

# E003 – Leaders are humans too

## Podcast Guests 0:00

Leadership's incredibly lonely. [THEME MUSIC]

## Jon Lindsay 0:03

The issue is not that they know what they should do. But actually, it's what's stopping them doing it. You've got to always be learning. And you've got to make sure that you don't think you always know the answer. You've got to frame it in what's your next step? What is the next thing you're going to do? [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 0:55**

Hello, and welcome to the Traits of Effective Leaders podcast. I'm your host, Michael Lang, owner of SG Partners, and I'm joined today by Jon Lindsay in this episode. Jon is a leader of the 'Joined Up' and has built on his wide industry experience over many years as a business leader, and now acts as a trusted adviser to CEOs and senior executives. As the chair of The Executive Connection, TEC, who I used to be a member of myself and presented to many groups, Jon has delved into the strategies and leadership of many Australian businesses over the last 10 years. On top of the 30 years as a business leader himself, Jon has a cumulative 250 years of sharing the intimate and current challenges to CEOs to many privately held organisations. In his mentoring, facilitating and speaking, he draws from many of the world's foremost business thinkers to promote these ideas, and many more around core principles, common sense and simple models. I hope you enjoy this conversation..

## **Michael Lang 1:59**

So Jon, thank you for being on this podcast. When I think of you, I think of your association with TEC, and that must have given you exposure to so many companies and so many leaders. So my first question to you is what attracted you to get involved in leadership mentoring?

## **Jon Lindsay 2:19**

I'm not sure I thought of it initially as leadership, per se, but you reflect on it it is, but I got dragged into it because I had been a member before and I had got an awful lot of benefit as running an insurance business in the UK by being a member of TEC. And certainly when I came to Australia, the one thing I did enjoy when I was a member is being able to ask questions, being able to actually explore other people's issues, and help them through stuff that they were going through. Because I think if we were to talk about leadership, in the end, it's about how decisions are made in an organisation.

That doesn't mean, all your decisions are made by the CEO by the business leader, but you're responsible as the CEO for all the decisions made in the organisation. And sometimes it's about the structure and the processes that actually allow decisions to be made elsewhere.

So I mean, I really enjoyed that interaction with the other members when I was in the UK. And so when I came to Australia, as much as I was looking at a number of things I wanted to do, it was a really good way of basically bringing some of the experiences I had to help, as you say, so many different types of businesses, but they all have certain things in common, it's lonely at the top. And, you know, almost back to the whole point of this podcast is the idea that even the most perfect looking leader on the outside definitely isn't the most perfect looking leader when you actually get to know them, because they've all got their doubts, they just basically good at leading by showing that they've got confidence, and they've got clarity of direction, but they can certainly have their doubts. And if they don't have an outlet, they're not human.

They all have uncertainties, they all have things that they're not sure about. But that doesn't necessarily help the organisation by sharing that too openly, showing vulnerability is fine. But actually, showing too much doubt, to the whole organisation isn't necessarily helping the organisation but they need somewhere to go. And that sort of peer group that TEC is, is a fantastic opportunity for people to get there. So what drew me to it was this feeling I could add something to it, and mix it up. Because in the end, when you get into the chairing of a TEC group, it's not so much what advice I give, but it's actually encouraging people with different views giving their advice to the members in it. So it's facilitating that input from other people.

### **Michael Lang 4:43**

As well as those for a number of years you've been doing one-on-one sessions in TEC and outside TEC as well, right?

### **Jon Lindsay 4:49**

Yeah. And it's not something I've ever felt drawn to as my main activity. I mean, a lot of people are very good executive coaches. I've learned to be a better coach. By that, I mean, you learn to stop giving advice and actually help somebody else make the decisions because then they own them. But one of the things that I'm very careful to do is to not basically think that I'm the source of the wisdom,

### **Michael Lang 5:17**

What did it take you to come to that?

## **Jon Lindsay 5:20**

The trouble is that we're not in possession of all the facts. And we're certainly not in possession of some of the facts that are always hidden. Because a leadership decision, for example, and we, you know, we will be talking I suspect in this conversation, when we're talking about leadership, it's how you actually get the right decisions made in the organisation, often, they know what they have to do. But there's the emotional attachment to loyalty to people, not wanting discomfort, wanting to be liked, rather than not wanting to be respected, all that sort of stuff. And so it's often quite easy to say, Well, you know what the answer is but, actually, you're addressing the wrong issue.

