



Take on Board

Transcript – Melinda Muth

Speaker

Helga Svendsen 0:00

Today on the Take on Board podcast, I'm speaking with Dr. Melinda Muth about how effective relationships are built on effective conversations and how effective conversations are built on positive language. First, let me tell you about Melinda. So Melinda is on the boards of Harvard Club Australia Philanthropy and Curious Works and she has previously been on the boards of Indigenous Community Volunteers, Heart Kids New South Wales, Union University and Schools Club and Quest for life Foundation. Melinda is an educator and consultant who specialises in decision making and group effectiveness, principally with senior executives and leadership teams. Welcome to the take on board podcast, Melinda.

Melinda Muth 0:44

Thanks Helga.

Helga Svendsen 0:46

So it is great to have you on the podcast today, Melinda. We'd love to learn a little bit more about you. tick. Can you tell me what led you to be coming and living here in Australia?

Melinda Muth 0:58

Yes, you can tell that I'm not a native. Whenever a person opens their mouth and has an accent, people start to wonder, Where are they from? Because I know they're not from here. So I like to tell people that yes, I have been in Australia for 35 years. And I basically I got here on a potato chip. My then husband was working for PepsiCo foods International, which runs the Frito Lay division internationally. So they had a joint venture with Arnott's to market crisps, otherwise known as potato chips. Here in Australia, it was pre Doritos. And so that's how I got here. You know, he had the big job, and he said, Do you want to go to Australia and I thought living in another country, great, you know, as long as I can work, and that was a problem that had to be resolved. And here I am. There's been a long story. Since then.

Helga Svendsen 2:01

Fantastic, well, we are very happy to have you here. Because it means we get to share in your wisdom and just your zest for these things I should say I met Melinda when she facilitated a, I think it was board effectiveness for women workshop at the Institute of company directors last year. And I was so impressed with your, just in your life, you've got such a beautiful kind of energy. So I saw added on to Melinda afterwards and said, I've got this podcast, which back then was only about three months old, and said I would love to have you on the podium. Melinda, you've written the book about this. But where should we begin on what boards need to do to set that tone from the top in culture in their organisations?

Melinda Muth 2:50

Well, I think it's all about behaviour. And if I back up a little bit my journey here in Australia I ended up doing a PhD at the Australian Graduate School of Management on the impact of boards on a company performance. And a lot of that research was what I call the standard approach. There's economic models, legal models, I actually wanted to look at the behavioural dynamics of boards and how that impacts decision making and best performance because I still say, it's a group of people around the table applying their judgment to a situation. And the presence of knowledge doesn't necessarily indicate the usage of it, you can know all the rules, and you can know the structure and the legalities. However, it's people's behaviour around the table. And when I say behaviour, it's how we converse with one another in an effective manner so that we can access the knowledge that all the directors have in order to utilize that knowledge if the relationships and the conversation around the table are not positive, then the behaviour isn't positive. And there's so many things that suffer because of it. And in the years that I've been teaching on the company director course, if I could think of one question that people ask me most often it's how do I deal with a difficult director? Oh, it and when I say, Well, what is the difficulty about? Could you elaborate, it will always be something about convincing somebody of a point of view or someone having a dominating point of view. And when you think about that, its behaviour. And I think that we underplay the importance of behaviour in board work, although, at the moment now after the Royal Commission in constant mention of culture, maybe that has all changed. However, I'm not really sure that people understand what it means in actual practice and for me, it's about behaviour. Hmm.

Helga Svendsen 5:07

You know what culture means? I think, again, is something boards really struggle with. I think after the financial services Royal Commission boards know that they need to focus on culture, but they're not quite sure what that means. And not sure what it means for them in the boardroom and not sure what that means for them in, they should even be looking at what does it mean to you? What's your advice to boards in thinking about that?

