

CORPORATE CULTURE IN CURRENT TIMES - SEEKING THE RIGHT FIT



Like it or not, each of us has only 168 hours a week to spend in whatever way we see fit, and most of us apply at least one-fourth of those hours—about half of our waking hours—engaged in some type of gainful employment. The “corporate culture” of where we work and whether our chosen employer represents an appropriate fit, therefore, will play a significant role in our day-to-day *joie de vivre*. **By Emma Hitt**

For scientists selecting a place to work in industry, several components of a company’s corporate culture should be considered, some of them unique to a particular company (corporate philosophy, the extent to which employees are allowed to act upon their scientific thinking) and some of them standard for the industry (pay, benefits, dress code). Talking with people and networking are essential steps in determining a company’s corporate culture, whereas a company’s website is not always the best place to get a clear picture.

Components of Corporate Culture

Corporate culture is one of those nebulous terms that conjures up a variety of images. Some of them may be positive: a welcoming environment where people feel secure in their jobs, where independent thinking and work-life balance are encouraged. And some may be not so positive: excessive work hours or unexpected changes in job description. While no standard definition of corporate culture exists, the term typically refers to the overall philosophy and environment of a workplace: can you wear jeans or is a business suit the norm? Does a company focus on innovation or do they try to do what they already know? What would happen if you showed up 15 minutes late or told your direct supervisor that you disagreed with his/her ideas? The answers to these questions and others constitute the unique style and policies of a company.

Some of the key factors to consider with respect to corporate culture include diversity in leadership, philosophy about work-life balance, project range and scope, attitudes about employee development, the mission statement, and tolerance for diverse ideas, notes **Karen Habucky**, the 2008 president of the American Association of Pharmaceutical Scientists (AAPS), an educational and networking professional development society of about 13,000 scientists.

The Times They Are A-Changin’

With recent layoffs and restructuring at numerous companies, an important issue that directly affects corporate culture these days is job security. “The industry as a whole is going through a rather rigorous evolution,” says **Michael Steiner**, leader of the Pharmaceutical Executive Services Group at RegentAtlantic Capital, LLC, and provider of wealth management services for pharmaceutical and biotech industry executives. Compared to some industries, the pharmaceutical industry is faring well, but at the same time, pharma and biotech companies are contending with unique pressures, such as patent expirations and changes in health care. In addition, layoffs in the thousands have been taking place at some of the bigger pharmaceutical companies. “Several forces are seemingly colluding,” Steiner says, “and these forces are building upon one another to create a good deal of synergistic pressure.” **continued »**

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BIOTECH AND PHARMA

“In a small company, more time is spent on science, whereas the established culture of a big company has the potential to stifle the creative spirit and take time away from doing science.”
—Allen Sessions



According to Steiner, corporate culture has been influenced in a dramatic way by these changes. What used to be a “paternalistic” type culture—where an employee would start work right out of graduate school, stay for 30 years, and be “taken care of” by a company, is no longer the norm. “What we see is more of a shift towards an entrepreneurial-like atmosphere,” he says. “People are encouraged to take more business risks, because ultimately this is where the rewards are to be found. In the past, employees have tended to get too complacent and comfortable in their positions at the expense of innovation.”

“In tight economic times, we are all being asked how things can be done quicker and cheaper while maintaining high quality standards,” Habucky says. “In the future, I feel there will be a greater emphasis on creative problem solving and more challenges to the status quo; this could lead to the development of innovative ideas that will help propel the industry through the tough times, and scientists may even feel a greater ownership in a company’s success,” she says.

Many companies are understaffed right now, given budget constraints and layoffs, according to **Shannon Peryea**, an executive recruiter for the pharmaceutical industry with Sheila Greco Associates. “Employees will be working longer hours, handling a larger workload, while being paid the same salary,” she says. “Until things pick up and companies are given the green light to hire new employees or bring back laid-off workers, I think most corporate cultures will tend toward a ‘roll up your sleeves and pitch in anywhere you are needed’-type mentality. This may cause some amount of worker burnout, but I think when things improve, the companies will not forget those who stayed and worked their hardest to ensure the company survived,” Peryea notes.

