

# *Star* Physician Executives are created through Formal Training

By Jan Campbell

*Physicians performing leading-edge academic research represent a potential gold mine of talent for pharmaceutical and medical devices companies whose lifeblood is innovation and industry leadership. But, these researchers often lack the business and managerial skills necessary for a smooth transition to commerce, and the drop-out rate is high. Companies who want to recruit, retain, and develop academic research physicians have found that formal coaching and training programs help ensure success.*

**R**esearch and investment by the leading pharmaceutical research and biotechnology companies in the United States reached a record \$51.3 billion in 2005, according to the Pharmaceutical Researchers and Manufacturers of America, a trade association. To reap the benefits of such expenditures, these companies need skilled and highly-educated scientists to lead and manage their initiatives, and they are frequently turning to physicians to fill those talent needs.

Korn/Ferry's search statistics confirm this. Between 2003 and 2005, the number of searches undertaken to place physicians in executive pharmaceutical or biotechnology positions increased by 78 percent.

Sterling scientific credentials are one important reason to consider recruiting clinical research physicians. But, these scientists also bring a unique, objective perspective to industry because of their direct experience with patients. "Pharmaceutical companies sometimes suffer from being a bit cloistered," says

Roger Pomerantz, M.D., president of Tibotec. "At the end of the day, you're making drugs for patients. So you need to have people who have the experience with patients."

Pomerantz also believes clinical researchers offer a fresh point of view. "You are more likely to challenge and less likely to be a cheerleader. When you look at some of the industry's recent problems with products, you see that this is important."

But, university research focuses primarily on the basic science that leads to new drugs and devices, rather than on creating those products and bringing them to patients. So, academics do not generally have exposure to the intricate product development process and the marketplace pressures of industry. Additionally, unless they have been academic administrators, they have limited business management experience.



“These people have made their careers as sophisticated individual contributors, without much management or leadership competency,” says Harlan Weisman, M.D., Chief Science and Technology Officer, Medical Devices and Diagnostics, Johnson & Johnson. “They have stellar scientific, teaching, and research credentials, but don't understand the dynamics of an organization and how they operate.”

### Physicians are different

These skills gaps are only part of the picture. Physician executives differ in several significant ways from business executives, according to an analysis that selected from among 250,000 assessment-based profiles in Korn/Ferry's proprietary data base of more than 450,000 executives worldwide.

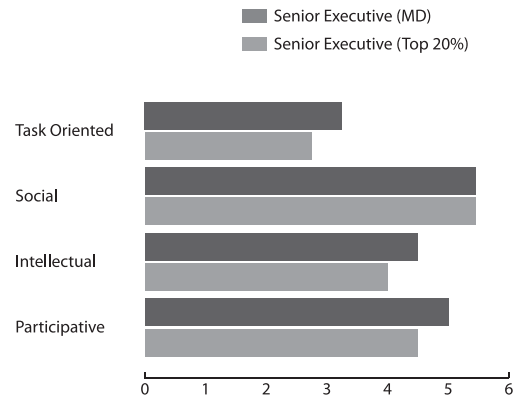
The behavioral science research firm, Decision Dynamics, LLC, used the database to compare certain characteristics of medical doctors in executive positions with those of business executives at similar management levels. The most significant finding is that physicians in management positions are not consensus builders.

In analyzing leadership styles, physicians tended toward an intellectual style in which they behave as the subject experts and do not generally engage in consulting others. In terms of their thinking styles, they were found to be more action oriented, wanting to move toward a solution quickly. Their non-medical counterparts, on the other hand, were more flexible and creative, exploring different options before acting.

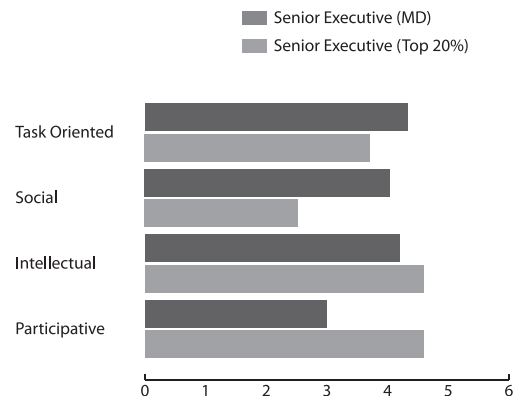
Considering the current state of medical training, these findings are understandable. “Physicians are supposed to be experts and have answers. The rewards tend to go to the biggest experts,” the Decision Dynamics researchers say. “In management, however, we find that overuse of the intellectual style can squelch, alienate, or intimidate others. The risk here is that the physician-executive could come across as arrogant or over-controlling.”

In terms of physicians' preference for quick action, this is tied to the fact that they often work in environments that demand immediate answers and in which there is little time to explore options that may have no obvious bearing on the decision at hand.