Melinda Muth 5:30

It's funny, I've been making a joke in class recently. Everyone understands the financial impact of decisions, but they seem to have this other bucket for everything that's bothering them. And it's called culture and different to each person. And for me, that is about how we do things around here, and the mindsets that we bring to our thinking, our conversation, our context, all the invisible things that impact our thinking and thus our responses to each other. And when I hear people say that boards are going to set that, I think, Wow, that's a big ask. Think about a bank with 50,000 people, and the 10 or 12 people around the board table are somehow going to set what those people think, and how they use that thinking to respond to each other. In so many different facets of the work a bank does that 10 or 12 people are going to be around for a series of meetings or committee meetings, they don't work full time. They don't necessarily even interface with the people that they're supposed to be setting culture for and I think Hmm, you know, we might like that but can we really do it you know, there's a lots of things that we aspire to and want to have happen and whether it's really realistic I think we need to ask ourselves some serious questions about that. Because me culture is the interaction that people have with each other. I mean, we have a culture of I suppose in our podcast here today about, you know, the dynamic between you and I and how we're speaking to each other. That tone is the thing that allows people to express views to examine issues to disagree constructively, all those things that lead to good decisions or requirements for the further information. All the things that you hear boards talk about it really it really comes from that conversation, that tone, those are abstract concepts. And so if you really boil it down to what is it, it's how we talk to each other. really isn't that I think that's the the main tool directors have to do their job, their conversation with each other, with committee members with the CEO and the other executives. What else is there really Yeah,

Helga Svendsen 8:00

I couldn't agree more that that incredibly constructive environment in the boardroom, where you can explore ideas and be critical without dismissive of an ideas like critical in the true sense of the word where you're really lore and idea, and where you disagree constructively and all of those things. How to do that because many of them don't. What's the magic that they can do to create an environment like that in the boardroom that is constructive.

Melinda Muth 8:30

One of the things is the environment has to be psychologically safe. That's Amy Edmondson's term. I think her book is called The Fearless Organisation and I believe she coined that term in her research and psychological safety is not do I trust you. It's whether I trust the entire group. To keep me safe when I disagree. When I make a mistake, when I'm allowed to be intrusive, I'm not worried about it. stating my view, because I know the group will accept that. And so we all have a responsibility. I think the chair has the major responsibility. So a board has to have a chair who is going to work on building the psychological safety yet everybody has to participate. You know, to put it all on the chair is an issue. I see some groups do that. It's all up to the leader and it's not working and it's their fault.

I mean, that's probably a society. It's not about us. It's all about the leader. You know, we all have to do our part because to create psychological safety, we all have to be accepting of each other. And we're all different and we have different styles and different things appeal to us and different things irritate us. And you have to be in a position to allow a person to be irritating and say that's okay. Because That's just how they are, and it's quite fine. And let's hear what they've got to say. And if you're not adopting that attitude, then there's not psychological safety around the table. And if you think about the environment that boards operate in, Wow, now that's difficult to create psychological safety, because you're walking into the room, you've got all this liability. And some people, you know, feel the weight of that differently. And you have to think about your status in front of your peers. I mean, there's this there's a status to being a director. Yes. And what are they going to think of me there's a whole host of things that people walk into a room with, and they mitigate against psychological safety. Mm hmm. And I don't think that groups spend any time working on the process of how we will work together so that that safety can be created. Instead, we go straight to the agenda to the meeting. Let's get on the action items. Let's discuss the content because we don't really matter. value. The process. The analogy I always make is, it's like air. Can you see air? If you don't have air, it's all a moot point because we're not breathing. You won't even have a conversation about any content. And psychological safety is like air quality. Mm hmm. And how much time do we spend on creating air quality? So an example would be on one of the boards that I've worked on, when I took over as Chair. I set up a meeting just about all of us and the charter and how do we want to work together? Now, it took me about six weeks to judge everybody around the table. And I had to do a lot of groundwork prior to give people something to discuss because you don't just launch into that. And that was a really wide ranging conversation about how people saw things. You know, I asked them what they wanted from me as a chair. have their permission to you know, stop them in the middle of a conversation if it was D railing, all those kinds of things. And if you don't have that conversation, then when it's you're in the heat of the moment, and it's not working, it's not safe for you to intervene. I hope this is making sense.

