English Transcript Dave Montez, PayPal | Work 20XX | Episode 4

English

>> All right, you ready, Dave? Three, two, one. Hey, welcome back, everybody. Jeff Frick here, coming to you from the Home Studio for another episode of Work20XX, about the future of work, but the future if your, this is about work. It's not about the future of work anymore. And we're really excited because one of the themes that keeps coming up in all these conversations, is moving more work to asynchronous and, you know, you can't assume that there's going to be somebody there to answer your tap on the shoulder, 'cause we're all distributed around the world in all different time zones. And so it really begs the question, what does rise to the standard of getting together? And the thing that comes up over and over is culture building and one-on-ones, and it just so happens I know a guy who's the grand master of the one on ones like nobody I know. And so I'm excited to reach out to him and get his take on this, 'cause he really knows what he's talking about. And it's Dave Montez joining us through the magic of the internet and the magic of WebEx. He is the Chief Audit Executive from PayPal, Dave, great to see you.

>> Thanks for having me Jeff, appreciate being here.

>> Oh, absolutely. So it's so bizarre because, you know, we've known each other full disclosure, for years and years and years and I remember a conversation we had, I don't know, it's been a while now, where you really kind of got into your philosophy about one-on-ones and I remember you telling me the amount that you had at the frequency and the amount of calendar time that you devoted to your team. And I had no ever really heard anyone be so specific in devoting that much time to one-on-ones. So thank you for coming on and sharing your thought process. But before we get into the details, how did you get there? I'm curious how that started. That's not what they generally teach at business schools or in economics classes.

>> Yeah, it's interesting. It's actually a longer story of how I started my style of management leadership. It was contrary to what I do now. I started off as this, A type, you'll do what I say, you'll do it on my schedule. If you don't, I'll run over you and I'll get it done. And that worked for three or four, five years, they sort of teach you to be that way. And I found later on, that that was not a sustainable way of being. And so I flipped and earned a different management style of, more of a compassionate, caring, build people leadership. And in that process, I found that touching base with people was important. Like when we were back in the day when we had cubicles, I'd walk around the cubicles in the middle of the day and just check in on people and say, hey, how's it going? And the feedback I got was that, gosh, no other person at that manager level does that.

And it created this bond, where people trusted me, they came to me with issues that they had. It started opening communication and from that point on, I just grew that concept of staying in touch with people. And you know, today I've got a team of over 80 individuals across the globe, in Brazil and across Europe, here across the US. And I maintain one-on-ones with every single person on the team on a different cycle, depending on, you know, what level they are and where

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they reside, but at least on a quarterly basis and some, you know, twice a week and some on a monthly basis.

>> Right, also, but Dave, I'm curious because you chose that style, even though it was isn't your natural style, probably I would assume because that was either what you presume was the cultural way to do it or you're getting some signal. So how did you make the change back, back in that same organization? Or were you just completely wrong and just presume that you had to be, you know, kind of a jerk to get things done, because you're looking around.

>> Yeah, no, it was the environment that I, right out of college, the first work, the first job that I had, that's exactly how they taught you to be. And I thought that's how you had to be that way for the rest of your career. And I wanted to be successful. And then I found that, it just, it was not sustainable. People didn't want to work for me. I would get things done, but I would chew people up in the process and that's not the person, that's not my personality. That's not who I am.

>> Yeah, yeah. So now you're doing one-on-ones and you're doing a lot of one-on-ones and you gave us a little bit of a summary, but just to kind of formalize, you said you've got about 80 people, I think, on your team, there about.

>> Yeah, 80 plus.

>> And you see all of them at least once a quarter?

>> Yes, yes and I see many of them more frequently than that. I'd say, the bulk of the people I meet are on a monthly basis. And then I have, you know, my directs and their directs and I see them on a weekly basis.

>> And how many hours per day are you on one on ones, on average, or say on a week? Whatever's kind of a, whatever, you know, just kind of a ballpark figure. 'Cause I don't think people really get the investment.

