

Transcript of the Unbossing Podcast with
Steven Baert - Chief People & Organization Officer
Novartis Group



Transcript Info

This is the transcript of the Hifluence unbossing podcast with Steven Baert (SB), Chief People & Organization Officer at Novartis Group, hosted by Nick Van Langendonck (NVL) and Thomas Hubbuch (TH) from Hifluence (www.hifluence.eu).

Parts of the spoken text have been edited to make the reading of this document more enjoyable. Become inspired and inspire others with it!

The podcast can also be listened to on [spotify](#)

Introduction to Steven Baert

NVL: Could you tell us about your personal journey of becoming Chief People & Organization Officer at Novartis?

SB: I have been at Novartis for 14 years, and approaching 7 years in this role and It took me to different countries. Before starting in this role, I worked in Belgium, then in the UK, Switzerland, onto Asia, and then five years in the USA, and then I came, a little bit to my own surprise, into this position, leading the people function at Novartis.

The unbossing journey

SB: A few years into this role we prepared for a CEO transition at Novartis. Many boards would just compare candidates and the great thing in this transition was that we managed to have a discussion with the board of what jobs were to be done in the next 5 to 10 years. What transpired was, first, of course, some of the things we needed to fix. Then some discussion about our strengths. Eventually, the discussion moved on to: 'Why is it that we have such an incredibly talented group of people at Novartis? Why is it that we are consistently rated as one of the top pipelines in the industry with fantastic products? So normally, in simple logic, you would think: 'best people x best product = exceptional performance'. If we look back, our performance was good, but was not top, we were not in the upper quartile. So, we started to reflect on what was getting in the way and we sadly had to conclude that:

“A culture that had served us so well in the first phase of the existence of the company was starting to hold us back”

The perfectionistic, top-down, rigid control was preventing breakthrough innovation and was preventing some balanced risk taking and possibly even leading to some issues where people were making decisions to meet a target, rather than pursuing a purpose. And so, the entire selection process for the next CEO was geared to four priorities, and culture change became a top priority. What was exciting when we welcomed the new CEO (Vas Narasimhan), who was an internal promotion, was that he is a person who truly believes, through his own experience, that:

Culture is what drives the success of an organization, whether its innovation, performance, or integrity. He learned that the answer to any problem is within the team, rarely with the boss.

Our new CEO is a medical doctor from Harvard. He comes with all the credentials that blows us away, but he also learned that there are limitations to the strength of any leader when that leader believes that he or she carries all the answers. And so that was the beginning of a 'culture of change' journey where, as an executive team, we had several sessions of what our priorities would be going forward. Culture became number one!

We define culture as: inspired, purpose driven; curious, a learning culture, rather than a 'know it all' culture, and unbossed. This latter is a very provocative term, to really get the attention that empowerment is what matters.

"We take unbossing further than empowerment, we go deep into self-aware leadership, we go into flipping the pyramid, where a leader is in support of the team. We explore concepts such as psychological safety, etc."

We are three years into the journey and we also take a very data driven approach. We are a science-based company, we love a hypothesis and then we do a clinical trial behind it. We recruit patients into the trial and then we have the read-out. We are such an environment and for this culture change we do the same thing. We have a hypothesis, we measure, we see what works, we finetune and so on.

TH: Do I understand that right that the realization of having the best people, having fantastic products, nevertheless, performance is not on top of competitors; came from the Board of Novartis? Even the decision to say: 'Hey listen guys, there is one thing we have to

work on, in order to become as competitive as we would like to be and that it is the culture, which also came from the board, where they understand this? right? That is remarkable!

Unbossing is about culture & performance

NVL: That is what separates the successful cases of unbossing from the failures. Most failures show a common pattern, and we see this from studying the topic ourselves. When you consider it as some type of sidetrack, where the CEO and the board give the 'OK' to start somewhere in the organization and then ask how it went after a couple of months; it is a recipe for disaster.

