

Take on Board Podcast – Episode 226

# Transcript – Sanela Osmic brings big dreams and emotional intelligence into the boardroom



Helga Svendsen 0:00

Today on the take on board podcast I'm speaking with Sanela Osmic about emotional intelligence in the boardroom.

Before we start the podcast today I'd like to acknowledge the traditional custodians of the land on which we record. For me I'm on the unseeded lands for the Wurundjeri people of the Kulin nation, and I pay my respects to Elder's past and present and any First Nations people who may be listening today. I acknowledge their continuing connection to land, waters and culture. Yes, we've had an unsuccessful referendum in Australia to incorporate the voice into the Constitution. But regardless, I note that Indigenous elders have said that they maintain the vision of the Uluru statement from the heart. I to continue to support the Uluru statement from the heart, and I encourage others in the take on board community to do the same. I stand in solidarity with First Nations people for reconciliation. Now, let me introduce Sanela. Sanela is on the boards of IPC Health, and the Australian Bosnian Chamber of Commerce. Sanela has almost 20 years experience in governance and working with boards in various capacities. Her career has spanned multiple industries, including finance, professional services, disability, government and education. She has helped organizations build effective boards, enhance ethical governance practices, and maximize their impact. She has a talent for distilling complex governance issues into clear, actionable recommendations that drive results. Welcome to the take on board podcast Sanela.

Sanela Osmic 1:33

Thank you for having me.

Helga Svendsen 1:34

It is awesome to have you here. You're a governance geek. And I mean that in the nicest possible way. So just the sort of person we'd love to have on the podcast. But before we explore emotional intelligence in the boardroom, which is something that I can't wait to have a conversation about. But

before we go there, as always, let's dig a little bit deeper about you. Tell me, what was young Sanela alike? And when did you get your first inkling that you might end up in the boardroom?

Sanela Osmic 2:00

Young Sanela was a very determined individual always had a strong sense of purpose and ability to stay task oriented. Even as a young adult, I display the desire for big picture thinking which probably set me on a path of becoming a board member. They say there are a few experiences in our lives that shape us or determine our future parts. And looking back at my life, I always had a strong commitment to justice, especially social justice. This is probably rooted in my own experience of becoming a refugee at a young age, going through hardships of fleeing my home country and facing various forms of prejudice and judgment. These trials in my own life ignited a passion for making the world a more just and equitable place for all of us. However, that didn't stop me from pursuing my dreams, I didn't allow my external circumstances to define me does that experiences of adversity only fueled my determination to succeed and create a positive change? It drove me to excel in academic studies, but also to actively engage in the community around me. Even as a young adult, I stood out as a big picture thinker, I had the ability to see the broader implications of my actions and decisions. So I can't think of examples where I really got into big trouble. This quality made me a trusted adviser and problem solver. So my friends often came to me for advice on all sorts of issues that were facing at a time, as I called it, that dissipate the consequences of various choices and steer them in the right direction. But there was a good equality on one hand, it made me look very serious. On the other hand, when people truly get to know me, they often mentioned that when we first met, they thought I was quite serious. I guess it was just a matter of time, it will become a governance professional and a board director. I

Helga Svendsen 3:44

love that people think you're quite serious. I think I heard in there when people first meet you, they think you're quite serious. Um, does that mean there's a fun underside in there that we just need to dig a little bit to find out about

Sanela Osmic 3:54

Exactly that to cry when I start laughing? Or when I make jokes, and they're like, oh, my gosh, you can do it.

Helga Svendsen 4:02

You're fun to a governance geek that has fun. Oh, my goodness.

Sanela Osmic 4:07

Governance is very serious topic in itself so often in my position, so you always come as a police officer like it's compliance. Have you done this? Have you done that? But then when you make some jokes that like, oh my gosh, there's another side of you too.

Helga Svendsen 4:19

That's alright. Its governance doesn't have it...we can have fun in governance as well.

So I'm interested you as a little girl is big picture stuff was always part of what you do. Can you give us an example of I've got visions of young Sanela dreaming big, what's some of the things you dreamt big about when you were young?

Sanela Osmic 4:38

Oh, I had big dreams. And that's the problem sometimes with me in my operational roles, I can't come back and kind of focus on the day to days because my thinking is always what's gonna happen in 10 years. What's the impact this is going to have very useful now. So I had to really pull myself back and think of okay, let's focus on today. Let's focus on what we need to do now. And as a youngster in LA, I wanted to be a musician at some point in my life, but that changed. Education was always big on my list. And I luckily I did have a great family. My parents always supported me and my siblings to complete the education professional education. So and as I said, in the intro, I really never let my circumstances it was challenging at times, and I had moments when I doubted myself as well. But I always kept on that big picture. And I was okay one day, I really want to be very successful power corporate career. Now that has changed throughout my life. Initially, I thought I'm going to because during my studying, I thought this financial industry that really appealed to me, but then when I started working it I didn't really found it very attractive. So I changed to governance and compliance, which many people find they'd be boring, but for me, it was really the place to be.

