

AT THE EDGE PODCAST



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NIVEN POSTMA – LEADERS: BE HUMAN. THE BAD NEWS IS, IT’S THAT SIMPLE.

Interviewed by Michael Lee

Niven Postma works as a strategy, leadership and culture consultant and facilitator for clients in South Africa, the UK, Germany, Scandinavia and Australia, in industries as diverse as financial services, professional services, media, petrochemicals, retail and manufacturing. She lectures at Henley Business School and on various global leadership development programmes and is the author of the book *If You Don't Do Politics, Politics Will Do You: A Guide to Navigating Politics Ethically and Successfully (And Yes it is Possible!)* She worked as Head of Leadership and Culture for the Standard Bank Group (the largest bank by assets in Africa) spanning all the countries where the Group operates and affecting all fifty-five thousand employees. She was also Head of External Strategy at the South African Reserve Bank, Head of the South African Reserve Bank Academy, responsible for the delivery of all learning and leadership development, Chief Executive Officer of NOAH (Nurturing Orphans of AIDS for Humanity), one of the largest children's NGOs in South Africa, Chief Executive Officer of the Businesswomen's Association (BWA), the largest association of business and professional women in South Africa, and as a Consultant with the global strategy consulting firm Monitor Company, where she worked on cases for clients in South Africa, Boston and Turkey. She earned her BA degree from the University of Stellenbosch, EMBA at the UCT Graduate School of Business, and her PG Dip Futures Studies at the University of Stellenbosch Business School. She was an inaugural Fellow of the International Women's Forum Leadership Programme and an Archbishop Desmond Tutu Leadership Fellow.

In this episode, Niven talks about the ways that leaders can inspire engagement and innovation even in the most conservative financial organizations, how snow melts at the edges, and how the feeling of being listened to is the same as the feeling of being loved.

Michael Lee

*Niven Postma is a strategy, leadership, and culture consultant for clients around the world. She previously was the Head of Leadership and Culture for Standard Bank Group, the largest bank by assets in Africa, and the Head of External Strategy at the South African Reserve Bank. And she's the author of the book *If You Don't Do Politics, Politics Will Do You: a Guide to Navigating Politics Ethically and Successfully*. And yes, it is possible. So Niven, thank you for being here.*

Niven Postma

Thank you. It's such a pleasure.

Michael Lee

You're an expert in leadership. I guess the best way for us to start would be to ask you to give us your take on how leadership can help motivate innovation and engagement in a company.

Niven Postma

We can start with the aspirational and the normative, which is a good place to start. And the reality that leadership casts an incredibly long shadow in organizations. And when I've worked with organizations, either they've been my clients or I've been an executive in them. And the shadow that has been cast by people who have long since left the organization has been quite something to see. That shadow that gets caused can either be one of possibility and inspiration and innovation and connection, or can be one of the complete opposite. Certainly, one of the organizations I've worked with, the biggest thing that we had to undo, in terms of the legacy of years of leaders, was a culture that was absolutely endemic of what is called - and we didn't call it that it comes from the work on EQ - learned helplessness. So people had really been conditioned to not think. And if you're not thinking you're certainly not innovating, you're not contributing anything in terms of discretionary energy. We underestimate the impact of leaders at our peril. But similarly, I think we put things too much at the feet of leaders, sometimes in a way that abdicates responsibility for each of us.

Michael Lee

You've worked quite a bit in banks at the level of leadership and training and culture. And I get the vibe that with banks, it's an interesting situation, because in some ways, banks can be some of the most innovative companies and in some ways they can be the least innovative companies. How do you take a company that might tend to be difficult to innovate and turn it into a leader in the innovation space?

Niven Postma

The two banks that I've worked for, one was the Reserve Bank, which is the South African central bank, so the equivalent of the Bank of England or the Federal Reserve in the US. And the other one was a commercial bank, the largest bank by assets on the continent. Both of them struggled with innovation throughout, never mind innovation at the edges. Although in

the case of the commercial bank, there was a skunkworks that was hived off and really existed completely on the margins of everyone else's consciousness. And that might be a way to start with innovation, but certainly, it's not going to make it endemic and make it part of the way we think and how we do things.

