

## BUILDING AN "INTELLIGENT" WORKFORCE FOR INDIA'S PHARMA R&D SEGMENT



The following article summarizes the key discussion points covered during an Executive Forum held at the Grand Hyatt Hotel, Mumbai, India on October 24, 2007. Executives from multinational and local organizations alike convened with Ms. Cheryl Buxton, Global Managing Director of Korn/Ferry International's Life Sciences practice, and Mr. Madhav Sharan, Leader of the Firm's Life Sciences practice in India, to talk about building an "Intelligent" Workforce for India's Pharma R&D Segment.



**Cheryl Buxton**  
Global Managing Director,  
Life Sciences,  
Korn/Ferry International



**Madhav Sharan**  
Leader, Life Sciences -  
India,  
Korn/Ferry International

**F**inding professionals with a strong research background, combined with people and project management skills and the ability to innovate new products tailored to India's unique consumer base is becoming harder than ever before. While traditionally India's advantage has been its people's advanced chemistry knowledge, process know-how, and language skills, it is evident that the need to start developing a strong pipeline of talent who can take on new and future challenges is the only way to keep its competitive advantage over the next decade.

**Q: I think one of the limiting factors is the way we look for talent in that we seem to be looking within all the time. But there are not many players within who have experience beyond what they have been doing in the past. I think that's definitely an impeding factor, would you agree?**

**Cheryl Buxton:** I had a large medical device company come to us and say, "We are worried. We've got a quality issue in our manufacturing plant and it's serious." So, thinking about this, where should we go to find great talent? Who comes to the life sciences industry in reality, because when you look at quality across the life sciences industry, most companies have been under FDA warnings. So, I said "Why don't we go outside? Why don't we go to Toyota or Ford or the aircraft industry?" And you know what they did? They hired an American who lives six miles down the road who did the same job. So changing this mindset of hiring within the industry is going to take some time.

**Q: How has the experience been like when companies acquired talent from other sectors?**

**CB:** Not good. There are some notable people and cases like when Novartis went outside the box a few times and brought in people from the consumer industry. But to be honest, the learning curve is extremely steep and rocky.

**Audience Comment:** But looking at Roche Diagnostics Diabetes care; all of its people are from outside the industry. And success can be seen in the way the entire paradigm shift has taken place in the diabetes monitoring industry. I think it's a success story; how you can think of changing the market place, think of changing the rules of the game and take people from outside the industry and look outside the box.

**CB:** Yes, it is all about integration, but there are very few companies who truly have great means and ability to integrate people.

**Audience Comment:** For the pharmaceutical industry the rules of the game have not changed for over 40-50 years. Therefore, you need a pool of talent that can change the rules and then success might even follow. In India, Pfizer has hired people from the consumer products industry; AstraZeneca has hired people from the consumer products industry. Examples like this are far and few between but I think leadership has to move out of the mindset that consistency in an industry is a necessary prerequisite for success.

**Q: The message that should be coming out is that; more than the functional skills, we are looking for partnering skills, the ability to deal with people. You are looking for an R&D guy who has business acumen. If you are discussing about a lateral movement of skills and not just hard-core functional knowledge, then the context of people from other industries joining the life sciences industry and not having done well should be a thing of the past, correct?**

**CB:** I agree with you. We have to be bold enough to hire from outside the industry. The life sciences sector is very risk averse. No one is going to take a chance. But we need to think very differently.

**Audience Comment:** The critical thing is to have the right level of compensation because the levels are still low and hence, we can't get people from investment banking. At the Indian Institutes of Management, pharma companies do not appear up front.

**CB:** Yes, and that's worldwide.

**Q: If you look at most of the R&D driven companies in India in 20 years' time – once the leadership has moved to a general management concept, how should we integrate the competencies of R&D and grow the organization to 10-20 times its size?**

**CB:** Actually, most of the major pharmaceutical companies have started decentralizing yet again into distinct units. If you think about Novartis oncology, when it was separate it was a world leader. When it was merged in, it lost focus. And I think you'll start to see that in medical devices as well, where they are taking out non-invasive groups or taking out diabetes and running them as distinct units.

**Q: What is the industry doing in other parts of the world to be Employer of Choice?**

**CB:** I can give you some examples where organizations have thought differently. In China, you would promote someone when they were 70% ready for the promotion whereas in most countries, it's 85-90% ready. Most companies can't afford to wait till then, because the executives would be gone. And so you can see the pressure building to hire qualified people. We actually suggested they bring back some of their North American, European retirees; they are not going to tread on anyone's toes, they have great knowledge and they can build the bridge between China and the home office. That has been very successful. In other companies, I've seen them move people around, saying, "We will set aside a big part of our budget to move people around in different sectors and provide them with more experience."

**Q: If you look at other sectors in India, youngsters are moving up rapidly even though they are actually not going through the kind of experiences you need for a general management role. So you are actually getting general managers who need a lot of support even at that level. But the situation is such that if you don't promote them, they are gone. So how are the other markets like China really dealing with this issue?**

**CB:** If you look at Harvard or any of the other universities, the number of people being sent on these courses from Asia is phenomenal. A lot more time is being spent on going on courses, but actually it's what you do with that knowledge when you come back that's more important.

I think you've got to go back to some of the basics such as mentorship, shadowing. All German companies used to have individuals who shadowed the general manager for two years. What a great apprenticeship. You need to start thinking more about this; let's stop all the courses and start some great mentorship programs. Learn the basics, that's the only way you'll gain experience. A lot of companies have pretty good succession plans and upward progression systems in place now. But they are not doing anything else that is radical at the moment. That is definitely not in our industry psyche yet.

### **About Korn/Ferry International in India**

**Korn/Ferry International, with more than 80 offices in 39 countries, is a premier global provider of talent management solutions and is currently ranked the number one executive search firm in the world by Hunt-Scanlon. Based in Los Angeles, the Firm delivers an array of solutions that help clients to identify, deploy, develop, retain and reward their talent.**

**Korn/Ferry International opened offices in India in Bombay (now Mumbai), New Delhi and Bangalore in 1995, 1997 and 2007 respectively, from which it serves its extensive international client base across the country. Today, the team offers personalized service, strategic guidance and world-class leadership to local companies and multi-national corporations alike, leveraging the Firm's sophisticated network of more than 490 search consultants around the globe.**