Helga Svendsen 5:47

Well, first up, what is emotional intelligence? And secondly, what prompted your interest in emotional intelligence in the boardroom?

Sanela Osmic 5:55

Yes, let's start with the definition. So emotional intelligence refers to the ability to recognize, understand, manage and effectively use one's own emotions, as well as the emotions of others. It involves a set of skills and competencies related to emotional awareness, empathy, self regulation,

and interpersonal relationships. My motivation for getting involved with emotional intelligence stemmed from a deep fascination with the board dynamics and relationships inside the boardroom. Having spent many years in various governance roles. As a consultant to numerous organizations, I've witnessed firsthand the critical role emotions play in shaping decision making processes in the boardroom. I became interestingly convinced that understanding and harnessing emotional intelligence was critical for effective governance and leadership between organizations. What intrigued me the most was how often emotions fit either ignored or underestimated in the boardroom. And these emotions, whether it's the tension between board members, the impact of a major decision on employees, or the interpersonal relationships among directors have a profound effect on the quality of decisions made, that was motivated to explore this topic in depth and provide a resource for board members in understanding how emotions impact the boardroom. I did mention in the introduction, my own experience, and I did that intentionally. By the way, that's the first time that I share it. And the reason why I did it is because we all have biases, our cultural upbringing, our life experiences, they shape us, they define our world view, that define how we see the world around us what's happening, how we make decisions. So if you're somebody who's got some experience, like I had, my inclination is to make decisions that are more empathetic and probably a little bit more compassionate than somebody who hasn't gone through those experiences. And that's why it's important to have a boardroom that has diverse skill set around, and people with diverse backgrounds and diverse experiences, because then you can hear everybody's perspective. And then you can have firsthand experience from somebody, but how is this going to impact? Or, stakeholders?

Helga Svendsen 8:05

Yes. So bringing those different voices to the boardroom. And increasingly thankfully, it's happening in, say, disability organizations. For years organizations have been governed by people who don't have that lived experience. And increasingly, that is happening. So it's interesting in thinking about that, I think, because we know that bringing that lived experience to the boardroom makes better decisions. We know from the research that diverse groups make better decisions, yet, we also know they can be harder, those diverse groups. And that's where presumably the emotional intelligence comes in. It's having that emotional intelligence in the boardroom, and from the chair, so that all of those voices can properly be heard and included in the conversation.

Sanela Osmic 8:48

Yes, exactly. And that's a great point, because you need to have a chair, who understands the dynamics of the boardroom. And I know having a diverse board through having a diverse board, it creates an additional challenge, because you need to manage all these different opinions. It's easier when we all agree on something and you just Yes, decision is made after a few minutes. But if you have all this robust discussions, sometimes unfortunately, that can impact the relationship between different board members, you might respect somebody, but then you have a really heated conversation and you see the opinions. So that's why important to have emotional intelligence and that emotional maturity to divide the person from the opinion. So certainly, I still have a great

respect from this for this individual, even though we disagree, having this what we called robust discussions in the boardroom, but also having this helpful debate as well. So yes, we can disagree, but we still respect each other. And it's important. And I do understand that some people are not very confident in sharing the experience and I also understand that the board or my board colleagues do not necessarily need to know my life story or things that are going on in my life. But some things are important. And it's also important for us to share some things so that people can understand where we coming from. Because when I express an opinion that I say, okay, that's why she's saying this because of X, Y, Z and the experience that she had. And on a personal level, also, it's important. And that's really what got me personally into the whole concept of emotional intelligence, because I realized that my board, when there are some discussions about social issues, or some decisions that are having impact on the board, I am probably more passionate about those discussions and about some others that are being part of. So it really got me thinking, so do I have biases as well. So it's really important that we discuss this, or that we self reflect as well. So that we think, okay, what are my biases? What are my triggers, because sometimes you might talk about an issue that I'm very passionate because of my personal experience, because just I have a personal opinion about something, it doesn't really have to be a personal experience that I went through. But I must just have a strong opinion about something. And so it's really important that I communicate that in a respectful way, so that my board members understand my colleagues on the board table, they understand where it's coming from. So why am I saying this? But then how do we make a decision how, because at the end of the day, we do have to make a decision, we all have to agree with that decision. And we have to live with it in the end of the day, but to be confident that we express our opinions that we self reflect that we ask ourselves that we understand and regulate those emotions as well, because it's not just in when we have this quite often that people say, oh, yeah, I'm just being assertive, I'll just be expressing my opinion. Yes, that's your opinion. But is that is your opinion offending somebody else? Maybe? Or is the way how you communicate maybe coming as too aggressive to somebody? So we really have to think about all these things.