If I think of the central bank, which is an astonishingly impressive place, as all central banks are, hugely complex, massively opaque, bureaucracy and hierarchy ingrained in their DNA, not just the DNA but the buildings, and the buildings, if you go to any central bank in the world, are designed to intimidate you. Because they position themselves as authorities. And with the Reserve Bank, it was very interesting because we had a Markinor Corporate Reputation Survey, and Markinor said it was some of the most astonishing results that they'd seen in terms of corporate reputation anywhere in the world. The level of trust and respect for this institution was like nothing they'd seen. Interestingly, when people spoke about why they respected and trusted the central bank, it was because it was so conservative, because it didn't innovate, in a country where lots is going on, and not much of it is great. To have one beacon of stability that was going to be conservative and do things the way that it always had for many people came as a source of strength and relief. And yet, as with any regulator, as innovation happens in the sector, and in the world, regulators are two steps behind.

As things change even more increasingly quickly, and particularly with the advent of Bitcoin, people are really having to get to grips with that as a regulator in ways that are very different to what they have known and very different to what they're respected for. The biggest thing that we had to understand there was what we meant by language, and what the semantics of the words we aspired to, and the words that we were trying to change actually implied.

For example, in the culture survey that we did, one of the things that people really railed against was the control that grows enacted in the organization. I listened to this and I listened to a lot of people who had been around for a long time really pushing back and saying, Do me a favor, we run the monetary policy system or set the monetary policy interest rate decisions for this country, we produce banknotes, we produce the coins of this country, if you go to one of the branches, you will see five hundred million, or half a billion rands worth of money coming from a truck into a vault. I mean, who are these youngsters? Who are these people who don't know how central banking works? They think that those kind of controls can be gotten away with. And the more we had conversations, the more I suddenly realized, hold on, there's a distinction between controls, which are critical, and you can't not have them in high-performance, high-risk organizations. But controls are not the same as control. And what we're talking about here is a level of control, which like I say, inevitably, ten, twenty, thirty years in leads to the kind of learned helplessness and checking out that we saw.

Michael Lee

What is the solution for an organization that has a very traditional culture and has to respond to at least some of the customers, some of the people that are accessing that organization, needing the organization to be more flexible? How do you actually go in and help an organization transform, even where they might have a lot of reasons not to?

Niven Postma

Let's say that's necessary, but I don't think it's sufficient. I have a background in strategy. That's mostly where my experiences come from. I haven't come from the Human Resources universe. When I think about culture, when I think about leadership, when I think about innovation, I often tend to frame it in terms of risk. And when you think about risk, we tend to all go to the one definition of risk which we know, which is embedded in, heaven forbid, bad things will happen. So you control, you mitigate, you ameliorate, you procedurize until the cows come home to absolutely insure as best you can in a complex and volatile world that those bad things will not happen.

There's another definition of risk, which isn't part of our common lexicon. It's not part of how we think. And that's not the risk that bad things will happen. It's the risk that good things will not happen. What might we miss out on? What might we not have access to? How might our people be checking out every day and we're not tapping into this? And how in our context, because of course, every context is different. Every legacy is different. Every culture is different. How in this context can we absolutely celebrate what we've gotten? Marshall Goldsmith would understand that we've gotten to this point, but what got us here will not get us there.

And so what does that look like? There's no simple answer to that. That's a whole bunch of courage, of listening, of wrestling, of risking, but hopefully risking the right things. Inevitably there are pockets of people in the organization who have some of these answers already. In my experience, one of the most powerful things that you can do, and it sounds so easy, you get paid as a consultant to do a whole bunch of research and you come back with simple things like, Listen, please say thank you, greet people, see the humanity of other human beings. And executives are sitting there thinking, You've got to be kidding me.

Because of course, it comes as good news and bad news. The good news is, it's that simple. The bad news is, it's that simple. What has stopped you just acknowledging the potential and humanity of other people? The experience of being listened to is so close to the feeling of being loved that the brain often can't tell the difference. So to be seen and to be heard and to be part of a community that's doing something that matters at whatever level you do it, whether you're the cleaning lady, or the CEO, that's a pretty universal human need.

