



# Guttman Insights

September 2023

*Nubank is one of the world's largest digital financial-services platforms, serving more than 85 million customers across Brazil, Mexico, and Colombia.*

*Founded in 2013 and headquartered in São Paulo, Brazil Nubank has a market value of around USD 30B and employs approximately 8,000 people. It was the first all-virtual bank in Brazil, offering a range of financial services, including credit cards, account lending, insurance, investments, and crypto. Suzana Kubric is Nubank's CHRO.*



In this issue, Suzana Kubric, CHRO of Brazil's Nubank, discusses building a high-performance culture and teams in the face of rapid, near-exponential growth...Do you have a critical mass of power-on, high-performing players driving business? Chances are no, but don't panic. Howard's column provides a guide for building greater performance heft...And, whether your team is dysfunctional or just not firing on all cylinders, tune into Howard's video to accelerate to high performance.

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## Leader's Corner: Suzana Kubric on Nubank's High Performance and Big, Hairy, Audacious Goals

### What is Nubank's competitive advantage?

We're intent on building a bank that customers will love fanatically. Actually, we don't consider ourselves to be a bank, but rather a technology company that promotes financial inclusion and a great customer experience. Our culture and our people are driven to fight complexity and to empower customers in their daily lives by reinventing financial services. We're a non-traditional, digital bank. We're about surprising customers. For example, a customer might enter into a digital chat on our app, complaining that her dog has eaten her credit card. We'll send a new credit card, along with a dog bone to keep the pet happy!

### Look ahead to the near-term future. What's Nubank's strategy?

Our big, hairy, audacious goal (BHAG) is to have 100 million fanatical customers and to become the most influential financial-services institution in the world! People live largely unoptimized financial lives, littered with financial waste and missed opportunities. We intend to change that, first by building a full digital bank, which we have already done, and then by adding a broad array of consumer products and services to our platform.

### "We think and act like owners, not renters," is one of Nubank's five core values. Can you give us an example of how you put this into practice?

All employees are shareholders. Incentives are awarded in stock, not cash. Even the most junior employee owns shares in the company. This is very unusual in Brazil. It injects enterprise thinking at every level of the bank. We're encouraged to act like owners. When we see something that creates complexity or increases bureaucracy, we move to fix the situation. Each month, we give a Values Award that reinforces one of our five core values.

### What causes you to lose sleep at night?

Due to Nubank's rapid growth, not having enough time to build the HR foundations properly, for one. When I joined the company in March 2021, we had 2,500 employees. In December 2022, we had 8,000! In May 2013, we started with one product, in one market. We are now in three markets and offer more than 20 products. The company's HR infrastructure was not built to support this level of growth and complexity. It's like we're in a house with pipes that cannot supply us with enough water—and they are beginning to burst. We need to fix the basics. My dream is for us to be able to execute the HR basics brilliantly, so we can enchant our employees with the same quality of service and memorable positive experiences that we provide to our external customers.

### I can see why you don't get much sleep!

We also need to build the capabilities of our top 100 leaders. We have brought on a great number of younger executives. They need to develop the Nubank mindset, so they become role models for the next generation of leaders. In January, we moved from a Brazil-centric operating model to a new, global model and way of working. To integrate our headquarters operation and services in Brazil with those in Mexico and Colombia, we've created global product and market teams. Now, we are working on the collaboration among these teams. That's why HPT, with its focus on horizontal management and enterprise thinking, where everyone is at stake for one another, is so important.



### What prompted you to begin the high-performance-team journey?

The leadership team at Nubank had a lot of opportunities to work better, not only as great individuals, but also as a team. Individual team members were brilliant, but they tended to devote all their attention to their functions. The CEO once said that he was an entrepreneur and founder, but the role of CEO was most challenging to him. We had a siloed top-leadership team. Since we initially experienced great success, we didn't feel the need to invest that much in the team dynamic. As we shifted to a global business model, the CEO realized that his contribution would be far greater if he focused on business strategy, rather than on day-to-day operations. So, he appointed a new president and COO and charged him with implementing the new global model and leading the senior team. The new COO saw the need to improve cross-functional communication, listening, and influencing skills.

