

# E002 – Listen, challenge and do not hesitate

## Podcast Guests 0:00

Leadership's incredibly lonely. [THEME MUSIC]

## Paul Avey 0:03

Culture eats strategy for breakfast. I always had the view that I wanted to be a leader not a do-er. The objective of having the right culture is so you can achieve the strategic goals of the organisation.

[THEME MUSIC]

## Introduction 0:17

Hello, and welcome to the Traits of Effective Leaders podcast, brought to you by **SG Partners**. Each episode allows you to hear from real leaders of real businesses, with the aim of assisting you to become even more effective at what you do. Whether you're already a leader, CEO, business owner, manager or an entrepreneur. This exploration of leadership effectiveness covers a range of challenges you may already be experiencing yourself. Now, let's hear from our host, international speaker, Master NLP practitioner, and owner of SG partners Michael Lang.

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## Michael Lang 0:54

Hello, and welcome to Traits of Effective Leaders podcast. I'm your host Michael Lang, owner of SG partners. Today we have another great guest. And we'll be exploring, again, concepts around leadership. And what really excites me today about talking to our guest is he's been in a number of roles that has enabled him to put together a lot of experience, a lot of learnings. So we're gonna get a lot of insights from his perspective of what it is to be a great leader and what he's learned along the way. So our guest today is **Paul Avey**.

Paul Avey started his career in New Zealand, in the New Zealand Air Force. So we're gonna explore what he learned in that aspect and what he's taken forward from a leadership perspective. And then he went into the manufacturing side to companies like Orica, and Incitec Pivot, and then start to progress his leadership, and finally into CEO and managing director roles. So we're gonna explore that a bit further. His journey has been primarily in companies that we know their brands quite well, definitely in the industrial space. And it's been in small companies and then into large corporates, multinationals, then back into another smaller company to where he is now at **Concept Services**. So welcome, Paul.

## Paul Avey 2:17

Thank you, Michael. Thanks. Thanks for having me.

## Michael Lang 2:19

My pleasure. So Paul, let's go through your CV in a way. So an engineer in Royal Air Force, what were your learning's there?

## Paul Avey 2:29

Royal New Zealand Air Force, not quite the Royal Air Force, so one of the key things Michael is the New Zealand Air Force put me through university in Canterbury. And one of the obviously, I did a mechanical engineering degree at Canterbury uni. And in our university holidays, we used to do practical work, and we were posted to different squadrons around the New Zealand Air Force.

And all of a sudden, you realise that life isn't about formulas. Life isn't about a calculator. It's about working with people to get things done. And my first posting after university was to NZDF base and in the Southern part of the North Island in New Zealand. And I was the maintenance flight commander for a Support Squadron, an engineering Support Squadron that basically did heavy maintenance on Skyhawks and Strike Masters, which, you know, back then, and 35 years ago when New Zealand actually had fighters. We had squadrons of fighters, we don't know anymore. But back then we did. And so I was posted on to this maintenance Squadron that I had 40 odd people working for me, I was 22, we had a fleet of 20 odd Skyhawks that we had to had to maintain. And the only way I could do that is by working with these, the 40 odd people that I had working for me, who, in most cases were twice my age.

And I quickly came to learn and one of the the early learnings from us working later at the time, was a life on the squadron is in the battle formula, you can put numbers into an equation and get the answer at the other end, you've actually got to deal with people and you've got to build the team, you've got to understand what the objective is. And the objective was very clear that it was to get Skyhawks out on the flightline. So that we could give them to pilots and they could take them up in the air, they could break them, they could bring them back down and we could fix them again.

So there was a very clear objective that bound the team together. And it was it was probably an important leadership lesson actually, right at the start as make sure that the objective is clear, make sure the KPIs are clear. Make sure everyone understands what you have to do, and then measure the performance towards those objectives.

### **Michael Lang 4:40**

Quite a daunting task. You're in your young 20s leading 40 people that are significantly older than you. That must have been terrifying need to begin with but obviously you had some natural talent. That's why they gave you the role. So how important was it to have a great Squadron Leader to assist you?



## **Paul Avey 5:00**

Yeah, I think the lessons from that period of my life was, make sure you have really good mentors, make sure you know who the good leaders are, who the bad leaders are, make sure you learn from both, the good and bad. And make sure that you understand the key things that you should be doing from the experience of the people that are, that had more grey hair than what I had around the place. So you know, certainly from a technical perspective, you know, they could, they knew a lot more about the aircraft they were maintaining than what I did. And so the key was to make sure that I built those relationships with key people in my team, so that I could understand what was going on. Because at the end of the day, it was my signature on the flightline documentation that allowed these aircraft to go up in the air to fly.

## **Michael Lang 5:41**

I suppose what might have made it easier is they were just really passionate or really enjoyed doing their bit, they didn't have aspirations of your role, or, I mean, I don't know, if they called you out much but that might have made it easier.

## **Paul Avey 5:57**

I always had the view that I wanted to be a leader not a do-er, when I was at school, I used to working in factories to earn some money. And from those early days of sweeping floors and putting rubbish in bins, I realised I didn't want to do this for the rest of my life. So that sort of gave me that driving ambition to learn as much as possible at university, and then learn as much about what I call my profession, which is being a leader.