Sizing Up Opportunity

Steiner suggests that a key question people need to ask themselves is whether they are more suited to working for a large or a small company. “Picking a big company simply because of perceived stability can be a mistake these days—you cannot apply safety in numbers any more,” he says, “although picking a smaller company sometimes means even more risk, but a higher potential reward.”

Genentech, which employs about 11,000 workers (and in January 2009 had 585 job openings), has been included on the Fortune “100 Best Companies to Work For” list for 11 consecutive years and has ranked in the top 10 in recent years (No. 1 in 2006, 2 in 2007, 5 in 2008, and 7 in 2009). The Fortune 100 list includes companies in any industry with more than a thousand employees and that have been in business for at least seven years. Rankings are based mainly on responses by employees to a 57-question survey and the findings of a “culture audit,” which includes questions about demographics, pay scales, benefits, and other factors.

Featured Participants

American Association of Pharmaceutical Scientists
www.aapspharmaceutica.com

AstraZeneca
www.astrazeneca.com

Genentech
www.gene.com

GrassRoots Biotechnology
www.grassrootsbio.com

Massachusetts Biotechnology Council
www.massbio.org

RegentAtlantic Capital, LLC
www.regentatlantic.com

Sheila Greco Associates
www.sheilagreco.com

At Genentech, the CEO (Arthur D. Levinson) wears jeans and sneakers and “it is not unusual to walk into the research labs and hear music blaring while scientists conduct experiments in search of important discoveries,” says **Robin Snyder**, with Genentech Corporate Relations. “We refer to this combination of gravity and informality as ‘casual intensity,’ and we believe it is part of what has made us successful.” Genentech perks include free espresso and the use of a WiFi equipped “GenenBus” to neighborhoods throughout the greater San Francisco Bay Area. In addition, regular full-time employees get six paid weeks of sabbatical every six years.

Another large company, AstraZeneca, which has approximately 66,000 employees, ranked No. 5 in *Science* magazine’s ranking of the world’s most respected biopharmaceutical employers in 2008. Benefits include flextime, the opportunity to work a compressed work week and/or telecommute, and on-site services such as a hair and nail salon and DVD rentals. According to **Sarah J. Bolton**, a research scientist with Global Discovery at AstraZeneca, the best things about working at AstraZeneca include the flexible work arrangements and the opportunity for “work-life balance.” Bolton also points out that many training opportunities are available. For instance, an e-learning module entitled “Working for Your Inner Boss,” a worksheet called “Keeping Your Balance,” as well as other personal and management development tools are available. “AstraZeneca encourages and challenges its scientists to come up with innovative ways of approaching disease targets and to better understand the wider implications for patients,” she says. “There also seems to be an increasing openness and transparency, as well as an acceptance of employees challenging the status quo,” she adds.

At the other end of the size spectrum, **Allen Sessions**, a senior scientist for GrassRoots Biotechnology, says he enjoys working at a “small, young” company. GrassRoots, located in Chapel Hill, North Carolina, currently has only seven employees and is developing crop lines for the biofuel, food, and industrial markets. “In a small company, more time is spent on science, whereas the established culture of a big company has the potential to stifle the **continued** »

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creative spirit and take time away from doing science,” Sessions believes. According to Sessions, in this phase of the company’s development, every type of idea is encouraged. “We make decisions as a group and there is a feeling that the sky is the limit if our creative juices can get it all right,” he says.

Seeking the Right Fit

Most information about a company’s culture can be gained by talking to people, and networking with recruiters and members of industry associations, Habucky says. An important question to ask that is particularly relevant in science is whether a given job will be intellectually challenging and stimulating and will present opportunities for growth. “Your career is a commodity and you need to develop a ‘business plan’ to make it flourish,” she advises. “The plan needs to include short- and long-term goals that incorporate continual learning and the diversification of your skill set.”