### What about conflict on the team?

It was not a pain point because everyone on the team thought things were okay. Conflict was there, but it was not explicit. It was hidden, and there were a lot of team members who avoided it. What was a significant pain point, especially for the next layers down, was decision-making: how decisions were made, how clear they were, and how they were communicated. In addition, in top management's team meetings there was endless discussion and debate, with little closure, little follow-up, and no documentation. We had difficulty distinguishing what had merely been discussed from what had been agreed to. This derailed the company. And there was triangulation: when there were differences among team members, each went individually to the team leader to get permission to do whatever he or she wanted to.

### Given the many challenges facing the team, what were your immediate goals?

I met with the team leader and suggested that we do something to put in place the building blocks for a new way of operating as a team, from increasing trust to improving communication to being more transparent in decision-making and conflict management. When GDS provided feedback from the team survey that had been conducted, the team leader was not surprised with the results, but others on the team felt, "That's impossible. How can we be so dysfunctional?" There was disbelief: "How can a such a dysfunctional leadership team achieve such great results?"

### How did the team move from denial to acceptance?

The high-performance team (HPT) process forced the team to look in the mirror. This led everyone on the team to admit that there was a problem and prompted them to begin working on the underlying issues. We started the HPT process in September 2022 with an alignment session, followed by a team check-in a month later. We conducted ongoing surveys to assess team progress against the 8 Attributes of High-Performance Teams and against our nonnegotiables, or hard-and-fast ground rules for team behavior. Each team member was assigned a GDS coach to help them become high-performance players and to enable them to contribute to the team's HPT journey. We next held skill-building sessions, the first of which was improving listening skills. GDS also conducted a TKI [Thomas-Kilmann] assessment and sessions on assertion and conflict resolution. We next asked the GDS facilitators to conduct observations of our management meetings and provide real-time feedback on progress toward achieving the 8 Attributes and the nonnegotiables.

### How are you engaging others in the organization in the HPT transition?

We first held a roundtable discussion, facilitated by GDS, which involved the senior team and the next level. The aim was to explain the "what and why" of our HPT journey. In addition, our CFO and his leadership team have just gone through an alignment session, and we have another one scheduled with the product team. We will also conduct skill-building sessions in listening, assertion, and conflict resolution at the next level. And we also scheduled a follow-up alignment session for the senior team.

### Take us into a senior-team meeting: What would we observe now that you've been through the HPT alignment process?

You would see more structured meeting facilitation; greater clarity in issue identification and priority setting; greater focus on the decisions we need to make—and on taking action; more intentionality in involving everyone on team—and bringing the "avoiders" into the discussion; less triangulation; more peer-to-peer feedback; and greater accountability for living up to commitments.

### What's the biggest lesson you have learned from your HPT journey?

Give it a try. It's definitely worth it. Given our situation, with many young leaders, we decided to proceed incrementally and adapt the HPT solutions to the needs of our team. That worked well.

### Would you recommend this process to other leaders in Brazil?

Absolutely! When you are at stake for one another, when you increase trust, focus on the priority issues, and manage conflict to avoid underground behavior, better results will follow. The leadership team's ways of working have a ripple effect throughout the organization. When senior leaders become high-performance players, you elevate the performance of the entire organization. The GDS HPT approach has a significant organization-wide impact. 🌍

# Know Who Your Players Are? Why It Matters

by Howard M. Guttman



No one needs to lecture today's senior executives on the challenges of the post-Covid, hybrid work environment, with all the permutations of working from homes, corporate offices, and third-party locations that can range from coffee shops to the apartments of friend and relatives. We've seen it all! Working in the post-pandemic age doesn't lend itself easily to getting things done by building relationships and creating interdependencies.