Michael Lee

On this podcast, the more I talk to people about this issue, the clearer it is that this idea of work as a place to be human, not just a place to get the job done, seems more and more pervasive. And like the situation with COVID and everything that's been happening the last year or two has been making it more and more necessary. So how do you communicate to someone who doesn't get that clearly, this idea of bringing the full organization into the activities of the organization by inspiring them to actually care? How do you communicate that to leaders?

Niven Postma

Let me take a step back and share how I first learned that. I didn't learn it just at an intellectual level, I really got it. I was the CEO of a not-for-profit. It was, at the time, the largest NGO in the country, looking after orphans and vulnerable children at the height of the AIDS pandemic in South Africa. We had at that time, an estimated one million orphaned and vulnerable children in the country. And we looked after about twenty-six thousand a day, social grants, food, all manner of things. Years after I left, I read a Harvard Business Review article, which was food for thought, the most powerful thing about it was two things: one, the title, which is "Why Should Anyone Be Led By You?"

And I suddenly had to ask that. I've been in leadership positions now from school, I've never asked that question and never been asked that question, I've just been put into those positions and gone forth. And the second thing they talk about in that article is what they say very good leaders have, which is tough empathy.

And so again, it's a "Both And" - you can be absolutely non-negotiable on results, AND you can see the humanity of the people who are trying to deliver those results. When I read this, I suddenly got taken back to my time at NOAH, and I thought, Gosh, I didn't call it that. I called it compassionate accountability. But I had no choice but to manage the Both And, because I'm working with child-headed households, working with sixteen-year-olds, fifteen-year-olds who are taking care of siblings because all the adults in their immediate family have died, working with grandmothers who are taking care of grandchildren because the parents have all gone, working with great-grandmothers, working in areas with no running water, no electricity in the flipping twenty-first century. These are devastating circumstances for me to even be working, and this is what people are living in. So I could not be blind to that reality. If I did, really, there was something wrong with me at the most human level. But at the same token, we had donors from all over the world, including the US government, we had to deliver what we said we were going to deliver and have the proof at the level that we needed to, to keep stakeholders and donors happy. And so if I was only feeling empathy, then essentially I was running a counseling support session. If I was only driving for results, well then stick me in a factory with machines and leave the people out of it.

So I learned that compassionate accountability, that tough empathy, so profoundly and so viscerally in that experience, that for me, it's never been a question since. And I'm very glad I learned in my early thirties. I think for most people, you can give lip service to it, but when push comes to shove, it is about the results. And so I think often that's about really working with people in whatever makes way makes sense with them, with their fears, with their frame of reference, with their context, with their life experiences, to say, how might we make this a Both And, and I think the moment it starts to prove itself and you see people come back to life and you see ideas and you see energy in places that you long since have written off, and people have long since stopped holding any hope for, I started to convince people hold on, there's something in this.

But you know that the muscle memory and the default often is, okay, people are nice, but when push comes to shove, it's the results. And that's learned behavior, which you can hold on to for the rest of your career, or you can take a risk to unlearn it.

Michael Lee

How do you bring that into the culture of an organization, that kind of active, sustained, listening to each other?

Niven Postma

Ralph Waldo Emerson said, "What you're doing speaks so loudly, I can't hear a word you're saying." Isn't that the truth!

But I think the components of culture - it is about leadership behavior, and in my opinion, as somebody who's been a leader myself, leaders get the behaviors that they demonstrate, and that they tolerate. So what are leaders demonstrating? What are they tolerating? And what is the wider organization allowing them, excusing them in what they're demonstrating and tolerating?

Absolutely it's about reward and recognition. You can say we value group work and contribution to an overall goal, but if everyone's rewarded on individual contribution, you're going to take your cue from that. You're not going to take your cue from what you're told to do, you're going to take your cue from what you get paid to do. So what does reward and recognition require, enable, oblige people to do? They either enable everything that you want in our culture, including listening or they completely fly in the face of them.

You're talking about innovation, you're talking about agile, and yet, I'm still having to fill in five different forms across three different computer screens, because the system isn't integrated. I can be as agile as I want, and I can stand on my head in terms of trying to be innovative, but the daily systems or how I do my work mitigate against all of that, in fact it mitigates against the world to flipping live because it's so frustrating.

