



Guttman Insights

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Janssen Pharmaceuticals, Inc., a pharmaceutical company of Johnson & Johnson, provides medicines for an array of health concerns in a wide number of therapeutic areas, including oncology, neuroscience, immunology, cardiovascular, and infectious diseases. The company serves the broad needs of the healthcare market, from patients to practitioners, from clinics to hospitals. Mark A. Bach is head of Asia Pacific Medical Sciences and China innovation leader, responsible for Research & Development and Medical Affairs in the Asia-Pacific Region.

In this issue, Janssen Pharmaceuticals' Mark Bach discusses the challenges of leading a far-flung R&D function across China and the Asia-Pacific region. Need a leadership brand makeover? Howard M. Guttman tells you how to go about it. And GDS consultant Wendy Weidenbaum opens up her notebook to talk about how one client bridged the perception divide between the leadership team and those reporting to it. All this in a five-minute read.

What, if anything, is unique about the Chinese approach to medical innovation?

In general, there's a lot of impressive talent in China. Many professionals are returnees, who have come back to China after receiving training abroad, and there is also an increasing number of scientists trained in China. The level of experience is growing rapidly among Chinese scientists, but there is still strong demand for experienced scientists with a track record of innovation. A big challenge to bringing innovative medical products to patients in China is the regulatory environment. It takes more time to run clinical development programs and get medicines approved in China than anywhere else in the world, with approvals coming six to seven years after they do in the U.S., E.U., or Japan. This "drug lag" impedes innovation and the ability to get new medicines to patients.

How is the drug lag reflected in the medical marketplace in China?

China is the second-largest pharma market globally, but the medicines that are being sold there are often not the newest, most innovative ones that are available elsewhere. Older drugs and generics make up the majority of sales at present. The Chinese market is divided broadly into the smaller self-pay segment—those who can afford to pay for the most innovative treatments—and a much larger market that has various levels of insurance.

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Leader's Corner: Mark A. Bach - The High-Performance Remedy at Janssen Pharmaceuticals

To what extent does the rich history of Chinese medicine inform your approach to medical research?

We're certainly aware of traditional Chinese medicines. In both Japan and China, patients often take a combination of pharmaceuticals and traditional remedies. Although we do not develop and sell traditional remedies, we need to consider potential interactions when they are taken concomitantly with our medicines.

Your title suggests that you have dual responsibilities. What are they?

As the head of Asia Pacific Medical Sciences, I'm responsible for R&D in China and Japan and regional medical affairs. I also share with our global functions responsibility for regulatory and safety. The regional leaders of these, as well as a few other functions, comprise my leadership team, which is multi-cultural, with members from China, Japan, Singapore, the U.S., and Malaysia. We're a matrixed organization so, as noted, most of my team members also report to global functions. As China innovation leader, I am directly responsible for R&D in China, and I have a second leadership team comprised of the heads of R&D functions in China, most of whom are Chinese.

What are your biggest leadership challenges?

For one, my responsibilities cover a vast geography, which is made up of diverse cultures. My regional leadership team includes 12 members located in 8 different countries; this diversity is a strength. Janssen's matrixed organization is also complex, and we are a relatively new organization, so we are still growing together as a team. Our regulatory environment is diverse, complex, and frequently changes. There is strong competition for top talent, so ensuring employee development and building bench strength is a priority.

I imagine that each area you lead has its own challenges.

At the regional level, the key challenge was to build a sense of cohesion. Most members of the team have a dual reporting relationship—to me and to a global functional leader. We work together to bring global, regional, and local perspectives to our decisions.

In China, the challenge was to get to know the team and earn the trust of the organization. We are building a strong leadership team and have implemented transparent governance processes. We encourage open debate on strategy, regardless of hierarchy; clear documentation; and dissemination of decisions.

Given this complexity, how did you establish leadership presence?

Managing a group of executives with whom you don't interact personally every day is difficult. You first have to show up and let people know what you stand for; then you have to share your vision of leadership with your organization and invite them into it, so everyone will want to follow this vision and contribute. Establishing a strong governance process is also important.

What do you mean by a "strong governance process?"

By governance process I mean that we have a clear set of ground rules for decision making: who makes decisions, what is the thought process behind the decisions, under what conditions you need to seek approval, and the like. People want a clear idea of what the boundaries are.

Trust: How do you earn it?

