

WHITE PAPER

The H.A.I.L. Survey HBA Attributes & Influences of Leaders

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Executive Summary

Recognizing a need to take the pulse of the healthcare manufacturing industry on the critical subject of leadership, the Healthcare Business women's Association (HBA) and *Pharmaceutical Executive* magazine (PE) conducted a benchmark survey on attributes and influences of leaders during May 2003.

This white paper summarizes the results of that survey of 899 respondents to an email invitation sent to approximately 12,000 professionals invited to participate. The study explores confidence in leadership across broad industry sectors, the key drivers of our business, identifies the traits *valued, demonstrated, possessed* and *desired* in leaders, and suggests opportunities for strengthening leadership performance and development areas for current and future leaders. It is the intent of both PE and the HBA to repeat the survey in the future to track and understand evolving views of industry leadership.

While confidence in leaders across all industries has been shaken in recent years, these professionals report having the highest level of confidence in their own leaders versus those of other sectors.

Respondents were asked to indicate the level of confidence they have in the leadership of seven sectors of the economy. Respondents report the highest level of confidence in healthcare manufacturing and then, in decreasing order, in Healthcare Providers, Charity/Non-Profit Organizations, Government, Organized Religion, Financial Services and Healthcare Insurers. The ratings followed similar patterns regardless of respondents' company type or size, gender, or years in the industry. Overall, from this point in time and looking back five years to 1998 and forward five years to 2008, respondents report a generally declining sense of confidence in leaders, mirroring a trend reported in the popular media. Of particular concern to the healthcare industry, respondents exhibit little confidence that there will be real improvements in the future, signaling a call to action to industry leaders to rebuild trust and to find effective ways to enhance the image of the industry as a whole.

Shareholder return and the personal advancement and wealth building of leaders are perceived overall to be greater business drivers in the healthcare industry than meeting patient, customer, community and employee needs.

When asked to rate healthcare manufacturing businesses' intent to deliver on a list of considerations, respondents report that "Shareholder Return," "Leaders' Personal Advancement/Wealth Building" and "Customer/Patients' Needs" top the list of five queried factors that drive the businesses of our respondents. "Employee Needs" and "Community Service" fall to the bottom of this list of five drivers. While driving strong business results certainly is critical to ensuring resources for the development of future healthcare solutions, it is of concern that industry participants perceive that our leaders are putting personal advancement and wealth building ahead of meeting the needs of the patients we serve.

It is likely that news media highlighting the actions of a few once-revered companies and the actions of their leaders to divert resources or disguise performance for their own personal gain has created a shadow over the unselfish day-to-day actions of the majority.

This survey can only raise, and not answer, the obvious questions of whether what our respondents see is, indeed, the “right” order of priority or if the industry requires an adjustment in those priorities or if, in fact, the solution is merely a communications campaign to improve the image of the industry as suggested by many respondents. In future research, a longer list of business drivers should be probed to add perspective and context to this reading.

The importance of good leadership and a growing attention to the motives of business leadership is reflected in this survey’s respondents’ placement of ethics at the top of a list of attributes valued in our leaders.

Respondents were asked to assess a list of 20 attributes believed to be critical to the business environment today. (The list of tested attributes was derived from a much longer list of traits collected from literature and industry leader interviews.) It should be stressed that *all* of these attributes are considered to be important, so ratings by respondents simply reflect the relative magnitude or order of importance among a set of *already important* traits. Among the 20, “Behaves Ethically/With Integrity” was considered to be the most *valued*. “Action Oriented/Results Focused,” “Demonstrates Accountability for Actions,” “Is Customer Focused,” and “Strong Business Acumen” rounded out the Top 5 most *valued*.

Considering the earlier responses to business drivers, it is not surprising that when asked to assess the extent to which their own leaders clearly *demonstrate* the Top 5 most *valued* attributes, it is not surprising that respondents scored the attribute **Accountability for Actions** ninth out of twenty. The other four most *valued* attributes were reported to be among the Top 5 most *demonstrated* by survey respondent leadership.

Compared to the average, respondents in Corporate Management functions tended to rate leaders’ *demonstrated* performance more highly on **Accountability for Actions** as well as on most other attributes. This disconnect may reflect a physical and intellectual separation of those at the most senior levels of the healthcare industry. That separation may result in reduced trust and might, if addressed, energize the industry and allow corporate management to lead us on to the stronger business results called for by our many constituents.

As Leaders at all levels we share the responsibility to have a positive impact on perceptions of the healthcare industry.

Survey respondents agree that we all are leaders; we influence others regardless of professional level and those in our industry have (by definition) a particularly high level of responsibility for conduct with integrity. The self-assessment portion of this survey indicates that respondents consider themselves overall to most *possess* the following attributes: Action Oriented/Results Focused, Behaves Ethically/With Integrity, Demonstrates Accountability for Actions, Is Customer Focused and Team Oriented. It is both interesting and encouraging to note: these respondents assert they possess the leadership trait of Integrity at a level higher than what they perceive is demonstrated by their business leaders. Respondents’ signal a desire to improve on both traditionally “soft” attributes (Is a Visionary, Motivates Others, and Manages Ambiguity) and “hard” business skills (Skillful Negotiator & Strong Business Acumen).

While most of these respondents consider themselves leaders in their companies, less than one third consider themselves leaders in the community. It may be that more community involvement, bringing skills and experience learned in corporate meeting rooms would balance lives while also building bridges to key markets and constituencies.

The great challenge will be developing responsible future leaders

Respondents shared that the industry faces several key challenges: the external pressures of regulation, pricing, access, and public trust and the internal process challenges of innovation, professional development, and the stresses of a consolidating industry. Many propose establishing trust both in the public sector and among employees via an industry-wide public relations campaign emphasizing the benefit of pharmaceuticals and providing education on the expense of new product development.

The retention of talent emerges as a resounding theme from the many suggestions offered by respondents. Concerns are voiced that top talent is leaving the industry as employee's loose confidence in leadership through difficult mergers, scandal, and public pressure. Suggestions are offered to identify and develop leaders, provide mentoring opportunities, reward ethical behavior as well as performance, and focus on attracting and retaining those who embody the valued attributes of leadership.

This survey identified a level of concern that there may be a lack of resources (or resource utilization) for developing appropriate leader skills, particularly among the respondents in the smaller companies. Respondents employed by companies with 10,000 or more employees are statistically more likely to agree that these resources exist. The survey did not query if these resources are well utilized or if they address the appropriate development areas.

Beyond formal training programs, respondents universally supported that mentoring is important to the development of strong leaders. And yes, challenges remain:

- Where are the mentors for so many future leaders?
- Can current leaders step up to the task to build trust and familiarity to identify and groom future generations of industry leaders?

This survey is a benchmark and the concern voiced by respondents for the future is a wake-up call, not necessarily a prediction. Our actions and efforts as leaders and mentors will shape the outcome of our future.

Introduction

Leadership and professional behavior in business have been widely discussed in the public arena in recent years. Much of the news that fuels the public conversation of late is the sensationalism surrounding lapses of ethics and of fiduciary trust among once revered leaders. What may be less newsworthy, but equally interesting to healthcare professionals, is direct observation of what is *perceived, valued, demonstrated, possessed* and *desired* in leaders in the healthcare manufacturing sector. The Healthcare Businesswomen's Association and *Pharmaceutical Executive* magazine, both integral partners with the healthcare manufacturing sector in the United States, particularly in the prescription pharmaceutical sector (historically known as the "*ethical* pharmaceutical industry") undertook in the spring of 2003 to conduct a survey of members, readers and prospects, all of whom are professionals *inside* the sector. The intent of the survey was to identify what industry professionals perceive about the leadership and business drivers and to allow them to report on their personal leadership attributes and desires for areas of improvement for the future.