So when we think about culture, we think about values. Yes, it's a starting point. That's the center of it all. But how do those values get expressed or quite frankly, annihilated through all of the things that you set up in terms of systems, through the leadership behaviors, through the leaders that you have, through who you hire, fire, and promote, through what you're awarded and recognized.

Michael Lee

*Your book that you published last year is called *If You Don't Do Politics, Politics, Will Do You*.*

Niven Postma

Great title, hey?

Michael Lee

It is a great title. How would you apply the issue of politics getting in the way of success? How would you apply that to the situation we're in today, where there isn't necessarily an office at all?

Niven Postma

We have this generally, fairly universal single story of office politics as being these toxic negative Machiavellian hideous things. Actually, all they are is about the informal and official ways that we build relationships. We use our influence, we accrue power to get things done. For me, what's fascinating is a couple of things: the intersection between strategy, culture, power and politics, which is not something I think we think about much, because power and politics, as Rosabeth Moss Kanter said in the late Seventies, are the last dirty secrets of organizations. They're things we don't talk about, much less teach. And nice people don't mention them.

So we can mention innovation. We can mention strategy. We can mention culture. We can mention leadership. Power and politics is pervasive in terms of what's possible and what's not and we don't talk about it.

In terms of the distributed workforce, the virtual workforce, I'm actually just writing an article now about the five myths of organizational politics. The fourth myth is this idea that if you take away the office, you take away office politics, because now all of a sudden, we are apparently living the dream, we're not stuck in a commute, we're not having to deal with people we don't like at the water cooler, we can just get on with the actual work and not worry about all that nonsense, or the informal positioning and jockeying and lobbying and socializing.

Actually, what my experience has shown is what the research is showing, which is that this need for relationships is far more endemic than we think. It's part of human nature. Take away the office does not mean you either take away the need to influence or the fact that people are building influence in relationships. In fact, I was lecturing yesterday, and one of the groups was asking, Well, how are you seeing this happen?

The ways I'm seeing it happen are myriad, from virtual coffee hours through to WhatsApp chats through to chat on the Zoom calls, through to scheduling meetings for teams where we don't talk for an hour about anything to do with work, everyone just has a drink and plays their favorite song. So I mean, those are the visible things. By definition, politics is much more invisible in terms of how you build influence. So it's not necessarily overtly visible to the rest of the team.

But that need to build relationships, that need to build influence, has not gone away. Just understanding that opens people's eyes in ways that they hadn't realized needed to be open. And so I always say one of the best pieces of advice I ever got, and heaven knows I wish I'd applied it more often, because some of the most important decisions of your career are going to be made when you are not in the room. And that still holds true whether the room is virtual or physical.

Michael Lee

When we talk about Innovation at the Edge, this idea of moving innovation throughout an organization, and the idea that innovation doesn't need to be an end in itself, doesn't need to be a specialty where you're trying to get a result, but that the result of the innovation is actually the activity, the engagement, the fact that people feel engaged and like they're doing something important in the company - how would you relate that to this idea around the politics, the leadership?

Niven Postma

Let me start by sharing one of the most powerful stories I've heard in my career. It was from a woman who started up Justine Cosmetics in South Africa, a multi-million rand company. She's been called the Estee Lauder of South Africa. And about twenty years ago, her son was very sick, she couldn't look after her son in the way that he needed to and she wanted to, and run this multimillion rand with hundreds, if not thousands, of employees business. So she hired a CEO to run it for her. And he was running it, she was coming in every week to get an update on figures and cash flow and sales and what have you. This carried on for a number of months, and she was hugely relieved that she had somebody looking after her first baby, this business, while she looked after her son.

