



**You think gender diversity  
has nothing to do with  
performance in life  
sciences? Think again.**

How disconnects are holding back gender  
diversity in life sciences

The EY logo consists of the letters 'EY' in a bold, black, sans-serif font. Above the 'Y' is a yellow chevron shape pointing to the right.

Building a better  
working world



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Life sciences is a sector in transition. Increasing pressure from payers to reduce the cost of drugs, breakthroughs in drug development, regulatory reform and advanced technologies are all major factors quickly transforming the industry's business model.

To navigate this current era of disruption successfully, life sciences organizations will need to draw from a diverse pool of talent that brings a wide range of opinions, ideas and experiences.

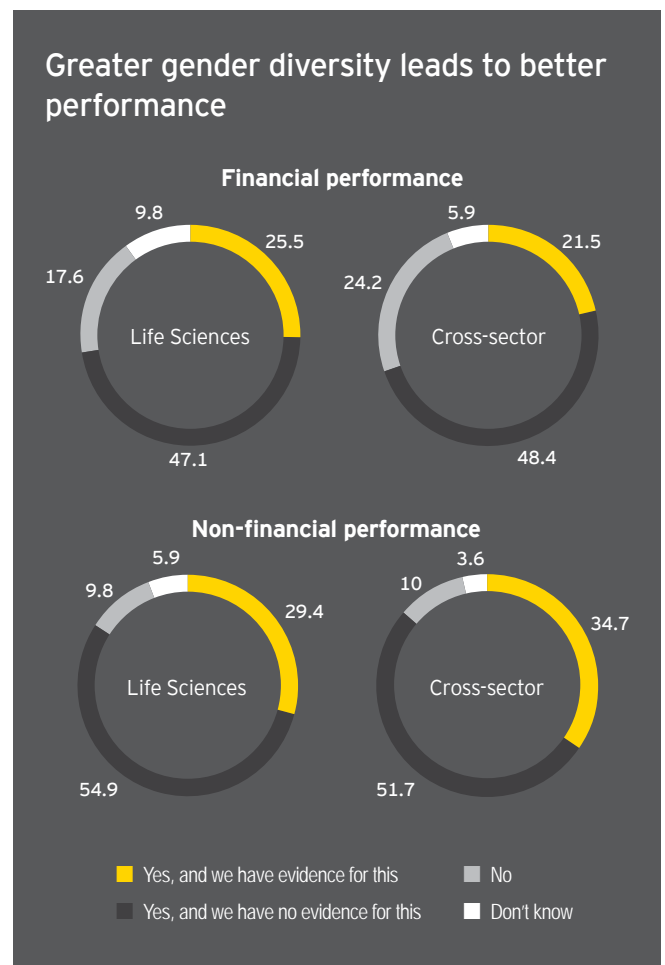
For decades, diversity of thought, and the correlation between greater female representation and better financial performance, has been quantitatively proven. Yet, companies on the whole continue to struggle to improve gender diversity. In fact, according to the World Economic Forum report, *The Global Gender Gap Report 2015*, it will now take more than 117 years to close the gender gap<sup>1</sup> – 38 years longer than reported in the 2014 report.

What can companies do – and specifically what can life sciences companies do – to accelerate gender parity, particularly at leadership levels?

In late 2015, EY interviewed 350 C-suite leaders from 51 countries and across six industries, including 51 leaders from the life sciences sector, about how businesses are addressing gender diversity and disruption. Our research reveals that both male and female leaders in life sciences overwhelmingly believe (96%) that their organizations need to change in response to disruptive trends in their sector. Specifically, they need to change in response to global health care reforms that require them to demonstrate how their products improve patient outcomes, lower costs or both. However, where 73% of women strongly agree on the need for change, only 52% of men feel the same way.