This white paper presents the full results of the survey and is prepared primarily to thank the nearly 1000 willing respondents for sharing their time and thoughtful input on the critical topic of our industry's leadership. The top-line results of this survey were previously reported in an article prepared for a special supplement on Leadership in the August, 2003 issue of *Pharmaceutical Executive*. [**"Integrity at the helm?"** Shalo, Sibyl, Volume: 23 Number: 8 ISSN: 02796570 Publication Date: 08-01-2003 Page: S6]

Objectives

The purpose of this research was to take the pulse of industry professionals on the subject of leadership and thus further the conversation to identify opportunities and participate in strengthening industry leadership with objectively collected information from a large number of professionals. Specifically the objectives were to:

- Poll primarily the healthcare manufacturing industry's perception of leadership and the factors that drive our business among a broadly representative group of industry professionals;
- Describe the key attributes primarily of the healthcare manufacturer sector's current leaders;
- Perform a self-assessment of which leadership attributes our respondents believe they personally bring to their own work;
- Identify those attributes that respondents and their leaders want to focus on developing in future; and
- Create a benchmark against which future surveys can measure change.

Methodology

The survey instrument was developed jointly between the Healthcare Businesswomen's Association and *Pharmaceutical Executive*. The list of twenty leadership attributes and issues to be probed were identified through literature review and qualitative interviews with industry leaders.

The survey was conducted between May 1 and May 19, 2003, via the internet (by email invitation with a link to the survey website). The survey recruited professionals in healthcare manufacturing and those in advertising, communications, medical education and other companies that serve the healthcare manufacturing sector and whose e-mail addresses were known to *Pharmaceutical Executive* magazine (11,411) and/or the provider's Healthcare Businesswomen's Association (3,373).

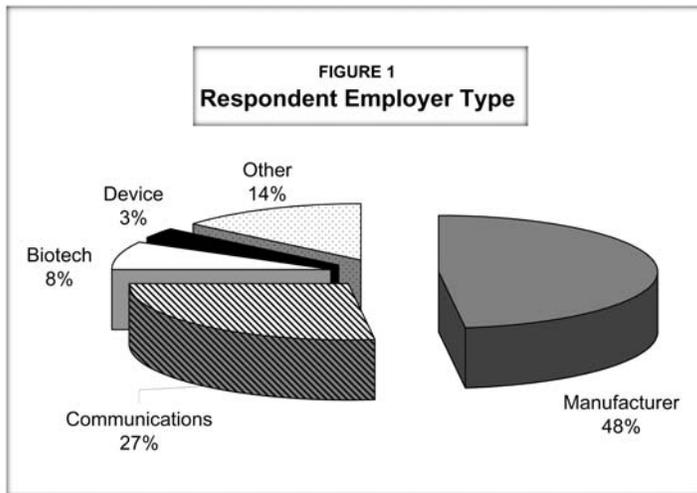
Five hundred twenty-six invitation emails "bounced-back" as undeliverable. That left 12,158 delivered emails. Some individuals may have been on both lists; these were invited twice. Nine hundred forty-five responses were reduced by 46 for being: blank, more-than-one-per-email address or an exact copy of another response (including open-ended questions). This left 899 usable responses. The numbers of respondents answering any individual question varied. (Skipped answers were permitted.) Only a handful of questions had less than 850 respondents.

Results were tabulated and tested (T-Test for means; Z-Test for Percentages). Responses were compared across: Genders, HBA Membership Status, Time in Industry, Time in Current Field, Type and Size of Organization, Age Groups, Marital Status, Number of Children at Home, Education, Income Groups, Geographic Region and Corporate Functional Role.

Two open-ended questions each generated approximately 550 responses. Seven hundred respondents (700 or 77.9%) indicated they would like to receive a copy of this white paper.

This survey's methodology (few questions for many respondents in a short time) didn't allow for developing much understanding of the "why" behind reported ratings. Observers can only speculate about the roles that familiarity, self-knowledge, news reports, direct experience and industry "buzz" played in forming reported opinions.

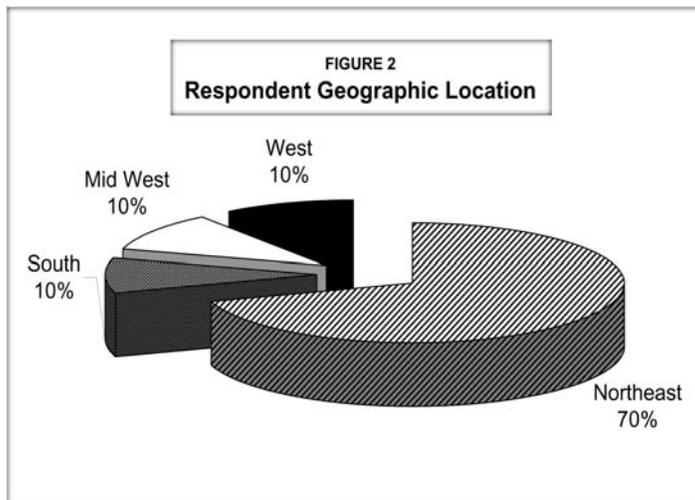
Demographics



The figures and tables that follow demonstrate that the respondents to this survey were broadly representative of the audiences in both sponsor organizations and in the healthcare industry as a whole. They are professionals, evenly divided from the manufacturing and service sides of the sector. They are employed and geographically dispersed much as the U.S. industry is located, and unsurprising to the sponsors in most other ways.

Respondents were predominantly women (69.4%). We could identify no appropriate industry gender split estimate to use as a benchmark against which to compare this figure. Nonetheless, the results of this survey were analyzed by reported-respondent gender and only in a very few instances were any significant gender differences in responses noted.

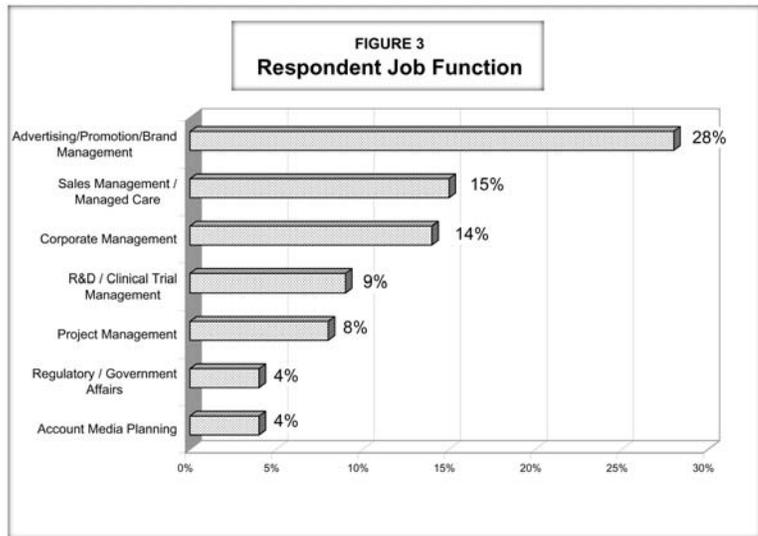
Our respondents have an average of 14 years experience in the industry. Seventy-five percent of them report that they are a subscriber or regular reader of *Pharmaceutical Executive*. That includes 93% of the men and 67% of the women; most of the men's



names came from the PE list. Respondents were fairly evenly dispersed by organization size, with about one third working in each of three size ranges of organization: less than 100, between 100 and 10,000 and over 10,000 employees. The commercial side (marketing and sales) of the industry is more heavily represented than the research side. Survey respondents are in the prime of life (88% are between 31 and 60 years old), very highly

educated (41.9% have a Masters degree and 16.3% have a Doctoral degree), mostly married or partnered (74%) and evenly split between having and not having children under age 19 in the home.

Six hundred eighty-nine (689, or 76.6%) of these respondents were willing to report their income range. One in five or 20.6% of those reporting an income range earn less than \$100,000 per year. Another 49.9% of those reporting an income range report income between \$100,000 and \$200,000 per year. The remainder, 29.5%, makes more than \$200,000 per year.