Helga Svendsen 12:17

Yeah. So effectively, it's like, setting the ground rules for that board. You and I both do work as facilitators. And I know I would never run a workshop without even having a very brief conversation at the start of that around water, our ground rules, what do we need to do? How do we need to be to make sure this conversation today is a success? And I think that's what I'm hearing for the boardroom as well. I mean, that is the bread and butter of a board is to have successful conversations.

Melinda Muth 12:45

I mean, it's an ASX guideline that you're supposed to have a board charter and I think most people think that's just some kind of box ticking exercise. I remember I was doing some work for a big defense contractor and they had this quarter where all the numbers tanked. And so they We're looking at every project that was tanking and trying to figure out why we're gonna derail, and they couldn't find anything that was really conclusive. So I said to them, well, not every team is failing,

correct? They said, correct. I said, Well, let's flip it on its head. Let's look at the ones that are working well. Let's study those and see what you can find. Well, lo and behold, what did they find? One of the things was that each of those teams had sat down at the beginning and said, you know, how are we going to work together? What happens if somebody gets sick? What if somebody is late? What if somebody gets pulled off this team for an A, they had actually done all that and written it down. It wasn't a box ticking exercise, they actually had the conversation. Mm hmm. And it mattered for those teams, because when they got into strife, and there was stress, they had already agreed how to solve it. People had permission, they had safety. And that was the thing that stood out in the high performing teams versus the low performing so I'm talking About teams now, but I think you could say that that applies in the same way to boards. And we do indeed have this guideline about board charters. And I think a lot of people look at that and go off, you know, I've joined the board, they've got a charter, I've read it. Let's get going.

Helga Svendsen 14:16

And and it's seen as this formal kind of, you know, the board charter? What's our purpose? What are we here to do all the things when in fact, it could just also, just inverted commas also incorporate, you know, how we work together? What are our expectations of each other, which means I think that that needs regular review, because as the board changes, so much the ground rules and the way they work.

Melinda Muth 14:41

Every time the membership of a board changes, I think you have to look at it again, because you've brought new people into the group. And we have this issue as humans, once we know something, we make assumptions about what other people know because it's so clear to us and then It's actually not clear because the other person doesn't share those assumptions. They don't share the same frame. And then you get a collision in the conversation. And then once people have an argument that leaves them with a bit of a not so comfortable feeling it bleeds on to the next conversation. Yes, when there's an argument at the table, and it seems to have a personal element that changes the tone, and it changes the ongoing contribution of the parties who had the altercation. If I can use that work, maybe that's the best word. And you know, I have a thing about words. Yeah, I think that's the thing that people are always asking me about when they say, oh, that difficult director, a difficult person.

Helga Svendsen 15:46

And that tension sometimes. I mean, my view is tension in the boardroom is a is a great thing. It's what it's actually about the testing of new ideas and in a boardroom that doesn't have that table. And even sometimes frustration, perhaps isn't testing out things as well as they could or shouldn't be. So learning how to deal with that tension and that frustration is, is key. Yes.

Melinda Muth 16:12

Because psychological safety doesn't mean that we're having a big tree hug and everybody's happy all the time. Yeah. Because if you've got that, then you have some a different kind of issue, because you have to have the tension. It has to be okay to be in the tension, and deal with that and say, your point of view and know that somebody else doesn't agree. And you learn something from seeing their point of view. It's very hard to do. And there's so many big issues at the board table, there'll be a full agenda. And if people haven't chunked down an issue into the bite sized piece that can be handled in that agenda. And then other things come in, and everyone starts talking all at once.

