



Take on Board

# Transcript – Jane Crombie

Helga Svendsen 0:00

Today on the Take On Board Podcast, I'm speaking to Jane Crombie about innovative ways for boards to oversee culture. First, let me tell you about Jane. Jane is on the boards of the Freemason Board of Benevolence and Anglican Schools Commission Board Governance committees for PwC, AMA Queensland, Second Bite, Impact Queensland and a Fin Tech startup. Jane's background is in financial services. Her governance experience ranges from an Outback nursing association to chair of an investment committee overseeing a billion dollars in client funds. Having competed as a health tech entrepreneur at a global MBA startup competition. She has a first hand understanding of digital innovation and venture capital. Jane is a board and governance specialist at Directors Australia advising boards on ESG and sustainability, investment governments and oversight of culture. Welcome to the Take On Board Podcast Jane.

Jane Crombie 1:00

Thank you. Lovely to be here.

Helga Svendsen 1:02

So, Jane, before we talk through innovative ways for boards to oversee culture, I'd love to hear a little bit more about you. Can you tell me what was your earliest experience of governance?

Jane Crombie 1:16

Well, apart from the bush nursing Association when I was a new bride in the outback, my first real director role was actually accidental. So one evening, I was waiting to pick up my daughter from a school function and I attended the AGM of the schools foundation. So I had made a donation, I was a bit interested in the work that we're doing. So I went along just to see what it was all about. And by the end of the meeting, I've been voted on to the board. This is not the approach I recommend a bit of due diligence does ensure that you do have some skills and perhaps are a cultural fit and even have an interest in the organization that that's always good. Luckily, this did prove to be the case. I really enjoyed that experience. I did have some relevant skills. I ended up chairing that board. I was on the finance and risk committee and we did some great transitional work. So it was a good experience. And I did the AICD course and everything's gone from there.

Helga Svendsen 2:09

Now, you see there's a throw away just at the start there are well, other than being a new bride in the outback and the bush nursing Association, and I'm afraid I have to take you back there. Because it sounds like an interesting story. Can you tell us a bit about that?

Jane Crombie 2:23

Well, well, when I got engaged, I got engaged to a fellow we're in Brisbane and we were looking for a house to buy here. And one weekend, I was on a small plane to the outback with his family, his brother and his father. And when we returned, we bought a property. They'd been looking for a while, but I thought we're just going for a ride to have a look. Anyway, so I was all of a sudden catapulted into Western Queensland they gave me a motorbike and sheepdog and an akubra and away I went so good being the new girl in the district course they targeted me straightaway for the local association which was the Bush Nursing Association, which was it was a town of 150. And it was a really important community point for my first line healthcare. So it was a great experience.

Helga Svendsen 3:14

Oh fantastic. Oh, well, I'm glad I dug about that because one experience in always sounds like that was your first board role.

Jane Crombie 3:23

I wouldn't call it a board. We used to meet at the local pub with the dogs but it was it was a governance experience if you like I was treasurer.

Helga Svendsen 3:31

Oh, fantastic. Get them in line there. Oh, I love that. Thank you. Thanks for sharing that. That is a fabulous story. I'll tell you

Jane Crombie 3:38

I'll tell you another one and I have left this one drop off my CV my next one so my career took off with a rocket then while my children were little I did do a little bit of line dancing just to get me out of the house in the evenings. And and so I did progress to become president of the Bello Bauer Boot Scooters, but I don't necessarily keep that on the CV anymore.

Helga Svendsen 3:53

President of the Bell Bauer Boot Scooters. Is that right?

Can I check any any boot scooting continuing?

Jane Crombie 4:09

No, no, no, it was definitely a phase, and out of the house for the children were very small.

Helga Svendsen 4:18

It is such a good thing to do just, you know, really go down that garden path. So I am, I used to teach modern jive dancing. So that's a bit in my history as well. I was never president of the Modern Jive Association, but I certainly used to teach and compete in some of the modern job competitions. So you know, there's a little bit of spray glitter in my history as well. And that's fantastic. And I must say, you know, at the risk of revealing too much at the moment, as we were talking about before we hit recording with in Melbourne, we're here in stage four restrictions at the moment and one of the things that is helping keep me and my partner saying is that at the end of the day, we try and have a little dance around the room. There is nothing like, you know, it's hard to feel kind of hard to feel sad when you're dancing. So it's a good thing to do.

Absolutely, I would say modern jive is probably a little cooler than line dancing. So I'll give you your score that point.

