

Embedding D&I Into Succession Management

Overview

Organizations often struggle to create diverse leadership pipelines, in part because succession management processes are highly susceptible to bias. Novo Nordisk addresses this challenge by incorporating inclusion-based, tactical interventions into its succession management process that combat bias and create a broader pool of talent.

Solution Highlights

To build a diverse leadership pipeline, Novo Nordisk embeds D&I in its succession management process by priming leaders on unconscious bias, decoupling the successor and the role, and using accountability to increase inclusion.

About the Company

Novo Nordisk, Inc.



Industry: Pharmaceutical

Headquarters: Plainsboro, New Jersey

Revenue: 54,488 Million Danish Kroner (2018)

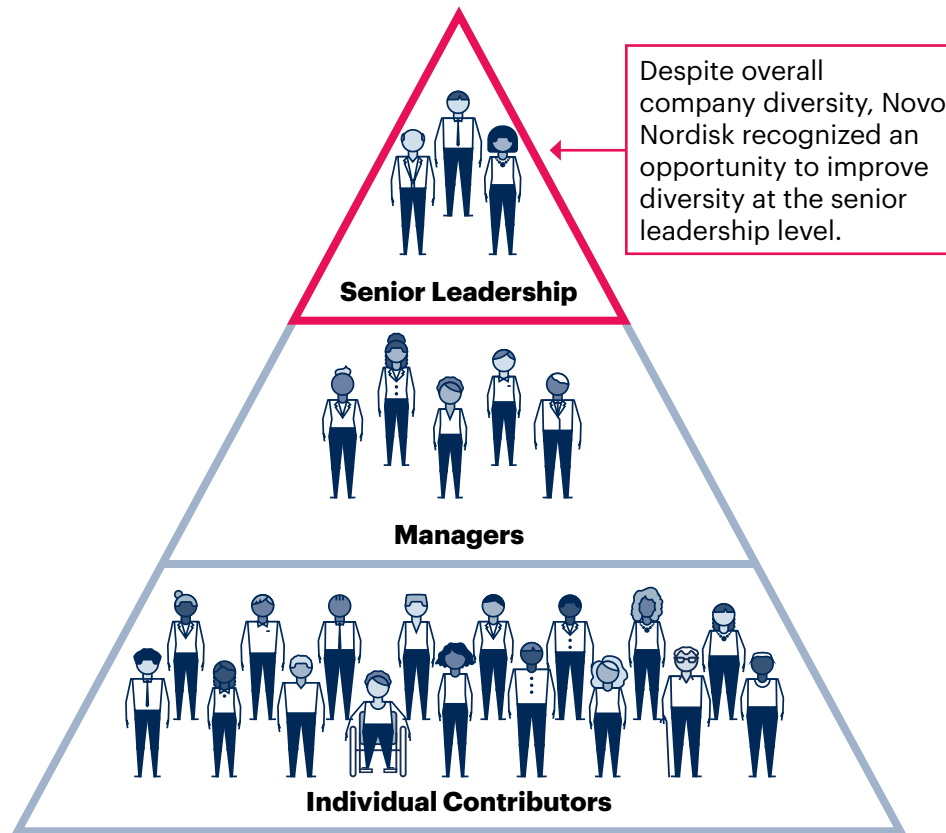
Employees: 4,526

When assessing the composition of its workforce by level, Novo Nordisk realized that despite overall company diversity, there was still an opportunity to increase diversity at the senior levels.

- Novo Nordisk was concerned its leadership bench did not adequately reflect the diversity within their organization.
- The company knew increasing the diversity of its leadership bench would drive business results, so decided to take a closer look at its succession process.

Lack of Diversity in Senior Leadership

Novo Nordisk's Leadership Bench
Illustrative



“We did some enterprise reporting for our highest-level executive team positions and **realized we had an opportunity to address diversity.** We knew increasing diversity among our leadership would benefit the overall organization and the quality of our leadership team, **so we decided to take a closer look at our succession strategy.**”

Lindsay Marsh
Global Diversity, Performance and Engagement, Novo Nordisk

Source: Adapted from Novo Nordisk, Inc.

Situation	Practice Foundation	Component 1	Component 2	Component 3	Results
-----------	---------------------	-------------	-------------	-------------	---------

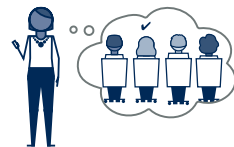


To increase diversity among senior leadership, Novo Nordisk identified three common pitfalls that hindered inclusion in their succession process and embedded tactical changes to combat them.

