



PIR

SEARCH & INTERIMS FOR LIFE SCIENCES

**DIVERSITY SURVEY 2018 –
SENIOR EXECUTIVES –
LIFE SCIENCE COMMUNITY**

June 2018

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Executive summary

Given the current national interest in diversity and gender pay differentials, PiR commissioned this Diversity Survey to identify if there is any disparity of reward focused around gender within the life science sector. In addition we aimed to establish the proportion of male and female leaders in senior roles and Board Rooms in the sector.

Given PiR's substantive track record of placing senior interim and permanent talent into the sector, we are well placed to gather confidential and relevant information about interim, executive and non-executive roles and remuneration data.

Specifically, we sought to answer a number of questions and reflect the answers with quantitative data; in particular:

1. Gender differential for the following:
 - a. Role levels
 - b. Base salaries/day rates
 - c. Benefits
 - d. Highest earner per household
2. Age profile linked to earnings and gender
3. Education linked to gender and earnings

We have explored how remuneration levels are managed within organisations and the use made of formal job evaluation systems.

The following summary provides a snapshot of the sector through the eyes of the participants. The hope is that this promotes constructive conversation around Board tables and encourages yet greater transparency to bring about positive outcomes.

The following are worthy of note:

1. Female participants are likely to be the highest earner in their household
2. The significance of the “golden triangle” as a Head Office location
3. High earner (>£300k) Females usually attain a higher academic qualification than Males
4. Just over half of organisations don’t use a formal job evaluation methodology
5. Over half of Females (58%) who are subject to a formal evaluation methodology don’t believe the methodology is effective
6. The number of Females in leadership roles is significantly below the proportion of Females in the workforce.

We are grateful to all who participated.



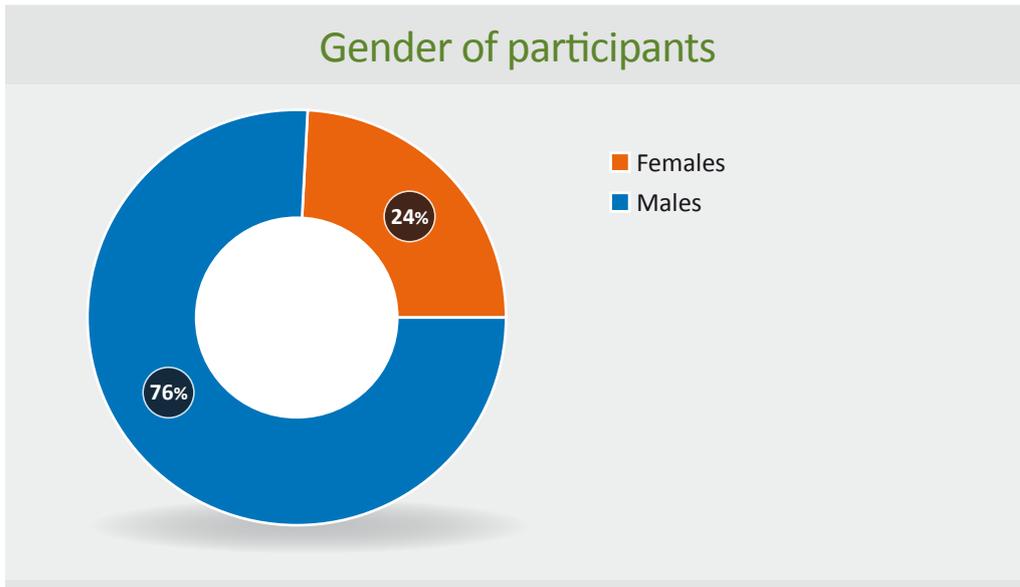
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(Source: the data was collected between 10-18 May 2018; with 327 participants)