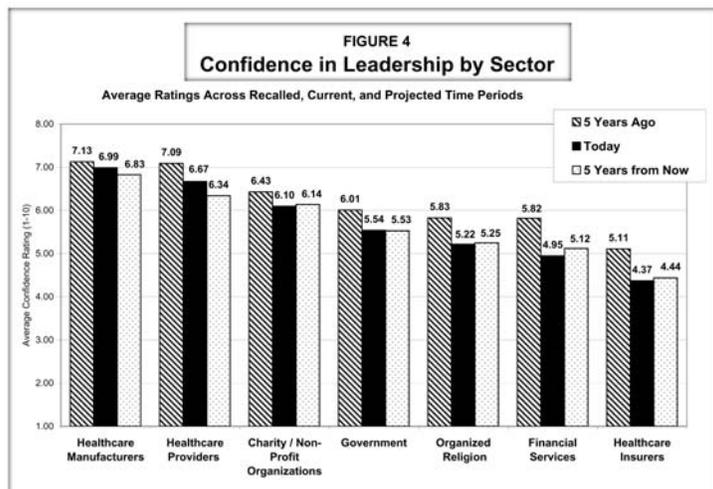


Figures 1, 2, and 3 capture the employer, geographic, and job function demographics of this group:

Results

Confidence in Leadership

Respondents were asked to indicate the level of confidence they have in the leaders of the following sectors: **Government, Healthcare Manufacturers, Healthcare Providers, Healthcare Insurers, Financial Services Providers, Organized Religion, Charity/Non-Profit Organizations.** In general, from this point in time and looking back five years and forward five years, respondents report a generally declining sense of confidence in leaders, mirroring a trend reported in the popular media.



Respondents report their highest confidence in their own sector's leaders -- healthcare manufacturing -- and then, in decreasing order, in Healthcare Providers, Charity/Non-Profit Organizations, Government, Organized Religion, Financial Services and Healthcare Insurers. The ratings followed similar patterns regardless of respondents' company type or size, gender, or time in the industry.

Those in sales and marketing tend to rate all sectors higher than their colleagues in other business functions. Older respondents and those with higher incomes tend to rate lower

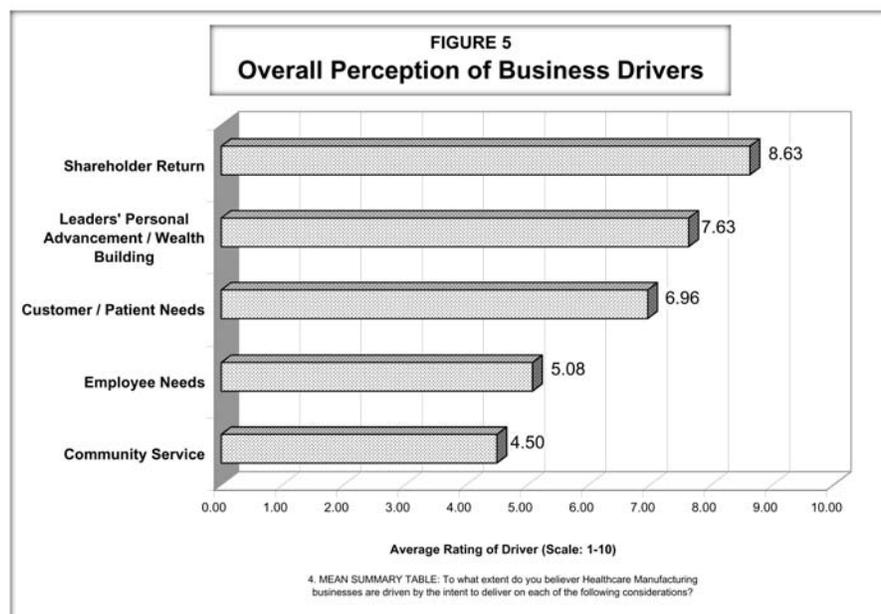
confidence in all sectors than their younger or lower income colleagues. (Note: It is likely that there is a correlation between age and income.)

Across all queried sectors, confidence in leaders is reported to have decreased in the last five years. Regarding Financial Services, Organized Religion, Healthcare Insurers and Charity/Non-Profit Organizations, respondents report they have some optimism about their confidence in leaders improving by five years from now. There is less optimism about Healthcare Providers and (their own) Healthcare Manufacturers sector. These two are the sectors about which respondents have the highest current confidence. Again, one can only speculate as to the “why?” here and how much this expectation is driven by self-knowledge, fear that scandals will continue to envelope more sectors, industry “buzz,” and this industry’s aptitude to see all things from a “critical distance” due to the high level of university training among these respondents.

Figure 4 illustrates the “Confidence in Leadership by Sector” results.

Perceptions of Business Drivers

Respondents were offered a list of factors that drive business decisions and asked to rate the extent to which they believe Healthcare Manufacturing businesses are driven by leaders’ intent to deliver on each one. Respondents rated the factors in this order:



Shareholder Return, Leaders’ Personal Advancement/Wealth Building, Customer/Patients’ Needs, Employee Needs, Community Service. All five are clearly considered to drive leaders’ decisions, with scores of 4.5 or higher where 0 = “not at all a driver” and 10 = “a really important driver.” Shareholder Return is cited as foremost among these drivers. Leaders’ Personal Advancement/Wealth Building is a strong second and is rated higher than Customer/Patient Needs, Employee Needs and Community Service. Figure 5 shows the overall results.

There is a significant difference in the ratings given by respondents in the largest companies over 10,000 employees, from respondents in companies under 10,000. Those in the largest companies rate Customer/Patient Needs ahead of Leader’s Personal

Advancement and Wealth Building, with an average rating of 7.36 vs. 7.33 respectively from those 256 of our 899 (or 28.5%) respondents who work in the largest companies.

Respondents in Sales Management & Managed Care marketing functions rate Customer/Patient needs (7.68), employee needs (5.7) and community service (5.29) significantly higher than do colleagues in other functions by about 0.5 on the 10-point scale.

Customer/Patient Needs and Community Service receive higher ratings among respondents from companies with more than 100 employees. Those who have been in their field for more than five years and those in companies of more than 100 employees gave Shareholder Return the highest ratings.

Attributes of Leadership

The middle section of the survey questionnaire dealt with some 20 key attributes of leaders. The list queried was derived from conversations with leaders, qualitative interviews with target respondents and a literature review. It must be stressed that *all* of these attributes are considered to be important by our respondents and that the resultant rank order is simply an ordering of the magnitude of perceived value of each of these 20 attributes.

Respondents were asked to perform four tasks:

1. Select the top five of 20 attributes they perceive are most valued in the healthcare manufacturing sector
2. Select as many as they see are clearly demonstrated by the leaders in their own companies
3. Select the top five they personally bring to their jobs, and
4. Select up to five attributes they would personally like to improve upon for the future.

The results of these tasks will be referred to as attributes and groups of attributes that are:

- **Valued** (Task 1)
- **Demonstrated** (Task 2)
- **Possessed** (Task 3), and
- **Desired** (Task 4)

The attributes queried included the 20, shown in the list below in the order and text format in which they were queried:

- Demonstrates **Accountability** for Actions
- **Action** Oriented # / # **Results** Focused
- Manages **Ambiguity**
- Is **Approachable**
- Strong **Business Acumen**
- **Change** Oriented
- Active in the **Community** Beyond

- **Composed** Under Pressure
- **Is Creative**
- **Is Customer Focused**
- Genuinely Concerned for **Individuals #** /Demonstrates **Empathy**
- **Empowers** Others
- Behaves **Ethically/With Integrity**
- Has a Sense of **Humor**
- Shares **Information**
- **Motivates** Others
- Skillful **Negotiator**
- Is Well **Respected/Trusted**
- **Team** Oriented
- Is a **Visionary**

The several pages following present Attribute Summary Tables (2, 3, 4 & 5) which show the detailed overall leadership attributes results, highlighting the most and least *valued*, most and least *demonstrated*, most and least *possessed* and most and least *desired* of these 20 attributes. Figures 6 and 7, which are interleaved between those four tables, highlight notable exceptions and differences of emphasis among subgroups of respondents.