- To educate leaders on the effects of unconscious bias during succession, senior leaders are assigned bias prework immediately before succession conversations.
- To remove personal biases, senior leaders are asked to identify the critical skills and qualifications of a successful successor before discussing potential candidates.
- During the succession conversations, all senior leaders are assigned a role to hold each other accountable for broadening the talent pool and ensuring all talent is equitably considered.

Embed D&I Into Succession Process

Solutions to 3 Common Succession Pitfalls



Common Succession Pitfalls

1

Presence of Unconscious Bias

Succession management processes are inherently susceptible to bias, leading to leadership pipelines that lack diversity.

2

Preferencing Similar Successors

Senior leaders choose successors with a similar profile as them, rather than focusing on the objective skills required for the role.

3

Lack of Ownership Over Inclusion

Senior leaders are often not held accountable for broadening the talent pool and considering diverse talent from within the organization.

Novo Nordisk's Succession Strategy

Prime Leaders on Unconscious Bias

To remind senior leaders of the impact of unconscious bias on succession, Novo Nordisk assigns bias prework immediately before succession conversations.

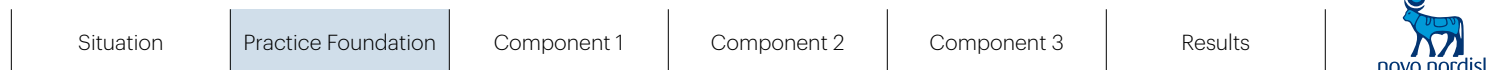
Decouple the Successor and the Role

To separate personal preferences from the role, senior leaders are asked to consider the objective criteria needed for the role before suggesting candidates.

Use Accountability to Increase Inclusion

To hold senior leaders accountable for broadening the talent pool, Novo Nordisk assigns each leader a role with responsibilities related to supporting inclusion.

Source: Adapted from Novo Nordisk, Inc.



To prime senior leaders on the presence of unconscious bias in succession planning, Novo Nordisk requires all senior leaders to read a brief on the effects of unconscious bias immediately before entering succession conversations.

- Before succession conversations, Novo Nordisk provides senior leaders with a pre-read that outlines the different types of unconscious bias that commonly emerge during succession conversations.
- By reminding leaders of the effects of unconscious bias directly before succession conversations, senior leaders are prepared to consider D&I throughout the succession process.

Prime Leaders on Unconscious Bias

Novo Nordisk's Unconscious Bias Prework

- 1 Providing fact-based research helps create a compelling business case for senior leaders to consider diversity during succession conversations.
- 2 Equipping senior leaders with the common types of unconscious bias in succession planning helps senior leaders recognize bias as it emerges.
- 3 Offering a question or a challenge to senior leaders makes mitigating bias during succession actionable.



Succession Planning

D&I Considerations

Research: High potential women tend to be over-mentored, and under-sponsored. While having a mentor predicts the likelihood of being promoted for men, it doesn't for women.¹

Selecting successors that look like ourselves
Being more open to individuals "we see parts of ourselves in" and who we feel we have an affinity with (e.g. same college, hometown, skin colour)

Changing/emphasizing the weight of criteria
Unconsciously reweighting the decision criteria to be most favourable for your preferred individual

Attention to just one achievement or attribute
Basing decisions on limited facts/specific examples and assumptions are treated as facts (e.g., reviewing individuals focusing on just one achievement, which significantly influences the overall judgment)

Judging based on personal likes and dislikes
Being swayed by your emotional reaction to the individual, giving more/less attention to individuals you generally like/dislike

Challenge ourselves: Are we applying the same standards to everyone?

¹ Ibarra, H., Carter, N. M., & Silva, C. (2010). Why men still get more promotions than women. *Harvard Business Review*.

Source: Adapted from Novo Nordisk, Inc.

Situation	Practice Foundation	Component 1	Component 2	Component 3	Results
-----------	---------------------	-------------	-------------	-------------	---------



To remove personal biases and assumptions from successor identification, Novo Nordisk asks senior leaders to identify the critical skills and qualifications of a successful successor, before discussing individual candidates.

- Before entering succession conversations, senior leaders are asked to think about the skills and qualifications necessary for success in their role.
- Once the succession conversation begins, senior leaders are asked to agree on the identified skills and qualifications before considering potential successors.
- By distinguishing the successor from the role, senior leaders are encouraged to focus on the objective skills and qualifications needed for the role rather than letting their biases influence their decision making.