Analysis of responses

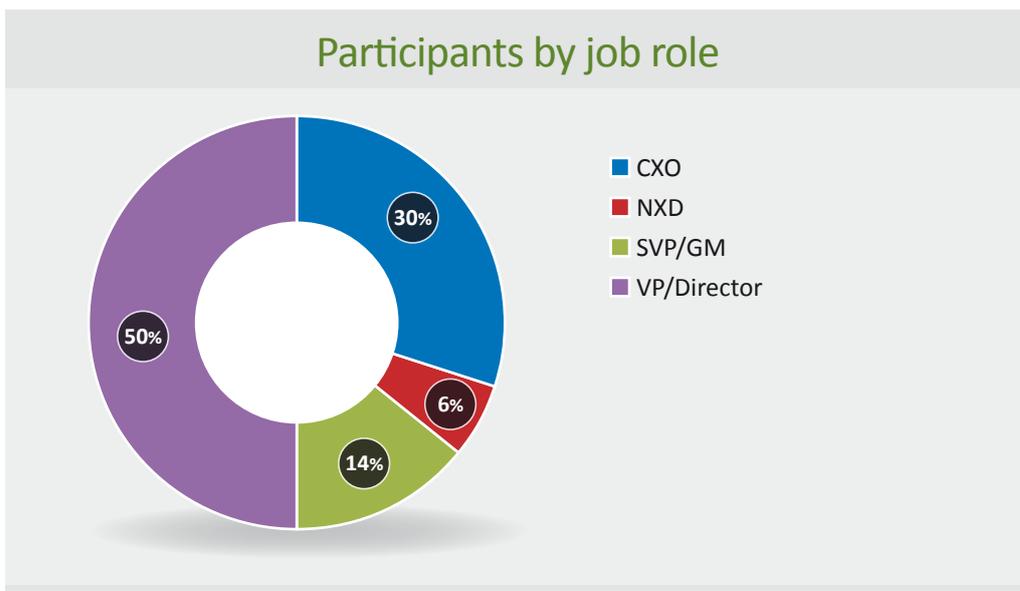
1.0 Participation

Participation in the survey was targeted at those in senior roles within Life Science. 76% of participants were Male; 24% Female.



2.0 Job roles

Whilst half of participants are VP / Directors there has been participation from all job roles, as shown below.



Overall, the representation of Females decreases, as seniority of role increases, with Females representing 26% of VP / Directors and 19% of CXO roles.

Drilling down into each gender distribution shows very little difference between Females and Males in terms of job roles. The notable differences are:

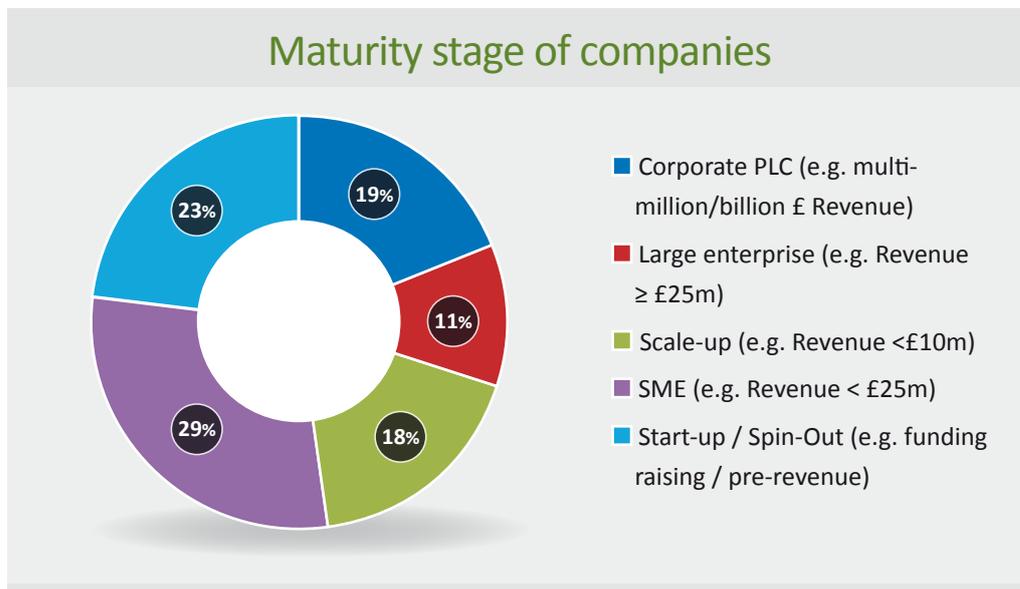
- CXO job role - 27% of Female participants have CXO roles whereas it's 34% for Males.
- VP / Director job role - 55% of Female, 45% of Males

3.0 Maturity stage of companies

Within each gender group, the distribution of Females and Males is similar.

