

Take on Board Podcast – Episode 260

Transcript – A sweeping conversation with Carol Schwartz about the role of the chair



Helga Svendsen 0:00

Today on the Take on Board podcast, I'm speaking with Carol Schwartz about the role of the chair. Although with her experience, we might end up touching on a number of things.

Before we start the podcast today, I'd like to acknowledge the traditional custodians of the land on which we meet. For me I am on the unseeded lands of the Wurundjeri people of the Kulin nation and I pay my respects to elder's past and present. And I also acknowledge any First Nations people that may be listening today. I acknowledge their continuing connection to land, water, skies, culture and country. I support voice treaty and truth for Aboriginal and Torres Strait Islander peoples and I encourage others in the Take on Board community to do the same.

Now, let me introduce Carol. Carol is on the boards of the Reserve Bank of Australia, that Trawalla Group and she's chair of Equity Trustees Holdings Limited, The Climate Council, the Trawalla Foundation and Women's Leadership Institute Australia, just a few bits and pieces. She has previously been on the boards of Stockland, Bank of Melbourne Australian Chamber Orchestra, Melbourne International Arts Board, and as she said in the information she provided me previously, too many more to name. Carol has a diverse career across property the arts, finance, investment, entrepreneurship, government and health. She has been recognised for her leadership via a range of honours including her 2019 appointment as an Officer of the Order of Australia, 2020 Leading Philanthropist Award by Philanthropy Australia and Honorary Doctorate from Monash University, induction into the Australian property Hall of Fame and a Centenary Medal. Carol is a passionate advocate for gender equality, and women in leadership and as such, she has catalysed a range of initiatives to grow the critical mass of women in politics, business and the media. So it also won't surprise you to hear that Carol was featured in the Broads on Boards, podcast series as well in the Powerhouses chapter. Because she is an absolute powerhouse. We'll make sure we put a link to that episode and the series in the show notes. So with that, welcome to the Take on Board podcast Carol.

Carol Schwartz 2:06

Thanks so much Helga and thank you for that wonderful Acknowledgement of Country pleasure.

Helga Svendsen 2:10

I didn't used to always acknowledge country even at the start of the podcast, or in workshops that I facilitated, and so on, but it has definitely become part of my practice over the last five years or so. It's such an important thing to do in our...

Carol Schwartz 2:23

It is an important thing to do, and you do it really well. I liked the phrasing that you use.

Helga Svendsen 2:27

Beautiful. Thank you. Now, Carol before we dig into the role of the chair, and as I say, perhaps touch on other parts of boards and governance. I would love it if you could tell us a story about young Carol that tells us a little bit about how you got to where you are today.

Carol Schwartz 2:45

Young Carol, I have very strong memories of being a child and I think it's because I had a very happy childhood. I had fabulous parents, my father just passed away at 99 last November. So I was very lucky to have both my parents for a very long time. And I have three wonderful siblings. And I was also very lucky because I had four sets of grandparents. And my grandmother on my mother's side was an amazing woman. She was basically the first entrepreneur in the family and built the foundations of a great business which one of my sisters now runs and I guess early memories of very much being around my grandmother, who was a quirky character and very thick Polish / Russian accent, quite bossy, but with very, very beautiful, beautiful hands and nails. And I remember when I was quite a young child always been fascinated with these beautiful hands and nails and I remember saying to her when I must have been about six or seven Nana, you have such beautiful hands and nails, when can I have beautiful hands and nails like you? And she said to me when you're 16, Darling, I will take you to a manicurist it for your birthday. So I think that that made me very aware of never biting my nails, and also anticipating if you like rewards for behaviours of certain kinds and, and aspirations.

Helga Svendsen 4:32

Oh my gosh, there is so much I already want to dig into there. And in fact, Carol I'm intrigued I almost want to see your hands now. Are they the beautiful hands of your grandmother?

