

Steven Baert, chief people & organization officer, Novartis



**Strategic CHRO** Conversations with leaders who are transforming the world of HR.

## "The Entire Mechanism of Management By Command and Control is Outdated."

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Adam Bryant in Managing Director at The ExCo Group (formerly Merryck & Co. Americas) The pandemic is resetting the conversation about the leadership skills that matter most. **Steven Baert**, chief people & organization officer of Novartis, shared smart insights on the CHRO role and Novartis' push to create an "unbossed" culture with me and my colleague, **David Reimer**, the CEO of **The ExCo Group**.

### **Reimer: What lessons from this crisis are going to influence how** you approach your role in the future?

Baert: We're seeing an irreversible acceleration of expectations for companies and their leaders. It is clear now that companies are expected to serve shareholders but also contribute to society, support their employees and work in a responsible way with their suppliers and customers.

The role of leadership in a world that is complex has also shifted. There was a time when the leader was the expert who would provide a vision and give instructions to their team. If anything, this crisis has shown that visions can quickly become irrelevant.

Self-awareness and humility are more relevant now. There used to be a debate about whether emotions belong in the workplace, but the workplace is now in people's homes. It's not just emotions; people's entire lives are now involved in work.

We've also learned that people can quickly implement a new changemanagement strategy, like they had to with the shift to working from home. When you trust people and give them the tools, they will find a way to do it. The entire mechanism of management by command and control is outdated; the new direction is about leading through purpose, empowerment and support.

### Reimer: Let's shift to more timeless questions. What are the big lessons you've learned about the CHRO role? What advice would you give to others who are new to the role?

Baert: One big lesson is that the job is circumstantial to the CEO and the leadership team that you're working with. The job that I do with this CEO is completely different from the job that I did with the previous CEO. There is no right or wrong, but your strategy, and even the team you have, needs to be fit-for-purpose for the agenda of this chapter in the company's history.

### "You need to be a caring truthteller."

The second lesson is the importance of being self-aware about your emotional needs. Everyone has needs, but are you seeking approval or recognition? If you, as a CHRO, rely on others' approval and need compliments or pats on the back, then you will struggle to be effective. As CHRO, you need to be a caring truth-teller. You need to be an independent thinker.

#### Bryant: How should a CHRO candidate interview the CEO? How

# do you make sure that the relationship between the CEO and the CHRO is going to be an effective one?

Baert: As a CHRO candidate, you need to be clear on what you're good at and what gives you energy, and then assess whether there is a good match with the CEO and the particular company. What kind of employee experience and culture does the company want to create? Can you be the confidante to the CEO and your C-suite colleagues?

And how good are you at being a strategic advisor to help execute the strategy with the right organizational model and the right leadership capabilities? A strategy is only a great idea on paper. How you execute requires a careful analysis of the organization you have now, and its values and beliefs. What behaviors are tolerated and not tolerated? What makes you believe that you can execute the strategy?

#### Bryant: Speaking of culture, Novartis has adopted the notion of "unbossed" as a key pillar. Can you explain it?

Baert: We're in an innovation business — our biggest asset is our patents, and those are created by human capital. Our most important asset, therefore, is the quality of our innovation. Knowledge workers drive that innovation by feeling that there is purpose in their work, that they are being valued and given autonomy rather than being micro-managed.

Those ideas are almost opposite to the approach of the industrial revolution, where you needed to produce things at scale, with

consistent quality, at a cheaper and faster rate. Managers were supervisors, and their job was to oversee work to ensure it was done the right way. What really motivates people is almost polar opposite to how people were led for decades.

And so we adopted the ideas of being curious, unbossed and inspired by purpose. Unbossed is the fundamental belief that answers to any problem can be found not with the leader, but somewhere within the team. So leaders need to create an environment in which they empower and support the team. We like the term "unbossed," which comes from Lars Kolind, a Danish entrepreneur and author, because it's so provocative.

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If we had chosen "empowered," nobody would have asked a question about it. Everybody would say, "I get it." But now people are more likely to ask, "What exactly do you mean by 'unbossed?" That in and of itself is a gift, because people want to discuss it, which helps create a change platform.

We are moving to a self-aware, self-authoring leadership approach, bringing vulnerability and humility into the workplace, helping people deal with complexity, and moving away from the concept that there is a right and wrong answer.

It requires us to re-skill every leader in the organization. We have put a lot of data science behind this effort, as we are constantly looking for correlations and causal links between performance, innovation, leadership and engagement. By no means have we solved it yet, but we're going very deep on that.

#### Reimer: How did you end up in HR?

Baert: Accidentally. I studied law, and my first employer was Unilever. I joined their young graduate program, and all my friends were assigned to marketing, but I was assigned to the personnel department. I was deeply depressed. They assured me it was only for a year before my next rotation.

Because of my ambition, I was able to get promoted faster in HR than my friends in other departments, but I also came to appreciate the special role of HR. I see us as composers of music, in the sense that you evaluate the situation and the audience, you look at what is required, and you write the music for that occasion, even if that's months or years out. But you don't necessarily perform the music. You sit in the back of the room and you see the orchestra perform the music. Any applause and credit doesn't go to you, and you're comfortable with it because you know that this was the right answer for the situation.

# Reimer: What were the early experiences that shaped the leader you've become today?

Baert: I grew up in Belgium in a middle-class family. There were two key things that shaped me in terms of how I developed a narrative for myself. And if there's one thing I've learned, it's that our minds tell stories and play tricks on us. It is not necessarily about reality; it's what we believe to be reality.

One was that my hand-eye coordination was and still is very bad. And soccer, for a child in Belgium, is an important part of having friends. I happened to be very bad at soccer, so I developed a self-image of somebody who was a loser. But in my teenage years, I became a DJ, which made me very popular, and my social skills improved. Even so, I still had those negative feelings about myself because I couldn't keep up with my friends on the soccer field. That tension became quite important in driving me to constantly push myself to be better at things.

## "I've always felt accountable and responsible toward others."

The second important influence was that I had very cool parents in the sense that they loved us but they treated us as grown-ups from a young age. Most of my friends had to be 16 before they could go to a party, but my father, who was a lawyer, would allow me to go when I was younger after I had a discussion with him about it, including when I would be home. Anything and everything was allowed, as long as we acted responsibly. So from Day One, I was treated as an adult.

I was expected to take responsibility, and that meant that I was relatively mature and responsible in comparison to my friends. So I've always felt accountable and responsible toward others. That has helped me to be a good HR professional.