

APRIL 2005

FOR GLOBAL BUSINESS AND MARKETING LEADERS

Pharmaceutical Executive



MVPs

To ramp up their operations around the world, companies need executives who can lead across cultures.

By William Roiter and Daniel Williams



Two and a half years ago, Roche decided the time was right to establish an R&D center in Shanghai, China, based on their long history in the country. But the company wanted to do things differently by creating the first wholly-owned R&D center in the industry.

Roche leaders, however, found a way to work with government officials in Pudong, Shanghai and Beijing on this idea. First and foremost, Roche executives realized they needed a person on the ground who had credibility, was well connected, spoke Mandarin fluently, and was very trustworthy and ethical. “In China, it’s all about relationships,” says Lee Babiss, vice president, preclinical R&D for Roche in Nutley, New Jersey, who is responsible for oversight of the China R&D center. “You need local advocates who will work with and for you, and that’s about building relationships.”

Nurturing relationships over time allowed the Roche team to establish the necessary win-win approach to negotiations with Chinese officials. “The beauty in China is that you negotiate with both perspectives in mind,” says Babiss. “Whereas in the West you might benefit from a win-lose situation, you will not benefit from that negotiating style in China.”

Last October, Roche successfully opened its wholly-owned R&D center at the Shanghai Zhangjia Hi-Tech Park. Immediately, it was swamped with more than 500 applicants over the Internet alone. But the company didn’t just need any old applicants—it needed top-notch chemists and managers who were mindful of cultural differences, who had excellent communications skills, and the ability to successfully navigate the Chinese government infrastructure.

“I can tell you that over the last five or six months the recruiting salary costs in China have gone up dramatically. We are also finding that the best talent is considering multiple offers in parallel. These are the people we would call MVPs [most valuable performers]. So, we have to sell ourselves to them,” says Babiss.

Roche’s story illustrates that the international pharmaceutical industry is not immune to the competitive wars for top talent—not just in China, but in continents around the world. This talent war is intensifying as premier international executive search firms, such as Heidrick & Struggles, expand their social networks and databases hoping to poach a dissatisfied

MVP from a client’s competitor. “The main challenge is that there aren’t that many multicultural MVPs, so it’s very competitive—a lot of companies want to go after them,” says industry analyst Zhu Shen, CEO of BioForesight. As pharmaceutical executives face growing competitive pressures in global business environments, there is an increasingly strong need to identify, develop, and retain the MVPs who are critical to future business successes.

MVPs go beyond numbers to create extraordinary value for companies and their stockholders. They are the top two to five percent of employees. In other words, if you were to lose 100 people, which two to five would you protect at all costs?

This article explains what MVPs are, and the benefits they bring to a business. It highlights ways pharma executives can identify MVPs who can work cross-culturally, and how to retain and develop them while attracting other MVPs to their companies. Finally, this article instructs executives how to keep their highly valued MVPs from walking out the door—and through the competition’s.

The Business Benefit

A discussion of what MVPs are begins with talking about what they are not. MVPs are not necessarily senior managers or those with formal positions of power. They are not just “high performers” or the “high potentials” in an organization, nor are they the “prima donnas”—those star employees that are really talented, but are so arrogant or self-centered that they are difficult to work with. Rather, MVPs go beyond results-driven numbers and create extraordinary value for the organization, and ultimately, for stockholders. Many companies think of MVPs as the top two to five percent of their employees. In other words, if you were at risk of losing 100 people, who are the two to five that you would protect at all costs? (See “Beyond Performance,” page 24.) »

What is apparent to pharmaceutical executives and senior human resource managers is that the life science business is built upon ideas and skills that cannot be locked up at night. Managers are fearful of losing their top employees. In fact, they are so scared that, among all the companies approached for this article, no executive would name an MVP for the record, for fear that he or she may be poached. In essence, this shows that management understands MVPs are walking assets—they walk out the door every night and decide to walk back in each morning.

It is up to pharmaceutical companies to create their “must keep” list of MVPs and develop strategies for retaining them over the long term. What is interesting is that true MVPs are very committed to their organizations and are hard to poach. They only leave when given good reason, and the most common reason is poor management.

Certainly, it is worth companies’ efforts to develop the best possible strategies in this area. “As we face different market challenges around the world, having multicultural MVPs has become a competitive advantage for AstraZeneca,” says Denise Dick, the company’s talent management director. “All of my international colleagues strongly believe this.”