I don't know about that. But let's oops, I have my dance teacher doesn't listen to that part. Well, okay, now that we have our dancing skeletons, out of the closet, we've gone out the stories of governance meetings at the pub, but let's come more into the kind of current time of governance and talk about culture. Culture is such a key thing for boards to get their head around. And, again, as we were reflecting just just before we hit record on this 10 years ago, maybe more than that, but 10 years ago, culture probably wasn't even on the board agenda. And now it is on the board agenda, but sometimes boards kind of might struggle with what is it that they need to And what is important for them to really get their heads around culture for an organization, and particularly since the financial services Royal Commission. So for the boards that you're on, how is it that they look at culture? What should we be looking at here? What's important for boards to look at for that innovative looking at culture?

Okay, so hello, I'll give a little bit of background on this. So my interest in this developed, I did an MBA finished last year, it was something I want to do for a long time. So I did it quite late in the piece. And the Royal Commission was in full flight as we came towards the end of that course. And we did a large research project. And I did mine on board oversight of culture, and there was no shortage of material to draw on during the Royal Commission. So I did the project. I surveyed 50 directors and one of those is my colleague now Directors Australia, Karen Newton, who became interested in the work and we developed the work I'd done from an academic paper into a practical consulting methodology which we now deliver to boards. So there are a number of things boards need to know about culture, if it's perceived as very difficult, everyone knows they need to do something about it. But it's much harder to measure than things like financial outcomes, for example. So what I found in my study was the board's had great intentions, and to some extent, the structures in place codes of conduct and risk registers, those sorts of things that they needed, but they weren't confident that they were delivering the culture that they wanted to see through the organization. And sometimes you'll see organizations do an employee engagement survey, for example, some sort of pulse survey, and they'll realize that that really there's a very big disconnect between what they're hoping to deliver or intending to deliver and what's actually happening down at the coalface. It's a difficult issue for boards. There are a number of things that we have found that boards can do to improve the position. First of all, there's you can't get anywhere unless you have confirmed what you're going notational culture is so you know what it is you're trying to deliver. And that should be based on your values. And when we were talking to boards, we found surprisingly that some of them couldn't even articulate the values. And so if those values are not known to the board, who's overseeing culture as the Royal Commission made it very clear they should be, how are they going to see it trickled down. So one of the first things board can do is embed the organizational culture. They need to put their values into their position descriptions for recruitment, into consequences for misconduct, into remuneration, frameworks, etc. So it needs to be embedded so that everyone through the organization understands what they're dealing with, and values I think are best described. If you come to a fork in the road, you're firm values and they will tell you which fork to take. So the other thing that boards find difficult in terms of culture is And knowing what they need to look at to see if they've got visibility over culture. So we get financial reports at board level. But we don't often get cultural reports. And the question boards should ask is, what do they need to see, to be confident that they've got visibility of what's happening in their organization? So there are things like customer complaints that they can look at employee turnover, for example. But if they're looking at customer complaints, are they just looking at a chart each month saying that the numbers gone up or down, or they're getting a little more granular? I know, I heard what somebody told me that they get a 30 minute recording with their board papers from the customer complaint center, for example, so they can hear the tone and nature of those complaints and understand what is actually going on. But there all sorts of other things that can help a board understand culture, exit interviews, what's being said in those social media monitoring, those sorts of things. There are audit integrity metrics that can help things like employee turnover can help compliance breaches, whistleblower incidents. So there are things that a board can see. And there's some interesting technology these days that can, for example, software that can algorithmically analyze the tone of emails between your employees and seeing if there's a red flag coming up there in terms of what's happening with the culture.

Really Tell me more about that. I haven't heard this before.

Jane Crombie 10:28

Well, so it's already available overseas. So it's yes software platform, and it can analyze in real time, what's happening with your employees, the time of their emails between each other, and report back to the board and say this, this is getting worse you need to be aware of it. For example, the other thing a board needs to do is to get out of the boardroom and onto the dance floor and actually observe culture firsthand. So boards often sit in the boardroom and receive reporting from the executive and they will sometimes go on a site visit or some sort of visit to the organization that's typically been prepared beforehand. So everyone's on their best behavior in their best uniform or whatever. And the directors come along and everyone has a nice time and they tick that box, we've been to do a site visit. But if you can try and get a little more varied about that, you can go and talk to employees, for example, informally, there are all sorts of things directors can do by getting out of the boardroom and building relationships out there, they can do shadow shopping for the product that their organization produces. Talk to the suppliers even talk to the customers get a feel for how their product or their service is perceived. And that gives directors a much, much clearer view than receiving a piece of paper in a board pack. And directors of course, need to model the values and the behaviors that they'd like to see. So for example, if a board is overseeing a cost reduction But the directors continue to fly business class to overseas conferences, for example, that's not demonstrating what you'd like to see in the organization. Or if they go on a site visit and they don't wear the requisite high vis vest and helmet that that's sending a mixed message as well. So there's quite a lot of board can do to make itself more familiar with what's actually going on in the organization, not what just they're reading at board level in the papers.