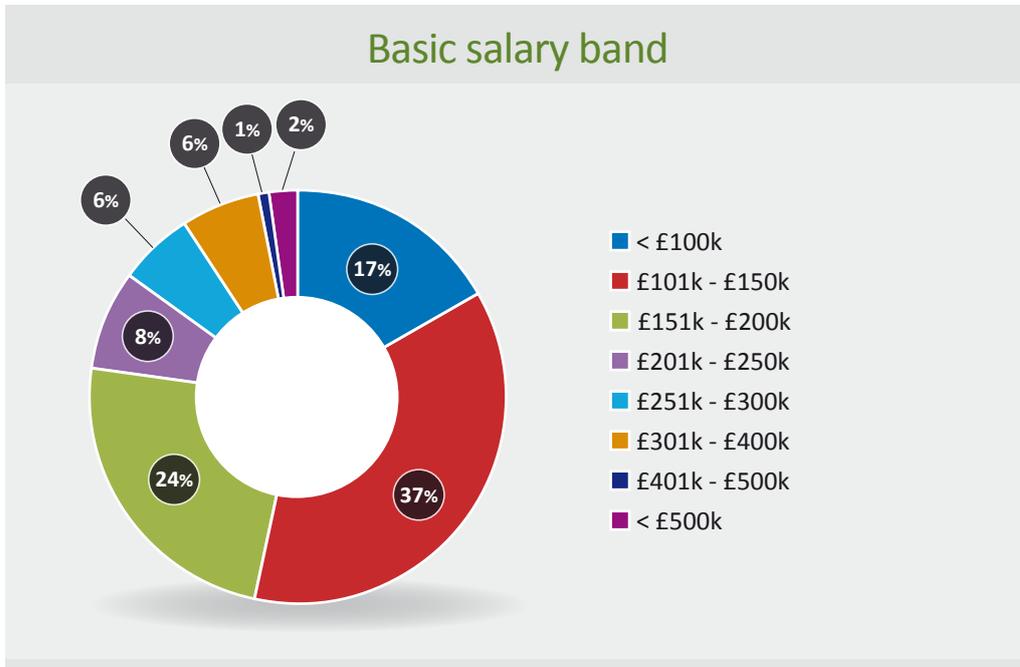
The proportion of Males involved in Corporates (20%) and Scale-up (20%) are slightly higher than the Female distribution (16% and 14% respectively).

The proportion of Females involved in SME (33%) and Start-up (27%) are slightly higher than the Male distribution (28% and 22% respectively).



4.0 Remuneration - Executive roles

The spread of base salaries is shown in the chart below.



There is a relatively small number of highly paid Females who are earning over £300k. This equates to 12% of Females whereas only 7% of Males reported a base salary over £300k.

These highly paid Females are also more likely to have attained higher academic qualifications than Males.

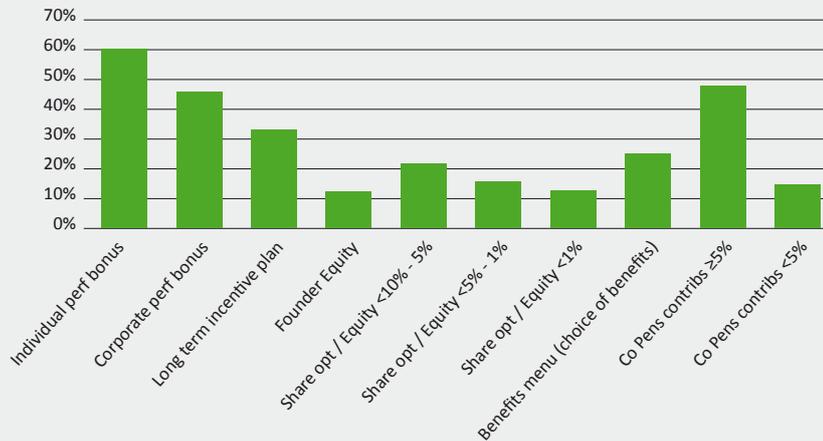
5.0 Remuneration - Benefits

Individual (60%) and Corporate bonus (47%) benefits are offered to a significant number of participants.

Males generally receive slightly better Remuneration benefits than Females. The proportion of Males receiving benefits overall, exceeds Females by 4%. This may be due to the salary distribution of Females being more skewed towards the lower salary categories.

Whilst Individual and Corporate bonus benefits are marginally more common in Corporate PLCs, these benefits occur with similar regularity across all maturity stages.

Percentage receiving benefits



Overall, Pensions are offered to 62% of participants; 48% receive Pension contributions greater than or equal to 5% of salary; 14% receive Pension contributions below 5%.

The proportion of Males and Females receiving Pension benefits is exactly the same; with greater prevalence of Pension benefits in Corporate PLCs.