As a global player, AstraZeneca is trying to leverage its global talent to take advantage, not only of in-country opportunities, but synergies across different markets. The company is also very focused on optimizing the performance of its individuals, as well as the entire organization.

“We are absolutely convinced that when people don’t have cross-cultural sensitivity in that environment, we will not be able to get our best performance out of the organization,” says Dick.

“We do have talent pools that we’ve established,” she says. “As we look at the top 200 positions in the company, those are global people and that’s the pool where we would identify our MVPs, and they absolutely have global responsibility. The notion that they can just come with the perspective of their home country and expect to really grow the business will obviously not work. Those 200 roles are global and

The infographic features a central silhouette of a person's head and shoulders in profile, facing right. The background is a vibrant red with a grey triangle behind the silhouette. The word 'Leadership' is written vertically in white on the left side of the triangle, and 'Collaboration' is written vertically in white on the right side. Below the silhouette, the text '3 Major Attributes of The Corporate MVP' is displayed in white and red. At the bottom of the infographic, a red banner contains the text 'Performance Base' in white. The top of the infographic has a grey header with the text 'BEYOND PERFORMANCE' in white.

those people have to be multicultural.”

There are great performers, and then there are MVPs. In conducting research for their book *Corporate MVPs* (Wiley, 2004), co-authors Margaret Butteriss and Bill Roiter, EdD [co-author of this article] found that MVP competencies and behaviors cluster into three major attributes: performance, leadership and collaboration. It is these three major attributes that set MVPs apart from other top executives.

Performance

Certainly, MVPs are top performers. But more than that, MVPs are experts in their chosen role—be it as scientist or business developer. Many have great expertise in managing people, allowing them to take their skills and apply them in other areas. That base of skills is then strengthened by a strong learning orientation. They love to learn and they love to teach, which improves and extends their value within their organization.

Agility Multicultural MVPs can handle multiple obstacles that today's businesses throw at them. "They have enormous business acumen and know the market; they are very resilient with what the market throws at them; and they are able to adjust depending on whatever the needs are in or out of country," says Dick. MVPs have a nimbleness about them that shines in difficult situations. They are able to slow down an accelerating problem to learn its fine points, thereby reducing the related anxiety that often overwhelms others. This allows them to simultaneously manage the immediate situation and to stay on course for their goals. An executive in another industry once compared this capability to that of the performer who can juggle four balls while continuing to ride a unicycle across the stage.

Soothsayers of change "These are individuals that can see the market, not only for what it is today, but reaching far out; they have a sense of what's going to happen to that marketplace and understand the adjustments that must be made," says Dick. MVPs reach for long-term success by meeting short-term goals. This is often thought of as being both strategic and tactical—or keeping their eye on the goal while completing the tasks to reach that goal. This dual perspective includes on-going adjustments to how they do their business. Change is neither good nor bad, and it is neither embraced nor feared. Change is the natural result of knowing what it takes to get the job done.

Leadership

MVPs bring active problem solving, advanced social skills, and an inspiring success orientation to their teams. They also behave in ways that are principled and create value. In Western corporate cultures they tend to be extroverted. Colleagues follow MVPs because they want to.

Integrity Research suggests that executives believe ethics and integrity are critical to business leadership, especially internationally. "Multicultural MVPs are individuals who are not just results oriented, but who have a strong value system and who operate with integrity," says Dick. AstraZeneca has a certain

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value system and legal requirements and it's very important that these individuals be able to understand how to operate with integrity and courage in environments where they might be encouraged to do things in establishing a business that, very frankly, AstraZeneca would never support." MVPs' principled behavior is a direct result of their internal beliefs and values.

Collaboration

MVPs are natural collaborators—they have a strong team orientation. This is supported by three behaviors: sociability, communication, and openness. MVPs extend their reach by collaborating with colleagues near and far. It is often this collaborative attribute that separates MVPs from other great per-

formers who can lead others but who have a hard time following when it's necessary.

"We see our ability to collaborate as a major strength as we look to partner with great scientists and business people around the world," says John McDonald, vice president for business development at Millennium Pharmaceuticals.

Cross-cultural collaboration is not just a nice skill to have; it is required for international success.

Karen Koh, deputy chief executive of Singhealth, Singapore's largest public health provider network, and Singapore General Hospital, the country's largest hospital, has worked with US health-care executives, lived in the United States, and been involved in a successful negotiation with Duke University Medical School to create a new graduate medical school in Singapore. As an Asian, she feels that the greatest indicator for success for Americans in Asia Pacific is their ability to collaborate. Koh says signs of this ability surface when an executive takes his or her time to get to know their counterparts and learns to respect them for their talent and role.