The issue is not, they know what they should do. But actually, it's what's stopping them doing it, because they're human beings, and they have something they have to go through, which is difficult for them. And it's just understanding. And I think the best TEC chairs are people who aren't perfect. If you're perfect, you're awful, because you're telling people what to do. If you've been through that yourself. In other words, I have had plenty of times in my career, where I suspect I know what I should have done with an individual who wasn't necessarily performing. Well, I was wanting to basically give them a bit more time. Why? Because I didn't want that uncomfortable conversation.

That tough conversation. And we all were most of us even the toughest. You know, you think about sales management, even the toughest sales managers, if they're human, and they are inside, there'll be uncomfortable about doing that they get used to it, and they get into the into the practice of it. Their job is to actually have a high performing team, therefore they've got to do it. But nobody's comfortable with it.

## **Michael Lang 6:59**

I'm past amazement, but I've always been intrigued, why as parents, we feel so comfortable holding our children accountable. And yet, as soon as we go through the threshold of a business store, we struggle in that area, right? Because most consistently the companies I've engaged with, and the people I've talked to that accountability is the hardest thing for business leaders.

## **Jon Lindsay 7:24**

Well, yeah, and part of that is because you've got to take the person on their journey. So the kids, they basically have, certainly when they're younger, they look up at mommy and daddy, and they respect mommy and daddy, and therefore the respect is there, therefore the initial phase of that accountability with a kid is you're setting expectations. What often we don't do in organisations is we're not clear enough about the expectations, we make assumptions, because they're adults, that they know what they have to do.

And certainly in my experience, in my recent experience, the more a leader really sets the expectations up front, where it's not uncomfortable, because you're saying this is what we have to do, you think about the elite sports analogy, I always come back to elite sports analogies, because they're, they're good ones to come back to because effectively, you know, the objective is clear. We know we have to perform as a team. There are no excuses. We've got to work, we know we're all not perfect, but we're there for each other. And you set that up front. And then one of the things you do is you make sure that the individuals are accountable to themselves first.

## **Michael Lang 8:27**

Yeah. And you said a key thing there – we're there for each other. Right. So that's a key element of how does a leader create that environment for people to think, Oh, well, you are there for me, and I am there for you. Right?

## **Jon Lindsay 8:44**

Well, yeah, and that comes back to some of the things we said earlier, which is, I think you do have as a leader to show vulnerability, not completely that you're clueless, but you have to ask for help. In other words, this is the objectives, this is the mountain we got to climb, these are the tries we've got a score. So setting the objective is very much the task of the leader. Delivering on the objective is the task of the team. And often is not the you know, the leader can't do it. It's actually got to be done by the team. So setting the objective being clear about that. Pat Lencioni does this very well i think.

Clarity of the objective is absolutely first and then saying 'I can't do it on my own I need you guys to deliver and I want you to share with me how you feel you can do that'. So it's inviting them in at the earliest stage of the objective. So I mean, I think a lot of good organisations these days don't sort of set KPIs. They basically say this is the objective we have to achieve. How do we collectively do it? How can you contribute and people who actually want to be part of a high performing team naturally, put their hands up and say, Well, I can do that I can do this and then they're committed.

So the accountability is driven by their commitment. So you take the Lencioni Triangle which starts with trust, and then goes into, you're allowed to have conflict because you're actually talking about the real world. And then you get commitment, and then you get accountability. And then you get results, I think is a very powerful model. But it starts right at the bottom with, you can't do it on your own as a leader, you can't, it's not about you. It's about the team.

### **Michael Lang 10:20**

So the saying comes to me, Jon, win their hearts and minds...

### **Jon Lindsay 10:24**

Yeah, and you can still, you know, you can still have a highly compensated sales guy, but it's still going to be part of a team. And we all know that the individual who is not part of a team is never going to deliver everything for the team.

### **Michael Lang 10:37**

Yeah.

### **Jon Lindsay 10:38**

You know, and that's the old 'culture is what you tolerate', for example, it's the classic.

### **Michael Lang 10:44**

Well now that you've brought up culture, what do you think are the most important aspects you need to focus on as a leader to cultivate company culture?