Helga Svendsen 12:27

Can you give us a an example, either with one of the boards that you've been on maybe, or someone you've worked with no need to reveal names if you don't wish to? But maybe Can you give us a live example of a journey in the boardroom around some of this stuff?

Jane Crombie 12:44

Well, one of my first boards was a great lesson in culture for me, so I was fairly new to the game. We were doing a lot of building governance structures from ground up, and some of the directors in the room were there by virtue of the fact that they wore another hat. And they were unable, in some cases to take that hat off when they came through the boardroom door to work in the best interests of this organization. So that that was a great learning curve. For me, we had to work really hard to develop a respectful culture of debate around that table. Because there was a tendency for these in directors with vested interests to be very heavy handed in their comments, and a little impatient with the other directors and we had to try and make sure everyone had a voice. And that the fact that we were working, the best interests of the organization that were sitting around the table about

that time, was what we all had to remember. So that taught me a lot. One of the boards I'm on now at my first meeting, and it was a zoom meeting during Covid. So I hadn't met the directors in person. We were all there on time, and I was new. And the chairman started the meeting by asking Everyone to do a check in round the table was early. It was back in March, when things were fairly acute and new. How are you feeling? How's your family coping? How is your business traveling through this pandemic crisis. And everyone went round just did a minute or two. And some were fairly practical about it. Some were a little more vulnerable and emotional. But it was an incredible I thought, example of how organizational culture can be set at the top. So there was this genuine care for how the directors were traveling before they got on with the business of the board. It was quite revealing, and for a new director, very encouraging. So and I've mentioned it to a few colleagues who sit on boards around the place and they said that I have never seen that before. They haven't actually ever been asked how they're feeling as an individual before the board meeting starts. So I thought that was a great example of culture being said at the top. And as it's proven rippling down through that organization, you That's a beautiful example of it.

Helga Svendsen 15:01

I know for one of the boards that I'm on, we certainly haven't done it in a board meeting. But the chair did ring everybody just to check in, like no agenda just Hey, going. So it's similar in some ways. And as you've already talked about, that really shows it's the tone from the top and the values of an organization being displayed being really exemplified.

Jane Crombie 15:24

One of the other things I'm very, very strong on directors getting out of the boardroom is surprisingly, how, how little this actually happens. So one of the boards I'm on at the moment, we, we have had some feedback that the board in the past has been invisible. No one knows who we are, or no one has any line of communication to us or any visibility of what we're even what we're doing. So we've set ourselves a program and a bit of a roster for directors to attend all sorts of events and just be visible in all sectors of that organization and COVID obvious has set that back a little bit, but it's a main priority of ours at the moment.

Helga Svendsen 16:05

It's always interesting that one because there is a fine line between getting out and being visible, or getting beyond being invisible, and being a bit too visible and being a bit too hands on, you know, that line between governance and operational. So, what's your advice there for organizations? Or what have you seen where that works? Well, where the directors are getting out and seeing what's going on, but not getting their hands too dirty?

Jane Crombie 16:30

Well, they have to probably try not to get their hands dirty at all. They have to be extremely respectful of the executive and the management and ensure that they're not treading on those toes. I do think a CEO with nothing to hide will welcome the involvement of the board and more visibility of the board. And I welcome the assistance. But you do always have to be aware that the board is supposed to be attending to strategy. But no, you're absolutely right. So there's an awareness and discussion with the CEO and the executive just to make sure that they're comfortable with what you're doing,

Helga Svendsen 17:05

You know, in thinking about boards getting out and seeing what's going on, is that always with the executive? Or is it sometimes keeping a bit of an eye on things in their own way?

Jane Crombie 17:16

I think that depends on the organization. Helga I, I think you've got to use your EQ about that. Certainly need to be transparent about anything you're doing certainly not cut between the CEO or the executive and the organization. That's probably case by case you do need to respect everyone's boundaries and everyone's responsibilities. Yeah, it's meant you're trying to be collaborative, all pulling the same direction. You're not looking for trouble or looking for looking to criticize, you're just trying to get a fuller understanding of the organization that you're trying to deliver value for.

Helga Svendsen 17:53

You'd mentioned much earlier in our conversation about values and how they can guide you know, organizations when there's a fork in The road. You know, I just noted that when you said it, and I just wonder if there is any examples of organizations getting to that fork in the road and how they use the values to guide them in that.

Jane Crombie 18:10

I probably can't be too specific there from my own experience. But if you've got a difficult decision, and there are two ways to go, it can bring you back to basics, it can bring you back to first principles, so that discussions can sometimes get quite complex and can run away in different directions. So a good chair, I think we'll bring back the discussion and say, Well, we've heard everyone's voice now. We've heard everyone's view. Let's go back and look at our values and see if that can tell us which of these and sometimes it'll be quite obvious. Well, if we go down this road that clashes with this one of say we've got five values that might clash with this value here. So I think that makes it clear for us So we've got to go down the other fork,

Helga Svendsen 19:02

You know, looking at a live challenge for organizations, sometimes those values can even be sometimes interpreted as being in opposition with each other in a way, sometimes. So it's really, I guess, looking at the package and how they can best be exemplified for the organization in those circumstances.

