Episode Seven: Failure Vs Success

Success can be achieved quietly over time, but sometimes it doesn't come without failure. With so many changes happening in society sometimes dealing with new issues is about making it up as you go. This final episode of Across the Board looks at how directors set the benchmark for success, but what it feels like when coming face-to-face with outright failure, including a legal perspective of the Main Zeal case that went to the Supreme Court in 2022.

Sonia Yee:

This podcast was made with the help of ASB Bank supporting businesses to get one step ahead.

You know that feeling of anticipation before your name is called. You're sitting there wide-eyed. You can hear the people around you, but somehow it's muted by the sound of your own heart beating through your chest. It's so loud that it buffers everything around you. You look ahead and there are lights shining. It's so bright, almost blinding. There's a part of you in this moment that almost wants to block it out. You're excited but terrified. Are you sure this is real? Am I really here? Pinch yourself now. Pinch yourself now. Pinch yourself now. Everything you worked those long hours for, what you pushed so hard to be heard, to feel that sense of worth that you've done, not just enough, but more than you thought you ever could.

Speaker 2:

I've got good news. They said yes.

Sonia Yee:

And now here you are. And it wasn't even about you. It was about all of this.

Kirsten Patterson:

Kia ora I'm **Kirsten Patterson**, otherwise known as KP.

Sonia Yee:

And I'm **Sonia Yee**, the producer of the series Across the Board, made by the Institute of Directors and Association with the New Zealand Herald.

Kirsten Patterson:

Throughout the series, we've addressed the climate emergency, social issues and what it means for directors and CEOs to speak out to bullying on boards, technology and dealing with mental health at the top.

Sonia Yee:

And we've reached the end, well almost. In this episode, we're looking at success versus failure. What does that look like when you're the owner of a business, the director of a company, or sitting on a board? Are there any cultural differences or influences that impact and inform how we feel about it?

Kirsten Patterson:

Before we throw ourselves into the deep end? Let's ease our way into success as a starting point.

Steven Renata:

The description of success. So it's often you'll find, not only to Māori, but other languages that they might be using it in a contextual way.

Kirsten Patterson:

This is Steven Renata, who you might have heard in the last episode. He's the CEO of Kiwa Digital, which provides digital app-based translation and language technology services here and overseas.

Steven Renata:

For example, you could say success is about your ability to climb or scale or ascend. And you might use the term picky. If you're using it in a more straight out noun base way, you might say angitūtanga, or again, it's going to depend on the context whether you're using it in more of a verb state than a noun state, but there are a variety of words that can be used to encapsulate the sense and meaning of success.

Kirsten Patterson:

One of the projects Kiwa had a hand in was translation for hit Korean Netflix show Squid Games.

Steven Renata:

That totaled up to right around about 1.62 billion viewing hours. To know that our software was taking a wonderful piece of Korean content, was being translated and then adapted in a really authentic high quality way, and put into a form that allows the voice actors to do an amazing job. And then seeing that many people around the world saying, we love it when it was dubbed. That's pretty special.

Kirsten Patterson:

Part of Kiwa's unique positioning in the digital market has been its ability to work across global platforms, but in producing digital services based in te reo Māori, and helping Aotearoa and Kiwa businesses build competency around the language. Does that come top of the list when he thinks about what success looks like?

Steven Renata:

I think success feels to me measured on a variety of levels. Probably on a personal level it is when I wake up in the morning, do I feel working alongside my team that we are actually making a difference in the world? There's no question that's helping and encouraging and supporting fellow New Zealanders to embrace te ao Māori and te reo Māori is probably just a big part of my natural being because I'm part Māori. My father was Ngāpuhi, my mum was Pākehā. So it feels natural to do that, probably because of a previous life working for Les Mills International where I was a global citizen.

I'm also conscious of all languages and so with through voice cue, the dubbing media localization work, every day we have connection with international situations that are occurring because there's international projects being done, but also every day we're dealing with clients on a T Maori journey or perhaps a Pacifica journey. And at the heart of it, yes, huge pride in the t Maori piece, but it's not exclusive of the other languages.