The CEO must be the driver and the board must be supportive and true believers!

I also like your 'measure and fine-tune' approach. One of the many things we get back when we are invited to evangelize at other companies, is that it is easy for traditional boards to put unbossing into this 'rather fluffy corner' of doing business. What I like is that you say: 'OK, this is an important hypothesis, and we apply a strict approach of measuring, learning and fine-tuning the process. This is pure business optimization, right?

SB: There is a soft side and there is definitely a very hard side. It is not an invitation; it is not optional. We are progressing well with building what we call a 'culture sense', which is being designed by data and behavioral scientists, where we are making correlations between our market share, our financial performance, our KPIs in our manufacturing organization, and on the other hand, cultural indicators and leadership indicators. By now we have been able to establish a very clear link:

"Leaders drive culture, and when the leader is self-aware, there is a significant improvement in the culture of the unit".

COVID is making it hard right now to establish a strong causal link between sales and leadership. The best leaders are very inclusive, very empathic leaders during these COVID situations, there you see culture go up, but of course COVID has an impact on the sales. You could almost draw the wrong conclusion right now that culture goes up, sales go down, there is that disrupting factor of COVID. We think we will need anywhere between seven to 12 data sets to demonstrate a sustainable correlation and causal link between culture and performance.

Unbossing is about self-aware leaders

NVL: You are three years down the journey, just imagine that the unbossing typical journey is, (1) discovering what unbossing is about, (2) engaging the top of the organization, (3) starting experiments, and then (4) slowly but surely, going viral and into the organization, where would you say Novartis is at this stage?

SB: Novartis is a company of 105.000 people and we operate globally. It is really shifting an oil tanker's direction. The second thing that we have decided to do is that the cornerstone of our organizational change starts with individual change. We believe that every leader and every manager in the organization needs to show individual behavioral change before you can expect an organization to change. For us, the most important thing is how leaders show up. That requires us to rethink and reskill 20.000 leaders in the company.

By the end of this year (2020) we will have reskilled 5.000 leaders through an intensive intervention, which goes deep into creating more self-aware, more vulnerable leadership. We measure that by regular 360° team upward feedback. Every leader takes two 360° per a year and we can look at the data and we start to see that for those 5.000 we have a significantly different culture compared to the rest of the organization. By this, we designed a proof of concept that gives us confidence and that, if we roll this out to all 20.000, we will have really changed.

“The cornerstone of our organizational change starts with individual change”

NVL: I do not see any successful unbossing case, definitely not at the scale of Novartis or even in smaller businesses, that do this journey in less than five years. We often find in the first interviews that we have with leaders in organizations, that they see this as a project where at the end of the first year it needs to be done. There are obviously short-term results and successes, but the entire journey is not a project. It is a journey that takes several years. Leaders need to be humble, especially when it is a company like Novartis with 105.000 people and so we need to be humble in this journey as well.

A follow-up question that I have is about another misconception that many people have about unbossing that, in terms of structure, unbossed organizations do not have any structure. There is no more hierarchy, etc. I suggest you did not transform Novartis into a company with no hierarchy anymore. Could you elaborate on that?

SB: This was indeed the initial confusion. I was actually even fine with it. Because if we had just chosen the term empowerment, everybody would say it makes sense. There would be no discussion about it. So, the fact that initially people asked, 'does that mean there are no more reporting lines? Will we just all do whatever we want?' was good, because of the fact that you have the discussion, and this is already important in exploring the new reality. We definitely had that question over and over again.

Unbossing is about clarity

For us, unbossing starts with creating clarity and that is a very important task for any leader. Really bringing clarity about what problem we are trying to solve, and that it is not just defined by the leader but comes from a team exercise of being very clear as a team of what the problem is that we are trying to solve.

“Unbossing starts with creating clarity”

The key concept of unbossing is the belief that the answer is within the organization and is not coming from the leader. The leader's job is to create an environment, provide the resources, remove the obstacles, so that the team can work through the problem at pace.