Carol Schwartz 4:42

Do you know what I do have lovely hands and long fingers. I used to up until about 10 years ago. Have a manicure every couple of weeks. And then I realised I actually don't like it when nails look grotty. So you know when you get this chip nail polish, so I actually about 10 years ago, stopped wearing nail polish, and having very short nails. And I think it actually in a funny way looks, looks more elegant.

Helga Svendsen 5:10

Yes, I'm same actually, I used to get my nails done, and now I just make it at nails, but hand cream at the ready almost all the time.

Carol Schwartz 5:21

I haven't done that. But I do have to say that. If you look at the difference between American women and European women, the American women have these really ugly nails that go on forever, with really bright colours and funny sort of our work on it. Whereas European women tend to have very natural short nails which looks so much more elegant. And I'm on that side.

Helga Svendsen 5:47

I'm on your team. The other thing I just want to pick up in that introduction, particularly that your grandmother, I was interested, you know, she was known as a bossy woman. Perhaps today, a more assertive woman? I'm not sure. But can you tell me more about that?

Carol Schwartz 6:03

Yeah, I probably should not have used the word bossy. Although she was bossy, because I remember my mother used to complain a bit about that, because my mother was a very gentle, wonderful, beautiful mother, with an incredibly strong sense of aesthetics. And I remember her telling me stories of when she was younger, and how she felt that her mother had been dismissive of her in certain ways. Because she was a completely different personality. But my grandmother was I mean, we all found her to be a huge character, she used to make us all laugh, we'd all listen to her stories all the time. Whereas my mother was a completely different type of personality, who I think at times found her own mother, quite frustrating.

Helga Svendsen 6:54

Interesting. And in fact, just before we hit record, we were reflecting on how your own children and grandchildren might reflect on you. And as we were saying, there might be some differences between the generation just like there was in your instance too.

Carol Schwartz 7:07

Yeah, and not only difference in generation, I mean, it's fascinating. Helga, isn't it that I have four children, very different personalities, they were all brought up in the same home in the same way. And you realise the power of the individual, through your children and grandchildren. Because then when watching your children parent, the things that they adopt, and adapt from what you did it as a parent, obviously, then practicing those parenting skills that they enjoyed, and discarding the ones that they didn't, and watching how their individual children develop in their own personal way. It's I mean, it's fascinating. It's the cycle of life.

Helga Svendsen 7:54

Yes. All right, well, I'm going to use the adopt and adapt as a segue for us now to talk about the chair and the role of the chair. You've been in so many boardrooms. And you've chaired so many boards and organisations. So I'm wondering, what are some of the practices you've adopted or adapted as the chair that you've seen work well, or even perhaps, that you've seen not work so well.?

Carol Schwartz 8:22

So interesting, I think that the role of the chair is such a crucial one. In fact, it's like being the conductor of an orchestra. And I've been in boardrooms, I have learned so much from the different chairmen that I have had the privilege of working with. And you're right. I mean, I've learned what not to do, as well as what to do. And I think that Chairmen do develop a particular very personal style, which suits their personality. So I think that through my observations and learnings over the years, that what I'm really good at, as a chairman, is facilitating and encouraging each of my board directors to be as successful and powerful in their own roles as directors as they can be. Because at the end of the day, I think the chair notwithstanding, I think that as chair, there are times when you have to take a position and make a decision that based on the feedback that you've been given, and it may not please everyone or it may not be in the direction that others around the table wanted. But I think that what you have to do is engender the respect of those around you so that they feel confident notwithstanding then may not have been 100% on board with the direction of the decision, that they understand why that decision is being made, and can in fact, be part of a consensus as to that decision being made, and the reason that it's being made. But look, I've been very lucky with the boards that I've chaired. And you know what, it's sort of funny, I don't know whether it's because I do have a skill in bringing out the best in people. But I have found that in the

roles where I've been chairman, the performance of my fellow directors of my colleagues has been absolutely superb, really, really excellent. I can't think of, of directors that I haven't enjoyed working with, that haven't made me look great as the chairman, because they've done their role so well. And that's exactly what the focus of the chair needs to be, how do I get the best out of the people around me out of my colleagues? And how do I make them feel empowered, and that they are making a really, really worthy contribution.