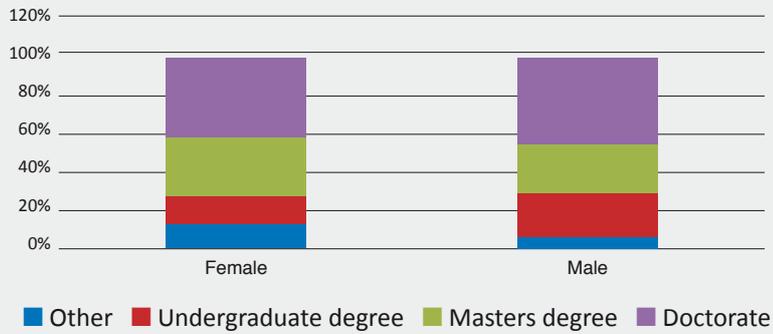
Interestingly, Females are marginally more likely to receive Share Options / Equity benefits than Males. Whilst this benefit is evenly spread across all maturity stages for Females, there is a concentration within Scale-Up and SME organisations for Males. Males within this category of organisation are also marginally more likely to receive LTIPs.

6.0 Education

Overall, 46% of participants have achieved a Doctorate, with another 27% having obtained a Masters. Only 6% of participants don't have a degree.

Whilst the proportion of Males and Females with post graduate degrees is almost exactly the same (c72%), the proportion of Females without a degree (12%) is more than twice that of Males (5%). This 7% variance is due to the fact that 23% of Males have obtained an undergraduate degree compared to 16% for Females.

Academic attainment



As regards higher earners (basic >£300k), there is a significantly higher proportion of higher earner Females with post graduate degrees than Males.

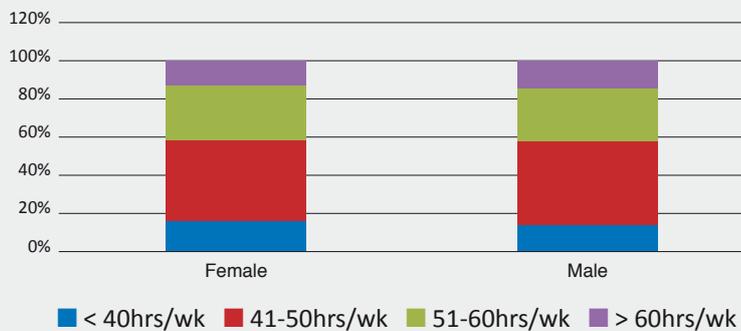
These higher earner Females are most likely to be employed by Corporate PLCs whereas higher earner Males occur across all stages of maturity, with more employed in non-Corporate PLCs.

The overwhelming majority of both Male and Female high earners are in their 50's with a small number of Males in their 40's.

7.0 Hours worked

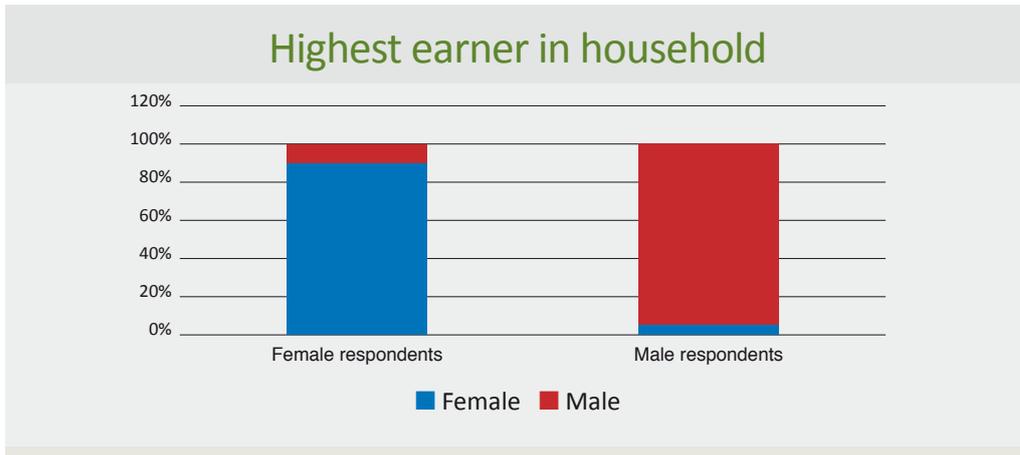
Most participants are working between 40-60 hours per week, regardless of gender, salary or organisation maturity. Only 16% of Females and 14% of Males are working less than 40 hours per week; and are generally NXDs.

