






# **Leadership Survey Results Executive Summary**






**Life Sciences Industry Asia-Pacific**

July 2011

# Significant concern about the ability of Leadership in Life Sciences in Asia to drive innovation and transformation

 > 50% assess this as a weakness     > 20% assess this as an outstanding strength     Moderate cause for concern

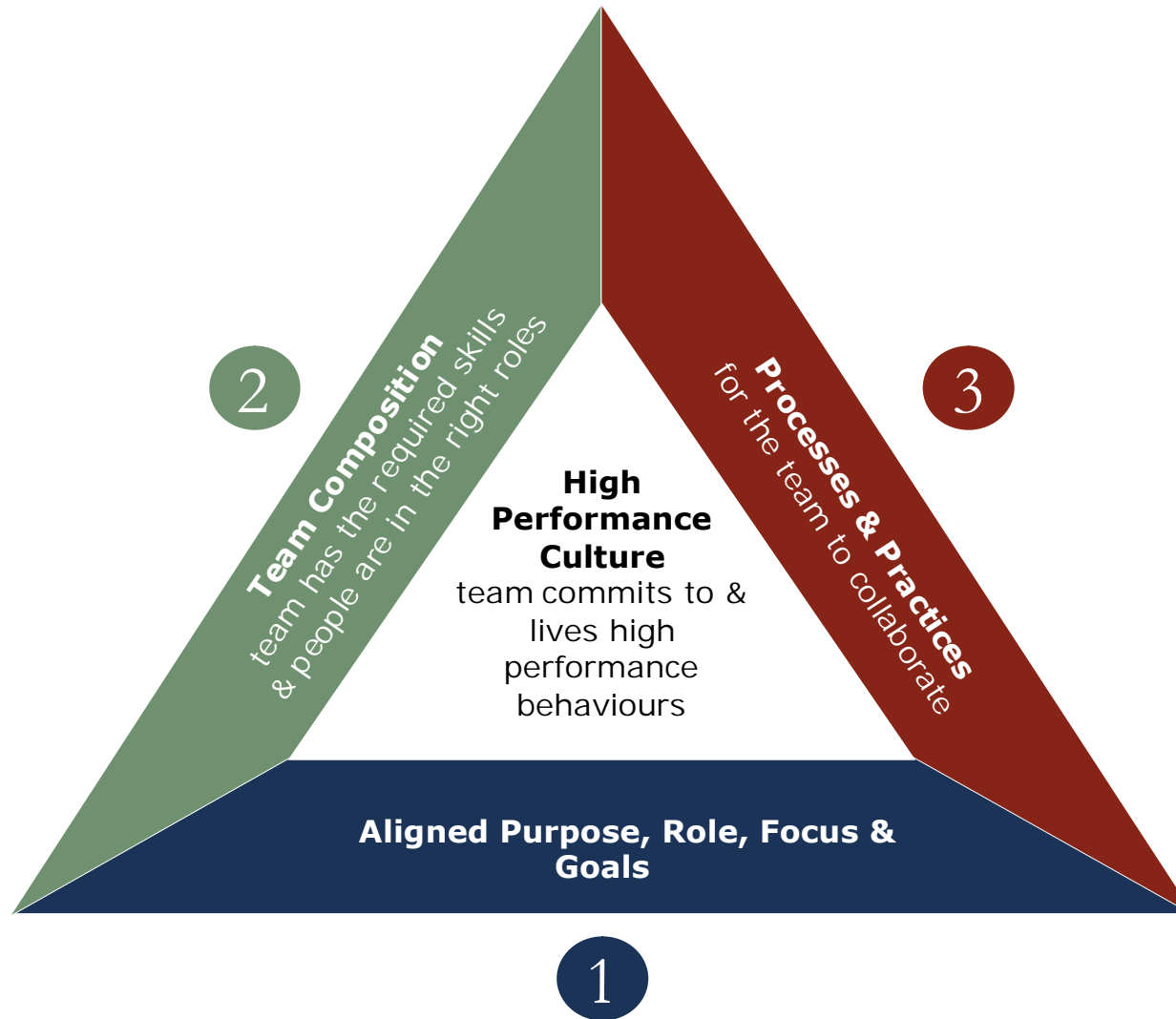
## Leadership Capabilities to Drive Business Imperatives

-  Lacking Innovation [58%]
-  Poor Change & Transformation [57%]
-  Operational Efficiency
-  Growth
-  Customer Focus