## **Michael Lang 6:21**

Right. So if we look at your progression, there's some companies that you need to leave because of the company, and there's some companies you choose to leave because it's time for you to leave. Right? So how do you know it's time to leave?

## **Paul Avey 6:39**

There's that old adage that you never leave a company, you leave your boss. And I think that in just about every instance where I've had to leave, it has been because of my boss. One of the lessons that I've probably learned over the years is to make sure you choose the right boss. Number one, you got to choose the right company that you want to go to. But equally number two, it's really important that you choose the right boss, you need to make sure that there's number one chemistry there. So you can be able to develop a relationship with that person in the future, you need to make sure that that person is ethical and professional. And equally, you need to make sure that that person knows where they're going to be taking the organisation in the future.

So they've got a very clear view of what the strategic direction is of that organisation. Because if any of those those critical attributes aren't there, then you're probably choosing the wrong leader. So I think a lesson I've learnt in my 35 odd years, would be to make sure that you spend time as a candidate going into an organisation, that you're choosing the right boss, it's really, really important to choose the right boss.

## **Michael Lang 7:40**

And over time, you've developed your sense of what that is, right? As in, you become even more self aware of your values, your beliefs, and therefore be able to pick up the signals as you go through the interview stage.

## **Paul Avey 7:55**

Yeah, yeah. And I think that's really valid. The culture of an organisation is a reflection of a leader. And if your personal values are at a different angle of the norms, and the culture of the organisation, which is a reflection of the boss, or the leader of the organisation, then you're never going to survive in that organisation. So I think it's absolutely critical that you choose the right boss, when you go to an organisation.

## **Michael Lang 8:18**

I've been in some of those organisations, Paul, you've lived in hope that they will change?

## **Paul Avey 8:22**

Well, I guess I lived in hope that I could make enough of an impact and that the organisational culture would change to being more aligned with the direction the company wanted to go. And more aligned, or I guess I've been more hopeful that I was able to change the leader that I was working for at that particular time, so that they could understand their deficiencies more than more than what they were. Yeah, in a couple of cases, it's probably been a false hope.

## **Michael Lang 8:51**

I think we know the companies you're talking about. Okay. So as you go through your career, you get to the top. I mean, you're a CEO or managing director, right. So you are now the person that is a custodian of culture. And yes, there's been multinationals. So there's probably always someone that's your boss, or its a shareholder or someone somewhere else in a foreign land, so tell me what are the things that matter the most, when creating a great culture?

## **Paul Avey 9:19**

I think there's three things that are critical for culture. And I guess the objective of, you don't do culture just for culture's sake, the objective of having the right culture is so you can achieve the strategic goals of the organisation and so there's no way that you can achieve the strategic goals in the organisation, if you ever got the wrong culture. So the outcome is delivering what stakeholders, shareholders and customers want for the organisation. So for me, there's three critical things that you need to work on in an organisation, in a culture.

So number one safety and it's not only physical safety, but certainly physical safety is part of it, but it is more broadly psychological safety as well. And mind you I've worked in organisations where safety hasn't been the safety, the broader word safety or the broader definition of the word safety hasn't been the priority. And as a result of that, you see that people, you know if there's some bullying or harassment going on, on the organisation, and I've been in organisations where I've been bullied and I've been harassed, and one particular case, probably legally assaulted by my boss.



And I can speak very personally about about that. But there's no way that you get the commitment of an individual in the organisation, if they don't feel safe, if they don't feel safe to speak up, if they don't feel safe to want to be part of the organisation, they don't feel safe to challenge strategic directions or decisions that are getting made by managers. That's a critical part of an organisation that's in my view. It's the number one thing that you gotta get right in an organisation so that people feel safe, physically, mentally, and emotionally, in an organisation so that they can contribute. So that's probably number one.

Number two, I think you need to make sure that you've got an organisation that people can develop relationships throughout the organisation. You know, organisations are just groups of people. And if those groups of people don't have relationships, deep and personal, and professional relationships, then the organisation is nowhere near as effective. So I like to create a culture where there's ample opportunity and motivation for people to develop personal relationships with people so that people know each other, they know what makes them tick. They know their families, I know what their ambitions are, they know where they want to go. And if you do, you have those relationships and information gets shared, it makes the organisation a lot, a lot easier. And information is the lifeblood of the organisation.

The final component around culture that I like to make sure that is fully understood, is where we're going. And a lot of people say that's strategy, but my view is if you have a culture of understanding where we're going, and people sharing that information, people talking about it, naturally talking about it, then it becomes part of the DNA of the organisation becomes part of the culture. And so I like to make sure that everyone in the organisation feels feel safe enough to have have important that the direction the organisation is going.

So that there's absolute clarity on what needs to be achieved. And as a result of that, you know, if you have if you have safety, and if you have relationships, and if we also everyone understands what the objective of the organisation is, then it's a lot easier to actually achieve those objectives.

So for me, culture is about those three things. It's about people's safety, in the broader definition of the word. It's about relationships, and it's about everyone understanding what the objective of the organisation is, from a cultural perspective, not just from a strategic development perspective.

### **Michael Lang 12:39**

That makes sense, Paul, so why did leaders get that wrong then? Because when I listen to you talk Paul, it's not about you. It's about others right? And I know some of the companies you've been in, and I'm sure you've seen leaders, your leaders to you, other leaders that don't get it.