Hours worked



8.0 Highest earner in household

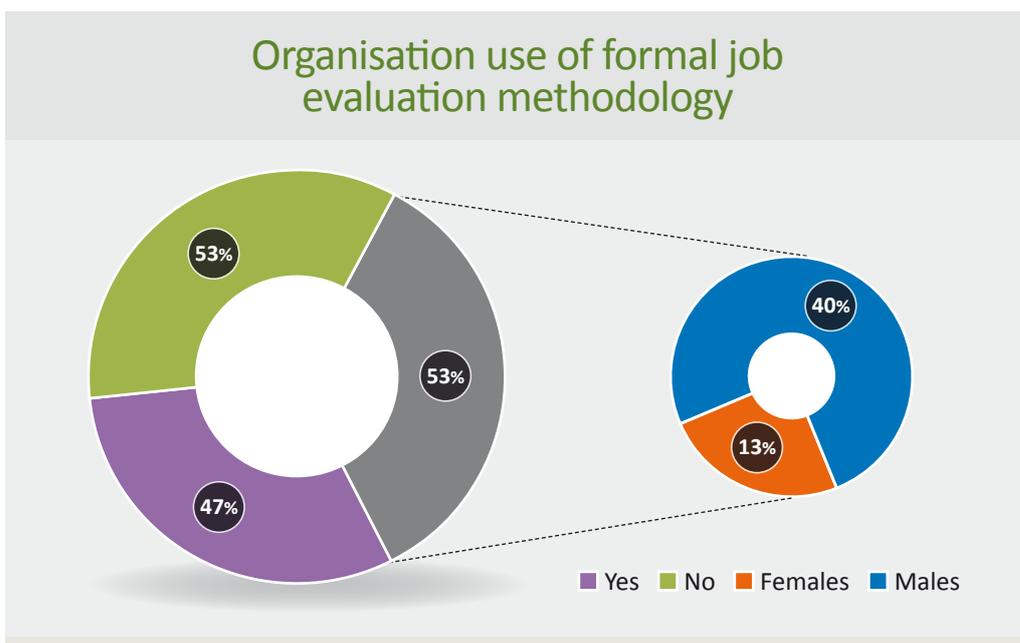
Only 4% of Male participants reported that they were not the major bread-winner in their household whereas Females reported that 90% were the major bread-winner.



9.0 Job evaluation

Just under half of the participants (47%) confirmed their organisation used a formal job evaluation methodology. 57% of Females, working for SMEs, Scale-up or Start-ups, confirmed a formal method is not used.

Surprisingly, 12% of Males who reported no formal methodology, are employed within Corporate PLCs or Large Enterprises. As expected, smaller organisations are the ones that don't normally have a formal methodology.



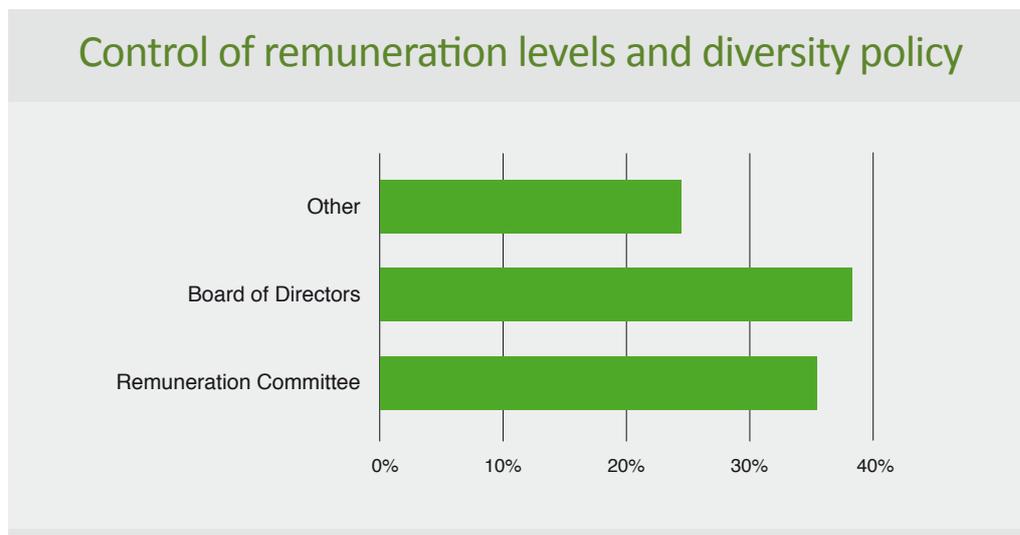
Overall, 19% of participants believe their formal job evaluation is ineffective in ensuring equal pay if the work is of equal value.

