

Biotechnology & Pharmaceuticals

Key insights into why the biotechnology
& pharmaceutical sector is a leader in employee
engagement



“Bayer is nothing without its people. They truly embody our Life Values and go the extra mile in their passion for the Bayer mission: Science for a Better Life. Every day I see evidence of our people being driven by this higher purpose to improve lives and their commitment is what makes Bayer’s workplace culture unique. Our Leaders are passionate about our people – creating an inspiring environment for them and taking great care of them. Above all, we make sure they have a voice not just in shaping their future with Bayer, but also in shaping the future of Bayer.”

Alexander Moscho, CEO, Bayer UK/Ireland

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Overview

Research and innovation activities in the Biotechnology and Pharmaceutical sector have not only contributed significantly to the health and wellbeing of people in the UK and across the world but they have also helped strengthen the UK economy. A recent PwC report estimated that the activities of pharmaceutical, medical technology and biotechnology research companies contributed £30.4bn to the economy in 2015.¹

Despite the highly volatile nature of the sector, the ONS Index of Production reported that pharmaceutical companies made the biggest contribution to the increase in manufacturing output in the three months to January 2017, 9.9%.² The latest official statistics also indicated that pharmaceuticals' expenditure on R&D (£4.2 billion) accounted for 20% of the total expenditure on R&D performed in UK businesses.³

The main challenge for pharma firms is to build their pipelines to compensate for the erosion of revenues from generics [drugs out of patent] or payer pressures [proving value of products in terms of patient outcomes and lower costs].⁴ Companies are also looking for more opportunities to strengthen the links between the Biotech and Pharma and IT industries (eHealth).

Today, companies in the Biotech and Pharma sector employ 73,000 people in the UK of whom 7% are EU nationals.⁵ In terms of labour productivity, the average direct GVA (gross value added) per employee is over twice the UK average.

After Brexit, the sector identified a number of uncertainties surrounding the future of the UK pharmaceutical industry, including drugs compliance legislation and approval (goodbye European Medicines Agency - EMA?), access to other EU partnerships and market, flow of funding and investment and restrictions on the freedom of movement of highly skilled professionals.

In spite of having one of the most competitive tax regimes in Europe (corporate tax rate, 'Patent Box' and tax credit for R&D costs), the launch of the government's Industrial Strategy, and the recent announcement by the Chancellor regarding the growth in R&D spending (an additional £2bn per year by 2020/21), senior executives from Biotech and Pharma companies based in the UK are seeking reassurance from the government in the changing landscape after Brexit.

"The whole team truly live by the Sobi values, but what drives people to go further is the commitment to get our innovative medicines to patients. The NHS and NICE are not the easiest customers at times to deal with and when going through health technology appraisals, timelines can be tight, workloads can be extreme and patient and customer support needs to take priority. The latest big success is the team successfully winning a legal appeal against NICE, which will result in better access to our innovative medicine for patients who would otherwise have months of recovery time."

Sobi employee

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- 1 PricewaterhouseCoopers (March 2017). The economic contribution of the UK Life Sciences industry. Report commissioned by the Association of the British Pharmaceutical Industry (ABPI), with the participation of the BioIndustries Association (BIA), the Association of the British Healthcare Industry (ABHI) and the British In Vitro Diagnostics Association (BIVDA).
 - 2 ONS (January 2017) Statistical bulletin: UK Index of Production.
 - 3 ONS (November 2016) Statistical bulletin: Business Enterprise Research And Development, UK: 2015.
 - 4 EBD Group/Informa (September 2016). Pursuing Excellence - Charting Industry's Top Performances. Available at: www.ebdgroup.com
 - 5 Association of the British Pharmaceutical Industry (ABPI) (January 2016) Delivering value to the UK: The contribution of the pharmaceutical industry to patients, the NHS and the economy. Available at: www.abpi.org.uk

Key issues for HR

Biotech and Pharma organisations wanting to be considered for the the Best Workplaces™ ranking have over the years shared with Great Place to Work® some of the challenges they face. One of the most frequent difficulties for HR is the major skills shortage. ABPI, a leading voice in the industry, has found in recent research that the areas of highest concern relate to mathematical and computational skills (i.e. bioinformatics, statistics, data mining, and health informatics).⁶

Due to the lack of qualified candidates, biopharma organisations have been seeking skills abroad. Amid the uncertainty after Brexit, HR will play a key role in keeping their multinational workforce informed about any changes and provide reassurances, where they can, over their future.