### **Paul Avey 12:56**

I think a lot of people don't think that leadership is a profession, I think a lot of people think that, you know, if you're a good boilermaker, then you should become the leading hand. Or if you're a good salesman, you should become a sales manager. And I'd like to turn that around, I think you need to think of being a leader as a profession, not as a, you know, because I'm a good engineer, or a good tradesman, or whatever it is, therefore, I get put into a leadership position and I get more money, I get a company ute, or something like that, you'd all the trappings of leadership.

People have actually really got to want to be a leader, and a lot of people really don't understand what leadership is. And for me, just go back to the basic definition of leadership, it's taking someone or something from one place to another, you're leading them from one place to another. And leadership in an organisation is about engaging the hearts and minds of people to take them from personally where they are now to something to a higher level, or the organisation from where it is now to a different place to a different executing of strategy.

So it's about physically leading people with their hearts and minds, taking them from one place to another, a different level of performance. And the only way you can do that is through leadership. You can't do it through management, you can't do it through technical expertise, you can't do it through by being a good boilermaker, for example, you've actually really got to want to be a leader, you've got to want to engage the hearts and minds of people to take them from one state to another to another place.



### **Michael Lang 14:21**

It's an activity, right?

### **Paul Avey 14:22**

It's an activity. That's right. It's something you do

### **Michael Lang 14:27**

You can't do it sitting in an office.

### **Paul Avey 14:29**

That's right. That's right. You can't do it sitting in an office and you can do it from behind the computer.

### **Michael Lang 14:33**

So from my experience with leadership is one of the most interesting elements is those that get it I see some self awareness in them. So when you're talking about having a safe workplace psychologically as well, you talking about experience of you been bullied? So that's an experience that you took something from. So many other people will have that experience and not take anything from it. Not take any learnings, or in fact, think that's the norm and they become a bully.

### **Paul Avey 15:05**

Yep.

### **Michael Lang 15:05**

That's how it goes, right?

### **Paul Avey 15:06**

Yeah.

### **Michael Lang 15:06**

So self awareness is a critical factor from my perspective. Why do people struggle so much with self awareness?

## **Paul Avey 15:15**

I think, number one, it's painful. It's painful to have a look at yourself. And it's painful to understand what your shortcomings are and it's painful to admit your shortcomings. And to become self aware, you've actually got to admit that you've got some failings. And particularly as blokes, us males, we don't like to reveal that, we don't like to pull back the shell of us and expose the parts of us that aren't as good as what you know that the image that we portray is what we actually are so. So I think that it's quite painful to actually do it. And as a result of that being painful, you've really got to want to become self aware. And if there isn't that motivation to become self aware, if you haven't been led properly in the past, to understand where your weaknesses are. If you think you're 100%, perfect and bulletproof, then you're never going to look internally to find out what you need to do to improve.

## **Michael Lang 16:05**

And just listening to you there. I think one of the other aspects is to be a great leader, which is an activity, you've got to help other people to be self aware. So you've got to be comfortable with their pain in becoming self aware.

## **Paul Avey 16:21**

Yep.

## **Michael Lang 16:21**

So part of the challenge of leaders is, even if you were self aware, you've now got to be comfortable with someone else going through that pain as well, which actually a lot of people struggle with, right, because who wants to create conflict, who wants to have that tension in the room? So they shy away from it, and then they just let the problem manifest itself and, and become even, even more. So where they finally have to do something about it. And it's quite painful for both parties isn't it?

### **Paul Avey 16:49**

Yeah. And, my view is that you need to use the formal processes that we have in organisations, whether it's performance reviews, whether it's weekly one on ones, whether it's coaching sessions, group coaching sessions, team meetings, you've got to use those to not only do the day to day transactions, but actually do something that's transformational. Transformational for you, as a leader and transformational for your for your team for your employees as well. Because if you don't use those formal activities, to be transformational, it just becomes a tick and flick exercise. And you might as well not do it.

### **Michael Lang 17:22**

Yes.

### **Paul Avey 17:23**

Might as well not do it.

### **Michael Lang 17:24**

So Paul, strategy. What are the key activities needed to consistently apply to ensure people are aligned to strategy?

### **Paul Avey 17:34**

Number one, there's a saying that a bloke that I know from Denmark brought to my attention years ago, which was "culture eats strategy for breakfast", right? So number one, the first cab off the rank has got to be culture, right? If you don't get your culture, right, then no matter how much effort you put into strategy, it's never gonna work. So I always try and concentrate on the culture first, and then the strategy follows afterwards. So let's assume that the culture is right.

So the key things from a strategic perspective that that I like to do, I guess, number one, is to have a really clear view of what the vision and mission is. And I know, you go into lots of organisations around the place, and they have visions and missions and they really, they really are quite meaningless. I like to have a, develop with the senior leadership team, with key people from the organisation, key influences from the organisation. I like to develop a vision and mission that is absolutely ingrained in the organisation, ingrained in the culture.