## Jon Lindsay 10:54

Well, unless you're a start up, the culture is there already. So it's what you do to actually influence a culture that's there, right? So everybody is coming with their own belief systems and all that. So obviously, if you want, as most people do, they want to shift and move a culture in a certain direction, presumably, in a high performance direction, in particular, we almost come back the same thing, they have to have the vision of where you want to go to. So it's a direction setting that starts. But I think the obvious thing from a leader there is they had to lead by example. But that doesn't mean everybody's you know, if you're leading a technical team, you're not necessarily the best technical person in that team. So you're not necessarily leading by what somebody else is better at. But you're leading by, you're focusing on the values, but we all know that values on their own.

You can have the wall chart and all that sort of stuff. But it's actually behaviours. It's what are the behaviours you're expecting to see. So that's the leadership bit, is actually modelling behaviours, and expecting people to behave that way. And back to my point, leadership is what you tolerate, culture is what you tolerate. If you see something happen, and let it happen, then guess what people say that's okay. I mean, we've had a good discussion in the TEC groups recently about sexual harassment, which is a fairly hot topic. And it's a really interesting one, because clearly, what happened maybe 25 years ago, would have been acceptable and is not acceptable now. Whether that's right, whether that's wrong, it doesn't matter. We know that behaviours that went on 25 years ago, sexist behaviours, in particular, racist behaviours as well, just aren't acceptable now.

So what you have, and we've got an example, a couple of examples of members who've gone through one in particular, one individual junior engineer, who basically did both, basically, was inappropriate comments, both of the sexist and a racist nature. Now, black and white, clearly discipline required. And, you know, maybe the guy was a little bit unaware of what he was doing. But it was very clear, that had to be dealt with, because there had been a complaint and all that sort of stuff. The problem was the senior executive said it's alright, it's a little bit of, you know, almost the Donald Trump, you know, in a locker room banter.

And so what you were getting was the senior executive clearly thought this was sort of, okay, not great, but sort of okay. And therefore, we wouldn't have tolerated it in a way that actually was totally unacceptable. So for the CEO, that was a real problem, because you're focusing on getting the culture done, dressed at the lower level of the organisation, and the senior executive team, don't see it, because they've grown up in an environment where it was okay. So you have to have a very explicit conversation with your senior team. And it's not just the leadership of the CEO, but it's the leadership of the team that reports to CEOs, the leadership of the team that reports to the C suite, they all have to basically understand what that means in terms of expected behaviours in an organisation..

### **Michael Lang 13:58**

And, Jon, through our conversations in senior leadership teams, we say, Well, you've got values, congratulations. But what are the behaviours that are aligned to those values that are acceptable and not acceptable? And how well do you articulate that? And therefore, how well do your people know that? Just having values written down is not enough.

### **Jon Lindsay 14:19**

And certainly, what I see in most of my members is they've gone through those conversations, not all of them. And it really isn't about the values that are written down. It's the values that are discussed. Some are really good at monthly meetings, actually talking about a particular value and then talk about the behaviours. But one of the things you got to bear in mind is the values are often interpreted in different ways at board level, and at senior executive level, and at the coalface and they are genuinely different.

And, again, Lencioni does a really good job, I think, of categorising values in what he would call core, accidental, which are just, you know, there's because of maybe the family founder has some particular foibles. But the one that I think really is important is 'permission to play'. So that's where all the Enron type values come from, you know, trust, integrity, that's the accountability stuff, we were talking about. Their permission to play, they're things in every organisation that's actually run well, delivering value to customers, should just do. That doesn't mean you shouldn't talk about them.



They're the values that are expected, and the behaviours from them, I keep my promises, actually, when something goes wrong, I tell people that something's gone wrong, rather than keep it bottled up, until the next monthly meeting. And then basically, it's all embarrassing, all that sort of stuff, is the behaviours come from those permission to play. And actually, core values of an organisation are the very few. And they really are ones that are distinctive, and the behaviours of those are really quite interesting, because they can be... People can be very aspirational. Lencioni talks about aspirational values. They're not yet core. And the danger is you lose authenticity, core values are where you're really authentic.

And normally they do come from the leader, the leader really believes in them. And they're not one word. I actually had a one-to-one with a coaching client this morning I've worked with for many years. And about six weeks ago, this is not for profit, he said, Do you want me to listen to our newly crafted values, and he read them out. And he was just so warm, he was so, so passionate about these values that he'd read out. And they were so authentic, they were genuine, you could see that actually, that was really going to make a difference, because the leader, and the values were being demonstrated that this is what and they were, some of them were aspirational, but they were really what this organisation was all about. And that became very central to the induction process.