For many organisations, maintaining innovation in a competitive marketplace and fast-paced industry are challenges commonly faced. HR professionals are actively looking for strategies for improving collaboration to respond to change and competition. They play a key role in influencing a company's culture and creating an environment of trust and creativity.

Key insights

Our historical data shows that Biotech and Pharma organisations have one of the highest levels of employee engagement. This could be partially explained by the fact that employees feel their work has a greater purpose⁷ - indeed, they are helping to address some of the world's most important health challenges and so feel inspired in what they do. Our Trust Index® data shows that 80% of employees in the Biotech and Pharma industry say they have a meaningful job and 88% report that they are proud of what they accomplish.

Indeed, an employee at Sobi UK and ROI, which made the UK's Best Workplaces™ ranking for the first time in 2017 said: "Specialising in Rare Diseases makes this company special anyway. But the culture has made this place a great place to work. I have never worked somewhere where people are encouraged to be themselves and embrace the differences. This company has changed my view of jobs in the industry. I used to have a job, now I have a career!"

There are some other striking figures too. Compared to other industries, intention to stay among employees has one of the highest scores at 81%. Around 75% of biotech/pharma workers participating in our Trust Index® employee survey agreed that people in their organisations are paid fairly for the work they do. This is in sharp contrast to 64% of employees in the average biotech/pharma workplace.

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Sobi UK & ROI employee

6 Association of the British Pharmaceutical Industry (November 2015) Bridging the skills gap in the biopharmaceutical industry. Maintaining the UK's leading position in life sciences. Available at: www.abpi.org.uk

7 There are a number of studies showing the positive impact of meaningfulness on employee engagement. For instance, see Cohen, G.M. (2008) Connecting with the larger purpose of our work. *Journal of Pharmaceutical Sciences*. Vol 97, No 3. pp. 1041-1046.

Key takeaways

- ✓ 71% of organisations reported growth in their total net profit during the latest fiscal year
- ✓ 81% of employees are sufficiently engaged to want to stay with their employer
- ✓ Sense of purpose and pride is high amongst biotech/pharma employees and are key drivers of engagement
- ✓ The median staff turnover was 10% (labour turnover for all UK employees is 13%)⁸
- ✓ On average, it takes 66 days to fill an open vacancy
- ✓ 15 is the average number of applications per open position
- ✓ 5% of the total workforce are temporary/contract employees
- ✓ The average rate of absenteeism is 1.83 days p.a. (the current national average is 6.3 days p.a.)⁹
- ✓ Almost 30% of organisations provide maternity and paternity leave over and above the statutory minimum
- ✓ Flexitime as a regular work arrangement is offered by 83% of organisations
- ✓ 60% of Best Workplaces™ in the sector offer working from home/telecommuting

Bayer has seen a significant increase in the number of people applying for jobs, both inside and outside the company. The number of external applications increased by 165% and the number of internal applications increased by 92%

⁸ Chartered Institute of Personnel and Development reported that the median labour turnover rate in UK organisations surveyed in 2012 was 12.7% (Resourcing and Talent Planning: Annual Survey Report 2012).

⁹ CIPD Absence Management Survey 2016

Creating a culture of trust in the Biotech and Pharma sector

Best Workplaces™ are recognised for their high levels of trust and engagement which in turn positively impacts performance. Best Workplaces™ in the Biotech and Pharma sector are inspiring because they are:

Fostering and maintaining innovation in a competitive marketplace and fast-paced industry

Best Practice: Bayer's 'Innovation Network' is a cross-functional global community of network members dedicated to generating cultural change towards innovation as a key driver for business growth. The 'Innovation Express' forms a part of this programme. Over a five month period, a senior business leader with a team of 20 individuals from different business areas work collaboratively to learn new innovation methodologies, tools and principles which they then apply to actual critical business scenarios and challenges. Their objective is to prototype working solutions, test them and develop implementation plans to take solutions forward into the business.

"Bayer is passionate about our patients, our customer and our staff. This is lived through our life values every day by everyone. Bayer puts the customer first, it actively encourages collaboration and experimentation via trust."