>> Yeah, I'd say two and a half hours at minimum, and sometimes more than that. And it is a balance and the benefit of that is that I work in all time zones. So, you know, I do your up in the morning, Asia in the evening and the US during the day. So the days sometimes can be long, but I, you know, I have breaks in between and I'll attend meetings, you know, after dinner or something like that, as a one on one or early in the morning with Europe. So the time zones help quite a bit. And with the flexible life that you have, that we've created in this remote work environment, it fits in really well. It's not as overwhelming as you'd imagine. I think had I been in the office, which I was for my entire career. It was more complicated to do those meetings and it meant for longer days in that environment.

>> So one of the concepts around sync and asynchronous work, right? Is, again, if you can move more of your work to async, that frees up more of your synchronous time to do more important things like the one-on-ones. And the other concept behind that is, again, is because we're all globally distributed teams. You can't necessarily count on being able to tap somebody on the shoulder to get an answer to a question. Certainly not in a short order. So did you guys already kind of have the infrastructure in place, in terms of the documentation that enabled, you know, you not to necessarily, 'cause you said you used to walk around on and check in with people. Well, that's also a way a lot of people still manage to see if, are people struggling, do they need help? How did you transition from not being able to walk around anymore and still be able to check in with people, that they're getting work done? And then is there a concept of, like agreed contiguous times on a calendar that we're going to get together and we just know that, you know, if you're having a meeting with the US or with the east or the west, then you know, it falls within this window.

>> Yeah, so it's a combination of everything you just described, truly. I mean, there are very standard types of meetings that we have, that are either project based, relationship based or strategy based. And then there's also the use of instant messaging, text messages. That's how we communicate quickly, we say, hey, can you chat? But that's like bumping into someone in the hallway and they, yes or no, or I can meet you at such and such a time, but that's the new bumping into each other in the hallway, is reaching out via text or IM. Yeah, so, I actually think it's improved our communication. It forced us into a situation, where we have to be available and aware, and yet at the same time, set boundaries for ourselves. So we aren't overworking and we've been good at that. That's one of the core values that we have here at PayPal. We bucket into the wellness area, it's managing your work schedule.

>> And is that through, kind of completeness of documentation or just commitment to that value where, you know, people are, you know, other people will respect and more importantly, model that behavior, you know, at the most senior levels.

>> Yeah, no, yes, absolutely. It's all about modeling and the documentation piece of it. My process is different than so many others. It's very project oriented. It's very structured, as we go through due audits. And then we show our reports, which outline, you know, what we've done, that's very structured. So I think that also helps in what we do, is that, there isn't a lot of chaos or figure it out on the fly, it's a process and you follow the process.

>> Right, right. So you guys are the audit, your audit, right. So audits are kind of like the dentist, you know, not necessarily bad people, but everyone doesn't necessarily like to get your call and see that suddenly, you know, you're on my calendar.

>> That's right.

>> So you already come from kind of a semi contentious potential relationship when you're, you know, interacting, where your group is interacting with other folks. And then now you've got, you know, kind of your own way of doing things. How is that translated within the company kind of department to department and kind of your techniques translated?

>> So it's interesting, you know, I've been at this for many years and I've just found that compassion and empathy are the key, the secret sauce, I would say, to success of a role like mine with three lines of defense we're the third line. We built a reputation here, at PayPal, of being those people who understand the business, who understand the tension in the business, but have the duty to evaluate the strength of a control environment and report that to the audit committee. That's, I report directly to the chair of the audit committee, and down the line to our CFO. So I'm as independent as you can get, but we've built this relationship with people. They trust us, we trust them. And we are seen as a partner and also as a friend who, and we've proven it over time, how we've helped business units move their agenda, their process along when they can't get, necessarily, the attention that they need.

So we're a trusted group. And so it's not quite the same, I think as, you'd imagine with some monitor coming and say, I'm going to poke around in your business. It's not like that, we are truly seen as a value add.

>> Okay, so let's get than some of the specifics on the one-on-one. So, you know, obviously you don't share anything you don't want to share, but you know, kind of, how do you structure them? You've done so many of them, what are some of the best practices? You know, how much of it is a check in on a status and how much of it is a little bit deeper? What's kind of your agenda, how do you work it?