## In our experience, great senior leadership teams have 3 key elements

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We grouped your survey responses as per the above framework

# Survey results highlight key gaps along each dimensions



> 50% assess this as a weakness



> 20% assess this as an outstanding strength



Moderate cause for concern



## Alignment and linkage of Leadership Strategy

- Lacking compelling Sense of Purpose [51%]
- Business Strategy largely unlinked [50%]
- Operating Plans informally featured
- Board shows interest
- Corporate Values as Practised



## Right People on the bus in the right Seats?

- Stretched on Capacity & Resources [72%]
- Lacking Inter-personal Skills [63%]
- Unclear Roles & Tasks [62%]
- Need more Stability & Fresh Blood [53%]
- Leaders Not Collaborative [50%]
- Moderate Balance & Variety in Backgrounds
- Moderate Task-based Skills





## Team mechanisms in place & useful?


- Metrics & Measurement for Teamwork Missing [66%]
- Rewards & Punishments for Teamwork Ineffective [65%]
- Strategy sets out Areas for Collaboration to some extent
- Some Mechanisms for Collaboration



# Clear need for robust link between Business Strategy and Leadership Strategy, and for a compelling sense of purpose

 > 50% assess this as a weakness

 > 20% assess this as an outstanding strength

 Moderate cause for concern

## Alignment and linkage of Leadership Strategy

### Lacking compelling Sense of Purpose [51%]

#### Over 50% organisations at risk of misalignment & wasted efforts.

Companies invest time, energy and effort in devising strategies, values, mission statements and mechanisms to communicate this information.

However, employees focus on what senior leaders do, not what they say. In the survey, half believe that there is no compelling sense of direction or they are not finding it as a driver of everyday work. It indicates a serious risk of wasted efforts & missed opportunities. How much could you add in top line, and save in costs through aligned, purposeful efforts as a top team?



### Business Strategy largely unlinked [50%] & Operating Plans informally featured.

#### You have the plans. But who is going to deliver?

'Working capital synergies' and 'building new businesses in adjacent segments' – these were the cornerstones of post-acquisition strategy for a recent client. Detailed Operating Plans followed.

However, the plans omitted what this would demand of leaders, and how they would be helped. Leaders continued the way they were. Some lacked the right experiences and some the right attitude. Adjustments made were sporadic and delayed. And so were the results. The survey findings suggest that many face a similar risk.



### Boards discuss people implications after they discuss business decisions [36%]; Talent is a top 3 agenda item for Boards [29%]

#### The Good News: People & Talent now feature in the Board Agenda.


#### The Bad News: ...not yet as a Top 3 item in most cases.


30% reported it as a Top 3 agenda item, and another 36% said business decision discussions were followed by a "people-implications" discussion – that's a good 66%.


However, is this enough as a cue for the CEO to prioritise leadership & talent issues, especially when analysts quiz on Q-on-Q performance? Further, are regulators and investors asking Boards and Executives the right questions about Leadership Risk?



# Companies feeling the 'Leadership Stretch'...

 > 50% assess this as a weakness

 > 20% assess this as an outstanding strength

 Moderate cause for concern

 **Right People on the bus in the right Seats?**

 ***Stretched on Capacity & Resources [72%]***

## **A cry for more resources & leadership capacity. Do we need more bodies or 'More per mind'?**

In Asia, leaders are pursuing unprecedented growth opportunities. Simultaneously, they are charged to setup systems, on the run. No wonder many are running out of breath.

Building their capability to handle complexity and growth, will ensure we can deliver more per mind.

When adding to the team, organisations need to get creative in Asia's talent-scarce market - What non-traditional talent pools can you look at? How do you become "Employer of Choice?" How can 'Internal Leadership Supply' be strengthened and secured?



 ***Moderate task-based skills***


## **More than expected gaps in technical & task-based skills. Has skill transfer to locals been on your mind?**


Lower R&D productivity, pipeline gaps, increased regulatory scrutiny & pricing pressures mean that there is a greater need to drive new growth, reduce costs and execute change at pace. Each of these aspects requires new technical skills.


Our hypothesis is that there needs to be significant acceleration in the process of technical skill transfer from expat talent to local leadership.



# .. and facing critical shortage of collaborative leaders with great task and relationship skills

 > 50% assess this as a weakness

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 Moderate cause for concern

## *Lacking Inter-personal Skills [63%]*

### **You have re-organised. But can your leaders navigate the matrix, or are they lost in the maze?**

Many firms in Life Sciences are moving to regional and/or global organisation structures. There is natural tension between local market requirements and the regional/global needs of BU's and functions.