Kirsten Patterson:

With new technology comes trial and error, there's also some urgency in keeping ahead of the game and making sure you're across what's being developed locally and internationally. So what experience does Steven have of dealing with failure and have there been any mistakes made along the way that have fed into Kiwi's process and led to their success?

Steven Renata:

Yeah, I mean I think anybody that's had different types of success would immediately say, but I've failed this many times prior. I'm always a bit sort of conscious of semantics. Words can be very powerful things internally to yourself. So I tend to not use the word failure. So in the tech industry we tend to talk more about iterations of software algorithms and so forth. So you are always on the way to evolving to perfection or some sort of change.

Iteration also, at least for me, gives me the sense of we can try things, we can experiment, and it may not go exactly the way it was planned for a variety of reasons, but that's okay. As long as your intention is clear about what success could look like and you keep experimenting and trialing and getting feedback internally and externally, then I don't think you can really go wrong.

Kirsten Patterson:

When it comes to success and failure, the reality in most cases is that you can't have one without the other.

Sonia Yee:

But while we are happy to shout out from the rooftop when we achieve our goals or win awards, failure can be much more difficult to handle. Here's Dr. Smita Singh from the Auckland University of Technology.

Dr Smita Singh:

I am best known for my research on entrepreneurial failures.

Sonia Yee:

And her interest is looking at the human cost of business.

Dr Smita Singh:

For decades, the entrepreneurship discipline and the way we talked and spoke about entrepreneurship, we had a very sanitized view. We would generally just talk about money, the economic cost effect and completely forgot that there are human beings behind any startup. There is an economic cost, yes, everybody agrees to that, but there is a social cost, there is a mental health cost or a health cost, a psychological cost, a personal cost.

Sonia Yee:

All of these issues were highlighted for businesses and directors with the onset of the pandemic that if we don't put the wellbeing of others first, then it's not possible to sustain a healthy and engaged workforce. And that also has flow on effects for the community at large. But while achieving success is often the ultimate goal, dealing with failure is much more complicated. And Dr. Singh says that's partly due to the culturally ingrained expectations around what success should look like.

Dr Smita Singh:

I'll be the first one to put my hand up and say that I haven't reached some kind of a status where performance outcomes don't worry me, but it is how I'm going to cope with these kind of very deeply embedded belief system.

Sonia Yee:

Dr. Singh grew up in India and arrived in New Zealand in the early two thousands. She says, cultural expectations established in our environment are difficult to shake.

Dr Smita Singh:

I was born into a context where this was expected out of me, not just within a country cultural context, but also within my own family. Everybody was a high performer, so there was huge amount of emphasis on what you made out of your life. So these are very deep, very entrenched belief systems that we may have within our... What are our earliest memories of feeling like a success or failure? Who made us feel that way?

And this is quite deep because if we don't have healthy attitudes towards work, this is why we are having a situation now where people are talking about burnout and people are talking about mental health and wellbeing deteriorating in the workplace. You are in trouble if your sense of failure or success is limited to just performance or targets

Sonia Yee:

As a culture and for business, that might be challenging. But as we've discussed, the roles of boards now extend to social issues, climate change and technology and more. So what's it going to take to get us past the point of seeing failure as a black cloud hanging over our heads?

Dr Smita Singh:

Are we even willing to talk about failure for what it is? We are so quick to replace that term, that word with something else which is more palatable. What's wrong with that word? The word is there. It's in the dictionary. It's the meaning that we attach to it.

First of all, we have to understand that it's going to hurt, it's going to cause stress, it's going to lead to some negative consequences in our life. Well, let's just talk about that. Let's at least open up a conversation on that it hurts. And then once we are open, when we have the space to not have conversations that are sanitized all the time, we're so afraid to appear weak and vulnerability is equated with weakness anyways, so we are not going to even have an open, honest conversation about failure.

Some of my work has been published data from New Zealand, which has shown deep, deep stigma around failure and people have taken some seriously damaging decisions both in their ventures as well as then in their personal lives to not appear as somebody who has failed.

Sonia Yee:

But code one of the reasons for that stigma also be due to our size. New Zealand is small. There's that interconnectedness between people and business across every single industry.