Helga Svendsen 16:53

Yeah, exactly.

Melinda Muth 16:55

No, and I think I could have spent a long time studying these things. And I think oh, understand something about it. And it's easier to talk about it than actually do it. Because sometimes I chair a meeting and I go, Wow, that went really well. You know, and I asked the people at the end, how did it go? And everyone's saying that really well, and then, you know, two meetings later you share it, and it's a debacle. And then you say to everybody, how do we go in there going off?

Helga Svendsen 17:21

It's the challenge about human relationships, aren't they, but they don't easily just stay the same.

Melinda Muth 17:28

People don't agree about much, don't you think? I mean, when I look at the news, like I was probably a miracle we do as well as we do.

Helga Svendsen 17:35

True. So I know you were involved in a process, I guess, where you solved a bit of a stalemate. So it was in a member organisation and there was a property decision to be made. Can you tell us about with that example and what you learned from that?

Melinda Muth 17:51

Yeah, I like to use that example because that was a big group, you know, because group size also matters. groups around board tables are usually larger than that. is the effective number for good decision making. This was a large group, I think we were, I want to say 11 or 12. And it was an organisation that had a long, long history. And there was history attached to the location, huh. This is an example of culture, in terms of the mindset that people have when they are at a location. Mm hmm. That location was like a sacred site. I'm not offending anyone who's indigenous, we can learn a lot from indigenous culture, you know, and sacred sites have meaning for people and the things that happen there have meaning and people carry a lot of meanings in their head. So here we are at the table talking about potentially leaving that site and the emotion associated with that. And it was a member organisation and members were being asked Were asking to come to board meetings to make their case. And I haven't seen grown men cry very often. And members came to the board meeting to say what they felt about that situation, and tears rolling down their faces. And I thought, wow. And so this discussion went on and on and on. Because how do you deal with that? I mean, people aren't. You can't ask people to give away their emotions or their feelings. They are what they are. And we had to do something because the financial pressure to do so was also jeopardising the organisation. So I thought the chair was brilliant, coming up with this process. suggestion, and it was that we had to have a separate meeting about this issue. It was on every agenda item, it wasn't moving forward is like 18 months of a stalemate, and the financial position real it needs to be addressed. So he divided us randomly into two groups. So he just went around the table and went 1, 2, 1, 2, 1, 2. Your team one, your team two. So there's the first thing that was really interesting because he didn't say, all the people who are for the move, you go on that team and all the people against you go on that team. Do that. That is a really important thing to take out of this description. I hope for the people who are listening to it. It was random. Like I didn't even get on the side that I want it to be on. Mm hmm. So that was the first thing Oh, now I'm on the side that I'm not happy about and my assignment. Here's the assignment. Team one. You have to go out and find everything you can every piece of information, every evidence, every view every opinion, that making this move is a good thing. Hmm. team to, you have to go out and find every piece of information, every evidence, every view that says it's a bad thing. I'm trying to do emphasis here Good, bad. I mean, it was for against us. And then we will convene a meeting. And we'll go through this. So you know, it's kind of a devil's advocate process. Mm hmm. First, how are the groups assigned at random? Mm hmm. So we've got two teams. And there are people on the teams that have to go out and find a thing that they don't want to see. Yeah. Now that messes with your neurons.

Helga Svendsen 21:35

Yes.

Melinda Muth 21:36

Cause you don't want to see it, but that's your assignment to go and find it. And it's not just you by yourself, you're in a group and you've all got to do it, you know, and you're not want to let your