Within organisations that have a formal job evaluation methodology, there is a marked contrast between the genders, as to whether it is effective in ensuring Females are paid the same as Males if the work is of equal value.

42% of Females and 89% of Males believe their company's formal evaluation methodology is effective.

There is some scrutiny of remuneration and diversity at most organisations, irrespective of whether they have a formal job evaluation methodology, as can be seen in the following section.

10.0 Control of remuneration levels in companies



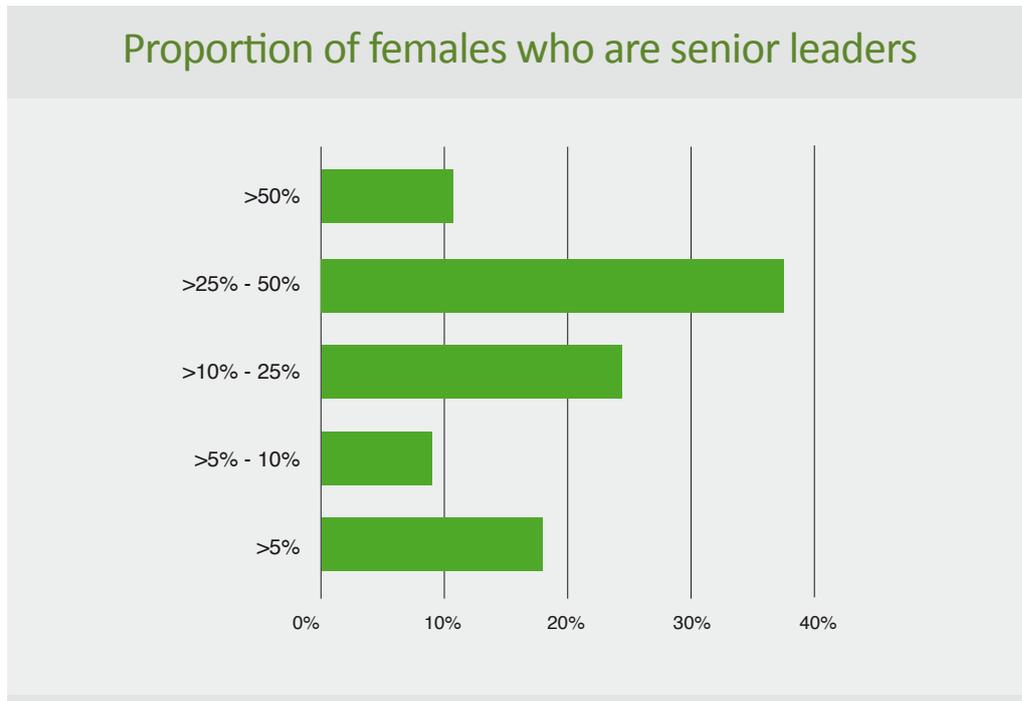
Interestingly, 41% of Females and 20% of Males reported that control was not delegated to either the Remuneration Committee or the Board of Directors.

The proportion of organisations using a Remuneration Committee is similar across all stages of maturity, with the exception of Large Corporates, which has a much lower frequency.

As anticipated, there is a high frequency of Other within SMEs and Start-Ups which is consistent for both genders.

11.0 Senior leadership

The following graph shows that only 11% of organisations have more than 50% Females as part of the senior leadership.



As a comparison to this, the Catalyst Organisation confirms that in 2018, 22% of senior leaders in the UK are female; and female Board representation in 2018 for FTSE 100 companies is 28%. (www.catalyst.org/knowledge/women-workforce-uk)

There is no current data available which confirms the number of senior Female leaders in the UK life science industry. However, there are numerous articles on female leaders in the sector which offer further insight.

[30 Women Leaders in UK Healthcare June 2018](#), Source: PMLive

[Meet the women under 40 unlocking new ways to treat diseases and shaping the future of medicine](#) October 2017, Source: Business Insider UK