Dr Smita Singh:

Why is it that if a person who has had a failed business or a near fail or has failed, why is it that we are not willing to network with that person or give that person a second chance? We're saying that every time a business fails, it is solely and entirely in control of the entrepreneur and his or her responsibility only. As if we are functioning in a vacuum, as if there are no external environmental factors that can have a bearing and mean that things can go completely out of control and lead to situations that can end up killing the venture.

This is again fear. Fear of failure. We don't want to talk about it. We lose our networks, nobody is going to shake hands with us. While there are other countries where this is not a problem. In fact, in Europe we had a second chance policy that the European Commission had introduced.

Sonia Yee:

We'll come back to Dr. Singh in a bit.

Kirsten Patterson:

Because when it comes to boards, we're talking about a group of individuals each with their own unique insights and sets of skills working together to solve problems and mitigate any potential risks. Their job is to set the strategy and think about every aspect of the company or organization. So how is success measured for boards?

Cameron McCulloch:

We don't necessarily make judgment on who is good, who is bad in terms of their actual performance.

Kirsten Patterson:

This is Cameron McCulloch, the service manager for board evaluations at the institute of directors.

Cameron McCulloch:

And that assists boards in doing their roles better.

Kirsten Patterson:

Board evaluations aren't compulsory, with the exception of some government departments. It's Cameron's job to look at what boards need.

Cameron McCulloch:

Robbie Burns said, "A poet is born not made." You can have natural talent but bad habits. It takes experience at ongoing education. Even if you're the leader of the pack at one stage, if you don't continue with ongoing learning improvement of yourself, you're going to get left behind.

Kirsten Patterson:

And if directors are keeping up with change, they'll also understand the importance of engaging with biculturalism.

Cameron McCulloch:

The social responsibility, the investment in terms of looking at a socially responsible way of investing and that connection between that and te ao Māori. I definitely think there is an advantage of boards to think that way from a commercial perspective as well, from an understanding as part of our culture, that's really important.

Kirsten Patterson:

But anyone who's been part of a group will know that it's not always plain sailing. And just like a sports team, boards are made up of different individuals who add to the dynamic. So what happens when there's friction and people don't see eye to eye? Or if personalities end up clashing?

Cameron McCulloch:

There's some people that are really good as directors and you can get a whole lot of directors who are really good, but they come together and they just don't make a great board. So that can be about boardroom culture and boardroom culture is really about leadership from the chair. Often people will think they're the person who calls the shots, but they're a facilitator. So having the right skills in the chair to facilitate and lead the discussion is really important. And often when you have a breakdown in culture within a board and those board members not coming together well, that will come down to the chair.

Kirsten Patterson:

In the series, we've talked a bit about why a director might have to step down from their role. So does that act in itself signal a failure from the board or the director?

Cameron McCulloch:

That's not failing, that's choosing that it's not the right role for you, whether that be that you don't feel you have the right skills, or that it's not an organization that's a right fit for you.

Jonathan Forsey:

My lens is looking at things when relationships have completely failed.

Sonia Yee:

This is lawyer Jonathan Forsey. He's on the litigation and dispute resolution team at Duncan Cotterill in Christchurch. He's also a board member of the Society of Construction Law in New Zealand and developed a practice dealing with legal issues thrown up by the Canterbury rebuild.

Jonathan Forsey:

I'm a litigation lawyer, so I tend to look at things in a situation where there has been a catastrophe of some sort and where a relationship is broken down.

Sonia Yee:

In short, he deals with situations when the hits a fan.

Jonathan Forsey:

And in particular when it comes to governance where there is a dispute between organizations and their clients or an internal dispute between directors and directors and shareholders. And also the interaction if the process becomes too extreme with receivers and liquidators. The way the liabilities, those obligations under the companies at work is that they are personal to directors. So if you are held to be in breach, that is a liability which goes to you directly.

Sonia Yee:

You are listening to Across the Board, brought to you by the Institute of Directors made with the help of ASB bank.