So it actually becomes part of that culture, rather than just something that's sitting on your business card or, or behind the receptionist's desk in the office when you come in. So you have a really clear understanding of what the vision and what the mission is. And that not not a long winded mission and vision that's got lots of typical business speak in it, something that's actually meaningful for that organisation. But more importantly, it's got to be meaningful for the customers and for the stakeholders. Because at the end of the day, it's stakeholders and the customers to your organisation that give you the money to grow. So you need to understand what the vision and mission, what the key competitive advantages that you have, and make sure that's built into the vision and mission and it's something that customers want to pay for. So you start with something simple, vision, mission. And the key thing is to make sure you have involvement, because if it's just the CEO or the board, coming out with a vision and mission and creating edicts around the organisation, this is going to be what it is, then it just doesn't become part of the DNA and becomes an ego trip for the for the board or the CEO or whoever it is that's doing it. So it's a lot easier. If the CEO just develops the vision and mission sitting in his office and start sending out emails to the organisation, it's much easier, but doesn't work. So why do it?

### **Michael Lang 19:51**

Yes.

### **Paul Avey 19:51**

So the key thing for me is to get that involvement, starting from the vision, mission, and then from that, get involvement to describe what the strategic objectives are, given that this is our competitive advantage given this is our vision. This is why customers want to deal with us. But what are the strategic objectives that are going to build on our core competencies that are going to build on our competitive advantage, so that we can deliver the outcomes that your significant stakeholders want you to achieve?

So that if the financial objectives which a lot of people think financial objectives are actually your strategic objectives, but they're not, they're an outcome of your strategic objectives. And I'm not an AFL follower, but Ron Baresi had a fantastic saying that was 'you just play the game right on the paddock, and the school board will look after itself.'

And so if you have if you have the right culture, if you got the right strategy, if everyone understands the vision and mission, and you've got very clear views on what the strategic objectives are, and the actions that are working towards those objectives, and people have had involvement, and so execution is easier, then the scoreboard is going to look after itself, you're playing the game on the paddock right, the scoreboard will look after itself. So that should be the focus, not the P and L.

### **Voiceover 21:04**

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### **Michael Lang 21:13**

I suppose in a large organisation, one of the challenges and you mentioned the words 'everyone understands'. One of the challenges is how do you get them to understand? And how do you not only understand but really buy into it with their hearts and minds, right? So in your experiences with the larger organisations, how's that been done effectively, or ineffectively?

### **Paul Avey 21:34**

When I first saw it working really well was with a guy called Dick Knowles. And he came out to run some safety workshops with us. And in a team situation, we came up with what's called an enneagram. So this enneagram is effectively a communication tool for what the strategy is and what the objectives are. And we had these enneagrams placed around the organisation. And they became a focus of conversation.

So whenever you did a toolbox talk, or whenever you did, had a management meeting, or team meeting, you pull out the enneagram and start talking about and because everyone had input into that, into that enneagram, everyone had input into the, into the production of that, and the conversations that went around it, it made it a really powerful tool to get people to talk about what is the strategy, what are we doing, what's working well, what's not working well, who's engaged, who's not engaged, and so have some kind of symbol to initiate conversations around the strategy.

Because if you don't initiate conversations, behaviours aren't going to change, people aren't going to understand it, if you don't understand it, you're not going to change. People don't, as soon as you have those conversations happening, everyone can see that the behaviour that is consistent with what you want to achieve, and people see the behaviour that's inconsistent with what you want to achieve. And over time, the behaviours that are consistent get reinforced and become the norm. And the behaviours that are inconsistent get reduced, get attenuated in the organisation, so they don't become the predominant norm anymore.

### **Michael Lang 23:04**

So consistent communication.

### **Paul Avey 23:06**

Consistent communication. And again, as I said before, that takes energy, it takes effort, it takes persistence and takes discipline, you can't just put the strategy down on a piece of paper and email that out to everyone, you've actually got to engage the organisation with it. And that's, that's, as I said, before, leadership is taking people from one place to another, you can't take people from one place to another, unless you're talking to them at an emotional level talking means listening as well, at an emotional level, and then you can take them from where you currently are to where you want to go. And it takes discipline to do that.

### **Michael Lang 23:39**

Yes. So sounds to me, in that example, there was some sort of above the line and below the line behaviour model?

### **Paul Avey 23:47**

In that particular case with the enneagram, there was standards and by viewers that were clearly communicated, and black and white, what was acceptable and what was not acceptable. And I think that's a critical thing, that, that you do have to have the acceptable behaviours, clearly understood by everyone. And they are black and white. For example, at Concept we've developed a leadership behaviour model, which clearly identifies the behaviours that we expect all the leaders at Concept Environmental Services, that all of the behaviours that we expect leaders to exhibit.



So it becomes part of recruitment, becomes part of performance reviews, we have a leadership share at the start of our weekly meeting. So we're talking about what are the leadership behaviours of being consistent with our standards and what leadership behaviours have been inconsistent. It becomes part of doing one on ones that I have in my team. So what are the good leadership attributes around the place that we're seeing, what are the things that we need to improve on? So as soon as you put that energy into that discipline of doing that, then behaviours, because behaviours are just a, they're an output of the culture. And the culture is an output of leadership. So you can't actually see leadership but you can see behaviours. So if the behaviours are consistent with your leadership model, then you know, you're heading in the right direction. If they're inconsistent, then yeah, that's something you need to start looking at changing.

### **Michael Lang 25:06**

Fantastic. Fantastic. So, Paul, what are three core leadership traits you think are important to be a great leader?