A second misconception is often that it means anarchy, it is not! It is like a tennis game; everybody knows the rules of the game and then you play the game as long as you stay within the framework.

Thirdly, there is the misconception that the leader no longer makes decisions. There are moments where every voice is heard, when you deal with very complex matters, where there is sometimes no obvious decision. Then you also need to have clear protocols of how you will make decisions. That can be a majority vote, that can be by consensus and it can also occasionally be that the leader, in order to allow the team to progress, will need to decide so that it is clear, and we can go to the next toll gate. Those protocols are very important and hard to establish because the risk is that it gets misperceived as the leader now needs to win every popularity contest, the leader needs to be liked by every team member, but then you go into a different socialized concept.

“It is great to have conflict on tasks, it should not spill over into conflict on the relationship. I would argue that if you do not have any conflict on tasks, you are not maximizing the innovation potential that exists within your team.”

TH: Your statement about 'bossing starts with clarity' is wonderful. What we see in daily practice is, even if there is a conviction and a gut feeling that unbossing is the right thing to do, simply saying it is not enough. It has to be extremely clear, and the answer to that question will be different for Novartis, than for an automobile manufacturer, or for a computer manufacturer, etc. It does not always need to be the same answer. It is clarity about: What is unbossing exactly? What do we want to achieve? Why is an unbossed organization bringing us much nearer to that?

You mentioned at the beginning that the board says, 'we have the best people, best products, we should be on top of the competition, and we are not; we think organization and culture play a huge part'. Are the targets Novartis wants to achieve with unbossing already much more concrete now?

SB: Our board identified what they wanted to see from the next CEO. It was then for our new CEO together with his executive committee to define very clearly what that culture and what those objectives would be. For us, our DNA is transformative innovation, we are in the business of reimagining medicine, we need to get better at operational execution. We needed to restore trust with society because our industry does not always have the best reputation. That is concerning because we touch every human life here on the planet. We, as an industry, are late to enter into the digital and the data space and all of that comes down to the fact that we had to, what we call, unleash the power of our people in order to define what it was.

We had several sessions as an executive committee and felt that we needed to go closer to our purpose rather than focus purely on short-term financial targets. We think that the financial performance will actually improve as a result (of living the purpose). If you purely chase financial targets, you will make short-term decisions. If you passionately chase a purpose, you should also believe that your performance will improve as a result. It is not that by choosing purpose, you disregard the need to have good performance. We go very much with purpose!

Secondly, we had a perfectionistic culture where a lot of time people were spending time on knowing the answer before the question was asked. We were nervous about losing that natural curiosity, and an innovation business needs curiosity. That is the reason why we are doubling down on curiosity.

The third thing that came was the need to unboss, the fact that you had teams that were in support of providing the leader with beautiful slides, so the leader could take it to the next level; what a waste of energy. How do you flip that, so that the leader is in support of the team? It is super interesting at a time when we are dealing with a belief that machine

learning and algorithms will solve everything. I think machine learning and algorithms are the answer to a lot of things. But it also shows us that we have rediscovered the genius of the human brain.

“The concept of management, which was invented in the industrial revolution to optimize, and drive productivity, to have the same output over and over again, was holding back the creativity of the human potential to deal with extremely complex situations”

Therefore, this concept of unbossing is about 'how do you maximize the potential of your human capital to attack incredibly complex problems'. That is where the strength of the team is so important and where the role of the leader, to create an environment that this team can optimally function, is so crucial.

NVL: What this is about actually is the question on how we can shift from scaling productivity to scaling creativity and innovation. What energizes me a lot, is the clarity of the story. In just five minutes, you explained the strategic canvas of Novartis to me. Its purpose is reimaging medicine, we are an innovation company. In order to do that we need to increase our operational performance, we need to shift our culture towards curiosity, we need to restore our relationship with society, we need to capture the potential of data and machine learning and we need to unboss our leaders. That is the strategic canvas of Novartis. If you know that research shows that around 70% of people in organizations do not know what the strategic canvas of the company is, having clarity about this at Novartis, is a big success as a company already!