Bayer employee

Fostering and maintaining a healthy work/life balance in a high-pressure environment

Best Practice: At AbbVie a 'Summer Hours' pilot programme was introduced, where during the months of July and August employees could flex their hours and so work longer hours over four days and leave at lunch time on the fifth day. There were no restrictions which day could be the shorter day as long as this was managed within the department and work was covered. This meant that people could pick their children up from school, attend sports days or generally have some time away from the office and enjoy the summer.

"AbbVie allows people to take time out when needed and trusts that the time will be made up. This makes me want to work hard for AbbVie and help make the company a success."

AbbVie employee

Best Practice: Through Quintiles' 'Physical Activity Reimbursement Programme' employees can claim up to £360 per year for gym membership, sports lessons and classes, the purchase of gym equipment, and massages. Employees are eligible for the programme from the first day of the month following their start date.

"As a working mum our company gives me the flexibility to still be as involved in the children's school/nursery lives as I want to be as well as providing me with a successful career with opportunities to grow professionally. I feel exceptionally lucky to work at Quintiles."

Quintiles employee

"When you put in 100% effort as an employee, our company invests in you as a person. The fantastic thing about this company is that as it grows and adapts to the changes in business, it takes employees on that journey, allowing them to develop along the way."

Quintiles employee

Developing the right talent for now and the future

Best Practice: AbbVie's 'Leader Journey' programmes were developed for leaders at different stages in their career. Beginning with 'Aspiring Leaders' and all the way up to 'Established Leaders', bespoke learning and development pathways were crafted to help people focus on the right level of development. Every colleague specified a personal developmental goal at the start of the year and committed to personal accountability for progress. The journey is split into four areas. Within each of the sections employees are given advice and guidance on how they can progress to a leadership role focusing on the 70-20-10 model [70% learning on the job, 20% learning from others and 10% learning through formal training]. There is advice on reading material, people they can reach out to and forums that will help them understand different elements of the role.

"You learn so much through experiential learning and trust. There is so much opportunity for professional development just through role enrichment."

AbbVie employee

Best Practice: Quintiles established a global 'Job Rationalisation' project to create clear career ladders within job families and to ensure consistency with job titles across the business. The career ladders for each job family/function are posted on the intranet along with the corresponding job descriptions. All staff are able to access the career ladder for any function or department and view the job descriptions for all of the roles, including information about grade levels. This encourages staff to take ownership of their development by accessing information about their career prospects within their current job family, or learning about different groups within Quintiles and the skills and experience required to develop a career in a different speciality/function.

"When you put in 100% effort as an employee, our company invests in you as a person..."

Quintiles employee

Fostering and maintaining collaboration in response to change and competition

Best Practice: Medtronic wanted to create an area where employees were encouraged to think differently and come up with new ideas. That is how the 'Colour Room' was born. They took the dullest room in the office and transformed it into an area where teams could get together, problem solve, and come up with new ideas in a 'safe' environment. The room comprises a blue, yellow and orange wall, and a giant magnetic whiteboard wall. Funky seats, toys to fiddle with and moveable furniture means that the room can be used for brainstorming, strategy meetings and team get-togethers.

"Medtronic prepares employees for 'change'. People are allowed to be individually motivated and trust is important within the team. The management team have an open door policy and there is the freedom to meet with the VP from any level within the organisation."

Medtronic employee

"We have a kick off meeting every year where we get to hear from managers and doctors and best of all from patients who have had our therapies. It is really important to hear that and every year the meeting gets better and better. All employees understand the impact Medtronic has on patient lives, and knowing how Medtronic helps people to live a normal life makes you realise that this is a very special organisation."

Medtronic employee



Insight

Understanding your culture



Action

Continuously improving



Recognition

Best Workplaces™ awards

Great Place to Work® UK is a consultancy specialising in workplace culture, helping organisations to create exceptional, high performing workplaces where employees feel trusted and valued. We help employers improve recruitment, retention and productivity by putting employees at the heart of the organisation, analysing what they think and feel and identifying the real issues that need to be addressed. Part of a global organisation, we apply data and insights from over 7,000 organisations across the world to benchmark individual performance and advise employers on how to continuously improve employee engagement and wellbeing and so help build and sustain business performance. We run the Best Workplaces™ awards to enable the organisations we work with celebrate their achievements, build their employer brand and inspire others to take action.

We share our learnings through our research and publications at national, regional and global level, as well as through conferences and events.

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