Koh points to those characteristics as important elements of negotiating with win-win thinking. She knows that many Americans are highly competitive and

Attract MVPs

Each company has its own recruitment strategy to get MVPs in the door. However, most executives agree that companies that do well in the following areas have an easier time getting the precious few executives that can work cross-culturally to join their team.

1) Risk-taking reputation Become known as an organization with a culture that thrives on top-quality performance and the thoughtful development of MVPs. Your people will be your best ambassadors. You want them to talk about how top performance is valued and rewarded; how risk is not a bad word, but rather an expected part of growth; and how learning is central to creating.

2) Ethical principles Become respected for strong and principled leadership that MVPs can be proud of—and can participate in.

3) Collaborative Create an organization that values collaboration above status, entitlement, and bureaucracy. Change pronouns from "me" and "mine" to "us" and "ours."

It may be difficult to move a whole organization toward these goals—so do what MVPs might do. They would build these ideas into their sphere of influence, let them multiply, and soon have the best people beating down the door to work at their companies.

may think mostly about their own win—this does not work in Singapore. Koh's own work with Duke illustrates the point: It was fully collaborative, allowing them to work together to overcome problems, with neither side feeling like they gave up something of importance in the process.

What MVPs Want

Like magnetic forces, MVPs attract other MVPs. MVPs are also attracted to companies that are known for developing their very best people. To that end, word travels fast: MVPs in the pharma industry often know one another and tell stories about how they are being managed.

Almost all the top pharmaceutical companies, and many of the smaller companies, are great places to practice great science, development, and business. The question is, then: How do companies manage their great—and their soon-to-be great—MVPs? Certainly, a business' reputation for excellence in managing MVPs rests on two footings: individual development and flexibility.

Individual development The individual development planning for MVPs cannot be left to that employee's direct manager. MVP growth is a higher level corporate asset management issue.

"We have created a Top 120 leaders list to increase our focus and effective-

Identify MVPs at different levels, proactively cultivate the ones who want to excel, and recognize the unique value that each one brings to the organization. Then, give him or her the freedom and support to do their best. Otherwise, you risk losing them to the competition.

ness of development for this critical group," says Jürgen Brokatzky-Geiger, head of human resources and a member of the executive committee at Novartis.

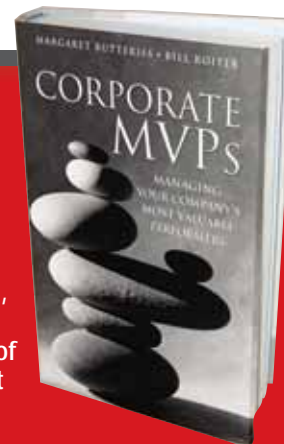
"This is truly our MVP list. For instance, in our finance organization we have conducted a very successful program for top young talent that includes an agreement at the beginning of the program that the person will move to multiple countries throughout their

career. This skill building is so critical for us that if the person decides later that movement to other countries is not wanted, they have to drop out of the program and sacrifice the special focus that our CFO places upon this group. They, of course, continue to be very valuable assets but we cannot develop them as fully as we could otherwise."

This focus on international skill development is echoed by many execu-

That Special Something

In conducting research for their book, *Corporate MVPs* (Wiley, 2004), Margaret Butteriss and Bill Roiter defined the characteristics of Most Valuable Performers to help management gain a better understanding of how to attract, manage, develop, and retain these people. Their research found that MVPs consistently demonstrate a set of measurable competencies and behaviors that cut across levels, industries, and expertise.



Competencies

This set of competencies can be thought of as the "what" MVPs do to excel. Though competent in many areas, MVPs are noticeably strong in the following:

1. Performance
2. Problem solving
3. Team orientation
4. Role expertise
5. Advanced social skills
6. Learning orientation
7. Success orientation

Behaviors

This set of behaviors can be thought of as the "how" MVPs excel. They tend to be:

1. Sociable
2. Extroverted
3. Communicative
4. Principled
5. Valuable
6. Open

It is this combined set of competencies and behaviors that make up the elusive "special something" that gets a boss to identify someone as an MVP.

tives. "We actively track our Top 120 performers list. In this list we actually rate the risk of these people leaving the organization and we review this on a quarterly basis. If we assess the risk as high, then we take action to address any issues that these high performers are experiencing," says Brokatzky-Geiger.

