



Take on Board

Transcript – Dr Zivit Inbar

Helga Svendsen 0:00

Today on the take on board podcast, I'm speaking with Zivit Inbar about leading organisational culture from the top and shielding from biases in the board room. First, let me tell you about Zivit. Zivit is on the boards of rural Northwest health and a member of Standards Australia AI trustworthiness and governance committees. She is also a member of the Harvard Alumni entrepreneurs leadership team in Australia. Zevon is the founder and CEO of DifferenThinking, a consulting practice that specializes in people culture, leadership and performance strategies for growth. It has over 20 years of experience at executive and board levels spanning private and listed local and global organisations. She is an adjunct professor at Deakin University's MBA program, a graduate of Harvard Kennedy School executive program in leadership decision making and leadership in uncertain times, a graduate of the Australian Institute of company directors, and a fellow certified member of the Australian Human Resources Institute. She's also done her PhD focused on strategic thinking and strategy implementation by Western companies operating in China. And she is the author of the ethical Kaleidoscope values, ethics and corporate governance with her co author, Doug long. Welcome to the take on board podcast Zivit.

Zivit Inbar 1:20

Hi, Helga, thank you for inviting me.

Helga Svendsen 1:23

Oh, absolute pleasure. And you know, just from that bio, at the start, I know, we're going to have an awesome conversation. But as always, before we dig into leading organisational culture from the top and bias in the boardroom, let's dig a little bit deeper about you. So can you tell me what was Young's Zovit like? And when did you get your first inkling that you might end up where you are now?

Zivit Inbar 1:47

All right, so first of all, as a child, I didn't even know that boards existed. I grew up in a kibbutz in Israel, and capabilities like growing up in like a small community, rural or even we both in primary school and Helga, I'm going to tell you hear somebody says, I know that he doesn't know about me. In primary school, I was a very good student, advanced, very advanced in my age. But high school was not the same experience. And there was a gap between my ability to verbalize my knowledge

and put it down in writing. The issue was that everyone thought that I'm lazy. So every teacher parent interview, will tell me numerous times that I'm not going to get anywhere in life. And I was really, really lucky that my parents supported me and believed in me, but I felt that there is a problem that I do know everything, it just doesn't come in my box. And then I continually, surprisingly, forward from the first semester, I taught the faculty throughout my first degree, my master's degree. And in my PhD in all those three studies, I actually was on scholarship for excellence. It was only during my master's to find that I found out that I have severe dyslexia, and hence my experience in high school. At that point of time, by the way, I was already in the leadership team for global technology company. So my career was really sharp to executive positions due to my dyslexic advantages. But high school was very, very different. And so when you say how, as a, as a young person, I was very intrinsic lack of confidence, and not sure what is happening, why people are telling me that I'm lazy, and why you know, and what will happen with my life? Am I gonna go anywhere? So for me, I've never thought that I'll be able to get to uni. To have a PhD. Being an adjunct professor, when I got accepted to the Harvard executive program, I didn't say anything, even to my family, it took me hours to keep on looking on my phone and check whether I get I'm sorry, that was a mistake email. When I say this is true. When I thought about writing a book, I thought, I'm really pushing myself an hour writing my second book. So that's my young CV. But what also happened is that I was in mid to late 20s. I was already an executive. And how many years can you do the same thing? So yes, in here, it's called Chief Human Resource Officer in here. It's called something else. You move from one organisation to another Have a bit of different organisational politics a bit of changing in the, in the challenges. But it's the same thing. And hence the when I go to early 40s, I started thinking is this what I really want to do for the next 25 years of my career, a failure already 15 years. And that's how I decided that I really want to change my career paths, to eventually have a board portfolio to open my consulting firm and to give back to the community. And the giving back was fast, you know, I got offered to be an adjunct professor, I got an offer to sit on a non for profit board there after I opened my consulting firm and building a board career portfolio. unit on stations, it takes time, but I'm on my way. So really, I never thought about boards before, by about reach into my 40s.

Helga Svendsen 5:59

You know, having worked in HR, and so on, I'm guessing your work with boards through that. So getting that glimpse into the board room, then, as you say, a bit later on, when I've had a glimpse, and that's where I want to start to build along with these other things.

Zivit Inbar 6:15

Yeah, I really loved the strategic work in HR, and working with the board was about strategy and governance. And it's a different type of thinking. Totally.

Helga Svendsen 6:30

Yeah, it is a different type of thinking. And hopefully for good boards, having that real diversity in the boardroom means that you get all of those different views from, you know, the finance people from the people and culture, people from, you know, all of the different perspectives, and then collectively come up with those good decisions. Well, hopefully, where should we begin? Should we start with that leading culture from the top or shielding from biases? Where's the best spot for us?