So one of the things he was saying was a number of new employees, they've got 20% turnover, because it's a very tough environment for them to be in this particular sector. So they're getting a lot of new recruits all the time. And they were asked, you know, what's the bit that they really liked? And they said, We love the CEO speech. And he's good enough to say, it wasn't me, it was me actually showing the values and showing that I actually believed in them. But that was really inspiring for the people who were in a two and a half day induction..

### **Michael Lang 17:16**

Cool. I like that. It does have to come from the heart, it has to be believable, and hence the word authenticity. So Jon, let's move on to strategy. What are the key activities needed to consistently apply to ensure people are aligned to the strategy?

## **Jon Lindsay 17:34**

You might gather, I'm a fan of Pat Lencioni, here.

## **Jon Lindsay 17:37**

He's nailed it again. But I mean, I'm lucky, I think most TEC members, if they don't join already, they join because they're already learners, they're already natural learners. So a lot of them have thought this through. But you compare that to some businesses that have gotten relatively large, relatively successful, without necessarily having looked at their own leadership development. And I think the difference is, they don't treat vision, mission and values, and all that stuff as a sort of nice to have something they should do once, because a consultant tells them to do it, they've actually realised that that's a really important thing to craft. And it's back to what we were talking about before it slightly in terms of culture, they've got to be authentic.

So I think the clarity of why we exist as a Lencioni, of how do we behave, which we were talking about just now. And what do we do is linked to some of the Jim Collins stuff, which is the hedgehog, where, you know, you really have to do certain things very well, you have to care about something, you really have to have something and that's the Simon Sinek stuff, which is, you know, how they adjust scores, I think his term is. But it's the idea of what do we do? What do we do in 2021? Post COVID, most businesses are doing fine. But actually what's gonna happen, I think is, they can't necessarily go the next 10 years without working in strategic partnerships with other organisations.

It's no longer possible to easily just do your own business and just supply customers and expect to supply everything without working with suppliers. And so the strategic partnerships are really important there. And so one of the things I encourage when we went through this the last two years, to be honest, but certainly the last year we went very hard with my TEC groups, and their goal setting is before you get a vision for your business, what's the vision for your industry? Now, there's normally a lot more consensus about the vision for the industry, then the vision statement that's crafted by the CEO.

In other words, most people know well with digital disruption and this and that in 10 years time, we'll all be doing it this way. Right? Okay. Well, what's the role of our organisation in that transformation in those next 10 years in how we how we operate? Now, that's where the choices come in. That's where back to our comment about leadership and decision making is important. There are a number of different ways you can basically do it all, where you can play a small part, and work with others in delivering that. But if the vision is clear, then the next question is what's the role of the business in achieving that vision as an industry?

So that's when a relatively small business can still basically say, well, we can be a serious player, even though there are other bigger players around because we can see what we do really well, back to that hedgehog, this idea of what we really do well. So I think where leaders need to focus in terms of strategy is being able to clearly express what the vision for the industry is, then clearly express, this is what we really do. This is what we do. And this is what we will be doing going forward. And this is how we do it. And we're going to be working with x, and we're going to be working with y, and we want you on the bus.

And if you do that, your customers get it, your suppliers get it and maybe even more important in 2021, the people you want to hang on to and the people you want to recruit, also get it. A lot of the messaging of midsize businesses in 2021 is to get the right people on the bus, a Jim Collins expression. And so when it comes to strategy, it's really clear, this is how we're going to win. This is how we're going to succeed.

### **Michael Lang 21:30**

I love it Jon, I love it.

### **Jon Lindsay 21:32**

Yeah? Because people talk about it, but is it credible? You look at vision statements, which say we're going to be the leader in... I mean, it may be right. But actually, what does that really mean? So you got to get to that next level of saying what this really means is... So I'm not a great believer in vision statements. I'm a great believer in vision. But vision is made up of a number of constituent parts of which you can obviously have a headline or, or a statement of....

## Michael Lang 21:59

You'd be able to substantiate something against it. Yes.

## Jon Lindsay 22:01

Yeah. And, and that conversation, what we're really talking about here, leadership is getting your executive team to buy into it. And then guess what, it cascades down through the organisation. Everybody believes it. But you do that. And I've done it. I mean, this is back to what we were talking about right at the beginning. I remember when I just had my Harvard MBA. And you know, I knew everything didn't I? And I went and took over running a business, the age of 34, a textile business in the north of England, been around for 150 years. And I thought I knew everything. And I wasn't stupid.