group down and you're on this board. So you go and you do this. Then, when the situation is convened for discussion, one side put up their views, and the other side was not allowed to intervene. So you didn't have the it's this and somebody's going Yes, but and knocking it over. One hole case went up. The only thing the other side was allowed to do. This was adjudicated by the chair was to ask clarifying questions. So they understood what the point was. Mm hmm. And the chair was good at that. That's a bit of a skill. Okay, so that whole side goes up. And then Claire chair says to the side, the other side who hadn't been speaking, did they miss anything? Mm hmm. Is there anything else you could see? And then we did the reverse? And can you see how the dynamic of that so you've got a group made up of people who've now you know, research this thing, whether they wanted to or not, they haven't been interrupted. They've been able to make their case. And then the other side, who's in opposition is co opted into thinking did they miss anything, testing and then you do the reverse. And now you've totally adjusted hated the group divided into two, but it's not polarised anymore. Yes. And every view every piece of evidence, there's, you know, nobody can say yes, but we didn't think about this. Mm hmm. I think if we hadn't done that we never would have gotten a decision. That decision went well. It stood the organisation. I'm not on that board anymore. But it's good that organisation good stead, it's worked well.

Helga Svendsen 23:23

What a fantastic example. And process indeed, and what a fabulous chair to be able to recognize that process. It's a beautiful example of setting the tone from the top and a great way for people to use that process in their own inverted commas, intractable problems.

Melinda Muth 23:42

So can you see the air quality that he created in our room?

Helga Svendsen 23:45

Amazing,

Melinda Muth 23:46

it was about content, but it was the structure about how the content came out and that capacity to to discuss it was about exploring rather than entrenching positions. just fabulous. What a different tone. It makes a different tone. If I could say that.

Helga Svendsen 24:07

Yes. Oh Melinda, o many fabulous things. This is why people need to read your book clearly. But I'm in that story, but also in the rest of the conversation. We've had so many fabulous tips in there. Tell me what one of the main points you want people to take away from the conversation that we've had today?

Melinda Muth 24:25

Well, what I think is that effective relationships are built on quality conversations. Mm hmm. And quality conversations are built on positive language and the use of positive words. And so if we think about the story, I just told the setting was positive. Even though we were talking about difficult things. I think it's it really starts with how we converse with each other what we say in the way In which we say it and making it safe, to express oneself, to build a conversation to build a set of relationships where we all feel, you know, safe to put things out there, that could be difficult to say.

Helga Svendsen 25:15

And if there was one suggestion for actions to the take on board community, what might that be? What's the one action people can take?

Melinda Muth 25:23

I think I was trying to illustrate it with that story. Separate the person from the view. Yep. Once you have interpersonal conflict around the board table, it's pretty hard to come back from that, especially if it was on a public stage in a group. So if you can separate views from people, yes. And just keep the view out there and keep the debate on the view, not about the person. Things will go a lot better.

Helga Svendsen 25:48

Yeah, fantastic. And is there a resource you would like to share with the take on board community?

Melinda Muth 25:55

People are asking me these questions all the time. So it's got a whole section on managing challenging conversations and Bob and I tried to really illustrate the impact of words, both verbal and written in order to build that model of words, conversations, relationships. In the course of writing that book, there's many things that I have read and extracted the ideas to go into the book. And I think a couple of the things that were the books that really stick in my mind are Jonathan

Haidt's book. That's HAIDT, The Righteous Mind. Mm hmm. How politics and religion divide people. Whoo, that's all about mindsets and beliefs about you know, what's moral and what's not. And then I like books about behaviour because they all link the impact of mind on words on behaviour. So So like Robert Sapolsky, his book called behave fantastic. And earlier you mentioned another book as well. And he admits his book. So we'll make all the fearless organisation.

Helga Svendsen 27:10

Yeah, so I'll make sure I put a link to all of those books that for books that you've mentioned in the show notes so people can have a look at that as well. Ah, Melinda, thank you. That has been such a fabulous conversation. And as you say, I often hear people just trying to knock through how to deal with having those constructive conversations in the boardroom and how to deal with people they might consider difficult. And there are some beautiful tips in there for doing so. Thank you so much for being on the take on board podcast today.

Melinda Muth 27:40

Thanks, Helga. Thanks for the opportunity was great. Speaking with you.