Actually, in that. I'm wondering, I think I know the answer. But I'll ask it anyway, about your aha moment in relation to self awareness. Can you tell us that story?

Oh, well, as I sound like, one of them was really about the social issues, when they do come up at the organization, I did notice that I am very passionate, and I'm more passionate about those discussions than others. And that got me to thinking and self reflection, how do I manage those conversations, my own level of emotional competence, how I communicate those things. But another very common that I have observed about is when it comes for too drastic cost cutting measures at the board level. So for example, during a board meeting, the agenda might be to propose a drastic cost cutting, which could include laying off staff, reduction of employee benefits or cuts in research and development spending. And most board directors might be confident with that. But then like, for example, if I would be sitting on that board, my question would be, have we considered the human impact of those decisions on our employees, customers and other stakeholders, and my concerns about the potential layoffs would be the impact on employees mental health as well. I would also have concerns about the potential backlash from customers and

stakeholders if they perceive this as prioritising profits over people. So because sometimes the board's in their pursuit of financial success, they neglect the emotional and social consequences of their decisions. Oversight can come as a result of lack of diversity at the board table. As we said before, we need to really have people by the lived experiences of people who are experts in some fields so that they can guide us in our decision making. And so emotional intelligence, particularly empathy is a vital component of effective leadership and decision making. It highlights the importance of diversity, but to ensure the different perspectives are heard, and that all stakeholders are taken into account, not just the potential bottom line.

Helga Svendsen 13:37

So for board members that are listening to this or even for board chairs, what's your advice to them about how to incorporate some of these principles around emotional intelligence in the boardroom? We've heard about why it's important. What's your advice to them in incorporating some of these principles?

Sanela Osmic 13:54

The journey towards achieving emotional intelligence gets on board through it begins with two essential pillars it's self awareness and self regulation. And this core components of emotional intelligence empower directors to understand their own triggers, biases, emotional responses. By continuously working on ourselves and developing those skills. We not only become better directors, but also paved the way for more compassionate and empathetic board culture. So we need to prioritize empathy and compassion in our decision making processes at the board level. Recognize that it's not just about the bottom line, not just the financial success, but also about the well being of employees, stakeholders and the wider community. So we need to think about the impact our decisions will have on our stakeholders. And as board directors let us make a conscious effort to understand the perspectives and feelings of others to create a boardroom where every voice is heard and valued, so support our fellow board directors to express their views and really not judge people when they express the opinions that are different to us. Emotional intelligence is not that destination, it's an ongoing commitment to growth and positive change. And by embracing those principles and striving for greater emotional intelligence, we can create boardrooms that not only make sound decisions, but also contribute to a more just and equitable and definitely compassionate world. And the power to transform boardroom dynamics lies within each of us. And it starts with the decisions to lead with the heart and emotional intelligence.

Helga Svendsen 15:26

So it starts with the decision to lead with the heart. Is that an individual decision? Or is that a board decision? And what are the practical ways?

Sanela Osmic 15:34

That's always a tricky one, because when you look at the board, it is a mix of collective. So it is not one director, it is not the chair itself. It is really a collective of individuals. So you do need individuals who agree on the same principles. That's why it's important that corporate governance structure or the governance is really based on the principles and the purpose of the organization. So when you have board directors who believe in the purpose of the organization, who strongly identify with its values, it's easy to really have them committed to the cause of the organization. And then the governance and the decisions that are made are really in line with the purpose of the organization. So always ask yourself, at the board level, how is this helping us fulfill our purpose. And that's why I said when we talk about empathy and compassion, we're talking, how is this decision going to be received by all stakeholders, the stakeholders are multiple as we know, so that an ASM standard can be quite complex that sometimes might have competing interests as well, as sports, we need to acknowledge that. But it's important that we understand and try to minimize the risks or the impact that it has on one group or the other. But we need to think about the employees, the customers, shareholders, if that's applicable, or whether members if it's a membership organization, there are various groups of stakeholders that we need to, ideally, we might even consult them. And that will be the great approach. So at least then we know what they expect from us. And we can align our decision or at least communicate with them and sometimes explain because not all decisions can be implemented local, if they ask us to do something that's too complex. So that might take some time. But he might communicate it. So yes, we taking this into account, we are working on this, but it will take us X amount of months, even years if it needs so but at least they know that you listen to them that you take it into account. And you consider it at least for a short period of time, in your decision making process.