I mean, I was I had reasonable high IQ, my EQ was zero. And did I bother to really engage my senior management team? No. Did they do what they were supposed to do? Yeah. But, boy, it was hard work. It was really hard working in a very mature industry, it was textiles, industrial textiles. So I think I do a few things differently now. And the one thing I would do is, is really get the executive team to share with that process of what's the vision for the industry. And then what's our role, and everybody basically agree on that.

## Voiceover 23:11

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## Michael Lang 23:22

Going back to our initial conversation, and you were saying that, it's very hard for leaders to learn about leadership, right? They've got to do it. So if I was an upcoming leader, as you just said, I've just done my Harvard Business Review. And I come to you and I say, Jon, what are the three core leadership traits I need to take on board? What would they be?

## **Jon Lindsay 23:44**

Well, I've learned from not having done it initially, you've got to always be learning. And you've got to make sure that you don't think you know, always know the answer. So the one thing actually, which is worth, you know, even to this day, if you do an MBA. 30 whatever, years ago, when I did my Harvard MBA, it was great experience, but they basically said, here's the case, study, study the case, and then basically put you on the spot and say, Okay, now you got to make a decision, right? Make a decision. And we were getting very good at making decisions based on the facts presented in the case.

What we couldn't reproduce, and what you still can't reproduce in an MBA is you got to ask some bloody questions, haven't you? Because there are conflicting facts. People have different perspectives of the same thing. So real decisions and never as clean cut as here's all the facts presented, you're going to go and ask some questions. And you've got to then say, Do I trust what that person is telling me? Not necessarily because they're telling porkies, but you know, their perspective is not necessarily the complete perspective. So the one thing that as a leader never make a decision without consulting others never...

## **Jon Lindsay 24:57**

And by all means you in the end, you've got to make the tough call, but you make the tough call with having respect to the people around you, I mean, so that's almost that's number one. Number two, number three – is just always realise that you need to, it's not analysis paralysis, you have to make a decision at some point. And you will never get all the facts. So at some point, you've got to basically say, I've got to make a call. But don't assume you can make that call without basically just checking a few people running it by a few people on the way. That's what I've learnt.

## **Michael Lang 25:10**

Jon you've shared quite a bit, about the word decision, right, decision making, is that a core leadership trait to actually be able to make decisions?

## Jon Lindsay 25:42

I was actually reflecting before we even came to talk today, I think leadership and decision making are both parts of the same thing. But the most important thing is you are responsible as a leader for the decision making, not to make all the decisions yourself. So in other words, if you have got a business strategy, and if you have got a defined culture, then you should be fairly comfortable that somebody who is in a customer facing Junior role will make the right decision.

Because you as a leader have set it up so that they understand what is expected of them in terms of this is what we are doing for customers. And we understand how we should behave. Therefore, it's as if I'm standing alongside you, you will make the decision, but I don't need to stand alongside you, I trust you that you will make the right decision. So I think that one of the most important things in being a good leader is understanding that role you play in you are responsible for all decisions made in your organisation, the fact that you don't make all the decisions is not the point. You are responsible for them.

So you've got to have processes, you've got to have interactions and meeting rhythms. I mean, when I came out of business school, I think it was just this the school before it was In Search of Excellence was the book, right? And it was all about managing by walking around. Actually managing by walking around is fine. But actually what does it do? It gives you a test of whether the culture is what you're expecting. So you manage by walking around, you ask a question, but you're not making decisions. Or if you are, you're making a mistake, because you're basically undermining your entire hierarchy.

All you're actually doing is testing that actually that is processing, you're sensing whether there's something going right, what and if it's going right, you come back and you say that's fantastic. Or you sense that something's wrong. So the managing by walking around is a test for whether that decision making cascade you've basically put in is actually working, you can't lead by it. But it's a very important part of the leadership. And that's one thing I learned is that if you think it's Harvard MBA, great brain, I'm going to make all the decisions, you don't need to go outside your office.

So you make all the decisions, right? And guess what people say, never see that guy, he's always in his bloody office. Why? Because you're thinking you have to make all the decisions, therefore you have to do more analysis, look at the spreadsheets a bit more, get a few more emails done, rather than doing the most important job, which is going out and actually just sensing whether it's been done, you still got to do a bit of that. But so what do we said we've got really understand the role of decision making, always recognise you've got to do it with other people rather than on your own. So it's, I think, the most sort of the sort of the shorthand, it's not about you.