And I think that the other crucial role as a chair, is to have a great partnership with the CEO, absolutely crucial. For me as the chair, I see myself as being a partner, and enabler, a sounding board to the CEO or the managing director and always being there for them, helping them through any sorts of issues, that they may have things that's hugely important. And I have learned along the way, that's one of the things that I have learned when I've been on boards, where the Chairman, for example, doesn't speak to the CEO outside of meetings, I would speak to my CEOs, at least once a week, at least once a week just to catch up, even if it's just to say, "Hi, how you going? How was your week? How are you kids? And what's happening in the organization you think I need to be aware of, can I do anything? Can I help with anything?" Even if it's just a three minute conversation has to take place? As far as I'm concerned, the way you build rapport, you build trust, you build that communication - very, very important.

Helga Svendsen 12:32

Interesting. Yeah, I think I'm more on that side of things as a chair, in terms of the chair, CEO relationship, having that close relationship. But I'm interested in that, because I think it's a real balance about being close with the CEO and building that relationship of trust, yet not too close. Because you also need to have that oversight. And also, not so close to the board as a whole is missing out on key things. How do you balance those sorts of things in that relationship with the chair? Or sorry, in the relationship with the CEO?

Carol Schwartz 13:07

Yeah, you know, I have to say, that I don't think that I've ever had an issue with anything like that, from my practice as the chair, I am not formal. So therefore, I don't demand of my colleagues that if they want to speak to the CEO, or any part of the executive team, that they need to go through me, as far as I'm concerned, they have those direct lines of communication. In terms of stuff apps, if there are stuff ups by the CEO, I think the closer that your relationship is, actually the more open you can be about the stuff ups. And what you want, is you want to have that close relationship, so that there's no fear around talking about failure, or talking about mistakes. You want to make sure that the lines of communication are there so that if the CEO or one of the team has made a mistake about something, they come straight to you and say, oh, my God, this has happened. You need to know about this, because it's going to be in the paper tomorrow, or you need to know all of that. I mean, as on one board that I was, was on years ago, as the Chairman said, and I really learned from that he said, "Bad News has to travel fast, has to travel bad and has to travel up."

Helga Svendsen 14:33

Yes. You don't want to be reading about those surprises in the paper first, do you? Not at all.

Carol Schwartz 14:39

You don't and also you don't want one of the observations that I have made through my years of experience is that if small mistakes aren't reported and aren't acted on, unfortunately, there's a multiplier effect with them and they snowball into bigger and bigger and bigger mistakes that then be can really hard to fix. Whereas if it would have been addressed as a small mistake, that's fine. We all learn from our mistakes. But we all learn. And that's the thing we've got to remember, what we need to create in our organisations is a learning culture, not a culture, where there's a fear of failure.

Helga Svendsen 15:20

I remember it very early on in my career, having a magnificent boss who said to me, and yeah, you're going to mess up. That's okay. Just come to us and let us know. And we will work it through. So it's exactly the same philosophy, as you're talking about here. Flipping back to the board, culture, and that learning culture that you want to engender in the organisation and with the CEO. What are some of the tips and tricks that you might have put in place to have that learning culture in the boardroom with your colleagues as well?

Carol Schwartz 15:53

Well, I think that having subcommittees of boards is really crucial. And having colleagues as the chair of those subcommittees is really crucial. It's very empowering. And I think that allowing them to feel, I guess, the authority of that role and taking responsibility for it and knowing that you have complete trust in their ability to deliver on what they're working on. I think that's, that's, again, crucial.

Helga Svendsen 16:26

Yes and I'm guessing that also feeds in to succession planning, then, both within the boardroom leaning into those leadership roles on the board. Yeah. feeds into succession planning as well.