Helga Svendsen 17:33

Like I've heard, I was until recently on a health board. And one of the things that we do there is we have a patient story to mostly at the start of our board meetings just to focus our attention on what we're really there for, at the same organization at our people and culture committee, we would start with an employee story as well. So that was one way that we kind of brought that voice in, I guess other other practical suggestions that you know, have to bring that voice into the boardroom, obviously, getting the boardroom out to talk to them is one, but what are some ways boards can really build that voice into the work that they do.

Sanela Osmic 18:09

Look, we have a similar project IPC health, and a CEO report includes customer stories, so something that's happening and that you You're right, it really brings a different perspective to the board. And at least they understand what's happening. And again, the impact the the decisions have on our customers and what's happening on the field. So to say, another way that boards can do, I guess, is maybe an I'm not sure how realistic this could be, but maybe sometimes even invite the customers or, or maybe even staff members who are directly working with the customers like without one of

my board committees, what we do is we have different managers coming into each committee and talking about the services. And that really gives a great perspective to us as board members. So we have a more holistic picture of what's happening, what's needed. But also what are some of the challenges the team is facing, then we can discuss it at a board level and say, Okay, how can we help the team? And what are some of the ways that we can do so maybe that's another way that boards can get the customers voice or other staff members as well. So it may not be related to the customers directly. But it might be some other things that are having challenges or they're sharing positive stories as well, because there's more to be do want to hear those ones as well to see that what we are doing is making great results.

Helga Svendsen 19:23

Yeah, it's interesting, isn't it here making sure you hear both the good stories and the not so good stories, they're all important. And if we're only hearing good stories all the time, it's like, Huh, what else is going on? Yeah,

Sanela Osmic 19:36

I've would be seriously concerned if you hearing only the good stories, and we know like board culture is always the one that gets the challenge with that is sometimes because the CEOs voice might be the only one that you're getting at the board level. And if you don't get a holistic picture of what's happening in the organization of the CEO is painting a great picture and saying that everything is going well as a board that might be Your red flags, you might think, okay, are we hearing the whole story? Are there other voices that we are not hearing from, or, because chances are, and there's no organization that's perfect in any sense, sort of you all have always point improvements. So it shouldn't be seen as a punishment or, as a negative thing. It's really just an area of improvement and something to focus on in the future.

Helga Svendsen 20:21

So I'm interested there about the CEOs role in this. I spoke to a client recently who is on a board, they are recruiting their CEO. And as part of that recruitment process, they did some diagnostics with the final candidates on EQ, which I was thought was fantastic to hear that they're testing EQ of final candidates. Are you hearing of that happening increasingly, commonly? And I'm wondering if and when it might start happening for boards?

Sanela Osmic 20:52

Yes, it's definitely a trend that's emerging, especially with senior positions to CEOs and that sea level executives. And I guess the reason is, because we've seen that people might have great technical skills, they can have excellent careers. But unfortunately, there's sometimes like emotional

intelligence, and ability to adapt to an organization and be resilient enough to implement change that's meaningful, but also without hurting the culture of the organization too much. I haven't heard of examples, that too many examples that companies are using EQ tests for board directors, but it is an emerging trend that started because it was being listed as one of the top 10 most in demand skills. And yeah, it's definitely something and I do recommend it in my book that people should that it should be definitely as part of the skills matrix at the board level as well, and a sales partner to recruit them, because that will give you an indication how do people act under pressure, because as a board, you will have to make even as a CEO, you will make have to make difficult decisions, how people act? Can they compose themselves, because you might have great people who just lose temper when something bad happens, or then it's not intentional, it's just a part of their emotional reaction. It's just because they're stressed out. And they might do all sorts of things or make all sorts of decisions that will have significant impact the role, but it's just the personality. So it's really important, for example, for the board, if they are employing a CEO, to know how that individual will act under pressure, because that's something that they definitely need to know. It's also about the conflict management. Because at that level, you will have situations that you will have to manage, you will have staffing issues, you will have challenges with external stakeholders. So you need to know how that individual deals with other people, how they, because everybody is kind of nice to people above them to their superiors, but like the people that report to them, are they the same? How would they treat somebody, especially in a stressful situation? It's also about crisis management. Sometimes when you're in the middle of a crisis, you really get to see the true character of somebody. So emotional intelligence plays really significant role, because there is evidence and actually there is research that suggests that people with higher emotional intelligence, they can manage crisis, they can manage stressful situations with more composure, because they're more grounded, they got skills to manage these situations to issues we all face, then there is no guarantee that you want at some point in your career.