### **Michael Lang 28:40**

Yeah. Jon, listening to you, I've written down this and I'm interested in your feedback. "You're the custodian of decision making".

### **Jon Lindsay 28:49**

Yep, yep. And again, our good friend, Pat Lencioni, with his meeting rhythms, and you know, Harnish, and everybody else does the thing. So this idea of recognising you have got a meeting rhythm, where you have a process where, and in fact, the EOS model is now I think one that's nice and simple. But it's all about issues coming to the fore. So one of the things we do in TEC groups, is we make sure the right issues are talked about. And I think that's one of the things that good leaders do is they don't go through a structured agenda from start to finish and tick it off. You just think how many boards do that which is scary, right? But they actually allow time to focus on what's one of the things we need to talk about today.

What are the things we need to focus on to actually resolve, what are the issues we need to address today? And then you have processes for issue resolving, so problem solving, you make sure all your managers actually do understand how you solve problems. So Alan Mulally, who is an another hero of mine, who's he was CEO of Ford and X, he was headhunted from Boeing when Ford were going through their problems. One of his comments was that any manager who says that I don't want you to bring me problems, just bring me solutions is absolutely crazy. You actually want managers to bring you problems, but you want them to actually also have a role in helping resolve it. If they need help, they want help. And they should come for help.

### **Michael Lang 30:17**

You want to understand their thought process of how they define the problem. And therefore the thought process of how they define the possible solutions.

### **Jon Lindsay 30:27**

Yeah, and so it's back to that leadership role, it's not about making the decision on your own. If it's your direct reports decision to make, you help make it, but it's their decision.

### **Michael Lang 30:39**

Correct.

### **Jon Lindsay 30:40**

So they come with a problem. You don't say, well, you don't do what you know, the classic one minute manager meets the monkey type stuff, I'll leave it with me and I'll you know, guess what, you'll be working 100 hours before you know it, you do want that person to come and say, I've got a problem here. And you want to say well, what are you looking at? And you know, so you go into a coaching conversation. And I know you're very strong on your coaching conversation. So you go into that coaching conversation, you don't take the ownership of the decision away from them, but you make sure that they get help in making the decision.

### **Michael Lang 31:14**

So Jon what's the number one lesson learned from people's failures? Think of all the people you've mentored through TEC and one-on-one, right? What's the consistent lessons learned do you think?

### **Jon Lindsay 31:28**

From failures? Well, there's the saying there's the below the waterline above the waterline, but as long as there's not a below the waterline, you learn from your mistakes, right? And that's one of the roles we play as a chair is, you know, that nice little weasley question is, well, what have you learned from this?



And I have had one member who I, who suddenly realised that they had focused too much a little bit on sales and not enough on cash flow, and they had a bloody big cash flow hole, they will suddenly say, Oh, you know, it was Oh, shit, that means I've got to go. And there were a number of options, including going to the bank and cap in hand selling something and all that. And because I was a TEC chair, I said, Well, what have you learned from this? And there was silence. And then it was, well, what have you learned from this? What is it that you can do going forward, that will allow you to never get in the situation again?

And I got this reply, you are beginning to really annoy me, Jon. And what I learned from that is you can ask the question, and people are just processing it, they're just processing so much, that sometimes, you need to ask the question and just give it a little bit of time, a little bit of space. And people will process it. It's a bit like when a direct report goes into a leader and, and wants problems, and the first question is, and they don't come back with the answer straight away, the danger is you come back with something else, give them time, give them time to process it, they're working it through themselves.

And in this particular case, it was she had a personal, she was expecting some dividends. So she had not just the business, but there was some actual income, which she was expecting to be able to take out of the business, pay down a house or something like that. And it was, which she actually hadn't shared with me. So it was one of those Oh, shit, this is really even more complicated.

### **Jon Lindsay 33:18**

So people who make mistakes, as long as it's not below the waterline, they're going to come out of there stronger. And they do need time to actually assess what caused the problem, rather than just dusting themselves down and just moving on without considering it, they do actually need to learn from their mistakes. Danger is, if you don't, as much as you're positive, it'll come back and bite you again.

### **Michael Lang 33:42**

Do you think people lean in enough in business to be open to making mistakes or having failures?

