I was talking to was concerned that the board were unable to really follow feel their role, particularly around advocacy, public philanthropy, etc, which was quite important. So that in itself is quite an interesting one in part of the briefing, and whether they were functional or not. When I spoke to the chair, the chair was really confident that the board was doing a fantastic job. And that's very hard when you're the facilitator because you have to enable both the CEO and the chair to shine and to achieve what they need to achieve in a strategy di. And that is quite tough to do it. One advantage of being external is sometimes I can have a fearless and frank conversation with car and or chair or both, about things that I've observed or have come out of the meeting. And I think that's a really useful thing to be able to do. And I do that quite frequently. To me, it's more that it raises a lot of question And again, this

isn't from that example. But a number of examples together. Questions are things like, Can staff go straight to the board? And what happens if they do? What if they don't like the CEO? What if there's an issue with the CEO has that managed? What if the board thinks they're amazing, and they're really wonderful, and they're actually just doing busy work, and they haven't got any strategic skills? What if they think they're great at governance, and they just doing number crunching? And I can't see beyond that? What if the board is not that functional? What if the CEO board isn't? I don't know the answer to that to be frank. I think that's a really difficult one. But potentially, it's something that boards and CEOs could try and ask themselves more and maybe see if I can do more reflection around what's worked and what hasn't. And potentially, I think it's quite hard to be open to being challenged around your expertise. And sometimes an external personal or an external function, someone to come in and do a I know some boards do things like skills, matrix sessions, etc. Sometimes those kinds of things can help identify gaps in a way that that board would be happy with.

Helga Svendsen 18:22

It is I mean, self awareness in any leadership role, including board roles is key. and encouraging reflection is absolutely one day. One way of doing that, although, of course, and I'm sure you've seen it as well, often those that need to do the reflection of those that are least likely to do so. Agreed. And one of the ways I think often boards do this is either getting an external facilitator for a strategic planning day or some sort of conversation, or a board evaluation, bringing somebody in to evaluate, which might be an online survey might be interviews and having that independent voice in the room that can name the elephant is sometimes helpful for boards to kind of increase that. The other thing you mentioned there was about how did you put it about them up their board being in their ivory tower, because it's always a balance for boards, they need to be governance, they need to be strategic, not operational, yet, at the same time need to be connected to the organisation and somehow walk that tightrope. What have you seen that works? Well,

Sally Davis 19:22

The fourth example was that piece of research that I did in the aged care sector about what makes high performance governance and in that example, it was about visibility. So where board members would actually attend the organisation visit be invited in to come and see how certain units were working. Get to know people get to know customers get to know, constituents, the presence was really I think what can make a massive difference to an organisation doesn't have to be I'm here to tell you it can be from a director or chairs perspective. It's, I'm here to find out I'm interested in what you're doing. I'd like to No. And for the staff involved, it's a chance then to showcase and actually put on their best performance and feel appreciated feel heard. That's been the best example I've seen. And I agree with you about the tightrope. But I think there's really a role for boards to not being visible. I think organisations really benefit and staff really benefit from a board that has some visibility, and that it's a face to face visibility rather than some people who they can look at a picture on a website.

Helga Svendsen 20:34

I know at one of the organisations that I'm on the board of the Royal Women's Hospital, we do regular what we call walk arounds. So with the executive and I'm under no illusions that we see everything in the organisation when we do that, because we tell people that we're coming. It's the executive in the board and I'm sure we don't get to see everything but having said that I've I've often been impressed by how upfront the staff are in telling us exactly what they want to go. That said, I see it as an opportunity often, and not just an opportunity to showcase the best and brightest, but to also tell us exactly what's going on. And if you're not hearing some of those stories about what's not going well, then I suspect they're hiding it, which is not good for culture.

Sally Davis 21:16

And in that example, again, it was in the health sector that sometimes business units got the chance to invite so they could say, we've got something coming up, we'd love someone from the board to come to it. And that was promoted by the CEO in the organisation as something that was available and people got a chance to do and they loved it.

Helga Svendsen 21:37

Sally, we have covered an enormous amount in terms of that relationship between the board and the CEO from a bit of both perspective there because you've been the CEO, and you've worked with boards. What are the main things that you want people to take away from the conversation that we've had today?

Sally Davis 21:53

Relationship, relationship, relationship? Yeah. The importance of directors and chairs talk To the executive having presence and for the chair and the executive to be talking to the board and talking to the chair and other directors. Don't ever underestimate that the time spent on building those relationships is never ever wasted. That's number one. Probably a second takeaway would be the importance of the walkthrough prior to any board meeting, so the chair and the CEO sitting down together, not 10 minutes before the board meeting, but in a enough time to also do any problem solving, having to find people in advance whatever it is, but actually having a thorough walkthrough of the agenda. Probably the third one is around the framing of papers so that it's not just thousands of pages of papers, but they're succinct. They're to the point they give the information that's needed. They enable the board to have the kind of dynamic dialogue conversation they need to have, without just being swamped by papers on There's obviously an art to that. But I think those would be the key takeouts.

Helga Svendsen 23:04

Beautiful. Thank you. There are some amazing pearls of wisdom in there, I think not just for boards about what to look for in terms of that relationship with CEOs, but also for people that might be CEOs or aspiring CEOs for them in how to develop and maintain a relationship with a board. So thank you so much for being here and sharing your wisdom with us today.

Sally Davis 23:24

Thank you.