Similarly, almost everyone surveyed (96%) agrees that diversity of thought will be key to helping their companies navigate changes. Further, 72% believe greater gender diversity on the leadership team improves financial performance. An even higher percentage, 84%, believe that greater gender diversity at the leadership level improves non-financial performance. These survey results support other research that suggests that companies with more women in leadership positions perform better financially.

<sup>1</sup> World Economic Forum, *The Global Gender Gap Report 2015*, <http://www3.weforum.org/docs/GGGR2015/cover.pdf>.



“Companies with the most women board directors outperformed those with the least on return on sales (ROS) by 16 percent and return on invested capital (ROIC) by 26 percent.”

2011 Catalyst survey<sup>2</sup>

Yet, despite valuing diversity, many life sciences organizations are not addressing the gender gap in a way that will deliver the change that is needed. Through our research, we identified four disconnects that are holding businesses back from achieving gender diversity on their boards.

1. **The reality disconnect:** Business leaders assume the issue is nearly solved, despite little progress within their own companies
2. **The data disconnect:** Companies don't effectively measure how well women are progressing through the workforce and into senior leadership
3. **The pipeline disconnect:** Organizations aren't creating pipelines for future female leaders
4. **The perception and perspective disconnect:** Men and women don't see the issue the same way

In today's fast-moving world, where transformation, and the diversity needed to get there, are urgent business imperatives, we explore some of the key gender challenges life sciences companies face. We also share our insights on what life sciences can do to accelerate their journey to gender parity.

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<sup>2</sup> Catalyst, *Why Diversity Matters*, July 2013, [http://www.catalyst.org/system/files/why\\_diversity\\_matters\\_catalyst\\_0.pdf](http://www.catalyst.org/system/files/why_diversity_matters_catalyst_0.pdf).



# The reality disconnect: gender parity for life sciences is at least 10 years away

You might think a majority of life sciences organizations have formal programs to develop women's careers. Think again.

Life sciences leaders know they need to reimagine their business models to meet the evolving needs of payers, providers, patients and regulators. They also understand that without change, their businesses will either fail to thrive or fail altogether:

- ▶ 90% see the need for new leadership skills in the future
- ▶ 73% say they need to attract, retain and promote talent
- ▶ 53% agree that women are the single biggest underutilized pool of talent in the industry.

Yet few have taken any concrete steps to address these issues. Fewer than one-fifth of life sciences companies have a structured formal program to

identify and develop women's careers in leadership within their organization. A slightly larger percentage indicate they have an informal program to identify and develop women's careers in leadership with no plans to formalize it. Nearly half of respondents say they develop women and men equally as part of an existing leadership program – and they have no intention of changing it.

It is of little surprise, then, that a majority of life sciences leaders (63%) expect to see only a slight increase in the proportion of women in senior leadership positions within their organizations over the next five years. More than a quarter expect to see no change at all.

<sup>3</sup> Cross-sector includes aggregated results of seven sectors which are Automotive, Banking and Capital Markets, Consumer Products, Insurance, Life Sciences, Oil & Gas and Power & Utilities

## How life sciences companies compare to other sectors

Life sciences		Cross-sector <sup>3</sup>
20% 	of respondents have a structured, formal program to identify and develop women's careers in leadership	 17%
4% 	of respondents currently have an informal program to identify and develop women's careers in leadership but plan to put a more formal program in place in the next one to two years	 4%
13% 	of respondents have an informal program to identify and develop women's careers in leadership with no plans to formalize it	 12%
47% 	of respondents say they develop women and men equally in their existing leadership programs and do not intend to change them	 53%



## The data disconnect: life sciences companies cannot manage what they do not measure

The hard truth is that even if life sciences were to improve their formal leadership programs for women, many would have no idea how to define success. That's because only 39% of the life sciences companies we surveyed (compared to 45% across sectors) measure their progress on improving gender diversity on their leadership team.

This suggests that a majority of life sciences companies have yet to take little, if any action to measure the correlation between performance indicators and gender diversity.

