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Leadership development is a concern for all executive management teams, no matter the size of their company or their business model. It's vitally important to have processes in place that foster talent development for the next generation of leaders.

The subject of this month's Forum had been on the books, so to speak, for several months before I had the opportunity to attend the Healthcare Businesswomen's Association's (HBA) Leadership Conference last fall in Boston. After attending several sessions at the conference, particularly one on "Defining Life Sciences Leadership," and having many conversations on this subject, the questions became clear: where are the next generation of leaders going to come from and what qualities and competencies would these high-potential employees need to succeed in the life-sciences industry?

Deborah Coogan Seltzer, senior VP/managing director in the Atlanta office of Boyden Global Executive Search and a director at large of the HBA, moderated a session that addressed frontline perspectives on leadership. Among the panelists at this session was John Mitchell, who leads Spencer Stuart's life sciences practice for North and South America. Mr. Mitchell was kind enough to provide a great deal of information on leadership development based on a survey his company conducted with CEOs and human resources executives.

The study examined the state of talent development in life-sciences companies, particularly in light of how the industry's new complexities are affecting the leadership requirements for senior executives and the strategies and approaches life-sciences companies are adopting to develop future leaders.

According to consultants at Spencer Stuart, the study revealed several interesting conclusions. First, the profile of the life-sciences leader is shifting as a result of several developments: the industry has become more complex; the product development cycle has become longer and more expensive; and corporate governance practices are facing intense scrutiny by investors and regulators. People development skills, operational expertise, the ability to drive results,



Taren Grom

If companies are going to prepare their organizations for the future, they must make talent development a priority today.

personal ethics, and a commitment to social responsibility are critical for today's life-sciences leaders.

Second, while the executives surveyed value talent development and succession planning programs, those programs remain a work in progress at most companies.

More than one-quarter of the CEOs and human resources executives who were surveyed characterized their succession planning and talent development efforts as "below average." Only 10% of CEOs said their programs were best-in-class.

The challenges facing life-sciences companies today are likely to continue for the foreseeable future; therefore they must make talent development a priority.

Executives interviewed for this month's Forum agree with Spencer Stuart's assessments that talent development programs are most effective when they have the support of the highest levels of management and the board, are closely linked to company strategy, and are executed widely across the organization. Programs should include clear, well-managed, and systemic processes, including processes for measuring results and holding managers accountable for success.

And the success of programs can be measured in a variety of ways, such as benchmarking the company's turnover, bench strength, number of external hires, and the ability to promote internally. Managers can be held accountable for achieving program goals through annual incentive plans, tying a percentage of salary to talent development goals, and having regular discussions about succession planning and talent development.

Taren Grom
Editor

Leadership development