

# Nine Ways Innovative Life Sciences Companies Build and Sustain Cultures of Success

*At a recent Radford event, some of the world's most innovative life sciences companies shared how they build strong corporate cultures—the primary ingredient they attribute to their success.*

When the human resources leaders at Alexion, BioMarin, Incyte, Regeneron and Vertex speak— all of which are on Forbes' 2017 list of the [Most Innovative Companies](#), alongside names like Amazon, Tesla and Marriott International— it's time to listen up and take notes. And that's exactly what we did at Radford's recent Life Sciences Executive Council meeting, where HR leaders at 40 Fortune 500 life sciences companies listened to these firms to share insights on the most important ingredient in the secret sauce behind their success: creating and sustaining strong cultures of innovation.

## Lesson #1 – Total Rewards + Total Work Experience = A Culture of Innovation.

Not only do our innovative biotech companies offer competitive compensation, they think beyond base and bonus. This includes flexible work arrangements in addition to flexibility in what employees work on. Workers are encouraged to experiment with side projects and take risks. One panelist told us they celebrate risk (with proper precautions, of course) at their company instead of punishing failure. The next great invention isn't going to be miraculously developed in a test tube; it comes from the genius of people. These companies get this.

## Lesson #2 – Hire intentionally and thoughtfully.

When experiencing rapid growth, hiring can start to feel more like you're dealing with numbers than with human beings. These companies have maintained an intentional approach to adding headcount. "We emphasize the importance of maintaining a lean and agile structure even in the face of rapid growth," one HR leader told us. These organizations place a high value on how job candidates will fit with the culture of the company just as much as their credentials on paper.

## Lesson #3 – Create a culture of feedback.

Making sure employees have frequent communication with their direct managers is important, but how do you actually execute on this goal? One company implemented a program that holds managers accountable for having

regular, two-way conversations with their direct reports. A healthy culture of feedback is a two-way street: employees feel empowered to voice their opinions to their managers just as much as the other way around. It's also important that employees at all levels hear from top executives and cross-functional leaders, not just their direct managers.

## Lesson #4 – Deliver on diversity and inclusion.

There is no shortage of research linking diversity to better performance outcomes, but many organizations still struggle with improving their diversity and inclusion. Despite best efforts and intentions, many companies in the industry fall short in meeting diversity goals. These innovative companies told us they are having success in boosting diversity within their organization through leveraging their network of retired employees, seeking broad backgrounds in new hires and making large investments in immigration assistance for employees coming from outside of the United States. One company tells us they have “inclusion culture groups” that ensure various cultures are portrayed throughout the organization in an appropriate educational fashion. We expect companies to invest more and more in their diversity and inclusion programs as this issue has been front and center, along with related issues like gender pay equality.

## Lesson #5 – Invest in recognition programs.

We know from our own research that well-leveraged recognition programs are correlated with higher employee engagement. In particular, peer-to-peer recognition programs are attributed to fostering a sense of team spirit and reinforcing cultural values. To maximize the value of recognition programs, they should be formalized with a line item in the budget. Doing so emphasizes the importance of this initiative with senior leaders and ensures proper funding and financial planning for the recognition program. The types of awards these innovative biotech companies use vary— from lunch with executives to certificates and trophies to those with higher monetary values— but they all share a commitment to formalizing and promoting their recognition programs.

## Lesson #6 – Driving culture through top leadership.

All of the companies we spoke with credited their executives with setting the tone for a strong culture. Indeed, 89% of life sciences companies in Radford's 2016 Talent Pulse Survey said CEO and leadership communication is the most effective vehicle for driving culture. Furthermore, several of the innovative biotech companies still have their founder involved (to varying degrees) in the company. A 2016 study by Purdue's Krannert School of Management found that companies where the founder still plays a role are more likely to make bold investments in their business model, generate 31% more patents and create patents that are more valuable. Why? Founders are so rooted in the original mission of the company and invested in the firm's long-term success; they can be some of the biggest advocates for preserving the culture in the face of rapid growth.

## Lesson #7 – Seek inspiration and be challenged by your peers.

Some of the companies we spoke with say they look for benchmarking against peers with a similar business model strategy focused on innovation. One company said they want to benchmark against companies with “transformational sciences” and a culture where taking risks is supported. Keeping these types of companies in your eyesight helps prevent complacency and maintains a commitment to continual improvement.

## Lesson #8 – Have teams work collaboratively and cross-functionally.

Research by Nielsen finds concepts developed by teams representing four or more functional groups outperformed those developed by teams from just one functional group. There are many ways innovative companies do this, including indexing skills and using data to form networks, basing teams around diversity, removing organizational silos, establishing innovation hubs that draw on the power of collective thinking, building community spaces and designing work processes around an agile design framework with the focus on the patient.

## Lesson #9 – Identify and notify high potentials of their value and status to the organization.

High-potential employees— often identified through talent development processes like Nine Box ratings— are your future leaders, but if they aren't nurtured they are at risk of leaving. [Only 20%](#) of life sciences companies surveyed in Radford's 2016 Talent Pulse Survey say they communicate to their employees that they are high potentials. Our innovative biotech clients note that their high potentials often grow into future leaders of their organizations and they invest heavily in them because of this.

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For more information about the topics mentioned in this paper or to speak with a member of our talent and rewards consulting group, please write to [consulting@radford.com](mailto:consulting@radford.com). To learn more about upcoming Radford events, [click here](#).

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