For those organizations that do measure gender progress, their focus is on the women who have already reached leadership positions rather than on the pipeline of future leaders.

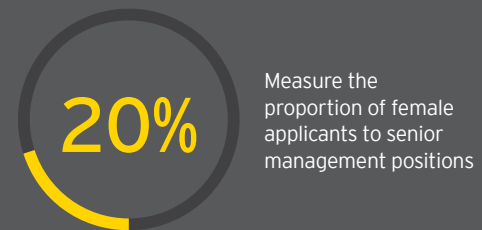
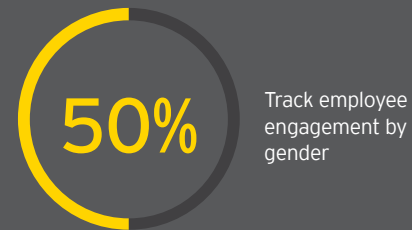
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"I keep telling the CEO that we need to change and bring more women into the senior leadership team, but he says we can't find female candidates. The problem is that they write job specs that describe men: the gender is already neutralized at the job description."

- Survey participant

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You think most life sciences companies track retention by gender? Think again.







# The pipeline disconnect: life sciences companies face a looming talent crisis

You think gender has nothing to do with the looming talent crisis in life sciences? Think again.









As life sciences companies advance boldly into a patient-centric, digitally driven future, they see a dramatic need to change their approach to attracting, retaining, engaging and promoting talent. Among survey respondents, 73% agree on this need. Respondents also agree overwhelmingly (90%) that new leaders and leadership skills will make the difference in adapting to the changes impacting the sector. In particular, respondents are looking for a diversity of thought and experience within their leadership team – something 57% say is currently lacking within their organization.

For a majority of respondents, finding the right skills and experience within their leadership requires a two-pronged approach: training and development; and recruitment from within the sector. Yet, while more than a third of life

sciences respondents believe they are very effective at attracting women, they feel their organizations are less effective at retaining and engaging women once they join, with only 27% of women vs. 32% of men agreeing that their retention strategies are very effective. When it comes to identifying future female leaders and promoting women into leadership positions, nearly a third of respondents say their company could do better.

Overall, a significant majority of respondents agree that life sciences is a more attractive sector for women than it was five years ago. However, almost the same number agree that their organization still needs to do more.

## Women and men differ in rating the effectiveness of existing diversity strategies

Overall percentage	Women	Men
say their companies are very effective at attracting women to the organization	 42%	 28%
say their companies are very effective at retaining women in the organization	 19%	 16%
say their companies are very effective at identifying future female leaders	 27%	 32%
say their companies are very effective at promoting women into leadership positions	 19%	 24%

## The perception and perspective disconnect: unconscious bias in life sciences

The research proves that companies with more women in senior management roles perform better financially. As life sciences companies grapple with transforming themselves to meet the expectations of a rapidly evolving landscape, they are going to have to up their dose of women at the top. Often, this means developing and implementing initiatives to help them get there. It also means addressing the unconscious bias that exists within organizations. Currently, there is a chasm between what women find valuable in helping them attain leadership positions and what men think women would find most valuable.

For example, the opportunity the women we surveyed find most important in their quest to reach the top is mentoring from senior leaders. Men, on the other hand, rank it as the lowest priority. Next on the list of priorities for women is networking opportunities. For men, this is the second-lowest priority. Conversely, where men identify strong female role models in the organization and flexible work arrangements as critical for women climbing the corporate ladder, women see these as less of a priority.

You think men and women see opportunities and barriers for women in the same way? Think again.

These mistaken assumptions are more than a matter of perspective. They are creating barriers that actually prevent women from reaching senior leadership roles. The biggest one of all is one that women know well: the conflict, or potential conflict, with raising a family. A little more than half of the men we surveyed see this as the most significant obstacle for women on the path to leadership. Fewer than one-third of women feel the same way.