### Senior Executive Leadership Styles



### Senior Executive Thinking Styles



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**While understandable given current medical training, these characteristics may not be appropriate in an industry setting, and companies might consider formal transition programs.**

In a business setting, however, this attitude is not always appropriate. This action orientation could hinder the effectiveness of a physician in an executive role in which a host of possibilities must be considered before a decision is made. “We can expect that physician executives might feel frustrated with the length of time required in the corporate environment to get things done and with the lack of others’ appreciation for their speed and practicality,” the analysis report says.

Industry experts agree. “There is often an ‘aha!’ moment when these physicians realize that better decisions can be made with multiple inputs,” says Lisa Uthgenannt, vice president, human resources, Cordis Corporation. “Doctors need to realize that it’s OK not to be the expert in every case. It’s almost a capability shift that’s needed.”

Assessment and coaching can be effective ways to get new physician executives on the right track quickly. “Assessment is a way for both the employer and the employee to understand one another better,” says Kenneth R. Brousseau, Ph.D., CEO and co-founder of Decision Dynamics. “You can compare assessment results with job requirements to determine the appropriate coaching or other training that will bring more satisfactory results for everyone.”

### **Companies find training helps**

In an effort to ascertain how pharmaceutical and medical devices companies can help academic research physicians succeed, we interviewed a sampling of physicians and human resources executives in industry to learn best practices.

Nearly all agreed that companies would do well to institute some formal program to help new physician hires acclimate. “We tend to bring them on board because they are remarkable technically and we don’t fully appreciate what is required for them to perform,” says Uthgenannt. “We need to be clear on our expectations for them as leaders and we need to bring them in with an intentional orientation process that includes a focus on who they are in a leadership sense.”

A formal process of this nature is not a foreign concept to physicians. After all, most medical education involves mentoring of some type. For example, during a residency, young doctors are supervised by the department head, the chief resident, and a training director who makes sure residents are acquiring all the skills they will need.

Coaching, therefore, is one option, and it has worked well at Johnson & Johnson where clinical researchers are assigned a coach to work with them during the first 90 days on a plan for learning about the organization and developing supervisory, leadership, and other mutually agreed upon skills. In addition, supervisors often schedule regular one-on-one meetings during the first few weeks to answer questions and address any problems.

### **Corporate cultures are ‘foreign’**

Most companies accept that they will have to help clinical researchers acquire business training, but these employees also usually lack an understanding of how corporate organizations work. For example, physicians who join industry are often surprised at the level of involvement they are expected to have in managing the performance of those who report to them. In academia, compensation and professional development issues, for example, are handled less formally.

“In academic medicine, you did your work. You didn’t talk about your pay,” says Tibotec chief Pomerantz. “Here, you’re constantly talking about growth potential, training, compensation. It’s totally different.”

Because these “people” issues are center stage in a corporate setting, Weisman says he tells job candidates at their first interview about the role they will play in managing this aspect of their departments, and brings it up at any subsequent meetings. “I make sure they understand how important this is to us,” he says.

Even with formal transition programs in place, some excellent recruits will not stay in industry. Our experts believe that offering clear career paths is a good way to boost retention.

“I believe it would be inviting if companies would lay out a career path by which an individual who does well, can go beyond clinical research and learn more about the business so he or she can become more managerial and strategic,” says Roy C. Levitt, M.D., former CEO and director of Genaera Corporation.

Experience supports this idea. “I’ve seen more people leave because the system was not set up to offer them more authority and autonomy,” says Peter Powchik, M.D., Senior Vice President, Clinical Development, Project Management & Pre-Clinical Science, Chugai Pharma USA LLC.

And, clinical researchers are hungry for challenge, according to Pomerantz, who moved to industry recently. "I was looking for a challenge. If this were going to be easy, I wouldn't have taken the job. I had it pretty nice in my other job."

### **There is a pay off**

There is no one-size-fits-all solution to helping clinical researchers find success in industry. But, our experts agree that investing time and money in training and development programs of some kind will reap long-term results.

J&J's Weisman is convinced of the value of his company's approach. "Retention goes up. People get on their feet more quickly. There are fewer rough spots," he says. "If I didn't think this worked, I wouldn't do it. It's expensive and it's a lot of work for a lot of people."

Formal programs may be more difficult for smaller, start-up enterprises, and other companies may find that they do not have a sufficient number of clinical researchers coming on board to justify a full-blown program. But, even modest efforts to help physicians adjust to a new culture and expectations will pay off, initially in improved performance and in the future as they are able to acquire leadership skills to assume more senior positions. Through coaching and training, pharma and biotech companies will cultivate a rich in-house talent pool that will buffer them from the ongoing war for talent.

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