Flexibility MVPs require flexibility because they tend to be multi-talented and like pursuing challenges. Being held back from a challenge or opportunity is virtually intolerable for MVPs.

BioForesight's Zhu Shen agrees: "The challenge for many pharmaceutical companies is to not only identify MVPs at different levels, but to proactively cultivate the ones who want to excel. Recognizing the unique value that each MVP brings to the organization and giving him or her the freedom and

support to do their best is critical for keeping these talents. Failure to do so could result in the loss of the very assets that allow you to compete in the marketplace.”

MVPs do not respect managers who are willing to rely on assumptions, who take the short view of budget over value. Some companies take another short view of MVP management by not wanting to treat some people as special so as to avoid managing questions of fairness from other employees. These

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companies create an “up and out” MVP culture. Sophisticated managers are needed to manage the differences between MVPs and average employees.

Retention

MVPs are renown for their commitment and loyalty to their organizations. So why do they leave? Most report to bad bosses. Find bosses who are insecure about their own talent and are threatened by high performing direct reports and you too can create the “up and out” culture. Or try a boss who does not understand how to manage human behavior and hopes to solve problems by ignoring them or by blaming others.

MVPs will, if necessary, pursue help from others within the organization. If improvement does not result, the MVP will begin to feel devalued and will become susceptible to poaching by other companies.

The exploding grapevine When an MVP leaves a company, that organization experiences a significant loss. Some human resources executives have calculated that the actual expense is 180 percent of an MVP's annual compensation, which doesn't even include the loss of intellectual expertise. While expensive, a

more damaging result of an MVP leaving is the “exploding grapevine.” When colleagues hear a good person is leaving, they might express regret or concern, talk about it over lunch and return to work.

However, when an MVP leaves, the grapevine explodes: “Did you hear that Jane is leaving? Jane is great! Something must be wrong if Jane's leaving.” This can go on for days until the second stage of awakening: “Where is Jane going? It must be a great place if she's going there.” And then finally, to themselves,

“Maybe I should call Jane and find out what other opportunities are there.”

The lesson to be learned from the exploding grapevine theory is: Know your MVPs and manage them better and differently from your other people. Think about them as individuals and work with them to create flexible opportunities. You do not have the time and resources to do this with everyone, but you must do it with your very best—or risk losing them to the competition.

Global Advantage

It's one thing to have great ideas and quite another to communicate them across cultures. Companies need multicultural MVPs because they are great communicators and strategic influencers. They adapt their communication styles to their audiences' cultures without compromising their own authenticity and cultural identity.

Multicultural MVPs know that open and understandable communication is the foundation of trust. If a person is unable to make himself understood in his own language and culture, then it is unlikely that he or she will improve in another culture.

Bob Taber, vice chancellor for corpo-

rate and venture development at Duke University Medical Center, had just returned from visiting Jordan to talk with the government about cancer treatment opportunities and he was about to finish up his work with Karen Koh in Singapore. Taber believes that, “The world has totally changed; our greatest opportunities and our strongest competition is around the world.”

However, he underscores the importance of hiring people that are up to the challenge of working internationally: “There are really no secrets to being successful in other countries,” he says. “Learn as much as you can before you go, and then listen and learn more while you are there. A good communicator will learn what is needed quickly. The people I have met are outstanding communicators and they respect those who can communicate as well.”

Language differences can be overcome, especially among people who have a genuine interest and commitment to learn the culture, or in places where English is the language of business. But neglecting to listen carefully and relying on assumptions rooted in your own culture can get you quickly sent out on the next plane.

As competition for top talent intensifies around the world, pharmaceutical executives and human resource managers will increasingly need to view multicultural MVPs as a strategic business advantage. The best life science companies are proactively executing policies and practices that successfully identify, develop, and retain this talent. As a key component of those policies, specialized training and support should be offered to the people who directly manage existing and budding MVPs. The best companies are being led by a senior management team that makes this challenge a priority in their work. After all, if they don't do it, their global competitors will. ☺

Bill Roiter, EdD is a psychologist, consultant, coach, and speaker. He is a founding partner of the MVP Research Group and can be reached at wroiter@mvpresearch.com. Daniel Williams is co-founder of Leadership Communications. He specializes in cross-cultural leadership and coaching, and is working to become proficient in Mandarin. He can be reached at dan@tolead.com.