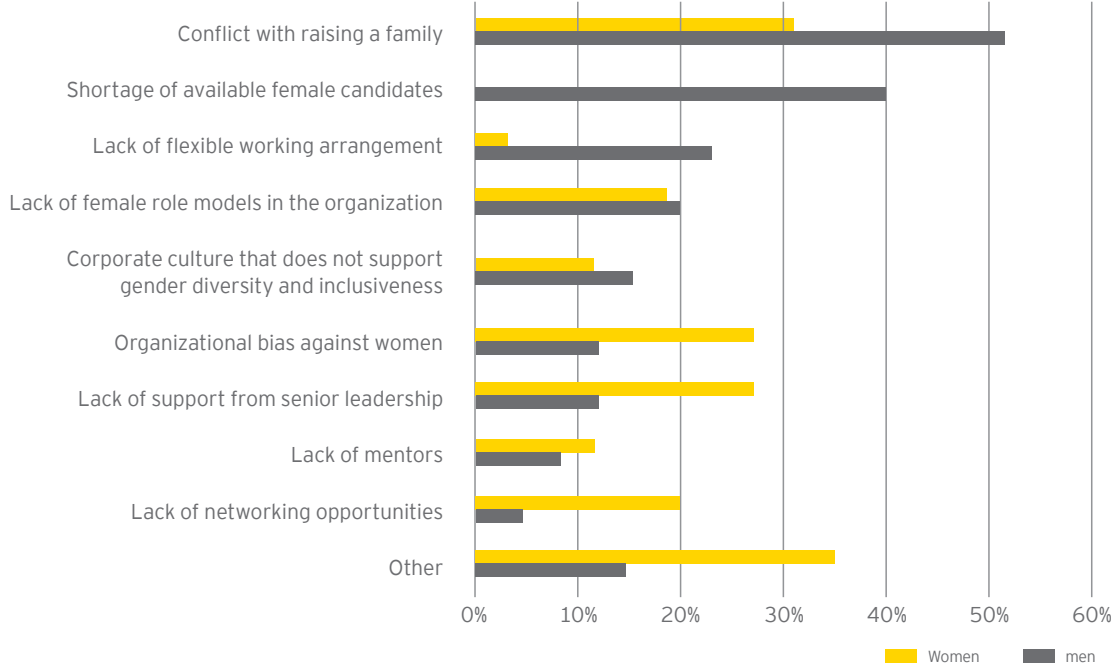
“Our company is not as bad as others. Actually it is probably much better. But there is an old boys network mentality that might make things harder for women.”

- Survey participant



## Common barriers that limit a woman's potential

In your view, what are the biggest barriers preventing women from reaching senior leadership positions in your organization?



“We should all take the personal challenge to check our unconscious bias and ask if we have a good mix of thoughts and views to achieve the best results in all things that we do. Asking ourselves that one single question every day will make a difference.”

- Kim Ramko, EY Global Life Sciences Advisory Leader





## It's time to take decisive action

Accelerating gender diversity within life sciences – so that organizations can realize the proven financial and non-financial benefits to their performance – requires decisive action. Here are actions that organizations and individuals can take to reach gender parity within a generation rather than within a century.

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“Men think that strong female role models are what we need but the survey results show that women are seeking mentoring sponsorship from male senior leaders. How else are we going to change the gender gap if we do not have our male senior leaders sponsoring women into senior leadership?”

*- Kim Ramko,  
EY Global Life Sciences Advisory Leader*

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### Four actions for life sciences organizations

1. **Take a critical view of where you are now ... and where you need to be.** Don't assume gender parity will take care of itself. Implement key enablers of gender parity- from increased and more inclusive networking opportunities to formal training, sponsorship and mentoring programs.
2. **Set targets ... and measure them.** Establish concrete targets regarding gender parity, and then measure the progress towards this target by using clear metrics to count the numbers of women at all levels and in all areas of your business.
3. **Become an employer of choice for women ... by asking them what they want.** Implement formal programs to identify potential female leaders in a way that makes sense to them, and ask your female employees how you could improve the senior leadership pipeline.
4. **Understand the challenges and the solutions ... from those who have lived it.** Create opportunities for open dialogue between men and women. Decide what actions you will take now that will contribute to a more inclusive - and successful - organization.



