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Just human nature

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Whatever the changing fortunes of the biotechnology industry, successful management of human resources is essential to the survival and success of the company.

Perhaps the most valuable, but often least recognized, source of a company's "intellectual property" is its staff—whether in the passion and brilliance of its scientists or the enthusiasm and expertise of those in business and regulatory functions. However, keeping those hearts and minds loyal to the cause is no easy feat. Human resources (HR) constitutes an increasingly critical function in any biotechnology company, particularly in an industry that's in an increasing state of flux.

Happy families

In past years, the largest percentage of students entering graduate programs had their sights set firmly on tenure-track positions within academia. But times have changed with the advent of the biotechnology business sector, and although many continue to pursue those elusive positions, many more life science graduates are now attracted to industry jobs at biotechnology companies. However, keeping employees happy is no easy task, and even during the best of times it is easy to lose good people.

Most HR managers admit that although salary may influence the decision to take a job, it is not the reason why people stay. Indeed, when asked to describe what they like most

about a particular position or employer, employees rarely make reference to salary. Companies try to maintain competitive "compensation packages." However, managers have sufficient access to "insider" information about industry standards that there are now few dramatic differences between the packages offered by different employers. So, how do different companies manage to motivate their technical staff to such disparate degrees? What helps create a creative research team rather than one of equal "horsepower" but churning out average work? What separates a company that loses its best people after a merger from one that pulls off the deal while retaining all the key team players? The difference lies in the reward programs offered to "right" behaviors, and the way in which these behaviors are defined.



The major motivators for employee loyalty have always been a sense of achievement, recognition among peers, the challenge of the work itself, and opportunities for responsibility, advancement, and personal growth. These are the "keys" to the reward systems targeted at creative work forces, and in HR circles they have become the elements of "satisfaction-based" reward programs

Scientists, in particular, respond well to such programs. They are *creative employees*—or innovators—and need a bit more latitude than other staff. Scientists are generally not motivated by the same rewards as other employees, and need to feel that they are being given the opportunity to use their unique skills and particular gifts.

Winning combinations

Compensation reward systems can incorporate cash, bonuses, profit sharing, and stock options. Obviously, many companies have limited resources and the company's reward system cannot be limited to these. However, with the right combination of satisfaction-based rewards, companies can take control of staff motivation and ensure that the best people stay on board both in body and mind.

Successful companies of any industry sector ensure that reward systems meet the following seven criteria:

Strained relations

In any "roller-coaster" employment marketplace, there are always companies in a state of flux—either downsizing or going through merger and acquisition (M&A) activity. Mark

Dibner, chief executive officer of the strategic business information provider, the Institute for Biotechnology Information (Research Triangle Park, NC), says that although the biotechnology sector is robust, M&A will be a continuing phenomenon. When asked about the effects of these mergers, Dibner says it is HR that has to face the biggest hurdle—to preserve the company's ability to do good science. Dibner says: "The HR manager must learn to manage the resulting chaos of a merger or acquisition."

Bennet Weintraub, chief financial officer of Valentis (Burlingame, CA), has already weathered the storm ensuing from a merger, and he has emerged with a refreshing attitude. "We lost some good people and learned a few lessons," he says. Weintraub's previous company MegaBios (Burlingame, CA) joined forces with GeneMedicine (The Woodlands, TX) in 1999 because the two companies saw that they had a common interest—the nonviral delivery of genes—and would therefore be stronger as a joined entity rather than as separate, competing businesses. Before the merger, which created Valentis, the two companies employed a total of 200 people. After the merger, there were significant moves to save costs, resulting in a reduction of the number of staff to 80. Weintraub says: "These cost savings were obvious from the first meeting we had together, but of course we knew that it would be a traumatic situation for a lot of our employees. In a merger like this, there is a great effort to focus on certain key projects, and this leaves some people whose skills are no longer a fit. Prioritization must take place, and this means that the company will pick the best people possible to manage these."

Weintraub believes that the company emerged stronger as a result. When asked about what lessons he learned, and what he might do differently, Weintraub suggests that companies consider the following three points:

Biotechnology companies are now an attractive destination for a wide variety of scientific professionals, including a new crop of budding young bioentrepreneurs. A commitment to intelligent and effective human resources is, however, just as essential as the availability of willing bodies and bright minds, ensuring that companies are in the best shape to cope with the future fortunes of the biotechnology sector.