I've been working in or with the Asia Region for 15 years. I have reasonable credibility for understanding the cultural nuances. When I first arrived on the scene, I would often get the response, "Things are different here. What you're proposing won't work." It was difficult for me to respond. Now I can credibly discuss differences. When people say, "My country, region, or job is different," I make it a point to listen to them, be respectful, and explore the nature of those differences. It takes time and good listening skills, but it's the best way to build trust.

Candor is a powerful trust builder. I held a town hall recently in China and encouraged people to ask any question they wanted to ask. I put my ideas on the table: "This is what drives and motivates me. Here's how I work. Here are my expectations, and here's why it's good for you." What was fascinating was that I mentioned a goal of positioning ourselves as a leader in R&D—and everyone just latched onto it. It's created quite a continuing buzz.

How has the high-performing alignment process helped you lead in such a challenging setting?

Over the past 12 years, I've probably aligned eight or so teams. In Japan, aligning the team has helped overcome the cultural constraints involving candor. It was a big breakthrough. On the regional team, the questions were, "What do team members owe the region versus their global functional leader?" and "Do we need to be a team?" The alignment process helped build a sense of team cohesion. Now, when an issue arises that affects the leadership team, I can call on someone on the team to resolve it on behalf of the team. When team members see problems in someone else's area, they will call their peers and not just me to come up with a solution. The team is acting more like a team than a collection of people who report to me. We will be working with China team in mid-July, and I fully expect that we will see even more progress in how team members show up, make decisions, and lead.

If you were to coach your successor on the biggest lesson learned, what would that be?

Be direct early on. Don't wait until you see the symptoms of a problem to take some action. Understand and respect cultural differences while searching for common ground. ●



What's Your Leadership Brand?

by Howard M. Guttman

Think about the great uber brands: Apple, Google, and McDonalds among organizations; Pope Francis, Warren Buffett, and Jeff Bezos among leaders. Whether you're talking about organizations or people, great brands have strong brand presence. They immediately evoke in us an iconic image and meaning.

The question is: What's your leadership brand? If you are uncertain, and, even more importantly, if those around you have doubts or concerns about your leadership brand, then you better listen up. It's time for a personal brand redo.

Branding is not about you as much as it is about the *perception of you*. Your brand as a leader is in the eyes of the beholder: your team, those to whom you report, various stakeholders, and the marketplace. Your leadership brand is the unique set of attributes that stakeholders perceive you to exhibit. Your leadership brand conveys the value that you bring to stakeholders, as they see it, and defines the context in which you operate.

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Think of leadership as a performing art, your organization as a stage, and those you lead and impact as your audience. "All organizations are a stage, and all the men and women are merely players." It's a poor paraphrase of Shakespeare, but it is so very true. As you go about playing your role as a leader before key audiences, what impression do you think you are making? And does your self-perceived "brand presence" square with that of your audience?

Sociologist Irving Goffman distinguished two basic ways in which individuals express themselves: the expressions they "give" and the expressions they "give off." The first involve the words a person uses and the actions he or she takes to communicate; the latter are the implicit signals that an individual gives off, often without being aware of doing so. Audiences make assessments and judgments about the "actor" from these inferences. These inferences also serve as a reality check: Is there a disconnect between what's "given" and what's "given off?" If there is, a leader can be headed for trouble.

When you think about the personal leadership brand of high-performing leaders, the impression they give and give off is closely aligned around a number of attributes and behaviors. For example, such leaders:

- enroll those around them in their vision, goals, and way of operating
- focus on results
- act more as coaches than "answer men"
- avoid the triangulation trap
- hold themselves—and others—accountable
- are adept at managing resistance by actively listening and asserting
- are skilled at giving and receiving feedback
- manage conflict superbly
- think for the enterprise
- role-model high-performance behavior

Your brand is your promise. It signals to others what they can expect. When what you "give" and "give off" jibe—when the above attributes become your talk and walk—your audience is more likely

to become deeply drawn to you and be at stake for your success. They know that you are a high-performance leader, *not just playing one*.

Delivering value is an essential element of brand integrity. And your leadership brand promise entails delivering value to stakeholders on three core promises:

- *The promise of functional excellence.* Do stakeholders perceive "Brand You" as fully capable of delivering on the requirements of the leadership challenges facing the organization, division, or department that you lead? To the question, "Why should anyone choose to follow you?", the answer must be "Because you add significant value to the area you lead."