And today personal liabilities for directors means that in the act of participating in that decision-making process, they're putting their own money where their mouth is. So wanting to be a director can come with a financial cost, and if you don't have insurance or haven't done your research into the company before signing on, you could find yourself in a world of pain.

Jonathan Forsey:

If it is a risk that you don't carry insurance for, or for some reason your insurance doesn't respond, then that will be something which goes to be personally paid by the director. There is often, and there should always be directors and officers insurance in place.

But again, an important thing here is to make sure that the insurance product matches what the company does and also is a suitable level of protection in terms of how big it is to cover the types of business that the company is carrying out. And those are discussions that directors should be having on a regular basis with their brokers.

If you get caught out with a claim that goes into an area of risk that you are not covered for, then you'll fall back to be dealing with that liability. And also the cost of defending yourself in a court case, any kind of litigation is stressful and exhausting, but also costly and very, very time consuming.

Sonia Yee:

And one example where a board of directors are facing exactly that, including media exposure, is the Mainzeal case.

In 2013, the high performing and well regarded construction company went into receivership followed by liquidation, owing approximately 110 million dollars to unsecured creditors. And that also included unpaid subcontractors and construction contract claimants.

Jonathan Forsey:

Yeah, Mainzeal was a company which had a large portfolio of really good work and it was doing work for crown entities and for tertiary institutions, that kind of thing, and also for large corporate. So it was operating at a fairly high profile end of the market. It did have some fairly large disputes with Siemens and other clients.

Sonia Yee:

The proceedings against Mainzeal's directors alleged they had traded recklessly and were in breach of sections 135 in section 136 of the Company's Act 1993. So what are those acts and what do they mean?

Section 135 deals with reckless trading.

Jonathan Forsey:

A director of a company must not agree to the business of the company being carried on in a manner likely to create a substantial risk of serious loss to the company's creditors or cause or allow the business of the company to be carried on in a manner likely to create a substantial risk of serious loss. It's the company's creditors. That's what's called by everybody, reckless trading. That was the main focus of the evidence in the high court and in the high court and court of appeal decisions in Mainzeal, the directors were found to be guilty of reckless trading because taken in the round, the court was satisfied that they had allowed the business of the company to be carried on in a way that created a substantial risk.

Sonia Yee:

From here it all sounds very clear cart, but hold up because this is where things start feeling a little muddy. Introducing Section 136.

Jonathan Forsey:

Which isn't as commonly used, says that a director of a company must not agree to the company in carrying an obligation unless the director believes that the time on reasonable grounds the company will be able to perform the obligation when it's required to do so. And in the high court, the court said that there was no basis to find a breach of section 136 because there was a lack of evidence around some specific obligations which were big contracts that Mainzeal was said to have been entering into or had entered into shortly before it collapsed in February, 2013.

But the court of appeal took a different view and said, we don't need evidence about specific obligations or specific contracts. We will hold you in breach of section 136 because we found you in breach of section 135, which therefore means that you must be reckless.

Sonia Yee:

So the question remains as to where the compensation will come from? How much? And who's liable to pay those damages? The leading director of the board, or should all directors on the board be held personally liable? The main shareholder had been using funds to invest in projects overseas. So how has that played into the complexity of the case, especially regarding liability?

Jonathan Forsey:

It's one of the things that didn't help with the directors of the Mainzeal New Zealand entity being able to point to their solvency because Mainzeal's parent company, Richina Pacific Entities, was taking money out of the New Zealand company because it was based overseas and particularly with assets in China, was not in a position where it was going to be able to repay those as and when required. And there was not a formal instrument in place or a process to allow the New Zealand entity to readily get hold of the money that had been taken out of the company and put into its parent. So it was sort of one way traffic really.

Sonia Yee:

But with the demand for transparency in board reporting, surely the directors were aware of what was going on. But even if they had known, did they have the right to hold the major shareholder to account and say this shouldn't be happening?

Jonathan Forsey:

They were aware that it was happening. And the evidence was that some of the directors were raising the issues, particularly with the main conduit, the director, Mr. Richard Yan who was on the parent board and the subsidiary. Some directors were raising those issues and asking those questions, but they weren't really getting satisfactory answers. They took professional advice on solvency quite late on in the piece. And there is some criticism in the high court and court of appeal for how long they waited to do this.