>> So what's interesting for me, is during the pandemic. I learned a lot, things that I didn't know about people and I have these one on ones really, my goal is to be personal, I want to know you, I want you to know me. I actually want you to know my family. And I hope you let me get to know your family. So I leave it up to the individual. In fact, I say, look, this meeting is yours. I'm not coming with an agenda, it's yours, make it what you want. Some people have bullet points that they want to address, others talk about their cat and, or their dogs. So I leave it to them. But I did find that the most junior people on our team struggle with these meetings. I show up and it's like pulling teeth with them, 'cause they're not used to having exposure to someone at the senior level.

And I forget that, you know, I forget, I'm just me, that's all I am. I'm just the same as everyone else. And so over time with these people, in repetitive meetings with them, it breaks down barriers and they begin to see that I mean what I say, that we're all equal here. I don't call my direct reports leadership team. I call them my direct reports. 'Cause I think whether you're right out of college or you've got 37 years of experience, we're all, our voice is equal. I want to hear what you have to say because you do have a vision, you do have an opinion. You have a view that I don't have and you're going to help all of us. So sort of, getting off tangent on here, but it's, these meetings are different to everybody. Sometimes they're tactical, sometimes they're merely social.

>> Right, right. No, you're not off at all, what's interesting, and I don't know if you've seen any of the other segments, but one of the things that keeps coming up over and over, is because as a manager, you can't necessarily walk around and use the same signals that you had before to know whether people are getting worked done or struggling, is that you need to create a safe space, a sense of belonging so that they feel comfortable enough to actually be sitting with the big cheese and say, I'm struggling, or I need help or I don't get this concept. Which then, you know, opens up risk taking and vulnerability. But if you let them do that, then you start to get the contributions from the whole team and you start to be much more problem solving, but it's a very different environment that you have to set up for people then, because it's been up a few times, they might think you're tricking them, right.

That you're setting them up to say, yeah, I need help. Oh, I guess you're on our bottom 10%. You know, you're getting taken out.

>> I can't tell you how many times I've heard sort of that from my team when they're new and they're going through the interview process and they hear about this compassionate engagement that we've created here in internal audit, which parts of the business have actually rolled out in training. And you wouldn't imagine not coming from an auditor, that level of we drive compassion. And so when newbie, the new people come on, they say, you know, I heard about this. we just thought it was, you know, talk and then they experience it. And they're shocked to see that, this is real. You can be yourself, you can come and you can open up and people will support you and the issues that you have. And people reach out to you when they know you're struggling. It's a community, it's a real, I call it the audit family and we've built that and people trust it and they trust one another. And when that happens, you can't believe the amount of communication that opens up at every possible level. And that's necessary in a global company, any company really that, especially in a global company with our structure.

>> Right, right. So you've, complimented Dan Schulman before, as really being a key force to this. And I was looking at your LinkedIn, you joined PayPal before, a couple years before the exit from eBay. And so he was there since the beginning. And it's funny, you know, you look up Dan and he even, he kind of has a Dan Schulman way. You know, it's not even the HP way, but he's known for this. So I wonder if you can, you know, share a little bit about your experience

with him, how he supports them and how, you know, it's kind of his philosophy, your philosophy, and how that really permeates within the rest of PayPal.

>> So PayPal was a very different company when I got here, I got here in 2012, and I think Dan got here in like 2014, right around there. It was a tough, tough company, very siloed and not a compassionate organization. When Dan came on, honestly, it changed everything. I mean, he really, he's a compassionate human being, if you looked him up and talked and talked about him. He's done amazing stuff. And he's made decisions, business decisions based on his empathy for individuals or groups of people and made huge business decisions. And when he got here, he implemented his philosophy across this organization, changed his leadership. We attracted new leaders and we have continue to attract new leaders that are empathetic, that are compassionate.

And this whole company is this way. It's a really unique environment. In fact, I tell people who are new. If you're starting your career here, you're ruined, because you're never going to work for a company as good as this, you just aren't. You know, our core values, our inclusion, innovation, collaboration and wellness. And those aren't just words, we live every aspect of it. And every team, you go across this company, this is the way people are here. It's our, it's not just a philosophy, it's a way of life.