- *The promise of emotional benefits.* Do stakeholders perceive that “Brand You” can deliver on their emotional needs, such as those related to Maslow’s hierarchy, along with those related to ethics, trust, transparency, and the like? Why should anyone choose to follow you? Because you satisfy stakeholders’ emotional needs for growth, security, connectivity, importance, etc

- *The promise of enterprise thinking.* Do stakeholders perceive that “Brand You” is at stake for the success and well-being—not just of you, your function, and your team—but of the organization and everyone in it. Why should anyone choose to follow you? Because stakeholders clearly see that you lead for the good of the enterprise.

These three promises entail a wide array of skills: everything from the ability to lead strategically to those relating to the high-performance attributes we identified above.

If you’re wondering about your leadership brand, it’s time to conduct a leadership brand audit. Every leader should periodically conduct one. Begin the process by asking a few basic questions of yourself and your “audience”:

- What words describe how I see myself as a leader?
- In what ways does this description square with the perception of key stakeholders?
- If there’s a disconnect, what does this suggest about the need to modify or change my leadership brand?
- Do I have a process to begin the makeover?
- Do I have the skills to get up on the stage and perform as the “New Me?”
- Is my brand “presence”—how I look and dress—congruent with the results I want to achieve?

Think critically and carefully about your leadership brand and take the necessary action the review suggests. If you do, the next time anyone expresses doubts or concerns about your leadership, your “audience” will likely respond, “No doubt about it. This leader is a certified, premium, high-performance one.”



From a Consultant's Notebook

Wendy R. Weidenbaum

Here are field notes from an intervention led by Guttman Associate Senior Consultant Wendy R. Weidenbaum.

Presenting Situation

The CEO of major business unit of an entertainment conglomerate sought to cascade the horizontal, high-performance model from his leadership team to the next tier of executives and key influentials. The CEO and team knew the positive impact of the model... felt that the organization faced mounting pressures—major construction commitment, fierce competition to capture discretionary income, need to rethink the business model—but was poorly prepared to do so. Business units and staff functions were siloed, little enterprise thinking, especially in decision making, little transparency, low trust, and feared being candid with senior leadership team.... worried about a feedback apocalypse.

Charter for Guttman

The CEO wanted to come to terms with three key objectives: increase interdependency between the leadership team and the next tier; improve the decision-making process and, related to this, eliminate decisions making based on business-unit self-interest rather than on that of the enterprise; increase candor and transparency, especially in providing feedback to members of the leadership team. Initial priority was given to the objective of increasing transparency.

Process

One-day working session planned. Data collected to hold up a mirror to leadership team and direct reports. Data validated first in a meeting with senior team and then in meetings with individual members of the leadership team and smaller groups of direct reports. Clear that candor and transparency were the priority issues that had to be addressed first. Next, the leadership team and direct reports met separately. Executives at the next level were confronted about their fear of providing feedback....What's that about?...Both groups were asked to do a sentence-completion exercise about one another: "What we want you to do differently is...."

Direct reports wanted their leaders to be less reactive, listen better, and be more patient, especially when given unexpected news. Leadership team wanted direct reports to "tell it like it is...." This formed a basis for candid dialogue when groups reconvened.

Results

A perception breakthrough on the part of both groups.... the leadership team now aware that its past behavior/body language tended to close down feedback and candor and create stories....Surprised to learn that its reaction to feedback had a chilling effect on willingness of direct reports to step up and express themselves.... Direct reports' fears about a feedback apocalypse weren't justified. They were given pointers on how to give feedback, which furthered their comfort level. The session provided them with a safe environment to "man up" on feedback.... New protocol in place.... Direct reports must be open and honest, especially when they see defensiveness on part of senior leaders... committed to provide more feedback and make it neutral, observable and behavior specific... Senior leaders committed to being open when receiving feedback, asking clarifying questions rather than editing or censoring what was being said. Feedback viewed as a partnership, with both parties accountable for the outcome. Working group formed to continue the progress on candor and work on other issues relating to silo thinking and decision making.

Key Insights

Candor and transparency are easy to preach but tough to practice. Most executives realize the importance of openness....but the shadow of hierarchical thinking hovers over many executives, even those who occupy positions of great responsibility and who are at the next rung down.... There's usually no punishment for transparency, as long as the feedback given is about the business, is depersonalized, and specific—and provided that the leaders of the organization create an environment in which people feel safe being open and honest....You have to trust one another to self-reveal.