Decouple the Successor and the Role

Novo Nordisk's Two-Part Succession Structure

Succession Conversation Agenda 2019 

Step 1: Clearly Define Your Role:

- What skills and qualifications are critical for success in your role?
- As you think about the strategic plan of the organization, how do you see your role fitting in and how will it change?

Step 2: Consider All Possible Successors

- Consider talent beyond your immediate function, including global talent.
- Consider the level of readiness of the potential successor.
 - Reference the successor's Individual Development Plan, performance dialogues, 360 feedback and other sources of information.
- Consider whether we need to develop diverse talent for key positions, or if there are sources of diverse talent outside of Novo Nordisk, Inc. we need to consider.

DO:
Consider the qualifications, skills and criteria necessary for the successor's role, prior to discussing the succession candidate.

DON'T:
Assume you are already aware of all potential successors.

Source: Adapted from Novo Nordisk, Inc.



To ensure conversations remain objective and senior leaders are held accountable for D&I, Novo Nordisk assigns every leader in the succession conversation a specific inclusion-related role.

- All senior leaders receive a specific role and responsibility for the succession conversation.
- Each assigned role is designed to reinforce inclusion and ensure all senior leaders are held accountable for contributing to D&I goals.

Use Accountability to Increase Organizational Inclusion

Novo Nordisk’s Role Assignment for Succession






1 Role Assignment Encourages Accountability

- All senior leaders receive a role for succession conversations on a tent card.
- Senior leaders are asked to hold their peers accountable for broadening the talent pool and considering D&I throughout succession.

2 Inclusion-Focused Roles Reinforce D&I Goals

- D&I team calls out how each role can positively influence D&I goals.

Succession Conversation Roles

-  **Facilitator:** Reviews ground rules and organizational inclusion goals before the conversation
-  **Note Taker:** Ensures strengths and development opportunities are discussed and documented for all candidates
-  **Inclusion Interrupter:** Acknowledges bias in the discussion and encourages participants to focus on facts rather than personal observations
-  **Participant:** Actively participates and stays cognizant of unconscious biases discussed prior to the session
-  **Agenda Defender:** Monitors agenda items and ensures the group allocates an equal amount of time for each candidate
-  **Parking Lot Attendant:** Ensures any tabled conversations are revisited and action items are followed through for all candidates

Source: Adapted from Novo Nordisk, Inc.

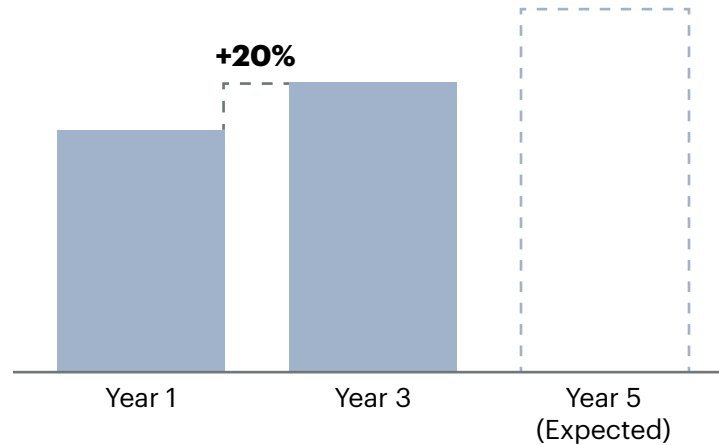


After embedding D&I into its succession management process, Novo Nordisk has seen increased diversity in its senior leadership pipeline and is more confident of identifying the best possible candidates for succession.

Increase in Diversity of Leadership Pipeline

Estimated Impact on Diversity of Senior Leadership Pipeline

Illustrative



Source: Gartner (2019)



Novo Nordisk estimates a **20% increase in the diversity of its senior leadership bench** after embedding D&I into succession management process.



Novo Nordisk plans to **launch its new succession management strategy globally** and is now reviewing other processes within the talent life cycle to drive inclusion and mitigate bias.

“Our leaders are now looking at succession as less of a ‘check the box’ activity, and more of a process that is essential to our business. The emphasis is not only on business continuity, but the quality and diversity of our development plan.”

Randy Vasquez
Global Talent and Succession Management
Novo Nordisk

Situation

Practice Foundation

Component 1

Component 2

Component 3

Results