VALUED ATTRIBUTES

The top five attributes deemed most *valued* in the healthcare industry among the 20 queried are, in rank order, **Behaves Ethically/With Integrity, Action Oriented/Results Focused, Demonstrates Accountability for Actions, Is Customer Focused, and Strong Business Acumen** as illustrated in Table 2. Among these five most *valued*, respondents indicated that the leaders in their organizations generally also *demonstrate* all in the Top five, except for **Accountability for Actions** (#9 *Demonstrated*, see Table 3). This perception may have captured fallout from recent media (in Spring '03) regarding pharmaceutical leaders deflecting accusations of financial mismanagement or covering up poor performance for their own financial gain.

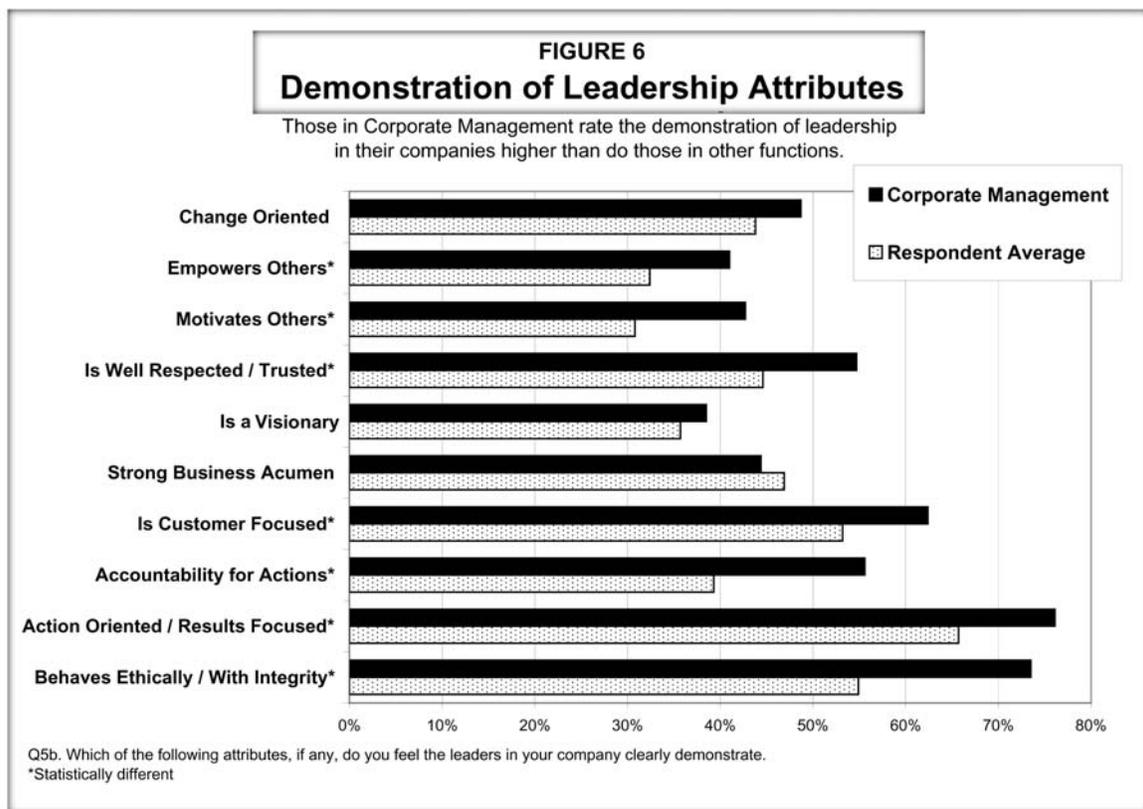
Corporate Management respondents *valued* **Behaves Ethically/With Integrity** and **Action Oriented/Results Focused** statistically higher than respondents in other functions.

Those in Advertising/Promotions/Brand Management/Market Research and Business Development & Strategic Planning *valued* **Is a Visionary** statistically significantly higher than did their colleagues in Scientific and Clinical Research functions, Project Management and other functions. Sales management and Managed Care respondents *valued* **Empowers Others** significantly higher than those in other roles.

DEMONSTRATED ATTRIBUTES

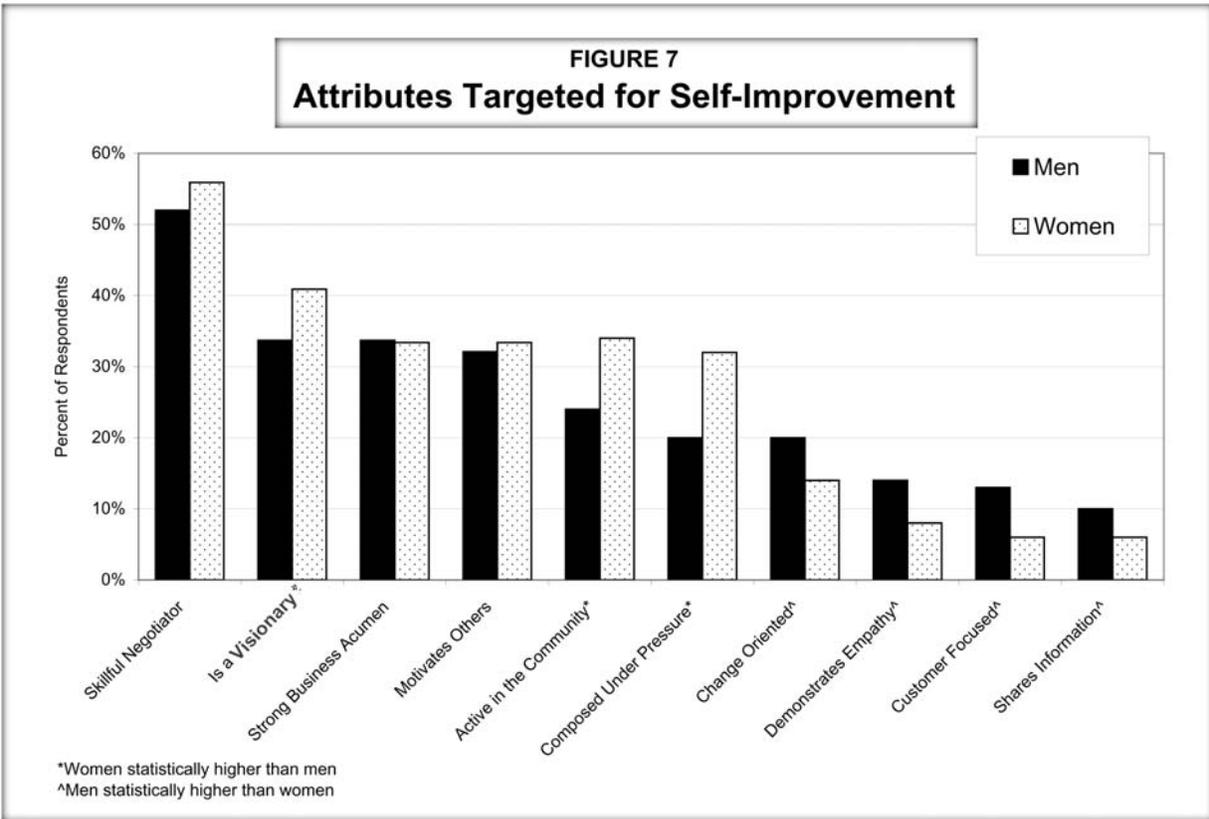
Those who are “closest to the action” of senior corporate leadership, respondents who report their function as in Corporate Management (Chairman, President, CEO, CFO, COO; 13.8% of the total) report significantly higher scores for their leaders *demonstrating* the Top 10 most *valued* attributes. (See Figure 6.)