The fragmentation of current organizational life, along with the prevalence of remote work,

provides fertile ground for underperformers to "hide out." It's one reason that, in every new consulting engagement that we undertake, we now put even greater emphasis on data collection, using both targeted surveys and in-depth interviews.

As we dig deep to get the lay of the land, we typically encounter three types of individuals:

- **Players** tend to be those who are willing to challenge the status quo, seek new vistas, are committed to the organization, and hold themselves—and others—accountable for results. In over 30 years of consulting, I have found that Players typically make up about 20 percent of an organization. (Surveys conducted by McKenzie, LinkedIn, and others put the figure anywhere from 10 to 25 percent.)
- **Vacationers** are the broad swath of employees in the middle. There is a "job," for which they show up from 9 to 5, without much commitment. They check which way the wind is blowing, don't make waves, keep their heads down, and plough on. For them, earning a living is not living their life.
- **Prisoners** are unhappy vacationers. They are disgruntled, dissatisfied with the status quo, and passive-aggressive. But they'd rather stay in their jobs than quit. Prisoners can be technically proficient, but their attitude is off. They are like a standout athlete who is toxic in the locker room.

Several weeks ago, we were working with a senior team on which one member was a serial complainer. Despite his constant focus on what was wrong and not working, he viewed himself as a "Devil's Advocate," who was making a positive contribution to the team. In reality, he was little more than a monkey wrench that prolonged closure on key decisions. This Prisoner was not happy with his role or with his teammates. His self-justification that he was playing a productive role aside, he was in reality playing a passive-aggressive game that had to be shifted in order for him and the team to move forward.

I recently conducted a high-performance-team overview for 130 members of a retail organization. An executive approached me afterwards saying, "Well, we've had other consultants come in. It never really worked. What's going to be different now?" She was acting as though she were watching a play and didn't care much for the cast! I challenged her, saying, "So, now you're just going to sit back and evaluate us in the next act? It sounds like you aren't taking any ownership of the outcome. You prefer to merely watch the show. If you want the game to work, you'll have to get out of the audience

and onto the stage. This executive was a classic Vacationer, checking things out, observing, but not entering the action.

Vacationers and prisoners suboptimize the power of a team. They sap a team's energy. They show up as "things" to be dealt with. You have to spend time and energy cajoling, pleading, and trying to get them on board. It's the price you pay for having dysfunctional, non-value-added members on the team.

When you think about changing the behaviors of Vacationers and Prisoners, I suggest focusing first on Vacationers, who are more apt than Prisoners to shift their behavior. The aim is to move Vacationers to Players by helping them become more invested and engaged. Build their self-esteem. Give

them a sense that they are valued, that it's safe for them to put out their point of view, that other team members very much want them in the game.

Getting underground and passive-aggressive Prisoners to change their world view to become Players requires first calling out their behavior as undermining and sabotaging. Hold up a mirror, but it's rare that Prisoners can withstand scrutiny. It requires someone who is extremely coachable. Most Prisoners don't have a happy ending. Typically, they have to go!

And don't forget the Players, who are often neglected while the squeaky wheels get the grease. They have to be nurtured and acknowledged. Players have a way of moving at breakneck speed and are not always attuned to the behavior of their fellow team members. Look for opportunities to improve their ability to suss out others around them who are not performing at the same level.

The post-pandemic organization, with its remote versus in-office stresses and strains, cannot afford the drag on performance caused by Vacationers and Prisoners. First, identify your Players, Vacationers, and Prisoners. Set clear development objectives for each. And adeptly manage the key elements of the performance system, everything from the reward structure to performance expectations to feedback to clearly laying out the consequences—positive and otherwise—for high-performance versus dysfunctional behavior. ●

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## From Dysfunctional to High-Performance Teams

by Howard M. Guttman

What's the secret sauce for elevating the level of play from ho-hum teams to high-performance standouts? It starts with the leader's ability to cloak his or her team in a veil of authenticity and then firmly put in place high-performance cornerstone behaviors. Howard Guttman's video, "From Dysfunctional to High-Performance Teams," provides a primer on the subject. 🎥