## **Jon Lindsay 33:50**

I had a very interesting example, a couple of years back with, my member was the owner and he had a general manager. And he was willing to hire somebody. The general manager was empowered to make a decision – didn't. And the General Manager's motives were, well, he's gonna cost more. So the general manager is saying, I'm gonna save the company money, because that's an expensive salary. And the guy's asking for too much. Whereas the owner was saying, Bloody hell? That's exactly what I need. I do actually need somebody that high powered and yes, it's a bit of a bit of a risk. But I'm willing to take the risk because I actually need to go to the next level. People think that a professional CEO, a professional leader, is more prudent with the money often, they actually have the wrong idea of what the entrepreneur would want to do.

So it's certainly a myth to think that entrepreneurs are risk takers, they are calculated risk takers. They normally lay off their risks quite carefully because it is their own money. And yeah, I mean, I think what happens is you get to a certain level, you know, in Australia, I think it's true, you get to a certain level, you start getting comfortable. And you don't necessarily want to go to the next level. You say, Oh, you know, that's a risky thing, because you've actually rolled the dice a couple of times, got to that next level. And there's an opportunity to expand interstate or into another country or new product line. And the decision making is, you know, a couple of a few years ago would have been an instant, yeah, let's do it. And now they are more cautious. Whether that's wrong.

You know, I think that's where, again, it comes back to the point we were making earlier, which is, you've got to have others to bounce things off. And ideally, you want the entrepreneur to be the entrepreneur, and you want somebody who is a bit more cautious. To be the counterbalance. And to be able to run ideas like that past the slightly more cautious person, and respect their opinion. But then in the end, you make the decision. And you've made the decision because you've had different inputs.

## **Michael Lang 35:58**

So Jon, in your times, as TEC chair, you would have heard many companies who are going through change process or transformation programmes, whether it's an implementation, lean or some sort of transformation, what do you think the most important thing that they need to be focused on for the success of that change management or that transformation programme?

## **Jon Lindsay 36:21**

Okay, change is an interesting one isn't it? Change is a transformation programme, you come across, certainly larger organisations that go through these change programmes. And my observation is, often it's decided at senior level, and then done to people.

## **Michael Lang 36:40**

Right.

## **Jon Lindsay 36:41**

And what that means is, and you hear the term change, fatigue, or change meltdown, in many cases, and what you tend to find is what you and I know that the world is changing very fast, and therefore changes almost the way we have to be. And therefore, if you do it all at the top level, and then basically impose, people who are experiencing change, when they have no control over it, are really uncomfortable. And stressed, if you give people some element of say in the change process, they own it. And guess what, they can actually go through a lot of change all the time, because they want to change, they want to get things better.

Normally change and transformation programmes, sometimes they're just to cut heads. But more often than not, they deliver better value for customers. And they're actually well intentioned. And if you actually focus people on, you know, what, what can we do to improve our service to customers, there must be lots of good ideas, but don't often get involved. I mean, I've done some lean consulting in my time, and that's the principle behind that is you engage people to actually focus on not what the boss wants, but actually what the customer wants.

And that can be an internal customer, as well as the external customer. And so involving them is something you want to do now, is that always possible? No. And therefore, sometimes you have to face up to the fact that this isn't it, but recognise in a change programme, you're dealing with a lot of different individuals, all of whom have different appetites for change. And so you're going to get different people going through change at a different pace.

So if you think about the grief curve, or one of those change curves that people go through, the problem is it's not homogeneous, some people are through it like a flash, you know, that's great – bang – off, and others will take months, and a lot of senior managers don't realise that some people are just not there yet. Because they've seen others who are already going ahead with all the changes and are quite happy.

So being aware that people are actually going at different speeds is a really important part of leisure and being sensitive to it, recognising that some people are just naturally cautious, naturally more resistant. So often when I have gone through leadership change, I've got people who might be naturally sceptical to come on board early, and get them to understand why we're doing it. And then they can be a very good ambassador for that change.

If you can't basically go to everybody, that's one way of doing it, get a natural person that you would normally say, they're going to be a real problem. We'll get them inside the camp early. And explain to them you know, we really want to do this. Because they then basically understand some of the reasons why we might not get changed the way they want to.

### **Jon Lindsay 39:39**

There's a great story, and I've actually tried to get the recording of it. A guy called Peter Schultz, who was the first American to run Porsche, went to Germany. And this was around a time when Porsche were not doing so well. And the German employment model is very different from the American employment model. Right? And so he went with the American mentality of he was going to be decisive, and he was going to lead. And he was going to do all that. And he realised very early on that, for example, there were a couple of members of the board who were actually from the unions.