>> That's great. So then, I'm curious, you've kind of taken it to the next level, right. So one of the other themes we've been talking about for the last couple years, is COVID was this accelerant to things that we're already in play, including remote work and distributed teams and doing like we're doing here today, but you mentioned before we turn the cameras on, that you went ahead and made the next step, that you've decided to take your team fully remote.

>> Yeah.

>> So I'm just curious to get your take, as to kind of how did you come to that decision, what was the trigger and how did you get to that? Because you have the option clearly, you know, to go back or have some hybrid, or, you know, I don't know what the official policies are, but, you know, you made a decision to go fully remote. I wonder if you could share your thought process there?

>> Well, I found that when the pandemic hit and our company, you know, became a group of 60,000 individual offices, meaning people had just left and we had to stand that up, that my team was, all of a sudden became closer and tighter and more communicative and more efficient. And I realized that, we've built a strong reputation here. People always are willing to meet with us, and we are more efficient working in this. They call virtual flex, here at PayPal, for us being fully remote, we're more efficient, especially two and a half years into it now, where we understand how to manage our schedules, we understand how to communicate with one another. We execute, we've opened offices in China, we've closed offices in Russia.

We've opened, you know, work in Ukraine. We've done all these things that are significant, and we've done it remotely. And we've been very successful at it. I've hired 40 people during the pandemic, either through backfill or through attrition or through additional headcount, you know, nearly 40 people. And they've all adopted our culture and they've done it really well. And I've never met these people, but I know them virtually. I look forward to the day where I do get to meet them, but we've been a success in doing that. And it goes a long way to show that being remote can be extremely beneficial.

>> Any tips or tricks for the newbies. I mean, it's easy for old farts like you and I that have been around for a while and are kind of established. But, you know, I think that the people that are on transition stages or one of those big transitions, right, is, you know, starting your first job out of

school or whatever, you had to do anything special with them, how have they, or are they digital natives and they kind of get it without having to work to hard?

>> It's a combination, part of it is they are digital natives just like you said, that's a great description. The other part is mentoring. You know, so we have people on the team who spend extra time with them. But first we have a very well defined and rigorous onboarding process to understand the company and our culture and how we do things. And second of all, we have people who lean in hard on you, and they're there for yo and they'll ping you at all times. You can ping them. You'll have formal meetings and informal meetings, but we really invest a lot in the mentoring across the team, especially the younger people.

>> Yeah, that's great. And so you're making the move. So one of the things that comes up, which is a challenge with a full remote, is there's a couple types of activities that, you know, that sometimes are a challenge to do at home. One of them, for some people is just focus work, right. If they got kids and dogs and animals, and just too many people in the house. One of them is right, is heavy duty collaboration, when you really want to get tight. And then the other one is socializing. So do you have other ways that you can, you know, kind of support those types of activities and objectives now in a fully remote way? Do you like, let people go to a WeWork or whatever, if they need to spend some money to get in private time, how do you kind of work on some of those activities?

>> So we don't do the WeWork, but our offices have opened up in core areas. And so you have the ability to go in, we have hoteling offices.

>> Okay.

>> So you can go in and hotel. That's absolutely open to people. The other piece is that, we're highly flexible in what we do. We make sure that we coordinate time off because people do have to drop their kids off, pick them up, or spend focus time with our kids during the day or take them to practice. We allow for all of that and we set our deadlines for our projects appropriately. And we've learned as an organization, how, even in different time zones, how to coordinate all this work that we have to do, as well as making sure you're living your life appropriately. And then we have, on the social side, we've done something that sounds innocuous, but it really has been extremely beneficial. We call it happy hour and it's time zone friendly. We do one European friendly, one Asia friendly. And it's topical people come and talk about their culture, the foods that they have, we talk about funny things or superheroes.

And it sounds like it's simple, but it has been a huge glue for the team. You get to know people's personalities and people attend these more than willingly. They're fun events and they've been very helpful.

>> How frequently do you have those?

>> Once a month.

>> Once a month, once a month. >> Yeah.