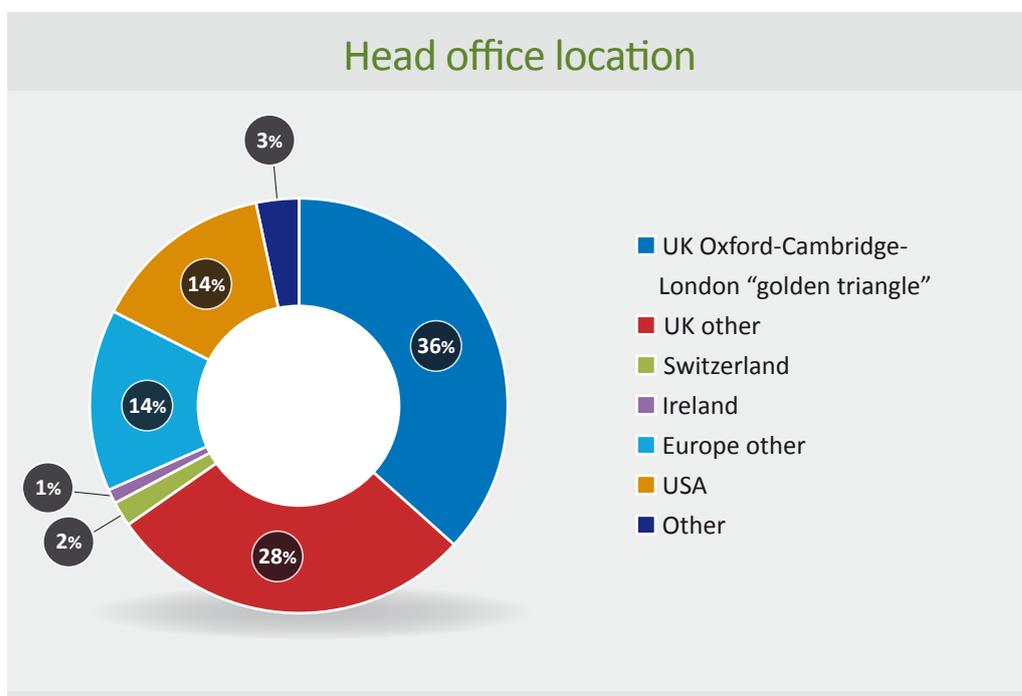
[Pharma, biotech and healthcare industries gender gap](#) July 2017, Source: News Medical LifeSciences

Bio Beat 50 Movers & Shakers in BioBusiness 2017 Autumn 2017 Source: BioBeat

London NHS digital chief crowned Top 50 female leader in UK healthcare, Source: Health Innovation Network from BioBeat

12.0 Head office location

The significance of the Oxford-Cambridge-London golden triangle was confirmed with over 36% of participants confirming that their head office was located in this region.



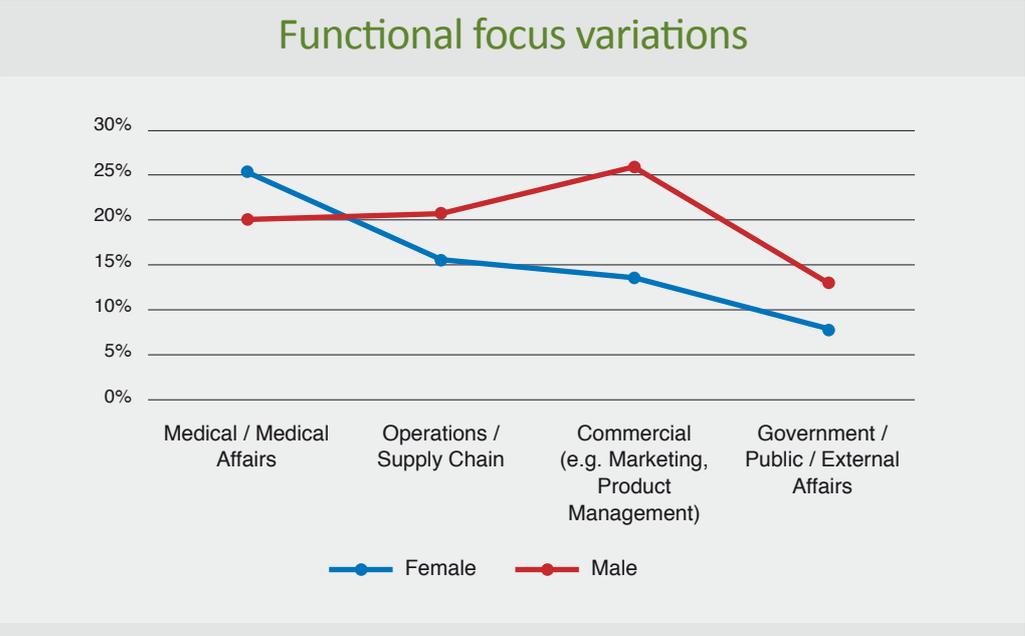
13.0 Functional Focus

There would appear to be no function that is more highly rewarded than any other; although the number of participants from some functional areas are too small for reliable analysis. In addition, the majority of participants have multiple functional responsibilities; hence it is not possible to attribute their remuneration to a particular functional responsibility.