So, you know, there's a workers Council, there were all sorts of people who were interested in what he was going to do for the business, they certainly wanted survival of the business. But he couldn't just make decisions without basically getting an awful lot of people on board.

So he came up with this idea that you cannot make a decision, or you can, but it's a disaster, you can't make a decision autocratically, you have to make decisions, democratically, even though it takes longer, even though it's a pain in the neck, and you know what you want to do. Because if you don't, you don't understand some of the issues that you're going to be facing during implementation. So this idea that you actually go through a process of decision making democratically, but once you make the decision, you implement it autocratically, you are absolutely saying, right, no more excuses, this is what we're going to do. And you so often seeing change programmes being decided...

### **Jon Lindsay 41:21**

I don't know I've just suddenly reflected on the English Premier League for some reason, and the European Super League that was decided by the owners, and you suddenly think about that, and you go, they just decided that because it made sense to them. And they didn't realise what the implications were. And I think, often, perfectly logical decisions are made. And you just miss out one group of stakeholders that go, excuse me, how is this gonna work for us? That's true even in midsize businesses, you've really got to say, Well, you know, work out, how is this going to affect and as much as you still want to make the change, whatever it is, you've got to acknowledge that some people are not going to find this an easy change, and therefore, actually, how are we going to deal with that risk? You know, classic risk management. If it's a risk, then how are we going to minimise the downside from it? And go through that process?

### **Michael Lang 42:14**

I hear you. I hear you. So Jon, last but not least, here's a interesting question for you. With all the speakers that you've had through all those years, right? What topic resonates the most with members?

### **Jon Lindsay 42:29**

Actually, there's a complete, unique winner, right? It's actually the only person I know who scored I think something like three or four perfect 10s was a guy called Marcus Child, I don't know whether you ever saw him. And his topic was personal power.

## **Michael Lang 42:44**

Right.

## **Jon Lindsay 42:44**

And he's a British speaker, who's been over to Australia many times now. And what his main thesis is, is, whatever situation you're in, you've always got choice.

## **Michael Lang 42:57**

Yes.

## **Jon Lindsay 42:58**

You've always got choice how you respond, it can be a terrible situation, it can be a great situation, you always have choice, and it's up to you how you basically respond. And he's got so many great stories about, you know, how attitude is everything. And therefore mindset, as kids can hold bad places, sort of sort of mindset is where leadership starts. It's mindset. It doesn't, it's not incurable optimism, it's just a positive mindset.

It's just recognising that if you've got body language, posture, everything is right, you believe that you actually can do something, then the chances are you'll have a better chance of achieving it, you won't necessarily win. So he's done a lot of coaching of Olympic athletes and that sort of thing, he doesn't guarantee they're going to win a gold medal. All he can say is, but you will be in the best possible mental position to win by actually having this approach. And I think that's true. So that resonated very strongly with the group. And I think it was very personal. Because it was, it's not one you can put lots of processes in to get the rest of the organisation, it was about the leader, it was about you in the room. And what you can do.

## **Michael Lang 44:09**

It's interesting, you know, we talked about all the workshops we run, and we'd like to do a mini disc profile, just to build rapport and have some fun, but also get a lesson. Everyone always raves about that. We think everyone loves to get a bit of feedback about themselves, right? Whether they do anything or not, is another thing but they'd love to get feedback about themselves. So in the theme of what you're saying is what someone once said, The challenge with people is not about the resources being available, it's their resourcefulness. Right?

## **Jon Lindsay 44:39**

Yeah.

## **Michael Lang 44:40**

So no, that's fine. That's what I was looking for. Because you can put people in, you can put things in themes or subject matters and you hit the nail on the head and people like finding out a bit more about themselves.

## **Jon Lindsay 44:53**

I mean, in the end, and actually, that's really where, when we come back down to it, when I'm recruiting a new TEC member one of the things I say, when you go, you know, you're going to talk about strategy, you're going to talk about HR, you're going to talk about this, you're going to talk about that. But the one thing we do is in the end, it's you. The only way anything is going to happen is what you do when you walk out of the room, and go back to the office tomorrow.

And so effectively, everything has to come back through, what actions are you going to take? And that's quite a powerful way of saying, you've got to frame it in, what's your next step? What is the next thing you're going to do? Who are you going to call and what are you going to say? And how are you going to start this process? Because in the end, that's the only way they're gonna make the change, is what they do.

## **Michael Lang 45:42**

Correct. Correct. Jon, I really appreciate this time. Thank you so much.

## **Voiceover 45:52**

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