Carol Schwartz 16:38

Yeah, I am a huge believer. And it was interesting, because I read an article about the AICD conference, the recent AICD conference a few weeks ago in the AFR, where Catherine Livingston, who gave a presentation said that we need to rethink terms of appointment, that maybe nine years is too long. And particularly when you think about the rate of change that we're all living through now. And perhaps we need to be recalibrating board roles, to six years to three year terms, as opposed to nine years. And I think that one can definitely be on a board for too long. And I think that boards do need regeneration constantly. Because you need people who come in with fresh eyes, you always need that combination I think of history and fresh eyes. What you don't want to fall into is a pattern of well, we've always done it this way. So we're going to continue doing it this way. And that's why you need the regeneration. .

Helga Svendsen 17:54

Yes, or even those meetings, whether they're board meetings or otherwise, where people are we tried that it didn't work? Well, maybe there's some new ways of trying that, whatever that may be.

Carol Schwartz 18:06

Yeah, absolutely.

Helga Svendsen 18:07

So I'm wondering maybe in as much detail as you're able to share for you and your board practice, is there a time where either you've thought, it's time for me to move on from this board? Or even as chair when you've thought it might be time for that person to move on? How am I going to deal with that? If you've got any reflections to share with us there?

Carol Schwartz 18:29

Definitely, I set on quite a few art boards over my lifetime. And I would suggest, like Catherine Livingston, particularly on arts boards, community boards, not for profit boards, I think six years is well long enough. And I think that those types of boards constantly need refreshing. And that's because when you think about an arts board or community organisation, very often, one of the issues is fundraising. And if you as a board member haven't introduced your networks and the opportunities that your networks may provide, because really, that's why you come onto these boards, or that's often why you are asked on to these boards, then you haven't done your duty as a director, and you've got the second three years to really contribute a lot more to strategy and forward planning. So I think that's crucial. And I have done that on most community and arts boards that I've been on. I've I have not sat on them longer than six years.

And I think that your ones role as the director is also to be able to suggest other people who you think could make a great contribution to their board. And I feel I've always done that that I've been able to introduce new people to either take my place, or to come on the board the same time that I'm on. And that's another thing you know, as a chairman. And I know this can be controversial. I've always felt that the role of the chair is to bring around them, the peoples that they know, are going to do the job as a director really, really well. And in that way, the chair basks in the reflected glory of the work of their colleague, director. And so I, I've actually had the experience on most boards that I've been on, where a recruiter is not used to bring on a new director. But the directors that are there, that they sort of pull their networks, and talk about the sorts of skills that are needed around the board table. That does not mean that you're drawing from the same pool all the time. Not at all. I mean, I know that there's been commentary that the pool of directors in corporate Australia is pretty small. I disagree with that. I think that there, that it's expanding all the time. And I think that my corporate colleagues on Australian boards are always open to bringing in and giving the opportunity to new talent around the table. And I have to say that, I think that that applies to me. And it applies to me, particularly when I am on a community or arts board, because I feel it's really important to bring on younger people. And very often younger women who've got so much to offer. And then they start to accumulate the experience of being on a board. Because very often when first board is one of those community arts or not for profit boards, I mean, like my very first board was the Comedy Festival board, which was chaired by the late Tony Staley, who was a fantastic chairman, who I learned an enormous amount from, because try corralling a group of comedians around the table. I was probably the only one who wasn't a comedian, it was so fascinating for me to be on that board as my first board.

Helga Svendsen 22:42

Somebody else I was talking to my network the other day is on a board that has oversight of things in the clowning industry. And likewise, the boardroom is full of clowns, literally. So probably a similar thing with a comedy festival of interest. How did you end up tell us about your first board, how you ended up in the boardroom of the comedy festival?

Carol Schwartz 23:04

Well, a colleague of mine was in the Department of Tourism at the time. And the Comedy Festival board reported through to the Department of Tourism. And he contacted me and said, I think that you would really add a lot of value to the sport. And I think it would be a great experience for you. There's a tremendous chairman, Tony Staley, who was an ex politician. And he said, I think you'd really enjoy it, and you'd learn a lot. And I think you'd contribute a lot. So that was my first one.