There are a number of functions that have a significantly greater proportion of Males than Females with Commercial being the most Male-centric; 26% of Males; 14% of Females.

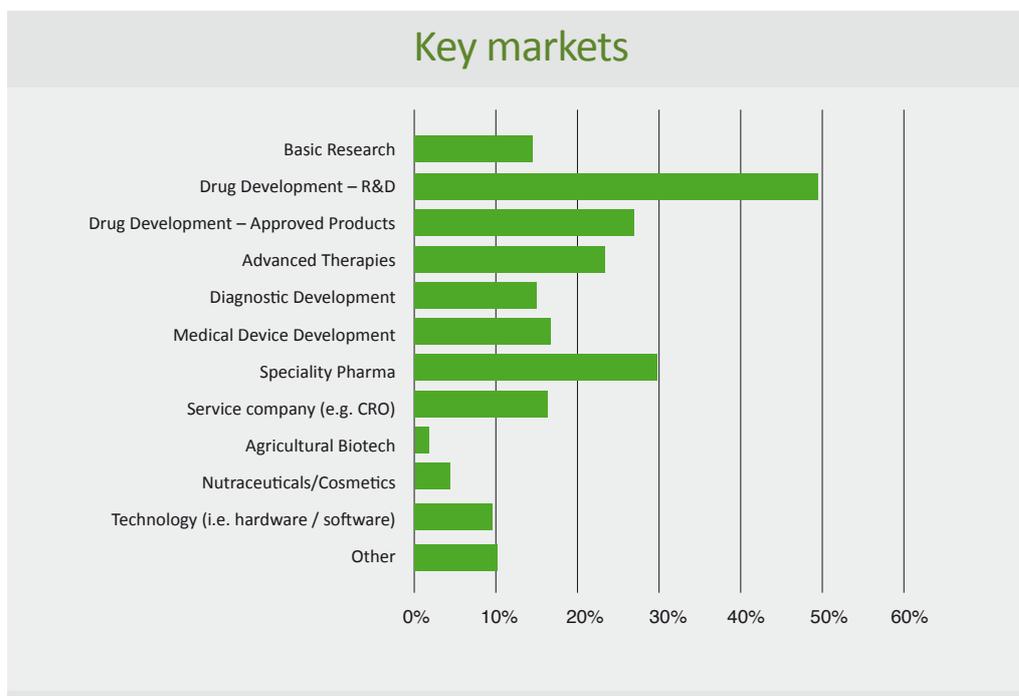


The following graph shows the major variances between Females and Males by functional focus.



14.0 Key markets

Key Market participation is focused towards drug development although all markets are represented in the graph below



15.0 Consultants / Interims and NXDs

Unfortunately insufficient data was gathered through the Survey to draw meaningful conclusions around Consultant, Interim and NXDs.

Day rates increase with age which presumably reflects experience / knowledge. Rarely do they work more than 40 hours per week. The percentage of Males (76%) and Females (24%) undertaking NXD roles are most likely to be engaged by SMEs and Start-Ups; with no particular job role dominant.

The age profile of NXD and Consultants / Interims is slightly older than other participants.

Background to PiR

We build senior teams for early stage, investor backed and SME life science organisations, as well as mid-capped specialists. Based near Cambridge, UK, PiR supports clients across the international life science sector, spanning pharma, biotech, diagnostic and medical device companies. Using 40 years of combined experience.

PiR's client list includes companies working on advanced and novel therapies, orphan drugs and innovative medical technology. With an exclusive focus on the life science sector, our solutions are always relevant and fully aligned to client needs.

Client Services:

- Executive Search – C-Suite, leadership and expert talent
- Interim Management
 - Experienced professionals for defined contract periods
 - A flexible resource to meet unexpected business needs, restructure, manage change, turn around and execution of critical projects
- Talent Mapping

Our team provide a depth of expertise across key business segments:

- Early stage, investor backed and SME organisations. These include advanced and novel therapies, orphan drugs and innovative medical technology
- Building senior teams for newly funded and growing organisations
- Director, leadership and expert level; Medical/Medical Affairs, Clinical, Regulatory, Manufacturing Operations (including Quality and Supply Chain) and Commercial (HEOR, Pricing & Reimbursement, Market Access, product management), Corporate Services (Finance, HR, Talent and Legal)
- Board level appointments (CEO, CBO, COO, CTO, CSO, CMO, CFO, Chair, NED)



**For more information about PiR's capability and experience, please contact Sally Hope, CEO of PiR; shope@pir-resourcing.com
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