### **Five actions for women**

1. **Take charge of the next phase of your career.** Believe in your potential, spread the word about what you want, and develop a plan to achieve it.
2. **Seek mentors.** Find leaders within the organization willing to provide advice and guidance, as well as sponsors to endorse you across wider networks.
3. **Expand your network.** Consider focused networking to build relationships and connections beyond your existing networks.
4. **Play the field.** Leaders benefit from a breadth of experience. Avoid tying yourself to a single specialty early on so that you can get a feel for all aspects of the business.
5. **Set your own priorities.** If leadership is your goal, start thinking about it today. Understand what it takes and what you are willing to sacrifice to achieve it. Know what your priorities are and stick to them, even if it means saying no when you need to.

### **Five actions for men**

1. **Become a mentor.** Be generous and share your knowledge and experience with female colleagues.
2. **Become a sponsor.** Help female colleagues navigate their career paths and endorse them within your networks.
3. **Avoid “groupthink.”** Consider whether your team has sufficient diversity of thought and experience to avoid groupthink and develop innovative solutions.
4. **Check your bias.** Consider critically where unconscious bias impacts your decisions about who to work with, who to hire and how to network and collaborate.
5. **Give women the opportunity to succeed.** Create a culture of diversity and inclusiveness that encourages both men and women to excel.



## Better performance means putting gender diversity on your agenda

According to the World Economic Forum's *Global Gender Gap Report 2015*, it will take until the next century – 2133, to be exact – to reach gender parity. This is not so surprising when one considers that most life sciences companies expect to see only a slight increase in the proportion of women occupying senior leadership roles over the next five years.

Yet, clearly, we should not be resigned to these predictions. In this time of enormous business challenges and extraordinary opportunities, in an innovative industry in which the vast majority of leaders believe that gender diversity improves business performance, it is time for another innovation: women need to rise in the leadership ranks. Both men and women have the power to embrace the journey to gender parity, to create a culture that supports it and to implement more formal programs to help women reach their leadership goals.

This is work that can, should, and must begin today.

## About the survey

As part of EY's commitment to building a better working world, EY asked 51 senior life sciences executives from 14 countries about gender diversity. The participants included global board executives and board members, C-level officers, executive directors and heads of business units.

Respondents were 51% female and 49% male and averaged 50 years of age. Nearly 60% have worked in life sciences for their entire career, with more than 80% having 10+ years of industry experience. Their functional backgrounds span risk management, technology, finance, legal and regulatory, actuarial, sales and marketing, and human resources.

## About Women. Fast forward

**Women. Fast forward** is EY's global platform designed to accelerate the achievement of gender parity in the workplace. By bringing together the experience, resources and knowledge of our professionals, networks and clients, EY aims to build a better working world for women and forge a lasting legacy of growth, increased prosperity and stronger communities throughout the world.

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### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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### How EY's Global Life Sciences Sector can help your business

Life sciences companies – from emerging start-ups to multinational enterprises – face new challenges in a rapidly changing health care ecosystem. Payers and regulators are increasing scrutiny and accelerating the transition to value and outcomes. Big data and patient-empowering technologies are driving new approaches and enabling transparency and consumerism. Players from other sectors are entering health care, making collaborations increasingly complex. These trends challenge every aspect of the life sciences business model, from R&D to marketing. Our Global Life Sciences Sector brings together a worldwide network – more than 9,000 sector-focused assurance, tax, transaction and advisory professionals – to anticipate trends, identify their implications and develop points of view on responding to critical issues. We can help you navigate your way forward and achieve success in the new ecosystem.

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