New leaders in Asia need to have strong relationship skills to align and integrate competing interests of complex stakeholder groups. With pressure for growth, leaders with the ability to inspire, engage and drive high performance from their teams are currently in short supply.



## **Right People on the bus in the right Seats?**

## *Need more Fresh Blood [53%]*

### **Strong Appetite for renewal at the top team. How are you going to address it?**

The impending 'patent cliff', pipeline gap, higher R&D costs, pricing pressure and broken commercial models mean that old ways of doing business need to be replaced by new innovative solutions. Not surprisingly, leadership teams are looking for renewal.

Renewal can take several forms - younger talent in top teams; virtual structures that seek & incorporate voices of promising talent on important business decisions; and aggressive senior rotations and wider diversity of backgrounds.



## *Leaders not inherently collaborative [50%]*

### **If 50% of leaders in the industry are 'non-collaborative', is there something you can do about it?**

Can "inherent non-collaborators" be changed? In our experience: 'Yes'. Identify such behaviours and bring the leaders into awareness and ownership of the shift that they need to make. With the right support, they can make visible shifts in a manner that creates business impact.



# Processes, structures and mechanisms to promote collaboration in top team need significant improvement



> 50% assess this as a weakness



> 20% assess this as an outstanding strength



Moderate cause for concern



*While there are clear areas for collaboration set out in the Business Strategy [45%], Metrics & Measurements [66%] and Rewards & Punishments [65%] for Teamwork are missing*



## Are the lack of critical ingredients for collaboration creating individual empires?

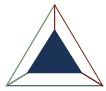
Collaboration is central to the strategy of profitable growth of most Life Sciences organisations. Relationships between marketing & medical, and R&D & manufacturing, for instance, are critical to success.

To have collaboration be a way of life in your organisation, the strategy needs to outline where collaboration is needed, leaders need to create the right forums/processes for it, there need to be metrics & indicators in place and consequences for non-collaboration.

And as mentioned earlier, in senior hiring and development, leaders need to be picked and developed for collaboration.



### Team mechanisms in place & useful?



As a result, there is low confidence in leadership capabilities to drive key business imperatives...



> 50% assess this as a weakness



> 20% assess this as an outstanding strength



Moderate cause for concern

## Leadership Capabilities to Drive Business Imperatives

- Lacking Innovation [58%]
- Poor Change & Transformation [57%]
- Operational Efficiency
- Growth
- Customer Focus

### Leaders in Asia feel ill-equipped to create the future, drive transformation & innovation

*57% of respondents report they are either currently struggling or just "managing today" with regard to leadership capability for both innovation and change and transformation.*

Asia is in an unusual phase – growth levers have been uncorked recently. With a favourable tail wind, almost all are seeing unprecedented growth.

Eventually, the 'men will be separated from the boys'. Companies that can drive innovation and transformation will prevail. Others will be marginalised.

- ▶ Where will your company stand?
- ▶ What role would you & your senior leaders have played in that?
- ▶ Does your senior team operate out of an aligned awareness of future challenges?

**What is the 'value at risk'?**

**Is the 'burning platform' felt by your senior team?**



... and confidence in having Leadership for the future is low



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Moderate cause for concern

## Top 2 Pressing Leadership Issues as per survey responses

**1** Not a strong Pipeline of Leaders [27%]

### Leadership Bench-strength: The Bench is Half Empty

The dearth of role opportunities during the Global Financial Crisis (GFC) resulted in leaders across all industries remaining in roles longer than they wished to.

In the post-GFC landscape, companies can no longer rely on this retention. Top talent is being sought out by competitors. In Asia, we stand to lose not just the people, but also the tacit knowledge since people dependency is higher.

Exacerbating this issue is the need of Generation X & Y for quick promotion and growth, and low threshold of patience.

In this scenario, some might argue that...

### Investment to Bolster Bench-strength may be akin to investing in Drug Discovery

**2** Senior Talent Good for Today, Not for Driving the Future [21%]

### Up-skilling of Current Sr. Leadership Requires Critical Focus

The Life Sciences industry faces a landscape with overwhelming complexity, ambiguity and shifts in regulation and stakeholders - all with game-changing leadership requirements.

Defining future leadership skills, identifying gaps and upskilling leaders accordingly is more critical than ever.

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