It seems here that Corporate Management sees itself as *demonstrating* more than other functions can see that they, as leaders: **Behave Ethically, are Action Oriented/Results Focused, Accountable for Actions, Customer Focused, Well Respected/Trusted, Motivate Others, Empower Others, and Change Oriented.** The attribute for which there is the greatest disconnect between total respondents’ demonstrated score and other corporate function subgroups’ demonstrated score (significantly different from the largest number of other functional subgroups’ scores) is **Behaves Ethically/With Integrity.**



It may be that the physical separation of Corporate Management from rank and file employees, be that manifested in a separate campus, a cloistered executive office floor or private cafeterias, cuts both ways.

Corporate leaders who are not accessible and are not spending time “in the trenches” with those who they are responsible to lead, risk having the view of their intentions and personal attributes shaped more by forces and media outside the company than inside.



Leaders who have the greatest contact with their employees, who exercise Tom Peter’s “MBWA” (Management By Walking Around) also stay closest to the company’s knowledge of its customers, processes, products and development agendas. Corporate management may be able to realize the improved business performance our industry will need to fuel future growth by gaining the trust and support through enhanced communications and more frequent contact with each company’s employees and future leaders.

Attributes *Valued* in Leaders in Healthcare Manufacturing

<u>Attributes Queried</u>	<u>Percent Selecting Top 5</u>	
Behaves Ethically/With Integrity	58.4	} Most Valued 5
Action Oriented/Results Focused	51.7	
Demonstrates Accountability for Actions	45.6	
Is Customer Focused	45.0	
Strong Business Acumen	40.6	
Is a Visionary	40.3	
Is Well Respected/Trusted	33.7	
Motivates Others	28.0	
Empowers Others	24.6	
Change Oriented	19.6	
Team Oriented	17.2	
Composed Under Pressure	17.1	
Skillful Negotiator	16.3	
Genuinely Concerned for Individuals /Demonstrates Empathy	13.0	
Shares Information	12.0	
Is Creative	10.7	} Least Valued 5
Manages Ambiguity	8.1	
Is Approachable	6.8	
Active in the Community & Beyond	5.8	
<u>Has a Sense of Humor</u>	<u>3.2</u>	
Sum of Percents (“CHECK ONLY 5”)	5.0	
Total Responding to this Question	867	

Source: Q5a. In looking at the list below, please indicate the top 5 leadership attributes that you believe are most valued in healthcare manufacturing. CHECK ONLY 5

Table 2

Attributes *Demonstrated* by Leaders in Healthcare Manufacturing

<u>Attributes Queried</u>	<u>Percent Selecting</u>	
	<u>All that Apply</u>	
Action Oriented/Results Focused	65.7	} Most Demonstrated 5
Behaves Ethically/With Integrity	54.9	
Is Customer Focused	53.2	
Strong Business Acumen	46.9	
Is Well Respected/Trusted	44.6	
Change Oriented	43.8	
Is Approachable	42	
Team Oriented	40.5	
Demonstrates Accountability for Actions	39.3	
Is a Visionary	35.7	
Composed Under Pressure	35.6	
Shares Information	32.5	
Empowers Others	32.4	
Is Creative	31.8	
Skillful Negotiator	31.1	
Motivates Others	30.8	} Least Demonstrated 5
Has a Sense of Humor	30.2	
Genuinely Concerned for Individuals/Demonstrates Empathy	29.9	
Active in the Community Beyond	25.9	
<u>Manages Ambiguity</u>	18.1	
Sum of percents ("CHECK ALL THAT APPLY")	7.6	
Total Respondents to this Q	852	

Source: Q5b. Which of the following attributes, if any, do you feel the leaders in your company clearly demonstrate.
CHECK ALL THAT APPLY

Table 3

POSSESSED ATTRIBUTES

These 899 respondents, as a group, report they clearly *possess* the trait of **Accountability** but are not as robust in *possessing* **Strong Business Acumen** as they would like. Additionally, **Visionary Leadership**, # 6 in the ranking of *valued* attributes (Table 2.), is identified as a relative personal weakness by many respondents (#17 in Table 4.). Not surprisingly, then, these two attributes, **Visionary Leadership** and **Strong Business Acumen**, become targets for personal improvement in Table 5, illustrating the strong connection respondents appear to make between valued characteristics, personal strengths and weaknesses, and a desire to improve. The other top-*valued* attributes are ranked low in the area of personal improvement (*desired*), again, probably because respondents report they already *possess* and *demonstrate* these traits.

The traits of **Skillful Negotiator** and **Manages Ambiguity** ranked #s 1 and 5 as *desired* may be emerging Critical Success Factors. This likely is reflective of the era of alliances and mergers that the healthcare industry has been experiencing.

GENDER DIFFERENCES

Only in the area of personal strengths (*possessed*; Q5c) and targeted areas of improvement (*desired*, Q5d) (Tables 4 & 5), do minor differences emerge between the genders in this study, though not among the top *valued* attributes. *Desired* attributes mirror differences reported in *possessed* attributes. (See Figure 10.)

Specifically, women are more likely than men to want to improve in: **Is a Visionary** (41% of women versus 34% of men), **Active in the Community and Beyond** (34% vs 24%) and **Composed Under Pressure** (32% vs 20%). Women respondents *valued* composure significantly higher than men; 19% of women rated it in the top five versus only 13% of men.

Men are more likely than women to want to target for improvement: **Change Oriented** (20% of men vs 14% of women), **Demonstrates Empathy** (14% vs 8%), **Customer Focused** (13% vs 6%) and **Shares Information** (10% vs 6%).

Respondents reporting to be in Corporate Management were significantly more likely than respondents from other functions to *desire* to improve **Is Approachable** and **Team Oriented**.

Desire to become a more **Skillful Negotiator** was ranked higher by the following subgroups: persons in companies with less than 10,000 employees, those employed by Biotech and R&D Organizations, respondents in R&D and related functions or Project Management, and persons in their field less than 10 years.

Attributes Brought to the Job (“*Possessed*”) by Professionals in Healthcare Manufacturing

<u>Attributes Queried</u>	<u>Percent Selecting</u>	
		<u>Top 5</u>
Action Oriented/Results Focused	55.8	} Most “Possessed” 5
Behaves Ethically/With Integrity	55.2	
Demonstrates Accountability for Actions	41.7	
Is Customer Focused	41.0	
Team Oriented	36.3	
Is Well Respected/Trusted	32.4	
Is Creative	26.2	
Strong Business Acumen	24.2	
Is Approachable	23.8	
Genuinely Concerned for Individuals/ Demonstrates Empathy	23.0	
Motivates Others	21.4	
Shares Information	21.0	
Empowers Others	18.0	
Change Oriented	15.7	
Has a Sense of Humor	14.7	
Composed Under Pressure	14.5	} Least “Possessed” 5
Is a Visionary	11.1	
Manages Ambiguity	10.2	
Skillful Negotiator	6.0	
<u>Active in the Community & Beyond</u>	<u>5.1</u>	
Sum of percents (“CHECK UP TO 5”)	5.0	
Total Responding to this Question	782	

Source: Q5c. Using the following attributes, please indicate the top 5 attributes that you bring to your job. CHECK UP TO 5

Table 4

BOTTOM FIVE ATTRIBUTES

A few words are in order about least *valued*, *demonstrated*, *possessed* and *desired* attributes among the 20 tested.