She came in one day, at the same meeting, left the office, was walking to the car, when one of the cleaning ladies came up to her and said to her, Miss Veronica, I want to show you something, and Veronica told me the story, she said, "You know my first instinct when she said this was, I don't have time." She said she's so glad she didn't say that. Because it would have been rude. Second of all, she would have missed out on what happened next. And what happened next was the cleaning lady walked into the warehouse, and all of a sudden, from the floor to the ceiling, she just saw piles and piles and piles of inventory that should not have been there. She took one look at this and thought, What is going on? What I'm seeing with my own two eyes, there's no relation to what I've just seen in facts and figures and spreadsheets. But long story short, there was a whole bunch of stuff going on, she had to get stuck back and she had to raise a whole bunch of debt and equity to rescue the business. But she did rescue it. And then she sold it to Avon a few years later for a lot of money.

So she told me her story, and then she said, "For me the moral of the story, Niven, is that you never know where your next best piece of advice is going to come from. That cleaning lady saved my company."

And I listened to her, and as she was saying this, I thought, I hear you, and Veronica, as the CEO, you created a company, you showed the leadership, you built a culture, where first of all, a cleaning lady cared enough about what was going on to look up from her job, which was really just to sweep the floor, looked up and felt comfortable enough to come to you as the CEO and tell you there's a problem. And as the CEO you listened. That openness to learning that humility, that curiosity, once you've ascended to the upper echelons on an organogram or of an office building, you lose that at your peril.

Rita McGrath at the Columbia Business School talks about what Andy Grove at Intel said around innovation and around change and he said, "It's the same as snow. Snow melts at the edges." Change comes from the periphery of what we're seeing. If you're not engaged with

the periphery and the people who are closest to the periphery, you're not curious, you're too self-inflated with your own sense of importance, because you've got all the answers or you're too overwhelmed with trying to figure out the answers by yourself.

The case studies are legion, the Kodak example, the Nokia example, the Blockbuster example, there are plenty of those. Rita McGrath has written superb stuff on this and particularly around the end of sustainable competitive advantage, this idea that we are all only in stages of transient competitive advantage. And in it, it's not just about ramping up to get to a point where you defend your position and extract as much as you possibly can from the position that you're in and the competitive advantage that you see, and don't look further than that kind of have yourself up against the wall and extract as much as you can for as long as you can.

A client that I work with who has really built up the most phenomenal business, a multi-billion rand, and probably even multi-billion dollar and pound business across the world, a privately held insurance company, the most extraordinary human being, most impressive. And without having ever read any of Rita McGrath's books, he for thirty years has been saying the same thing: the only sustainable competitive advantage you have is your people, is your culture, how people feel and what they bring to work, or what they don't.

That's really one of the problems that I exist to solve. Fred Kaufman speaks about it in conscious business, these two sets of seemingly opposing bits of research. The first one is Gallup's Engagement Survey, which year after year after year is showing more and more depressing results in terms of how disengaged people are from work. I don't think that that will have changed in COVID. I think people are scared that they're going to lose their job. Petrified. But they're not necessarily more engaged. They're working like crazy, but the level of engagement just keeps dropping. The last stat that I saw was 87% disengagement.

And then the other piece of research that we quote is around adults who when asked if you were to become financially independent such that you didn't need to work, upwards of 80% of adults continuously, in all manners of studies, said that they would choose to work. There's something in us as human beings about contributing, about leaving a legacy, about being part of a community, about building and doing things that matter. That's completely innate. And how we set organizations up, the processes we subject people to, the leadership we subject them to, in so many organizations is leading to this level of disengagement.

Michael Lee

If you had to summarize for everybody listening, especially leaders, the one piece of advice or tidbit that they should go away from this podcast with remembering, what would that be?

Niven Postma

I read the summary and I can't remember where I read it, but I think it's absolutely right, this idea of Human Resources is nonsense. People are not resources, they are the source of everything, everything good or bad, bad risks coming to pass, good risks not coming to pass, frustrations, motivations. And that's not about holding people in a space of cupcakes and

kisses. I have run organizations. They're not support groups. There are organizations that need to get things done. And that is perfectly compatible with respecting and treating people as people who matter as the source of everything that you do or don't get right.

Michael Lee

Thank you, Niven. It's been really an honor and a pleasure to be edified by your thoughts. We really appreciate you being here on At the Edge. Thank you.

Niven Postma

No, thank you. Your questions helped stimulate some new ones. So there was an innovation in my thinking as well.