### **Paul Avey 25:12**

So I think, and I know it's a buzzword, but it's so true is leading by example. And it's probably overused, and to a point of becoming a cliché, but it is. So critically, it is a critical part of you as a leader, because, you know, we've all seen leaders that they preach something, and then go and practice something else. And in my humble opinion, the leaders that do that, they're not acting as leaders, their respect just evaporates immediately, if they're saying something and doing something else, their credibility as leaders has gone, and if the credibility of the leader goes, then they're nowhere near as effective as what that could be in terms of impact on the organisation.

So I know it's overused. But leading by example, there's just such a critical thing that all leaders have to exhibit. Number two, in my opinion, don't accept second best and first best is the the only thing that we should be accepting as, as leaders, and we're gonna set the height, the bar high, you know, I think something that I approach is we don't expect anyone to be absolutely perfect all the time. But all we, all I expect is that people are improving, people are trying to improve organisations are improving, teams are improving, KPIs are getting better, doesn't have to be perfect, it's just is just gonna be getting better.

So don't don't accept second best, and whether that's recruiting, whether it's excuse mentality, you know, when you and I've had many conversations about excuse mentality, people that come up with excuses, in my opinion, that's a sign of a very, some person in a personal issues with that person, and they need to be improved or eradicated from the organisation, so don't accept second best. And I think, thirdly, holding people accountable. I think there's all too often in organisations, it's easy to, or easier to accept the results that you're getting, rather than holding people to account.

If they say they're going to achieve something, then make sure that they're given the resources, they're given the time, they're given the ability to achieve those results. And then, by holding individuals accountable in the organisation, it becomes part of the culture. So you get a culture of accountability within an organisation. So I think those are probably the three key things for me as a leader, three attributes of a leader you need to need to work on.

### **Michael Lang 27:33**

In my experience, in your experience, why is it so hard for leaders to hold people accountable?

### **Paul Avey 27:38**

I think and this is a gross exaggeration probably or gross stereotype. But there's not a lot of really good leaders in the world. And people that are in leadership positions are oftentimes not really good leaders, but they're in leadership positions. So a lot of leaders, people that are impressionable on people that have been mentored, they're being led, and then being mentored by people that are not, as we talked about before professional leaders. And often people that are professional leaders don't hold people to account. And if they don't hold people to account, then that becomes the norm in the organisation.

And leaders coming out through that organisation think that that's acceptable. And then it becomes their way of behaving. So if they haven't been brought up in a culture of accountability, and they haven't been mentored to hold people to account, then it's very difficult for them to do it in the future. So there's not too many. not a lot of leaders that people, a lot of leaders think they are holding people to account.

But they do it in a bullying, passive aggressive style, rather than that constructive leadership style. And my view is that passive aggressive style is a really poor way of holding people to account.

Yeah.

### **Michael Lang 28:53**

I hear you, I hear you.

Thank you. So Paul, think about your journey in leadership and all the organization's you've been with, leadership failures, what comes to mind, and what are your lessons learned?

### **Paul Avey 29:07**

I think what comes to mind is holding on to poor performance longer than what I should, should have. And as I mentioned before, you've got to recruit the right people to get good culture, as well as developing the people that are in the organisation. And I think I've been guilty on a number of occasions of calling out poor performance. But probably spending too much time coaching and mentoring people and trying to manage performance. Rather than calling out the poor performance, cutting people loose and recruiting people that are consistent with the organisation and consistent with the culture that we need to get.

### **Michael Lang 29:45**

So you're believing you could turn them around.

### **Paul Avey 29:48**

I want to give people a go, give people a go, it's a natural Australian / Kiwi thing to do is to give people a go see if you can you can help them to get on the bus.

### **Michael Lang 29:58**

Yeah.



## **Paul Avey 29:59**

But I think There's been a number of occasions where I've probably tried too hard. And that's probably creating personal anxiety for me, because things aren't moving as quickly as what I wanted, it causes personal anxiety for the employee that struggling with the new organisation, or the direction or the, you know what they have to achieve. And often, you see people that move out of an organisation, in two or three months time, they're different people, they knew they weren't performing in an organisation, they're now in an organisation that they can contribute, the capacity is far more aligned with the role that they are doing.

And they're far more happier as people, and as a result of them moving, you can bring people in the organisation that are consistent with the culture you want to develop. And things happen quicker. When things are happening quicker, then CEOs blood pressures, reduces. So there's benefits for the employee and also for the organisation by cutting quicker than what we would probably tend to do as a New Zealand or in Australia, we tend to try and give people a go, and we think 'she will be right', we'll get there. But a lot of the time, you're better off for both parties to cut sooner rather than later.

## **Michael Lang 31:09**

Right. So inwardly, you've probably developed a criteria of how much time and effort you would give someone now, as opposed to cutting him loose, right? So what's some of those criterias?

## **Paul Avey 31:25**

A friend of mine said to me once that when you get to a point that you think you need to cut someone loose, you've subconsciously been looking at these behaviours for probably six months.

## **Michael Lang 31:35**

Six months, okay, yeah.