Four of the “bottom five” *valued* attributes in the healthcare manufacturing industry -- **Is Creative, Manages Ambiguity, Is Approachable, and Has a Sense of Humor** -- appear to reflect a seriousness of purpose and a steadiness that certainly do not seem inappropriate for professionals responsible for the business of advancing the technology of health. The low value reported for **Active in the Community & Beyond** may be a correlate of the packed agendas of these professionals or it might be *valued* #19 of 20 simply because respondents see little evidence of reward for personal community activity even though some companies have successfully integrated encouraging their professionals to be active in the community with market and company image development.

The bottom five attributes *demonstrated* by respondents from companies’ leaders indicate perhaps too much “seriousness of purpose.” They are: **Motivates Others, Has a Sense of Humor, Demonstrates Empathy, Active in the Community** and **Manages Ambiguity**. Three of these five least *demonstrated* coincide with the attributes that are least *valued* in healthcare manufacturing. That **Motivates Others** and **Demonstrates Empathy** join the bottom of the list may point to areas for Human Resource departments to consider when prioritizing training and coaching programs.

The five least *possessed* attributes -- **Composed Under Pressure, Is a Visionary, Manages Ambiguity, Skillful Negotiator, and Active in the Community and Beyond** - - seem to be a group of attributes that require underlying experience, maturity, and confidence.

Unsurprisingly, four of the five least *desired* attributes (Q5d) coincide with the Top five *possessed* (Q5c). These are: **Is Customer Focused, Team Oriented, Demonstrates Accountability for Actions** and **Behaves Ethically/With Integrity**. The fifth is **Shares Information**.

Attributes Respondents Want to Personally Improve Upon (“Desired”) in Healthcare Manufacturing

<u>Attributes Queried</u>	<u>Percent Selecting</u>	
	<u>Top 5</u>	
Skillful Negotiator	54.3	} Most “Desired” 5
Is a Visionary	39.3	
Strong Business Acumen	33.8	
Motivates Others	32.6	
Manages Ambiguity	32.4	
Active in the Community & Beyond	31.1	
Composed Under Pressure	28.3	
Empowers Others	25.1	
Is Creative	22.9	
Change Oriented	15.8	
Action Oriented/Results Focused	15.7	
Is Well Respected/Trusted	11.6	
Genuinely Concerned for Individuals/ Demonstrates Empathy	9.6	
Is Approachable	9.0	
Has a Sense of Humor	7.7	} Least “Desired” 5
Is Customer Focused	7.5	
Team Oriented	7.0	
Shares Information	6.9	
Demonstrates Accountability for Actions	6.5	
Behaves Ethically/With Integrity	2.3	
Sum of Percents (“CHECK UP TO 5”)	4.0	
Total Responding to this Question	855	

Source: Q5d Which, if any, of the following attributes, do you feel you personally want to improve upon for the future? CHECK UP TO 5

Table 5

Attributes Summary Table

Table 6 below shows in a single table the attributes that rose to the top and sank to the bottom of the rankings for this group of respondents.

The first column shows the order of the 20 attributes *valued* (Q5a) with the Top five in ▲ and the Bottom five in ● the second column indicates the Top five (with ▲) and the Bottom five (with ●) *demonstrated* (Q5b); the third column shows the Top five (with ▲) and the Bottom five (with ●) *possessed*; and the fourth column similarly shows the Top five (with ▲) and the Bottom five (with ●) *desired* attributes.

The last column names for each an “Attribute Descriptor.” That column attempts to qualify, for classification, the sum of each attribute’s results for the respondent group as a whole.

If an attribute is both highly *valued* and highly *demonstrated*, it is described here as a “Real” CSF (Critical Success Factor). If it is also highly *possessed*, then it is described as “satisfied.” Thus the attributes **Behaves Ethically/With Integrity, Demonstrates Accountability and Is Customer Focused** are all described as “Real” CSF/Satisfied. If an attribute, for example **Manages Ambiguity, Motivates Others and Skillful Negotiator**, is not reported as highly *valued* and/or *demonstrated* and/or *possessed*, yet still ranks in the Top five *desired*, then it is described as a Perceived Critical Success Factor.

Action Oriented/Results Focused is highly *valued, demonstrated* and *possessed*, but not in the Top or Bottom five *desired*. Hence, it is captured in the fifth column as a Real CSF/ Moderately Unsatisfied. The attribute **Is a Visionary** is not highly *valued* or *demonstrated*, but it is ranked low for *possessed* and high for *desired*, so it is described as a Personal Goal. The attribute **Is Well Respected/Trusted** is not highly *valued, possessed* or *desired* among these 20 attributes, so it is described as a Neutral Observation.

Motivates Others is ranked in the Bottom five *demonstrated*, but in the Top five *desired*, earning it the descriptor: “Perceived” CSF. All 20 tested attributes are similarly evaluated and described.

Attributes Summary Table

Attribute	Valued	Demonstrated	Possessed	Desired	Attribute Descriptor
Behaves Ethically/ With Integrity	▲	▲	▲	●	"Real" CSF/Satisfied
Action Oriented/ Results Focused	▲	▲	▲		"Real" CSF/Moderately Unsatisfied
Demonstrates Accountability for Actions	▲		▲	●	"Real" CSF/Satisfied
Is Customer Focused	▲	▲	▲	●	"Real" CSF/Satisfied
Strong Business Acumen	▲	▲		▲	"Real" CSF/Unsatisfied
Is a Visionary			●	▲	"Perceived" CSF
Is Well Respected/Trusted		▲			Neutral Observation
Motivates Others		●		▲	"Perceived" CSF
Empowers Others					Not urgent
Change Oriented					Not urgent
Team Oriented			▲	●	Achieved
Composed Under Pressure			●		Minor Personal Deficit
Skillful Negotiator			●	▲	"Perceived" CSF
Genuinely Concerned for Individuals/Demonstrates Empathy		●			Minor Leaders' Deficit
Shares Information				●	Not urgent
Is Creative	●				Not urgent
Manages Ambiguity	●	●	●	▲	"Perceived" CSF
Is Approachable	●				Not urgent
Active in the Community	●	●	●		Not on the Radar
Has a Sense of Humor	●	●			Not urgent

How to read this table: The attribute “Is Customer Focused” is highly valued (Top 5, designated by ▲), highly reported to be demonstrated by company leaders (Top 5) and “possessed” (“brought to the job by respondents”), but that attribute is in the Bottom 5 (designated by a ● that respondents “desire” or “want to improve upon in the future.” Thus the attribute “Is customer focused” can be viewed as a CSF (Critical Success Factor) that is satisfied.

Similarly, the attribute “Is Creative” is not reported by these respondents to be highly valued, demonstrated or “possessed”; nor do respondents report a high “desire” to improve upon it in the future. Thus it can be viewed as “Not Urgent” to the respondents to this survey.

Table 6

Attributes Sorted by Descriptors

Figure 11 groups the attributes under “critical” (highly *valued* and/or possessed and/or *desired*) or “non-critical” (not in the Top 5 *valued*, and also not in the Top 5 *desired*), and sub-grouped under their attribute descriptors.

This way of viewing the results highlights where attributes fall on a spectrum incorporating the results from all four questions: Q5a, *valued*, Q5b, *demonstrated*, Q5c, *possessed* & Q5d, *desired*. Some are so highly *valued*, *demonstrated*, *possessed* and *not targeted for future improvement* (satisfied) they can be seen as part and parcel of standard leaders’ behavior in the healthcare manufacturing sector. These include **Behaves Ethically/With Integrity, Is Customer Focused** and **Demonstrates Accountability for Actions**.

The next group on this spectrum is a group of critical unsatisfied attributes: **Action Oriented/Results Focused, Strong Business Accumen, Manages Ambiguity, Motivates Others** and **Skillful Negotiator**. One may expect to find the promise to teach or build these qualities providing high attraction in seminar titles. These might also be fruitful topics for consideration for other human resources programs such as recruiting, both to build teams with motivators in common, and to fill competency gaps on teams.