And that advice, which they then did act on, was that they were exposed to significant risk in terms of the problems with getting support from China and that they couldn't carry on being loss making or exposing creditor risk in the way that they were relying on a letter of comfort or something that was well short of a legal enforceable obligation to get money out of the parent company. When there was difficulty, the level of support that they required was not forthcoming.

The high court in the court of appeal both took the position that the directors were operating in good faith. I should emphasize that. It wasn't a question of any concealment, but it's a question of whether viewed objectively the conduct is reasonable and meets the requirements in terms of the company's act obligations on directors and the need to protect creditors from risk.

Sonia Yee:

So how much room is there to move when you find out information that can affect the financial stability of a company? Now we've talked about directors stepping down from board roles, but is it possible to do that at a time like this? And what could the directors have done differently?

Jonathan Forsey:

It demonstrates that there's a risk for directors in particular and being in a situation where they don't have a paper trail to demonstrate that considered these issues. They raised them, they raised questions. These were what the answers were and these were the decisions made going forward. If you don't have a clear paper trail around that and the identification of risk, it does expose you to these types of claims which will be made in a situation of great distress. Because when this happens is when things have fallen apart, it's not... This isn't done in the ordinary course of business, this is when things have failed. So you are under tremendous pressure. You're no longer running the company. So you're in a situation of having to justify things that you did. And if you don't have the record keeping to back that up, it does put you in a very difficult situation.

Sonia Yee:

The Mainzeal case went to the Supreme Court in March, 2022. So how rare or common is that? And why this particular case?

Jonathan Forsey:

Because this case is such an important decision for determining what director's duties are and how they're enforced and what kind of steps directors are required to take. That's why it's gone through the high court, the Court of Appeal, why it went up to the Supreme Court with the various arguments that were run there. It is rare for that to happen, but given how significant this case is and the amount of evidence that was gone through at the high court in the Court of Appeal and even in the Supreme Court, that argument took five days, which is very unusual for an argument to take that long to run at the Supreme Court. Supreme Court judges will have gone away from that knowing that they had a fairly significant judgment to write.

I could see that if the Supreme Court, particularly if they add their voice to what the Court of Appeal and the high court have said about this, there could well be an appetite to review at least this part of the company's act. The Supreme Court decision will by its nature because they're a higher court than the Court of Appeal and the high court, they won't be changing the words of the company's act, but they will be providing guidance as to how those words are to be interpreted and used and how directors and others should see them in terms of their obligations.

Sonia Yee:

Since the collapse of the company, the story has garnered a lot of media attention, but is that due to its high profile directors, which included Dame Jenny Shipley?

Jonathan Forsey:

I think that Mainzeal would've been a big case anyway because of its size and its significance in the construction market and the fairly abrupt way in which it collapsed. But the high profile of directors. But there have been other company failures with high profile directors. They do usually bring around a greater level of media scrutiny and interest. It's part of the reason often why people are on boards in the first place is to use their profile and the connections that they may have. So there are positive reasons for involving people with high profiles in businesses directors, but it does carry with it a greater level of media scrutiny and interest. I think that that has contributed.

Without doubt, it's a situation where the company did comprehensively fail. That certainly took people a bit by a surprise in the construction industry at the time because they were regarded as being too large to fail, and we were a major player in the market and we're very highly regarded in terms of the domestic projects that they had ongoing. The courts made specific criticisms around corporate governance. There are risks if your systems are focusing on operational things and you don't, as directors, stand back from a company and look at risk at a sort of an arm's length way. So in other words, you get stuck in the operational staff contracts winning work and you don't necessarily have the system set up in terms of risk registers and looking at things from a sort of high governance level to make sure that you are satisfied that you can really test as a director the advice that you're getting from the CEO or others within the company, that what they are saying is correct in terms of its solvency.

And when in doubt, get professional advice, look at the company structure. If you are relying on the support of others within a group structure, look at how that is documented to make sure that everybody's clear the processes that you will go through if you're in trouble and you need help from a group that that is able to be forthcoming.