TH: I fully agree, and this is 100% pure Hifluence unbossing spirit what we are hearing and to be honest, what I am feeling at the moment: I am amazed and thankful that a company like Novartis and its Chief Human Resources Officer of Novartis group are so on par with what our Hifluence unbossing spirit is about! This is a fascinating journey you are on!

NVL: Unbossing journeys are about learning and growing. I suppose this is the same for you, let's be honest about all the hard things and the mistakes you need to make as an organization along the journey to finally get where you want to go. When you look back on the past three years, what were the most successful mistakes, the mistakes that you needed to make to come where you are at now?

Key learnings from the unbossing journey

SB: We probably went too early too public with our aspiration, which unleashed a tremendous expectation. We, and I, were not yet organized and had not figured out yet on how to do it. So what you get is that in all countries, but also the external world was saying, 'Wow, look at what Novartis wants to do' and six months into it, there was starting to be noise, 'We love what Vas is talking about, but we are not seeing it, we are not feeling it', and so after an initial spike, in terms of expectation, there was that initial delusion of 'It is still the same'. If I would do it again, I would take more time, to align the top 300 behind the vision, do work on making sure we had the right people in that top 300, and secondly, really understanding what it would require from my team and for my organization, in terms of shifting all our work behind it. Because it is an onion that you peel, every time that you make progress, you find something else. For example, we had to change our performance management system, because it was the Voldemort of the old culture. Changing performance management is very popular and every company is doing it. But how do you do it in a way that supports your unboss culture?

“We had to change so many things, so many processes, but in the first place, we had to figure out how to create self-aware leaders.”

That was the hardest thing, because you had to get leaders comfortable with letting go of control whilst retaining accountability. Those two are very important because I've had examples of leaders saying, 'fine, I have to let go control', but they also let go of accountability. I have seen teams, where it was almost like changing your dialogue from parent-2-child to adult-2-adult. It is not because suddenly, as a leader, you will now start to have an adult-2-adult dialogue that your team, who has been conditioned for decades to be in that child's position of 'you give me the talking points and you make the decision, and you tell me what to do', will now suddenly step up to the challenge and feel safe to own the accountability.

It took several months to figure out what we wanted to do. It took a good year to figure out how we would do it and then it took another year to test it and have data to give us confidence on what to drive at full scale, versus what to run in the background as a nice to have, but was not foundational to the change.

“In the beginning, we threw as many things at the organization as we could, to see what was sticking, like spaghetti on the wall”

We needed to understand what would drive the change, because all the rest was difficult to do. You cannot benchmark because very few companies at this scale have done it. You have to experiment, and you need to be comfortable with failure, whilst at the same time an organization of 105.000 people is desperately waiting, with some level of cynicism, to see the change. That puts a lot of pressure on the organization

TH: Talking about benchmark, that will be Novartis' fate, they will all benchmark you in the future, because you are now known as the Spotify and the Amazon of the pharmaceutical world!

When you say we should have put even more time into aligning the top 300, because it is an important thing to speak about aligning leadership, that means today that if somebody asks the leader of Novartis Brazil about unbossing, he gets a clear answer, and this answer is not very far away from your answer. Right?

NVL: From our perspective, one of the hardest obstacles is, even if we have a CEO who is truly a believer, convincing him to invest three months, six months of dialogue, dialogue with his top team, let go of the old conditions and pressure of 'We need to have results, we need to go into action right away as soon as possible'. 'These workshops are okay, these dialogue feedback sessions are OK, but 'What are the results we need to go into action?' That is a very strong conditioned pattern, especially with top leaders. Linked to what you said about what to do differently, I would say, spend even more time having dialogue with the top 300 on what it means for Novartis, and what it would mean for yourself as one of the top 300 in terms of personal transformation.