Helga Svendsen 23:27

I kind of hope that the use of emotional intelligence diagnostics, and there are they are out there, I think it will do your accredited which one? Are you? You're accredited in one of the diagnostics? Is that right?

Sanela Osmic 23:39

I just did the emotional intelligence training. So that's the one.

Helga Svendsen 23:41

Yeah, but there's assessments in that, isn't there self assessments, 360? And so on? Yes. And likewise, I'm accredited in what's called the emotional capital report from Roche Martin, which again, is a individual assessment or a 360 assessment of people's emotional intelligence history then being more commonly used.

Sanela Osmic 23:59

Yes, 360s are always a great indicator of how we do. And we often perceive ourselves as a very emotionally intelligent being, especially at a board level, because we're talking at highly educated, highly professional individuals. So we've got a great set of skills, they've got great experience, it's natural to think even as somebody who is looking at them from a distance, etc, yet, they might be, they probably are very emotionally intelligent. But when you do some tests, and when you do some 360s, you really get some interesting results. And it's a great wake up call for all for something to just Okay, people perceive me like this. What does it mean?

Helga Svendsen 24:36

Absolutely and particularly for the chair of the board, that's important. Ah, Sanela so much good stuff in here. What are the key things you want people to take away from the conversation that we've had today?

Sanela Osmic 24:48

Well, for the Board's I guess, my call to action would be really to embrace emotional intelligence as an upcoming skill, something that really we need to look at. In the same way as you look at the commercial skills of somebody so when you look at somebody's really tried as much as possible, because of course, some of these things might be difficult to pick up initially with me having interviews, but really to have that skill at the board level to as much as we can even make decisions really have made decisions with empathy and compassion in mind, thinking about what is the impact of this decision? How is this going to affect whether it's staff cuts, or all of them together? It's not always about cost cutting, because sometimes we might have great initiatives, but they might cost us down the road, much more than actually the money that we saved initially in these initiatives. And on a personal level you need for each board director, everybody who's listening to this, because emotional intelligence is not just about board directors, so tailor it to board directors, because that's my background. And also because I think that directors really are the ones making the impact in organizations. But really, for all of us, it's a skill that we can benefit from. So when we understand what our triggers are, we can manage them so that somebody else doesn't push different buttons on us. And then we react one way or the other. So that we understand why am I reacting the way I am? Who am I? To say like how do I make decisions? Why do I make a decision by one way or the other way? And that's really integrate empowerment, that's really something that increases self confidence, have empathy for others, because we are meeting and believe in beautiful country, but a very diverse country be meeting people with various experience, but sometimes just especially when it comes to some different opinions, try to put yourself into somebody else's shoes, but not just from a sympathy perspective, but also, how would I react? What does it really mean? And they simply try to understand people on a deeper level, not just superficial use, many of us do sometimes, unfortunately. So really trying to understand deeper issues that are driving an individual and also try to understand that as and that in turn going to improve your relationships, both

professionally and personally. Because you will really having this care for others, you're going to be caring individual, and people will respect you more as well.

Helga Svendsen 27:06

Now, I'm guessing I know the answer to this question, but I'll ask it anyway. I don't know. Is there a resource that you would like to share with the take on board community, you know, something that's about emotional intelligence that might be aimed at board directors?

Sanela Osmic 27:20

Look, I have recently published a book called *Leading with Emotional Intelligence: A Guide for Board Directors*, I would strongly suggest it to your board community because they're all interested in developing relationships in the boardroom. And I did keep a very simple language while there's some academic background there, and some research that supports some arguments, but I kept the language fairly simple, and provided multiple practical strategies for people to improve people they can do on a daily basis or as things happen, and I've got some tests as well that they can do to check their own emotional intelligence and strategies to improve and increase emotional intelligence.

Helga Svendsen 27:57

Fantastic. We'll make sure there's a link to that in the show notes. Thank you for taking the time to join us today on the take on board podcast and for sharing some of your wisdom around this very important topic. So yeah, thanks for being with us here today.

Sanela Osmic 28:10

Thank you for the opportunity to talk about both emotional intelligence and governance two of my favourite topics. Thank you to your listeners and to yourself.

Transcribed by <https://otter.ai>