Zivit Inbar 6:55

Let's start with culture. I just want to mention, I think we're really talking about three topics combined which is culture biases in ethics. Yes, ethics is there everywhere.

Helga Svendsen 7:08

And I think it's interesting, maybe even five years ago, I don't think people talk too much about ethics in the boardroom. But increasingly, possibly, since the financial services Royal Commission in Australia, but possibly some other big collapses in corporate culture and corporate governance. It's becoming more of a thing. And I love that it's becoming more of a thing like people now. So I would love to touch on that as well.

Zivit Inbar 7:31

You know, when I started to research for the book, I interviewed more than 30 chairpersons in Australia and the US and New Zealand. And a few people actually said to me, that they are worried that and I'm talking about chairpersons that I chose ethics for the theme of the book, because why not even said to me, the board has nothing to do with ethics. You said to me, it's going to Yeah, yeah, it's going to, you know, put obstacles in your way to find the job position on boards. And what happened was that two months after we launched the book, The Royal Commission started and changed the entire discussion. But let's start with talking about culture. Because this is really what convinced me to go and do the research and write a book about corporate ethics and the role of sports. This really happened as an executive in an HR regional role. I had to deal with a sexual harassment complaint, which the way I dealt with it was appointed an external investigator, and to psychologist why to help the female employee who complaint and want to help her manager, whom investigation was against why those external people were working. I received an instruction very explicit instruction from the Global Headquarter telling me that I have to falsify the investigation and find a female employee guilty of not telling the truth, which was not the case. I was also told that I have to terminate her and clear her manager from all wrongdoing. And if I'm not going to do it, I'm going to lose my job. I had it with a face to face discussion. I was sitting there and I'm thinking to myself, That's not happening. At the end of every day, I need to go back home, look in the mirror and love who I am, and hence my values are my compass. And I looked at him and I said, I'm sorry, I can't do it. And it's just illegal but it's also unethical. We have the investigation happening externally

we have this psychological support, we will find a way to deal with it. And we did find a way to deal with it in a way that both sides were happy with the conclusion, but I lost my job.

A while after that, I was invited to a small event at AHRI, the Australian Human Resource Institute. And then CEO, Lynn Goodwin quoted a survey results that they just did with alarming percentile of HR leaders that said that they have lost their job, because they refuse to turn a blind eye to bullying and harassment issues. And, you know, my speciality, even when I was HR executive, was cultural transformation, and OD and all these types of experiences. And there were not similar but ethical, other issues to deal with. And in a job, I thought about it, where is the board, the one thing I forgot to mention is that when all these situations happened, at the same time, this company was a data company of a global organisation. And the board of the global organisation sent surveys for a certain percentile of employees of all the companies about ethics, and that was happening at the same time. So I got it. And it could mark and you could put anything that you want in writing, and I've put it there. And I provided my details. And I've asked to, you know, I said, I would like to speak about it with someone else. I do know that others came to me to say that they received it, and they gave one out of five, and they put some issues there. But none of us have ever been approached, and I thought where is the board? Where is the board, if you find that there are ethical issues, in an organisation that you're invested in, is not your responsibility. So this is really why I went to write the book, I do believe that organisational culture NSX I lead from the top. And ethics is exists everywhere in the organisation in the marketing, to procurement, product leadership. And I believe that the board must one understand the cultural mosaic in each organisation, because it's not one culture, it's some of like, to identify the areas of toxic culture in three lead to cultural changes

Helga Svendsen 12:49

From I know, I'm not responsible for it. And I know it was a while ago, but God, I'm so sorry to hear about that. It is. And for the woman that was involved as well, you know, that is just so frustrating that that is the response.

Zivit Inbar 13:07

We solved it well, it was not done on purpose.

Helga Svendsen 13:13

Yes, it's setting the tone from the top might not have been done on purpose, but the response of wanting to wipe it under the carpet rather than deal with it.

Zivit Inbar 13:23

I didn't even know why I left the organisation. We sold her and that's what all what I wanted. I was really, really caring for her well being.

Helga Svendsen 13:32

And yes, but it was resolved well, despite the company and because of you and because you put yourself forward, like in terms of thinking about leadership from the top on these things. Do you know the instruction that you got? Was it from the executive level or from the boardroom level? Are you aware? And are you able to share?

Zivit Inbar 13:53

Certainly from the global executive team, what happened beyond this? I'm not sure.

Helga Svendsen 14:01

What are the questions you would have liked the board to be asking so that they know that this sort of thing is happening so that they can lead that constructive culture from the top?