Another important aspect to consider, especially in the current market, is the financials of a given company and whether that company is stable, says Steiner. “This is especially important if you are seeking a job at a smaller, venture-backed, or private-equity-backed company,” he says. “You want to find out whether they have three months or three years worth of cash on hand. Take a look through the company’s financial reports to the extent they are available. In many instances you may find that the income statement is really an expense statement. At that point you should look at their assets to find out whether they have enough cash to sustain the company.” If there is still concern about the financial viability, ask what the plan and likelihood is of obtaining additional capital. This can give a sense of how much potential there is with a company and whether investors believe in that potential.

Then there’s the pay, which isn’t everything, but certainly counts toward job satisfaction. The average salary in the biotech industry in Massachusetts is over \$100,000, says **Bob Coughlin**, president and CEO of the Massachusetts Biotechnology Council, which has a membership of close to 650 biotechnology companies, universities, and academic institutions in the area. Likewise the AAPS Annual Salary Survey reported that the median base annual income for its members who responded to the survey was \$115,000, with a total median compensation of \$131,000. The survey also indicated that the typical (median) US full-time employee has been with the current principal employer for five years; only 8 percent indicated 20 years or more, while 17 percent indicated fewer than two years.

Think Not What Your Company Can Do for You...

In summary, it is important to think about what you have to offer to companies more than what they can offer you. In this current economic climate, turnover at many companies is high, particularly at the larger companies and at the upper levels of management. “Changes in upper-level management are made as a cost-savings

Six Future High-Growth Areas in Industry

- 1. Commercialization of Dormant Compounds**
Companies often have a reservoir of compounds that they abandoned prior to FDA approval, or that they did not commercialize. Finding ways to reposition or repurpose these compounds is a high-growth opportunity due to the relatively low cost compared to developing new compounds. Repurposing a compound also extends the life of patent protection.
- 2. Generic or Biosimilar Versions of Biologics**
Biosimilar versions of a treatment are not identical but have enough similarity to produce comparable results. This is likely to be a high-growth area, given the upcoming expiration of patents on some high-revenue biologics.
- 3. Improved Research and Development Efficiency**
As R&D costs increase, a focus of industry will be to identify ways in which to improve efficiency while decreasing costs. Efforts will also be made to reduce the time from discovery to regulatory approval so as to maximize the life of a patent.
- 4. Oncology and Central Nervous System Disorders Research**
These areas of research are especially important as the global population ages, with increasing burdens of Alzheimer’s disease and cancer. These trends will increase the need for new drugs in these areas.
- 5. Stratified Medicine and Diagnostics**
Finding ways to tailor and personalize medicine, especially in the realm of diagnostic tests, presents a high-growth opportunity. Diagnostic tests are often cheaper and easier to develop than new therapies and are used by a larger segment of the population than actual therapies.
- 6. Fusion of Pharmaceuticals and Consumer Goods**
Due to stricter regulation of consumer goods, companies specializing in these products are likely to increasingly seek individuals with experience in the pharmaceutical industry because of their ability to manage highly regulated businesses and to ensure product safety and efficacy.

Adapted from: RegentAtlantic Capital, LLC, The Continuing Evolution of the Pharmaceutical Industry: Career Challenges and Opportunities, December 2007.

move,” Steiner says. “A company can lay off a person with 30 years of experience and bring in someone with 20 years of experience, with a resulting salary and benefit savings.” As a result of these changes, there will really be two types of people that will thrive in the current and future pharmaceutical and biotech industry, says Steiner, and they can be classified as either “athletes” or “specialists.” The athletes are people who can deal with adversity and complex challenges, and who can marry the science and business aspects of industry. These individuals may not be highly technical, but are able to see the big picture. They will continue to be much sought-after for upper management positions. By contrast, the specialists are people who have highly technical skills, with more depth than breadth. Those people can exploit their individual talents and continue to build on them, and will survive no matter what the corporate culture.

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DOI: 10.1126/science.opms.r0900071