Unbossing needs to show

SB: In the beginning, we did a few things. I think symbols matter in creating credibility, they will not solve everything, but you need to take down some of the old symbols of the 'boss' culture to show how serious you are about unboss. That is often difficult for leaders to give up on some of their status symbols, like reserved offices, whether it is limousines, you name it, you have to take down the symbols.

The second thing is radical transparency. We use a tool (and there are many other applications), called 'pigeonhole', where anybody could raise a question and the entire

organization could vote on it. There was the protection of anonymity. Every month, the CEO and his leadership team would answer questions from the organization, I can tell you, some of those questions were deeply personal, deeply painful, occasionally disrespectful and we kept going at it. Because if you do not show this radical transparency and vulnerability, you have no credibility.

It is also about gradually holding your leaders accountable and then we went with 'a will and a skill', it was our job to create the will and then subsequently to reskill our leaders. But after a few months, when it was obvious that some of the leaders did not have the will, you had to have a different conversation with them. And so, you need to do that discreetly, you cannot just throw them out of the window, as they did in the Middle Ages, because they have been part of the success of this company so long. But if they are not willing to go on this new journey, you need to tap them on the shoulder, thank them for the fantastic journey we had and say, this is where our roads split, and we had to do that with quite a few leaders and do it with dignity.

NVL: That process can also be done in an unbossed way, with psychological safety, a lot of empathy, but with a lot of clarity, this is the journey and if you are not taking part in the journey, then this is where we leave each other.

I am quite amazed by the fact that, even by considering all the bumps in the roads that probably have been there, you as a company and as a leadership showed courage to be so clear, because it is easy to say, right? It is one of the most common pieces of advice that we give early on in journeys, that you will notice very quickly who is willing and who is not, and you can invest some time in those who are not willing, but somewhere down the road you will need to be very clear.

All my admiration goes out to you and respect for the fact that you found a way to do that with empathy and in a humanizing and unbossed way. Very impressive!

Unbossing is about personal transformation

SB: I am only the process owner or the designer behind the scenes. The real credit goes to Vas, our CEO who role models this with vulnerability, sharing his own mistakes, sharing his own learnings, sacrificing a lot of his personal time even to be present, to be visible, to be talking about it.

It was also easier for me that I had been in this role for several years. I had to first go through my own fears and anxieties of 'what if this fails', so the hard thing was to reinvent myself. But on the other hand, once I had confronted my fears, I said, actually, I have very

little to lose, what a beautiful promise. The only thing I can do is lean in and go for it 100% because the worst thing is that I can say that I have tried and that it did not work.

But for Vas, who was a brand new CEO, to jump into the water and be out there, so visible, so transparent, is initially a big bet. I can understand how many newly appointed CEOs would not feel comfortable making that.

“If you delegate it to HR, you might as well stop it right away. Because if the leader does not own it, and if the leader does not hold his or her leadership team entirely accountable at every opportunity where somebody steps out of line, the leader lets go of it, then it is dead in the water. You should not even spend time on it, then rather focus on other things.”

TH: I want to compliment you. My first compliment is for being chosen as the Chief People & Organization Officer of Novartis Group. I cannot imagine a company where Human Resources, the people behind it are more important (they are important anywhere), than in a company like Novartis, especially for being in that position at this historical moment where Novartis is going on this amazing unbossing journey. For me the cherry on the cake!

What I absolutely love is that you stay with this provocative term unboss, like us at Hifluence, you could have chosen the politically correct 'agile' or 'empowerment', where nobody feels threatened. No, you stay with the provocative term unbossing, which leaves nobody cold. I love it!

NVL: There was the message of hope in the last thing that you said. In the conversation, it became clear that it was hard and that there were some tough choices to be made. It is incredible, you need courage, both as a leader and as leaders in the organization, but then you said something about your own personal growth during this entire journey, understanding your own fears and insecurities, and then being able to let them go and in the end grow as a human being.