### **Paul Avey 31:37**

Whether it's right or not, I don't know. But it's more than a couple of weeks let's say. So you've been putting up with negative behaviours that you do subconsciously, and probably haven't totally understood some of these behaviours that you've been putting up with, until it reaches to a point where maybe you don't blow through a valve, but it gets to a point where you need to call out that behaviour. So my view, three months of not meeting numbers is unacceptable. You know, I think you can, if you don't meet numbers, whether it's production numbers, or sales numbers, or price margin numbers, or whatever it is, if there's, you know, the first month you put in corrective action, you understand what's going on. The second month, if that doesn't happen, then you reassess a corrective action that you put in place. After three months, in my view, that's, that's performance management territory that you need to determine what path forward is for both the organisation and the individual involved.

### **Michael Lang 32:31**

Do you hold fast to that now?

### **Paul Avey 32:32**

Yeah, I do. Yeah, I think it's, again, it's hard to do. But if that becomes the norm of the organisation, if it becomes part of the culture, then I think it gets accepted in the new governance, three months of not meeting your numbers, and you're going to be in trouble.

### **Michael Lang 32:48**

Right. So accountability is one of the through your failures in leadership, you've developed a system now, a process, inwardly and externally, to hold people even more accountable?

### **Paul Avey 33:01**

Yes, yeah. Yeah, yeah. Yeah. And again, you've got to be consistent as a leader, you've got to make sure that everyone in the organisation is held to account to the same degree and through the same processes. So there's no favouritism, or anything like that. And then it becomes part of the culture. So it's accepted so that the organisation becomes self controlling in a lot of ways, people will hold each other to account.

### **Michael Lang 33:27**

So in recruiting then, do you actually articulate this to a candidate, a preferred candidate?

### **Paul Avey 33:35**

Yeah, absolutely. Well, number one is to make sure that the candidate has got a track record of achieving results, and making sure that they have this evidence that they have done what they have said that they're going to do, which is in my view, that's accountability. And I've had some recruitment through **SG Partners**, which has been fantastic at demonstrating that these individuals that we've recruited have delivered results for organisations, and when I've recruited them into my organisation, then they absolutely have done what they have practised in the past.

So become as part of their nature, so it's easier to implement. And so you got to make sure that you've got the right people, you've got the right pool of candidates, you make sure that they understand the importance of achieving results, how they're going to achieve those results. And that's crystal clear before you make the decision to recruit. As I said, before you choose your boss as well.

### **Michael Lang 34:33**

Yes.

### **Paul Avey 34:33**

And if there's inconsistencies between the candidate and my expectations as a recruiter, as a recruiting manager, then there's going to be friction from day one. So you're much much better off to be clear about what those expectations are during that recruitment process. And then it to not be a huge surprise to the candidate. And also for the recruiting manager when they started the organisation.

### **Michael Lang 34:56**

So you'd live by this adage of hire slowly and fire fast then.

### **Paul Avey 34:59**

Yes.



### **Michael Lang 35:03**

So, Paul, early on in this conversation you talked about, it's really important to have great mentors. Part of the challenge, though, is when you're a CEO, or managing director, there's very few people to look outwards to. So how do you get a great mentor? Or is that something that you struggle with?

### **Paul Avey 35:22**

No, no, I don't struggle at all. There's people that I would consider to be mentors, and one would be in this room here.

### **Michael Lang 35:30**

Oh thank you.

### **Paul Avey 35:31**

I think the conversations that you and I have had over what's probably 10 or 11, maybe even 12 years now, have really honed my skills as a leadership, particularly around sales leadership, and understanding why customers are important. So I think your boss doesn't necessarily have to be your mentor, I think I have had some fantastic bosses that have been mentors. Rob Brown from Weir would be an absolutely fantastic example of just a one of those leaders that you would crawl over a paddock of broken glass to get to the other side for.

### **Michael Lang 36:03**

Wow.

### **Paul Avey 36:04**

So there are, you know, I have had leaders in organisations that I would consider to be mentors, you know, the, the, my first one was Squadron Leader Smith in the New Zealand Air Force, who one of the first lessons he said to me was, if one of your technicians, one of your aircraft technicians, has a tech charge, which is they do something wrong on the aircraft, then the first person that you need to look at is the one looking at you in the mirror.

And this was when I was 22, so I was really impressionable and that stayed with me, all of my life, that if someone in your organisation is doing something wrong, the first place that you need to look at is the person looking in the mirror at you, so that really fantastic advice, but don't be restricted to people in your organisation. You know, you're a fantastic example of someone who I would consider to be a mentor outside the organisation that I work for. So you seek out those people.

### **Michael Lang 36:56**

Yeah, fantastic advice. Again, that self awareness piece comes in, right, looking at the mirror. Having the courage to look at the mirror, and then the vulnerability to actually look at the image and everything that goes with it and say, Hey, this is what I need to change.

### **Paul Avey 37:11**

Yep, yep.

### **Michael Lang 37:12**

Fantastic. So speaking of which, if you went back to any leadership role, so from what you know, now, what advice would you give yourself, your younger self?

### **Paul Avey 37:24**

I think the key thing would be, don't be too humble and pushing back upwards to your boss. So I think there's a lot of times that I've looked back and realised that the direction that I'd been getting from a leader was negatively impacting on the organisation, and not taking us in the direction that we've all agreed that we're going. So as a result of that, that causes some discontinuity in terms of the direction the organization's going. And if you have people going in different directions in an organisation, then there's no way, no way you're going to get to where you want to go.

