



## How Sandoz International Is Advancing Gender Equality

*Sandoz International is in the midst of a years-long effort to increase its gender diversity, and finding success. Here's what's working and what other firms can learn from Sandoz's efforts.*

Sandoz International and its parent company Novartis have spent the last few years focusing on concrete, large-scale efforts to increase their level of female talent. In a three-year push, the firm has dramatically shifted its talent profile and moved more women into key roles. Novartis even made Bloomberg's 2021 global gender-equality index.

They have undertaken many initiatives toward this end, too many to cover in the full detail they deserve. However, many of the efforts fall into a few key categories, which will be reviewed below. To oversimplify quite a bit, Sandoz International and Novartis have successfully implemented gender-equal practices through pay equity and careful attention to the needs of their employees.

### Equal Pay: An Important First Step

Sandoz has implemented many measures to achieve pay equity for all members of the organization. While achieving equality by the numbers is not enough to truly level the playing field and fill the talent pipeline, it is an excellent fundamental from which to start.

Further, this multi-year effort to ensure pay equity isn't limited to a single region. Instead, Sandoz is implementing standardized principles and processes for equitable pay and transparency in compensation in all the countries where they operate. As a result, by 2023 the firm intends to have complete equity.

Some long-standing HR practices that have evolved to be barriers to equity have even been removed outright or altered by Sandoz. According to their public statements, the firm has removed the use of historical salary data, and shifted toward objective internal and external benchmarking data to remove possible bias. The company has also added an annual review to allow for appropriate adjustments and improved communication with employees around their pay relative to internal and/or external benchmark data.

This reveals a three-pronged approach to equity which is broadly applicable: sound data, unbiased practices, and open communication.

First, Sandoz analyzed their past and current behavior as objectively as possible. Hard data can sometimes ignore nuances, but it has the benefit of being unbiased. They then got internal teams and external contractors to analyze this data to tell the executives how well the company was doing in terms of pay equity.



Second, they adjusted their practices to course correct. They removed outdated practices around salary histories that financially benefited men over women, and they repeatedly reviewed their performance to see how well their new policies are performing.

Finally, Sandoz opened up communication with their employees. This helps remove taboos around discussing pay and eliminate the room for bias in pay. Whenever possible, Sandoz publicly reveals who they are paying and how much, so that anyone interested can review the numbers and spot problems.

It is also clear from this approach that the company understands the systemic causes of gender inequality. The firm has even gone so far as to publish it on their website, saying, “An overall gender pay gap is often caused by unequal representation of one gender in traditionally higher paid skill sectors and/or senior leadership levels. By focusing on achieving gender balance in management by 2023, we aim to positively influence the overall gender pay gap.”

This is a surprisingly rare observation. The cycle of self-sustaining power and the resultant wealth is a major problem in many sectors and for many historically oppressed groups. Sandoz International and Novartis recognize this, and aim to halt that cycle.

### **Putting the Wellbeing of Employees First**

The numbers do not tell the whole story, of course. While pay is a starting point, there are many ways for inequality to crop up. Most of these will require direct human intervention to stop the behavior and, where necessary, to provide support for the injured party or punishment for the perpetrator.

The well-known problem with reported grievances is that those who complain always risk retaliation. As a result, Sandoz has created a dedicated contact where employees and others can safely report issues, and monitors the number of issues received and substantiated in their annual ESG reporting.

The office, known as SpeakUp Office (formerly named Business Practices Office) offers employees and people outside of Novartis a channel through which to report misconduct or perceived bias incidents. Complaints can be made by email, phone, online or in-person. Managed by a third-party vendor to provide a shield of anonymity between complainants and those who may have committed the transgression (who might retaliate), the SpeakUp Office manages investigations into all complaints, and escalates any substantiated cases of misconduct to management for appropriate action.



Shifting the entire reporting and investigative chain to an outside firm isn't how many firms handle the issue. Some feel that keeping things in house protects the reputation of the organization. However, in this way, Sandoz and Novartis are signaling that they are not afraid to tackle bias and gender issues in the workplace, and that they put the wellbeing of employees above the public reputation of the firm.

### Treating the Problem Like They Would Treat Any Other Business Imperative

In a 2019 interview, Elena Rodriguez, global head of Diversity and Inclusion at Novartis, stated that diversity and inclusion were key enablers of success at the company. As such, they were strategic business imperatives, and a fundamental part of how the company wanted to show up for customers, patients, and employees alike.

This, in a nutshell, is the key lesson here. Companies that truly value diversity and inclusion the same way they value other business goals, pursue those values like they would any other goal. That means tracking, metrics, and change being driven from the top down and the bottom up.

Sandoz invested in new systems and new levels of transparency to bring diversity and equity to the forefront. Other firms that would like to see the same change – perhaps even earning their own spot on the global gender equity index – should know that they will need to make at least as serious of an investment in business transformation.