Zivit Inbar 14:12

I'm not sure it's only questions. I think we really need to understand the cultural mosaic, because this was a mosaic, right? They were holding many companies. And that was a problem in one company, but we can have different different culture in one organisation with you know, different culture in different divisions or departments, or even in different professions, as you know, like in hospitals, different professional cultures. So we really, I don't think it's about asking questions. I think it's about needing to know what's going on the floor. And I think I think it's not enough to base our understanding on the executive reports, right? We need to walk the floor but not in big groups that are intimidating people because we can ask them questions and get through and says, I think that we need to watch for certain cultural elements like ethical decision making, like accountability and lay leadership styles, safety and well being whether there is teamwork and collaboration across departments, what ethical questions the execs are asking themselves, I mean, these are very, very important elements, we have to have a finger of what is happening on the head.

Helga Svendsen 15:42

It's interesting in that, isn't it that with the global pandemic, that we are now in the second coming into third year of walking the floor is actually much more different. I mean, it's often difficult for

board members, but it's much more difficult now. Because walking the floor is somehow having a zoom conversation with people and it's much harder to kind of get in and have the side conversations. It's harder to just observe and listen to those conversations that happened in the lift or happen in the hallways, because we're not in the hallways of many organisations. So for boards, what's your advice at the moment.

Zivit Inbar 16:17

Organisational diagnosis, that's what we need. And we need an external organisational diagnosis that is not based on surveys like employee opinion survey and stuff like that. Unfortunately people don't trust them. And they lie in service, external organisational diagnosis, cultural diagnosis, when a person like me or like you interviews the employees in different departments and stuff like that, it is less biased, and more accurate. And also organisational diagnosis, the people that conduct them like us, can come up with some recommendations, where the risks are.

Helga Svendsen 17:05

Yeah, where the risks are, where the challenges are, where the opportunities are, and that external view, interesting. Although, can I say also, at the same time, the example you gave before about the organisation, and a number of people saying ethics is very low, one out of five, also paying attention to that sort of feedback as well, if that survey information is coming, delving into that and saying what's going on here, this is not good.

Zivit Inbar 17:30

We're gonna stick about it in the next example, because sometimes we don't get this information. The next story to share is actually from one of my early career in non executive directors role where I was really upset. I felt that all the information that we received at the board is always presented one way, I felt that we were being manipulated, without presenting, you know, the risks and disadvantages. And when they executive wanted to convince us to support a certain ID, I shared my godson with one of my board colleagues, who actually had a senior executive role was somewhere else was in marketing. And she really didn't understand what's my problem. And she said that her role as GM marketing is to review all the Board Papers before they go out, and ensure that all the messages are presented to convince the board to agree with the executives, and high to do weak areas. years after I went to study at Harvard, and I studied political decision making, which now I understand whether it is intentionally or not intentionally, all the reports that we received, are biased. And what this course provided me is with the tools, how to shield the board's decision from these biases, so I use shielding tactics regularly. I'll share with you a couple of examples. You're familiar with What You See Is All There Is (WYSIATI) Oh, no. What You See Is All There Is (WYSIATI) is the best thing in the world? What You See Is All There Is (WYSIATI) is Daniel Kahneman discusses this bias. It's basically our brain keeps on telling us what you see is all there is WYSIATI it what you see all there is. So what happens is that we sit to review a report and we analyse the report, or was forgetting to

look at what's missing from the report. And we really need to remember that behind every report, someone decided which questions to ask, how to collect the information why information to collect someone does the analysis, makes the conclusion makes the recommendation and decides what to put in the report and what not to include in the report. And that doesn't need to be intentional. It could be a bias. But every report that we received, when we read when I read it, after analysing, I asked myself is why VIP? A while ago, we had an health and safety report to discuss the report this really administrative. Right. And he didn't mention any conclusions, any learning from a critical safety issue that appeared in the pattern. And I asked to the executives, what have we learned from that event? And what are we currently doing differently to ensure it doesn't happen again, because that was really, really severe. Then I think about zoom that you can see peoples face. And you could see the surprise on the first slide. What is she asking us something that is not in the report? And I just sat there and thought to myself? Are we as a board fall into WYSIATI can't always to ask questions about what we receive and forget what's out there. Why are they surprised otherwise? So that's one shield WYSIATI. The adage shield is neutral framing. Now, most people are willing to act when they're presented with risks, rather than with opportunities. If you'll think about COVID, and we'll pick Gladys, right when she said people are gonna die, go and get your injections. People went to get their injections when she changed the narrative into the more people will get vaccinated, we will be able to open up the vaccination curve went down, right? Naturally, the majority of people are willing to act when they presented with risks ensuring that neutral framing means that as board member, we are checking that the information about all the options of action is presented to us as unbiased is possible with its advantages, disadvantages, opportunities, risks in calculation in some time, it is just a bias. But you know, there are few options that they present to us. But one options that are more calculation or for shiny, and incidentally, this is the option that the executives are supporting. When I finish reading it, I look at how the information is presented. And when the information is presented in a one way, I always ask questions to understand the other way. What is missing there. And what I do when I work with boards, I actually have those with habit approval their assessments, to show that to show the common biases in the board team. And then we work to tweak the decision making process to shield from these biases. I'm not talking about any diversity and biases like that talking only about strategy risk, ethical decision making things that we can tweak easily at the board room. For example, with neutral framing, if we can see that a majority of board members respond to risk we can actually ask executives to speak also on opportunities on a regular basis in their reports. Yes, vice versa.