That is what we see in a lot of unbossing journeys, the company becomes leaner, meaner and successful, you attract new talents, etc. My main driver in this is the personal growth, the human transformation and that of all human beings in the organization. It is hard, it is tough, you need courage, you need clarity, you need to be a role model every day, every second of the day, and you grow as a human being, that is so powerful and that is what matters.

SB: On the journey I have learned that the cornerstone is self-aware leadership and that means that every person needs to initially have a willingness and also a trigger for change. I know exactly when that happened for me, I was already many months into this culture journey when somebody said to me, Steven, you must have the most amazing job in the world. I said, Yes, and inside, it did not feel 'yes' for a full 100% and I had to explore what that was. I went for a very long walk with my dog in the pouring rain, and after simplifying it, I understood that I had a fear of failing at this, that I didn't know how to change the culture. So, there was this disconnect of, 'yes, I have the mandate to change the culture, but not knowing how to do it, and this feels uncomfortable, this feels unsafe, and I may not make it'. So, I had to really go deep into understanding what that meant for me and that was the beginning of a very liberating experience: failure is not what is really the thing here.

"we are kept from a higher goal, not by obstacles, but we are kept from a higher goal by a clear path to a lesser goal"

(Robert Brault)

How often do we set an achievable easy target for ourselves, because it makes us comfortable that we will succeed, whereas if you aim high, you may not get there all the way, but man, was that worth it?

"I had to go on a complete journey of understanding myself, understanding my insecurities, understanding my relationship with keeping control over a situation and what will happen if I let go of control. And that has been so powerful!"

It is like you described it, the most liberating thing, it is like switching off a processor that is taking capacity of your computer, and suddenly, you have freed up so much more.

NVL: At Hifluence, we have what we call our 'Peace of Mind' coaching track and it is about pure leadership self-awareness. That is where it starts and the deeper you go, as a leader, the more successful the organization can become.

The Hifluence Unbossing Podcasts

This podcast is brought to you by Hifluence and is part of a series of unbossing podcasts.

Hifluence is a pioneer in unbossing organisations worldwide. It is our mission to inspire, guide and support leaders in shaping human-centred organisations. We focus on those who believe in customer obsession and the infinite potential of engaged employees, but do not know yet how to approach such a journey, where to start or how to scale.

About our podcast guest:

[Steven Baert](#) is the Chief People & Organization Officer of [Novartis Group](#), a global pharmaceutical company. He is one of the key drivers of the unbossing cultural transformation journey and works tirelessly to create an environment for people to become more empowered by their leaders so as to be more inspired, more curious and continuously learning. Steven is also a front runner when it comes to building diverse, equitable and fully inclusive work environments where people can bring all their unique talents and energy to work. He also puts his talents to work outside of Novartis, as a board member of [WeSeeHope](#), a charity that works to create personal growth for children affected by poverty in Africa.

About our podcast hosts:

[Nick Van Langendonck](#) is a force of nature when it comes to inspiring and motivating leaders, teams and organizations. the founder of [Hifluence](#), a consultancy firm specialized in unbossing organizations and liberating potential. He is also co-founder of Pebble, an incubator and investor for unbossed SME's. He is also a guest lecturer at the University of Antwerp and Antwerp Management School. (nick.vanlangendonck@hifluence.eu)

[Thomas Hubbuch](#) looks back at a successful career of 14 years as CEO of Sucre Tirlemont, Thomas achieved outstanding performance together with his team of 1000 people: development of an international sales success with Belgian sugar specialities and the creation of the world's most technically advanced bio-ethanol refinery. Sucre Tirelemont was voted Belgian's company with the best reputation! Liberating the full potential of his teams was the major ingredient of all these successes. This made Thomas a dedicated Unbossing, joining the Influence movement as a partner with all his mind and heart! (thomas.hubbuch@hifluence.eu)

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