The other thing is, because this has been such a prolonged process, so you have the original company collapse, you then have a high court case in the Court of Appeal case. Now the Supreme Court decision and the likelihood of at least it's another high court case, there are so many opportunities to go back over the story and retell it because every article will go back through the history of the company and what happened. So it is quite excruciating for everyone involved, probably frustrating for the creditors and the liquidator.

Kirsten Patterson:

Let's head back to Dr. Smita Singh again to unravel some of the challenging elements of addressing failure. For instance, even pushing past the stereotype that those in leadership positions need to maintain a seriousness, become stoic and devoid of emotions even when things start getting tough.

Dr Smita Singh:

Well, first of all, stoic doesn't mean that we don't have emotions. If you're a human being, you're bound to have emotions and you will have the range of emotions, whether or not you want to acknowledge it, whether or not you want to talk about it, whether or not you want to address it, that's a call you can make. It's about how you manage your emotions in a healthy manner.

But how can we even go to that conversation when we are not even willing to be emotional? We want to just project ourselves as some kind of unfeeling robots. Resilient entrepreneurs I found were starting new ventures more quickly after failure than entrepreneurs who were exhibiting a recovery tragedy and they were learning and applying their learning from failure faster than other entrepreneurs as well.

You can have emotional coping strategies and you can have problem focused strategies. Emotional coping strategy, the one that really came out again and again, trying to emotionally detach themselves from the venture that had died. That kind of prevented them to lessen the grief of failure, and grief can become a bit of a barrier because if there's too much grief may become a barrier in your learning from the experience.

Kirsten Patterson:

Perhaps if we see mistakes or failure as an opportunity to do things differently, then that might go a long way for those dealing with that grief, the foresight that things can and will change, especially if you're prepared to face that mistake and move on.

Emily Miller-Sharma:

We realized through COVID that as an industry we were too disparate in terms of our voice. So we didn't have an industry body that was functioning, that was talking directly to government.

Kirsten Patterson:

You heard Ruby General manager Emily Miller-Sharma in a previous episode talking about sustainability in the fashion industry. But part of her vision and the reason for starting Mindful Fashion, a board that supports the entire fashion industry, came about as a result of bigger problems and obstacles for the sector. And when COVID hit, the board was ready for action. Well, almost.

Emily Miller-Sharma:

The initial documents that were put together by WorkSafe and ShockCare that in a clothing retail store, customers weren't allowed to touch product or try it on.

Kirsten Patterson:

This was challenging for the fashion industry and clothing retail at a time when there was widespread fear that the virus could be spread through touch.

Emily Miller-Sharma:

For us, obviously it was like, there's basically no point in opening. So retail New Zealand was working with shop care consulting on that document, but as mindful fashion, we really are only about clothing. And so we were able to really, really focus on that piece and we managed to get that changed.

Speaker 3:

Is it okay if I try this on?

Kirsten Patterson:

Which proved to Emily and the board that coming together as a collective made the industry stronger.

Emily Miller-Sharma:

It was a really big revelation to us how important it is to have an established and respected organization that can operate with other industry organizations and government and speak for an industry. It's an interesting thing to be in an industry that is usually so nimble, needing to learn how to be bureaucratic.

Dr Rod Carr:

There was lots of government grants for exporting a screwed up exchange rate and lots of subsident.

Sonia Yee:

Dr. Rod Carr has a background that spans technology, finance, education, and now climate. He's a chair of the Climate Commission and now on the board of ASB. You could say he's made it to the top of the ladder, a high achiever with a great sense of purpose. But if we take a few steps back, things weren't always so rosy. Rod learned some vital lessons early on in his career when he started his own company.

Dr Rod Carr:

A little outfit that my brother and I set up called Joint Research Consultants in the late 1970s. We developed a line of business buying sheepskin rugs and wool spinning wheels in New Zealand, exporting them to America. It didn't matter whether we sold them or made any money, we got paid enough from government grants to throw them all away. It proved to me that government subsidies can sometimes be very foolish ways of incentivizing business to behave. Businesses are completely rational and they will act in their own self-interests. That's what they're designed to do. Certainly in the 1970s and 1980s, that was the mantra. If it's legal, do it.