>> That's great. Yeah, 'cause the attention to detail and you talked in another piece that comes up a lot, is all the effort on hiring and then you hope that you get attention, oh, excuse me, retention, but not enough people talk about the development in the middle and the investment in the middle to make sure that people have that sense of belonging and engagement and connection with the company, then, oh, guess what? Your retention probably will go up a little bit.

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>> Yeah, so development is core to who we are. We make sure, we actually a pretty rigorous process around that. We make sure we understand what your career objectives are. And we put you on audits that are going to help develop that. And then we watch your performance and give our own perspective of where we see your interest and skill sets lying. And sometimes people follow the path that they have for themselves, a lot of times they deviate and we give them the opportunity to do that. There have been a lot of successes. We've seen people who start here in internal audit, you get to see the entire company and then they move into a group that's good for them. And it's good for the company to have somebody who understands a broader picture than the core of what they're doing. They've got that audit discipline and that compassionate engagement component and they move into the business. It's extremely helpful. A lot of my key talent moves into the business and it helps everybody.

>> Right, right. What, I'm just curious, what about the hard times? You know, when you've built these relationships with people and you know, unfortunately, business is not always up into the right, right. And you know, that's probably why some old methods were the way that they were, 'cause people would rather deal with a resource than a person. So has that been, has that been an additional challenge for you as you've had to face some difficult things?

>> Yeah.

>> People who you know their family and they know yours.

>> Exactly, I have, I have many times and that's what weighs on me. And those are the things when people ask me about stress, those by far are exponentially the most stressful things for me to deal with, especially when I know their families and I know, you know, where they stand, but you know, at the end of the day, business is business. And when we are here, we make it something that is fun, exciting and engaging. But at the end of the day, we have to sort survive with the business. And we've had to make tough decisions in the past. Throughout my career, we've done that, where you, you have to go through restructuring or something like that, or somebody's just not performing and you got to be real with them and be honest. And that's, I think that's the compassionate side. So yeah, we face that like anyone else, and those are difficult things to do and we've done it. And recently, you know, during the pandemic on this team, 'cause not everybody can operate effectively in this environment and you see that quickly and sometimes it's best for them to move on. It'll bring them a different level of lower anxiety and.

>> Right, right, well that's the Netflix way, right. If it's not a good fit, they try to get rid of people quicker then slower. So Dave, I want to give you the last word for managers that are maybe thinking about this and haven't really embraced it and don't really understand or just think, oh my gosh, how can I possibly carve out this much time to meet with my directs and my extended team? You know, what would you say to them as to the, you know, kind of the secret sauce and the magic that they're going to discover by relocating their time in a pretty significant way and what should they give up and what did you give up? What did you pass off to somebody else that freed up this?

>> So I don't pass anything off. You got to be able to balance your own schedule. You really do, you got to understand, you know, what's important for you in life. I mean like anything else, it's sort of a return on investment. And for me, the level of trust, the level of commitment, the willingness to help others, the return is incredible, it really is. You're going to be, people are going to work harder. They're going to work smarter. They're going to do what they can to make this succeed. The investment is more than worth it. And I think you may have been through this process yourself, Jeff. You'll be surprised how much people want this and how much it'll return for you and the quality of work and what it's given to you, by the individuals.

>> Yeah, it seems so simple, right. But most of the really smart stuff is so simple.

>> Yeah, yeah.

>> And you get that, because the other thing too, right, is the leader, the hardest information they get, some bad information and negative information. And so, if you don't let them tell you, you'll never find out and by the time you find out it's too late.

>> And you're exactly right. And the flip side of that, is if you're not telling individuals what you know, what you can tell them, they're going to make it up in their own head and they could be entirely wrong and that could be their reality. So that level of clarity is extremely beneficial.

>> Great, well, Dave, thank you for your time today. It's been a treat. I've been looking forward to this. I really have a ton of respect and kind of the simple wisdom of your process. And I think we're hearing more and more that, that as more stuff moves to async that, you know, the investment and time in your people just continues to be the most important thing you can do.

>> Absolutely, absolutely.

>> All right, well thank you, Dave. And it is Friday, so have a great weekend.

>> You too.

>> All right. He's Dave, I'm Jeff, you're watching Work20XX. Thanks for watching, we'll see you next time. That should be it, clear, all right?

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