Helga Svendsen 23:39

Tap on the shoulder, you got to love that.

Carol Schwartz 23:41

I've never been on a board, right? So when you talk about tapping on the shoulder, yes. But I was tapped on the shoulder because my colleague felt that I would make a contribution, that would be valuable. And also gave me that opportunity. But that's the way it happens, right? But at the same time, you're not going to tap somebody on the shoulder, it's not going to make you look good. I mean, I think that that's a real mistake, you're not going to put somebody on a board, who is not going to shine and he's not going to contribute. And it's not going to make you as the Chair look like a successful chairperson. It just does not happen. And I think when one talks about taps on the shoulder or old boys networks, very rarely not going to say never, but rarely do you see non-performance sitting around those boards?

Helga Svendsen 24:41

Yeah, you'd reflected right at the start of this conversation about getting the best out of people. And having those around you in the boardroom being able to make you look good, and I think it's a two way street, right. A good chair will make the board look good. And the good chair will support the board to be able to do that as well. So it's a bit of a two way street?

Carol Schwartz 25:01

Absolutely.

Helga Svendsen 25:03

Oh, Carol, no wonder you're in the Powerhouses chapter of this of Broads on Boards, you have so much wisdom in this. I suspect we could talk for hours. However, I will let you almost get on your merry way. But before we finish the conversation today, what are the key things you want people to take away from the conversation that we've had?

Carol Schwartz 25:25

I think, empowering others, and allowing them to lead where they can I think that it's the most powerful, it contributes to the success of organizations and to individuals. And it's the most effective way of getting great results. I learned very early on in my career, that different types of individuals and people lead in different situations. And as somebody who's the conductor or the chair, you have to recognise that and allow that person to take over when you know that they can produce the best result. And I'm a great delegator, I am a really good delegator. And I also really enjoy other people's

successes. Now I know there are other people who don't delegate well, and other people who like to take credit for every success. But my words of wisdom today would be a great delegator and bask in the glory of others success.

Helga Svendsen 26:36

The great way to amplify success, isn't it to bask in the glory of everyone's rather than just inverted commas your own?

Carol Schwartz 26:42

Absolutely.

Helga Svendsen 26:43

And is there a resource you would like to share with the Take on Board community? What's your favourite go to resource?

Carol Schwartz 26:50

Well, I do have to say that I love reading. And I read every day, The Financial Review, The Financial Times, and The New York Times. And I particularly liked doing the Wordle.

Helga Svendsen 27:07

My sister and I have a little wordle relationship where we message back and forth our results. It's loads of fun.

Carol Schwartz 27:14

It's pretty addictive. But I do have to say, and I want to give a plug. I am a big podcast listener. And one of my daughters is a great podcaster. And I do listen to her podcasts every time she produces one. And she's the head of the investigative podcasting at The Age and Sydney Morning Herald and she's just produced an amazing podcast called Trial by Water. So if anybody's looking for a little bit of diversion, which we should all look for, listen to the Trial by Water podcast is absolutely fascinating.

Helga Svendsen 27:52

Oh, fantastic. I've been reading the articles. But I haven't listened to the podcast yet. I'm going to add that to my listen list as well. So thank you.

Carol Schwartz 28:00

Yeah, you shouldn't because it's got all the nuances around the conversations, which it's just fascinating.

Helga Svendsen 28:06

Oh, fabulous. Excellent. I'll add that to the list as well. Oh, Carol, thank you. Thank you so much for all that you've done. For governance, for gender equity, for leadership in oh, so many ways. Thank you for being a powerhouse. And for joining me for this conversation today for both the Take on Board listenership and the Broads on Boards listenership. So thank you so much for being with us here today.

Carol Schwartz 28:30

Absolute pleasure. Thank you so much for inviting me. I really enjoyed that conversation.

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