Next there is a group of attributes that did not generate as much impact overall in this analysis. These include: **Genuinely Concerned/Demonstrates Empathy, Is Well Respected/Trusted, Composed Under Pressure, Active in the Community and Beyond. Team Oriented**, middling ranked as *valued* and *demonstrated*, highly *possessed* and in the Bottom 5 for *desired* appears to be not very urgent and essentially achieved.

At the low end of the same spectrum are revealed six attributes among the 20 queried with these respondents that simply are not urgent: **Change Oriented, Empowers Others, Has a Sense of Humor, Is Approachable, Is Creative, and Shares Information**.

Attributes Sorted by Descriptors

Critical Success Factors (CSF's)

"Real"* CSF(Critical Success Factor)/Satisfied

Behaves Ethically/With Integrity
Is Customer Focused
Demonstrates Accountability for Actions

"Real" CSF/Moderately Unsatisfied

Action Oriented/Results Focused

"Real" CSF/Unsatisfied

Strong Business Acumen

"Perceived"* CSF/Unsatisfied

Manages Ambiguity
Motivates Others
Skillful Negotiator
Is a Visionary

Non-Critical Factors

Minor Leaders' Deficit

Genuinely Concerned for Individuals/Demonstrates Empathy

Neutral Observation of Leaders

Is Well Respected/Trusted

Minor Personal Deficit

Composed Under Pressure

Not on the Radar

Active in the Community & Beyond

Achieved

Team Oriented

Not Urgent Attributes

Change Oriented
Empowers Others
Has a Sense of Humor
Is Approachable
Is Creative
Shares Information

* "Real" CSF = reported as highly valued +/- demonstrated +/- possessed

** "Perceived" = NOT reported as highly valued +/- demonstrated +/- possessed, yet still Top 5 "desired":

i.e.: respondents want to improve on these attributes in future.

Figure 11

Attributes' Overall "VDP" Scores

Finally, we calculated a "VDP" (Valued, Demonstrated & Possessed) score for each attribute. This score was calculated by normalizing the percent of respondents selecting an attribute in Questions 5a, 5b and 5c. Questions 5a and 5c asked respondents to select 5 attributes *valued* or *possessed*. The percent of respondents including an attribute in their Top 5 for each (Q5a & Q5c) was divided by 5 and summed. Question 5b permitted respondents to check as many as apply, that "the leaders in your company clearly *demonstrate*." The average number of attributes checked on Q5b (*demonstrated*) was 7.65. The percent of respondents including an attribute in their Top 5 on Q5b was divided by 7.65 and added to the sum from Q5a and Q5c described above to give the Overall VDP Score. Question 5d (attributes that respondents feel they personally want to improve upon for the future or *desire*) was not included in the VDP score due to its temporal difference from Q's 5a, b & c. Question 5d addressed a desire for the future vs. the current observations in Q's 5a, b, & c. This analysis permits an overall ranking of all 20 attributes, shown in **Table 7** with the Top 5 *desired* attributes shown in the third column.

Leaders of today's industry would do well to scrutinize this list and make a deliberate decision if this is the profile of attributes to take the industry most successfully into the future.

Attributes' Overall VDP* (Valued, Demonstrated & Possessed) Score

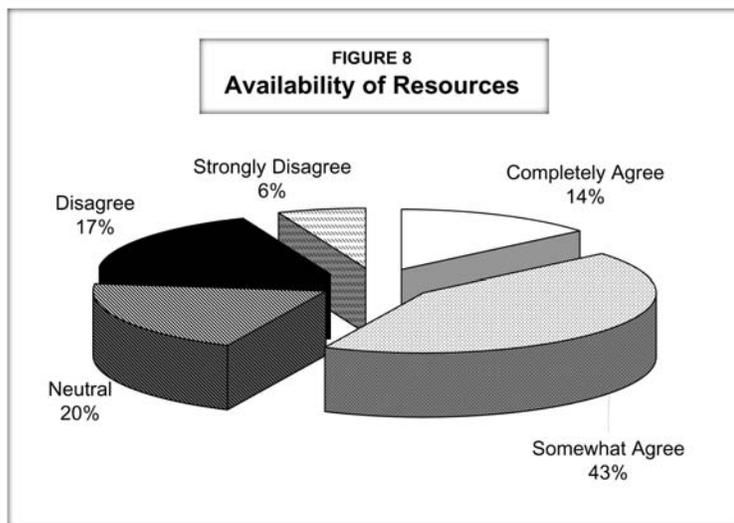
<u>Overall Attribute VDP Score</u>	<u>Overall VDP Score</u>	<u>Top 5 "Desired" Rank</u>
Action Oriented/Results Focused	30.1	
Behaves Ethically/With Integrity	29.9	
Is Customer Focused	24.2	
Strong Business Acumen	23.6	3
Demonstrates Accountability for Actions	22.6	
Is Well Respected/Trusted	19.1	
Team Oriented	16.0	
Is a Visionary	14.9	2
Motivates Others	13.9	4
Change Oriented	12.8	
Empowers Others	12.8	
Is Approachable	11.6	
Is Creative	11.5	
Genuinely Concerned for Individuals/Demonstrates Empathy	11.1	
Composed Under Pressure	11.0	
Shares Information	10.8	
Skillful Negotiator	8.5	1
Has a Sense of Humor	7.5	
Manages Ambiguity	6.0	5
Active in the Community & Beyond	5.6	

* The VDP* (Valued, Demonstrated & "Possessed") Score is calculated by normalizing the percent of respondents selecting an attribute in Questions 5a, 5b and 5c. Questions 5a and 5c asked respondents to select 5 attributes valued or brought to the job. Question 5b permitted respondents to check as many as apply that "the leaders in your company clearly demonstrate." The average number of attributes checked on Q5b ("demonstrated") was 7.65. Q5d (attributes that respondents feel they personally want to improve upon for the future) was not included in the VDP score due to its temporal difference from Q's 5a, b & c; i.e.: future desire vs. current observation.

Availability of Resources to Support Leadership Development

A little more than half, 56.4%, of respondents agree (Q.6) there are sufficient resources and opportunities available to support the development of responsible leaders in their organization. See **Figure 8**. Respondents employed by companies with 10,000 or more employees are statistically more likely to agree, 66.4%, these resources exist. (The survey did not query if these resources are utilized or if they address the appropriate development areas.)

It is a concern that nearly a quarter of respondents, 23%, disagree there are adequate resources available. An interesting question for future exploration would be if accessible resources exist outside their organizations.



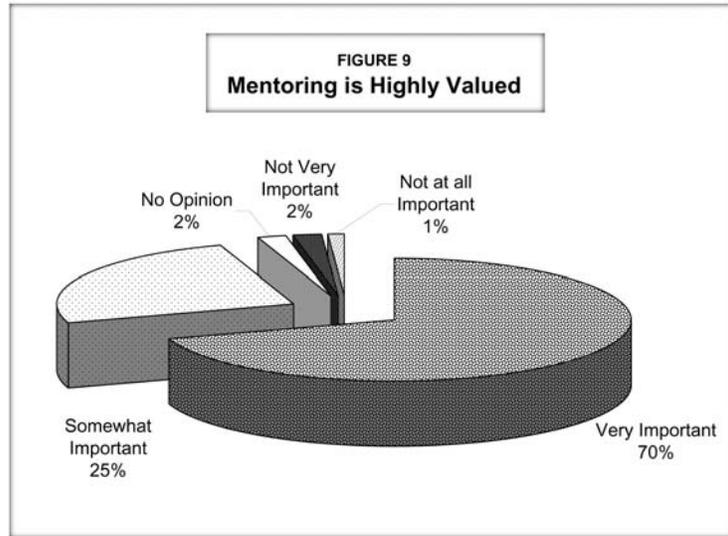
The one-fifth, 20%, remained neutral on this question, suggesting a lack of awareness of potential resources. It may be hypothesized that respondents either have not proactively sought leadership development opportunities or the existence of programs has not been actively or effectively communicate within their organizations.