So I think probably what I'd say to myself, is make sure that I would be more assertive when challenging direction that's coming from from a board or from a chairman of a board, because they're not always right. And my first 10 years was in the military. And you were in a, it was considered to be one factor was illegal challenge, you don't challenge a lawful command.

So I think probably my early commercial career, I probably took that, that culture that I've been immersed in for 10 years, probably into the commercial world, when I should have probably push back and challenged superiors more than what I did, because we would have had much better outcome for the organisation if we had challenged. And number two, your boss has got to listen as well.

### **Michael Lang 38:53**

You've got to have a safe environment.

### **Paul Avey 38:54**

Yeah you've got to have a safe environment, absolutely, you've got to have that safe environment to be able to do that. So you don't feel as though if I challenge my boss, I'm going to be out on the street the next day, you've got to be able to challenge your boss, and you've got to be able to challenge the decisions that are coming out of senior management or out of the board. Because at the end of the day, if you get it wrong, then it can be catastrophic for organisations.

So I think that the key lesson looking back on my career is, is don't be too hesitant and challenging what your boss is saying or the direction that you're getting from boards or, or the strategic direction. You know, a lot of organisations I've worked for the strategy has been very much a top down process. So you haven't had people involved in the development of that strategy. So there's no ownership and so it's it's more difficult to get executed. And a lot of the time it's the wrong thing to do. And a lot of the time it's the wrong thing to do.

You know when you're working for multinational corporations there have been times where even though you're meeting budget, you're meeting cash, you're meeting your forecasts, a directive comes out of the head office to cap 10% of your employees. And that quite clearly if your part of the organisation is meeting your budget, that's not the right thing to do. So there's been occasions where I probably should have pushed back and say, no, this is not the right, this is not the right thing that we should be doing for this particular part of the organisation.

### **Michael Lang 40:12**

And you didn't push back because you didn't feel safe to do so?



### **Paul Avey 40:15**

I probably would have felt safe, but probably wouldn't have been listened to.

### **Michael Lang 40:18**

Right.

### **Paul Avey 40:20**

So it's a key lesson for leaders is make sure you listen and listen properly, listen actively, rather than just pretending that you're listening and reflecting back, actually, use the information you're getting from your employees to change your mind. Don't hesitate to change your mind. It's not a sign of weakness to revoke a decision you've made in the past.

### **Michael Lang 40:43**

Thinking of what you're sharing there. I saw Patrick Lencioni, last year, and one of the things he was talking about is CEOs and MDs and leaders hate meetings. They hate having meetings because they don't feel that the outcome is there. See one of the challenges is that great meetings, are meetings that have conflict. People actually share why they disagree.

### **Paul Avey 41:05**

Yeah.

### **Michael Lang 41:06**

To the point where at the end of the meeting, everyone has voiced their disagreement. But we all know now that everyone is on board, in principle with the outcome that's been decided upon.

### **Paul Avey 41:17**

Yeah.

### **Michael Lang 41:21**

So what do you do, as a leader in your meetings to create an atmosphere where there can be dissent, there can be conflict, there can be people that are willing to talk differently to your ideas?

## Paul Avey 41:33

The key thing is to make sure that you've got an environment where people can talk. So that means you as a leader, you don't dominate the discussion, it's not your job to dominate discussions in every meeting. And that there are times when you have to, when you're in a crisis situation, you need to get things done. You could be the dominant person, but 90% of all meetings or team meetings, or toolbox talks or whatever, and you should be present, you should be participating, but you shouldn't be dominating the discussion, because there are people in organisations that are sycophants and won't say anything that's contrary to what the leaders saying. In fact, they'll reinforce it. And if you get sycophants that are reinforcing you all the time, then you think you're doing the right thing. That's not necessarily the right thing for the organisation.

So you've got to, you know my view is you need to participate in discussions but not dominate discussions, you need to ask questions. And I think I've learnt this from you Michael that the question is asking the right questions, is a very powerful thing to do in communication. So asking those right questions in meetings, to individuals who may not be participating in the discussion is a really valid thing to do, a really important thing to do. And again, it comes back down to that culture thing, if you have got a safe culture that people can talk up, and are willing to talk up and are willing to share and are willing to say why they disagree with something, then that makes a very, very powerful organisation.

And it actually enhances you as a leader, you know, you're this vision of, of leaders of being in John Wayne style leader, where they come in, ride into a town and they throw out a whole bunch of orders, and everything's great – that vision of leaders is, in my opinion gone. You've got to be able to listen, you got to be able to change your mind, you've got to be able to participate in discussions, not not necessarily dominate or lead discussions. And I think over time, if you, if you do have that, more of a not a passive approach, but less domineering approach, then over time, everyone will start to feel safe, that they can participate. If people see that they're having a contrary view to what the leader is saying, and in a particular setting, and that person isn't disciplined or isn't shut down or isn't listened to, then that's going to create more and more of that behaviour, sense of behaviour that you want to reinforce.

## **Michael Lang 43:51**

Yeah, certainly. So Paul when I looked at your LinkedIn profile there's a few people you follow. So if you had to choose a great leader in the world, in the past or the present, who would that be?