Sonia Yee:

Oh, the glory days. Well, next he got himself a seat at a few tables. It was a start of a governance or directorship path you could say where he could step up his game.

Dr Rod Carr:

The companies that I was then appointed as the director of were in the Bank of New Zealand, whereas the one of the founding directors of BNZ life insurance, which went on to become a very successful bank owned life company, BNZ Investment Advisory Services, which eventually became BNZ's Private Bank, and a little company called BNZ Pensions Limited, which was to become the trustee of pension funds. So my name as a director was in all those companies.

Sonia Yee:

Which all sounds very well and good and what you'd expect, right? Except...

Dr Rod Carr:

BNZ pensions was a shelf company. The line of business did not evolve and develop, but it became the nameplate reinsurer for Bank of New Zealand's bad loans in the mid late 1980s.

Sonia Yee:

So, lesson one.

Dr Rod Carr:

Early on in life, watch out where your signature is and what it might be being used for, with or without your knowledge.

Sonia Yee:

Moving swiftly on to lesson number two.

Dr Rod Carr:

You better know what the company you are a director of is doing, or you will find doing things and being used for things in your name. You really do want to know whether money is made and it's not made in directors [inaudible 00:35:18].

Sonia Yee:

And Rod learnt that lesson when he became a director of a company called...

Dr Rod Carr:

Called Registry Managers Limited. Now that used to be the BNZ Bank of New Zealand Share Registry business. It was merged with Perkins Hargreaves Registry, ultimately became Computershare in New Zealand. I was the only director not to get a personal stake in the 20 million dollars it was sold for.

Sonia Yee:

Ouch. That must have hurt. But there was also an even bigger lesson learned as a result of making those mistakes.

Dr Rod Carr:

It was one of those learning experiences where what your name is on will travel with you for the rest of your life. So this was predating social media where perhaps there's more consciousness about the internet never forgets, but certainly the company's office never forgets.

Sonia Yee:

An interesting cautionary tale. But how does he view success? Has he reached the top of the mountain? And if so, what does he see?

Dr Rod Carr:

I don't think you're ever at the top because you never know what comes next. I mean, who would've thought when I retired as Vice-Chancellor of University of Canterbury in the beginning of 2019, that I would end up as chair of New Zealand's Climate Change Commission? I mean, that wasn't on the cards. It wasn't in the plan. And yet it is probably been one of the most intellectually stimulating and rewarding two and a half years of my career because of the complexity, the diversity, the very real challenge that we face and the opportunity to make a contribution at a national level.

So from that point of view, if I had to pick between being governor of the Reserve Bank or Chair of the Climate Change Commission, I'd pick Chair of the Climate Change Commission. You are going to make a bigger difference over a longer period of time than likely as the governor of the Reserve Bank of New Zealand. Now, what we have to do is make sure that we give advice that will make a difference, advice that is evidence-based and independent that all New Zealanders can understand, and that the government of the day will find a way of following the advice to sustain a transition that will take 30 years.

Kirsten Patterson:

That was Dr. Rod Carr. You also heard Dr. Smita Singh. Emily Miller-Sharma, Jonathan Forsey, Steven Renata, and Cameron McCulloch. I'm **Kirsten Patterson**.

Sonia Yee:

And I'm producer **Sonia Yee**. The Sounds Engineer for the series is Mark Chesterman. And that brings our seven part series to a close. A big thank you to the New Zealand Herald for hosting the podcast. And again, to our friends at ASB Bank who helped to make the series possible.

Kirsten Patterson:

It's been great to share these stories with you. So if you enjoyed listening, we'd love for you to rate the series, leave a comment or even share it with a friend. And if you'd like to find out more about governance or what it means to sit on a board, head to iod.org.nz. The Institute of Directors or IoD is a not-for-profit organization that's part of an international network supporting individuals and boards on their governance journeys.

Sonia Yee:

Thanks again for listening.

Kirsten Patterson:

Bye for now.