Jane Crombie 19:20

If you're finding that you can't play the values, then clearly values need to review and values should be reviewed circumstances change, organizations evolve. So values is something that should be reviewed by the board. I do think to get by and down the organization, there needs to be a very open transparent if you're reviewing your values, you need input from all levels of the organization. Otherwise, if you impose them from from above as a board, then you've got much less chance of people buying in and delivering on those. They do need to have a voice in developing them.

Helga Svendsen 19:54

Absolutely. And and when there is I found in you know, whether it's working with teams or boards That often the values are right. But if there's been turnover in an organization, they're not alive for that group they're not. So being able to have the conversation about well, what does that mean for us? What are the behaviors that we need that will exemplify these values and getting that buy in from the board, or the group around those values needs to be done regularly, even if they're the right, as I say, even if they're the right values, it just needs to be done regularly. So everyone's singing from the same song sheet.

Jane Crombie 20:27

Yeah, and I think what can work quite well is some sort of professional development or training for all levels of the organization, which it's not just a ticker box, we've delivered, we've told them all what the values are, but here's some, here's some case studies. Here's some examples of a situation where the decision might go either way, and this is how we would make that decision based on how we do things around here.

Helga Svendsen 20:51

Yes, that's true. Having those case studies. You know, being able to play with a challenge hypothetically helps you when you then want to deal with it in writing. Alive about what's happening

Jane Crombie 21:02



Exactly, exactly, it's too much of that behavioral cultural training tends to just be here, we've delivered it now everyone can go off. And as they were, though, it has to be relevant to the organization, it has to actually have some meaning to those involved.

Helga Svendsen 21:19

You know, as I mentioned before about some of the metrics that are useful for boards to look at. And often for boards, the Holy Grail is coming up with some of those lead indicators, rather than just relying on the lag indicators. Have you got some good examples that boards can be looking for in terms of those will lag indicators if they're super useful as well, but in particular, the lead indicators?

Jane Crombie 21:41

That's a hard one held and not really,

Helga Svendsen 21:44

Yeah, that, uh, well, you know what, even hearing that is quite comforting because it is something that I know at our boards we struggle with, and I know from speaking to lots of other directors about cultural boards they struggle with So in fact, that's a little bit comforting to hear.

Jane Crombie 21:59

Well, and that's That's where technology i think is going to assist us. So if you can have real time reporting, as things are unfolding, rather than looking at them what happened last month, for example, that's going to be very helpful. And those things are coming in the next few years. We'll see more of that here. They're already being used elsewhere.

Helga Svendsen 22:18

Jane, we've gotten a lot here in terms of helpful things for boards to think about in terms of culture. What are the key points you want people to take away from the conversation that we've had today?

Jane Crombie 22:30

Culture is difficult, but it's it's vital. And it's probably even more vital in the circumstances we find ourselves in now. So boards probably asking themselves, how we overseeing culture, which is already difficult under pandemic situation. So coming out of this, it'll be front of mind, I think even more so. But the main things main takeaways, culture needs to be based on values. So the values

need to be articulated and understood at the start. Otherwise you're just scrambling around throughout scatter gun, no one really knows what you're shooting at home to. They need to be embedded across the organization in position descriptions, remuneration, frameworks, recruitment, all that sort of thing. Directors need to receive some sort of reporting, and that'll be specific to an organization. So there needs to be some thought put into what types of metrics or what types of measures might come to the board that might be meaningful for that organization. And most importantly, directors do need to get out of the boardroom and down onto the dance floor. And once they're there, they need to dance with multiple partners.

Helga Svendsen 23:36

I'm loving how you brought it back to dance. The president of the boot scooting society see it's now it's continuing to inform your practice.

Jane Crombie 23:47

Everything you do has an influence. Helga. I love it.

Helga Svendsen 23:53

And he's the results that you would like to share with the take on board community.

Jane Crombie 23:58

Yes, and also send a link to this Directors Australia have recently posted an article on five actions your board can take to improve oversight of corporate culture. So I'll make sure you've got hold of that.

Helga Svendsen 24:11

Fantastic. And we'll make sure there's a link to that in the show notes as well for people. Thank you so much for joining us today on the Take On Board Podcast. And I should also do a shout out to the fabulous Anna Paul injure, who introduced us to have you on the podcast. So thanks, Anna, for making that introduction. And thank you so much for sharing some of that wisdom around culture and some of that dance history with us here on take on board. Thanks for being with us here today.

Jane Crombie 24:40

Thanks for the opportunity Helga and happy dancing this evening.