## **Paul Avey 44:05**

Choose a great leader? I think there's aspects of great leaders and lots of different people. It's difficult to see all the traits that I really like in one person. So for example, you know, I really like the engagement that Winston Churchill executed in the Second World War, getting people to focus on what the important thing was, and it was to keep the Germans on the other side of the sea. That was a really powerful message. It was obviously there was a burning platform. But just getting everyone everyone in Britain and in the allies to focus on what the key thing was. That's an important lesson from Winston Churchill. He had lots of flaws,

## **Michael Lang 44:47**

Yes.

## **Paul Avey 44:47**

But really good at communicating a message and getting people focused on achieving what the right goal was. And so I think that's a really good part of a leader that I admire. And I think it's been difficult over the last few years to find political leaders in our part of the world who you can draw any positive positive mentoring or coaching from inspiration from, but John Key over in New Zealand was one of those.

He wasn't a politician, he hadn't been in a union, hadn't been a lawyer, he worked in business. And all of a sudden, he ended up running New Zealand, and did a really good job really engaging guy really, really nice, polite, really people focused, a really good communicator. So there's some lessons you can get from people like him. And if you're looking in the business side of things, you know, I think people like Elon Musk, who you know that they've got a very, very clear vision and mission about what they want to achieve and bringing electric cars into the world to reduce carbon emissions.



## **Paul Avey 45:44**

You know, I think, the way that he's created that organisation from absolutely nothing, the innovation is bought into the organisation. And the benefit that he's going to bring into the world, as a result of the technology that he's bringing is pretty amazing. You know, equally there were some things that Jack Welch bought into, into GE, you know, I'll say he died, unfortunately, on on Monday, or Sunday, Sunday, I think he died. But you know, there's a lot of lessons that you can learn from some of the things that he did.

In GE, there's a lot of things that you can probably learn from him about what not to do as well, because he was very much a numbers sort of a guy, and he was a chemical engineer from memory. And he probably he was good on the accountability side of it, but probably didn't have the people focus that he should have in the organisation. So there's lessons that you can learn from guys like Jack Welch, you know, people like Andrew Mackenzie from BHP, a huge transformation, he's taken the organisation from a mining organisation to using a manufacturing model in mining. And as a result of that, there's been so much efficiency that's been bought into BHP as a result of taking a model that's completely non aligned to mining and bring it into BHP.

And you know, that takes leadership it takes creating the right culture it creates, it means you've got to create the right strategy, you got to have involvement that's ready. What does manufacturing mean and mining? You know, how do you how do you created a lean mining organisation? So I think the transformation that Andrew Mackenzie has brought to BHP has been been significant. And I think there's lots of lessons that, that other organisations that may not be in manufacturing, but you can take from that manufacturing from that Toyota Production System, style of organisation and just eliminate waste, get rid of the things that customers don't want to pay for.

## **Michael Lang 47:29**

To do transformation, though Paul, you have to be there for a certain period of time to get that journey started. And then to see the sustainability of that.

## **Paul Avey 47:38**

Yeah.

## **Michael Lang 47:38**

I think part of the challenges in business world, you mentioned BHP for instance, is they have this 3 year model. So they don't get enough time to actually embed their transformation.

## **Paul Avey 47:49**

Yeah, yeah. Yeah. And that's, that's a very valid point. You know, I think you really need to have a long term vision, and break it up into smaller bite sized chunks, and manually execute those chunks at work. Execution is something I haven't mentioned too much today is that it's relatively easy coming up with a strategic plan, the challenge is to execute it and execute it flawlessly. Because it's the flawless execution of plans and activities, that change an organisation. It's not the planning itself. So execution is a key key part of making sure things happen.

## **Michael Lang 48:24**

Let's talk about your current gig, Concept, right. So tell us where you're at with that journey.

## **Paul Avey 48:30**

So Concept Environmental Services, is a fantastic company that's got some unique patented technology that's, that's used for storing and processing, effluent in coal seam gas, it's been going for around 10 years. So if you look at the the strategy of Concept is that they identified a niche or that they number one, they had a fantastic offer. They had a patented, unique product that had some some great technical, competitive advantages that create value for the customer. There was a very clear niche in coal seam gas that was identified, that niche was exploited.

Now we're taking that storage and processing capability, and taking that into some other applications. So that we have other applications where we can be very clear and understand what the competitive advantages that we bring to those applications. Make sure that we understand what that that niche is, and make sure that we adapt the offer to these new unique niches and exploit these new niches.

And at the end of the day, you know, everything that we do is about reducing the impact on the environment. And we're taking waste streams from everything from coal seam gas to chicken factories, to mining and reducing the impact on the environment, you know, one of the applications we've got is we've got nickel rich liquor coming out of a nickel plant, and in the past that was going into a tailings dam. Now it's not going into the tailings dam. It's getting re-processed through the factory. So it's a unique technology that we're reducing the environmental burden in lots of different areas.

### **Michael Lang 50:07**

Fantastic. And the growth is going really well?

### **Paul Avey 50:10**

Growth is going really well. This year our our revenue will be will be more than double what it was last year. We've got the right team on board, thanks to some help from people in this organisation in SG Partners. So we've got the right people in the organisation, we're developing the right culture, we're developing accountability. We're very focused on what we need to achieve. Everyone in the organisation has been involved in developing the mission and vision being very clear on what that vision and mission is. And we're heading in the right direction.

### **Michael Lang 50:42**

Well done Paul. Thank you very much for being our great guest today, appreciate it.

### **Voiceover 50:49**

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