Helga Svendsen 23:51

My guess is that the more diversity you have in the boardroom, like true diversity, people from different cultures, people from different backgrounds, people from different thinking, then the more likely you are to be able to pull apart some of those biases that exist everywhere. Is that the case?

Zivit Inbar 24:07

Diversity is certainly helpful, awareness and understanding is helpful. If you know there are also biases in ethical decision making. Yes, we can tweak very, very easily to prevent inefficient decisions.

Helga Svendsen 24:28

So many fabulous things in exhibit. So what are the main points you want people to take away from the conversation that we've had today?

Zivit Inbar 24:36

All right, because we really spoke about culture, ethics and biases. Split the main point. We spoke a lot about the need to understand your organisational culture and not from the reports and the view of the executives but really, the ability to identify toxic culture and lead cultural changes and I'm not sure that I was clear enough when I say lead cultural changes, I don't mean becoming operationally that. But I do think that every board should have a cultural statement. So be very clear what is the culture what you want not assume that the executives know what culture we want to have. And when we realize that this is not the culture to drive and ensure that there is a cultural change plan, and it smells, tone and how it's going with regards to biases, always ask yourself is YZ it is, what I see is all there is or what am I missing, and always ensure neutral framing, and probe when this is not the case, all human beings are biased. And all teams can fall into Team biases, which are different than the individual biases. And this is why sometimes a group of very smart people make dumb decisions. And we'll stop here. But therefore, it is essential to understand the specific biases that each board teams and each executive team tends to fall into and understand how to fine tune this decision process. And with regard to ethics, we spoke about ethics is everywhere in every decision, let it be a big or small, it is also part of the organisational culture. And one of the things that we need to remember is that sometimes the culture and ethics at the board are different than those on the floor. Yes. And we need to ensure that the ethical standards in the organisation aligned with those of the board and sometimes just not the same. And we think all because we speak a lot about ethics. This is what the executives are implementing. But it could be that we are not, or because our culture is very respectful and collaborative. And we ask many questions, that does not mean that this is what's happening on the floor. It's not about setting a policy or ensuring that the ethical conduct policies on the website, we really need to understand that and some biases affect our ethical decision making. We need to understand them. One of the things that I love about being on the rnh board at the hospital is that we do not shy away from ethical discussions, believe me, we are not shy from ethical discussions. And we often speak about what is the right thing to do. And I really think that these discussions are so essential for proper governance,

Helga Svendsen 27:58

Yes, and should happen more. What is the right thing to do? Not just what is the best thing to do? What is the right thing to do? You know, sometimes it's a 51/49, there's been plenty of times in the pandemic where I have not envied governments and leadership and having to come up with those answers.

Zivit Inbar 28:14

So as far as you know, on a hospital board, yeah. Representing the minister that we think by the public, the taxpayers, and there is the community, so many complexities, and so many stakeholders to consider the right thing to do is not not always simple as it sounds,

Helga Svendsen 28:39

Absolutely, most often is not as simple as it sounds. Ah, is there a resource you would like to share with the take on board community?

Zivit Inbar 28:49

So obviously, I read all the AICD materials, but everyone speak about it. So I'll move to two other resources. My executive background is from private, first listed companies, and I'm on a public hospital boards. So one of the resources studies interesting that I read is The our political newsletter. And it has some interesting articles that basically helped me understand some of the complexities of leading in the public sector to global use letters so you can see what's happening in other countries as well. So a political newsletter is very interesting. And the next one sounds funny, but edX, edX, edX, so edX is a platform for with free courses, right? If you think why would that help for boards? So first of all, there are free courses from the Ivy League, universities and advanced courses so there are advanced courses in you know, finance and m&a and stuff like that. but they are advanced courses in understanding different industries and complexities that different industries are currently dealing with their advanced courses in how boards can deal with organisational culture, for leadership, and you know, but it really is a good resource

Helga Svendsen 30:19

Fabulous, and I've never heard of the apolitical newsletter. So we'll we'll put a link to both of those in the show notes and also the AICD just so people can access any of the resources there as well. Oh, Zivit, thank you so much, you know, valuable nuggets of gold here about culture, about bias and about ethics. So thank you so much for sharing your time and sharing your wisdom with the take on board community today.

Zivit Inbar 30:46

Pleasure, thank you so much for inviting me Helga.