An opportunity for the healthcare industry would be to evaluate whether existing programs target the most valued leadership attributes (particularly those where demonstration of the traits is not clearly evident), those that appear to be emerging as important characteristics, and those that respondents identify as personal development opportunities. See Tables 2 through 7 and Figures 7 and 8.

The Value of Mentoring

Nearly all respondents, 94% of the total, indicate that mentors (Q.7) serve an important role in the development of responsible leaders [See **Figure 9**]. This belief holds regardless of position, size or type of organization, geography, or time in the industry. Small differences between genders do emerge with more women than men valuing mentoring as important (95.2% of women versus 90.5% of men). However, as evidenced by the high percentages of each, both men and women recognize the contribution mentoring can make in leadership development.

The separation between Corporate Management and future leaders as evidenced by differing perceptions on performance on the most valued leadership attributes suggests there is an opportunity for the establishment of more connections between the most senior leaders of healthcare organizations and those targeted as potential leaders through mentoring. Mentoring activities offer an opportunity for information sharing, skill development and building trust across all levels in companies.



The Perception of Self as a Leader in the Company

The majority of these respondents consider themselves to be leaders in their companies (79% Yes to Q9a.). Men, those in the industry more than 10 years, respondents in smaller companies, respondents in corporate management and respondents over 35 years of age are more likely to report they are company leaders. See Figure 10.

Figure 13

The Perception of Self as a Leader in the Community

Contrasted to company leadership, fewer respondents consider themselves to be leaders in the Community (28% respond “Yes” to Q9b). Married or partnered respondents and those with children over the age of 5 are more likely to report themselves to be community leaders. Observers have to wonder if this is an artifact of overscheduled professional and family lives, an indicator of unbalanced priorities or a remnant of the culture change that has seen reduced civic and religious engagement for many professionals across industry sectors over the past several decades. This metric may point to another area for industry leaders to consider creating change. It may be that one way to improve the image of the healthcare manufacturing industry would be to support more community involvement among its skilled, educated professionals.

The Biggest Challenge & How to Approach it

In closing, the survey offered respondents an opportunity to share their perspective in their own words (limited to 200 typed characters per question). Question 23a and 23b queried respondents on the biggest challenge facing leaders in the healthcare sector today and how they would approach it. The very thoughtful and perceptive comments are highly summarized below and captured at more length in the second appendix to this paper.

The Biggest Challenge

“Respondents were asked, “*In closing, please share with us what you believe is the biggest challenge facing leaders in the healthcare sector today?*” Responses covered both the highly public and external pressures of pricing, access, and public trust as well as internal process challenges of innovation, professional development, and the stresses of a consolidating industry. Key themes are listed below in approximate volume order:

- Balancing patient needs and profits
- Public relations challenges: both public image and employee morale
- Developing the next generation of leadership and retaining the best talent
- Patients’ access to healthcare and the cost of healthcare
- Operating effectively as an industry within increasing regulatory pressures
- Innovation: bringing technology/new products to market quickly
- Changing business environment and consolidating industry

Taking on the Challenge

Respondents offered solutions to the challenges of leadership that address both internal and external considerations. Many propose re-establishing trust in the public sector via an industry-wide public relations campaign emphasizing the benefits of pharmaceuticals and educating the general public on the expense of new product development. Others expand that this should also include employees as many have lost the connection between their jobs and the value they bring to improving the lives of patients.

The retention of talent also emerges as a resounding theme from the many suggestions offered by survey respondents. Concerns are voiced that top talent is leaving the industry as employees lose confidence in leadership through difficult mergers, scandal, and public pressure. Suggestions are offered to identify and develop leaders, provide mentoring opportunities, reward ethical behavior as well as performance, and focus on attracting and retaining those who embody the valued attributes of leadership.

Value, innovation and process improvements in R&D and market access also are offered as solutions to meeting the challenges facing the industry today.

Conclusions

This survey collected for the first time a benchmark high-level view of the opinions of almost 1,000 educated, experienced and caring professionals in the healthcare industry. This white paper, written to thank the 700 who asked for a report of the results as the only compensation for their time and trouble, captures a broad, if not very deep view of the attributes and influences of leadership in our industry.

The unethical actions of a few top leaders in other sectors and in some quarters of the healthcare industry, has resulted in a widespread loss of confidence and increased uncertainty about the intent of many leaders. Some of that same loss of confidence is reported here from inside the companies who develop new technologies and products to enhance healthcare. We believe that our respondents’ speculation that their confidence will continue to decline should not be viewed as a simple prediction, but rather as a call to action. Negative press has overshadowed the *very real good* that is done by healthcare leaders and their companies.

Of more concern, the same shadow clouds the world's view of the benefits that pharmaceuticals, biotechnology companies, healthcare providers and others bring every day to improving the quality of life for patients and caregivers around the world. In this time of high health cost pressure and continued calls for government intervention in the pricing and provision of healthcare products and services, the image of our industry leaders and the perceptions of what drives the business will remain under critical review. The need for strong leaders has never been more obvious than it is today.

This study highlights five traits that are deemed by respondents to be the most important for leaders in our healthcare industry today. However, our caution is that these are at the top of a list of 20 very important traits that was derived from a much longer list of traits collected from literature and industry leaders. The skills required by leaders are recognizably far more extensive than this one survey could explore. These data further suggest that the relative ranking of these attributes may be subject to shifts over time as the industry evolves in response to growing economic, social and healthcare pressures. The end result is that the healthcare industry needs to adapt in order to both equip the leaders of today and prepare the leaders of tomorrow with the skills necessary to deal with an ever more complex and dynamic environment.

The good news is that we have surveyed a highly motivated and very engaged population of current and future leaders. Nearly all participants proactively recognized that regardless of level or title, they play a role as a leader within their organization. They also report bringing to their jobs key leadership attributes to drive strong business results through meeting customer needs ethically. These results also highlight that professionals in the healthcare sector recognize the need for continuous learning and skill development both with regard to their thoughtful responses on key attributes and identification of emerging critical success traits, including managing ambiguity and building negotiating skills.

In naming key challenges and recommending solutions, many of our respondents called for rebuilding trust and "overhauling" the image of our industry. We know Healthcare Businesswomen's Association and *Pharmaceutical Executive* magazine continue their focus on addressing the challenges identified in this survey in concert with leaders across and beyond our industry. Both organizations will continue to highlight challenges, providing forums for discussion, and monitoring performance as we all seek to meet the challenges of the present and future for ourselves and our patients.

Recommendations

We respectfully recommend that this survey be seen as a benchmark, a first chance to monitor its metrics. We recommend to both sponsor organizations and our respondents to be vigilant in our behaviors and practices today and everyday as responsible leaders, mentors and role models. We are confident the HBA will continue to offer both members and non-members the services and training that our respondents have told us here, by their participation and their answers, they will find engaging.

Acknowledgements

The authors wish to thank most especially the almost 1,000 colleagues in the healthcare manufacturing sector, subscribers to *Pharmaceutical Executive* magazine and correspondents of the Healthcare Businesswomen's Association who generously gave

their time and opinions to make this survey possible and thus, continue the conversation about leadership for the future of our industry.

Our gratitude is also due to the 2003 leadership of the Healthcare Businesswomen's Association: Nancy Larsen, President, Daria Blackwell, President-Elect, Mary Cobb, Immediate Past President, Donna Ramer, Co-Director of Communications and Co-Chair of the Third Biennial Women's Leadership Conference, and the many industry leaders who offered their insights into the interpretation of these results via roundtable discussion. We are also indebted to the leaders and professionals of *Pharmaceutical Executive* magazine, especially Patrick Clinton, Sybil Shalo, and Tria Diebert for participating in the survey, supporting the tabulation, early discussions of results, publishing the first-cut analysis of these data (in the August 2003 Supplement on Leadership) and for always championing the development of good leaders in healthcare.