Readings in Global Organization Design
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Roche Canada
Managing Increasing Complexity in the Pharmaceutical
Industry

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Roche Canada

Managing Increasing Complexity in the Pharmaceutical Industry

Roche Canada

- The industry's critical issues were growing in intensity; patent expirations, price pressures, drug development challenges, and regulatory and political pressures.

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- Mergers and acquisitions,
- Improved manufacturing processes,
- Licensing-in of new drugs,
- Strategic alliances.

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- Managers acting as coaches and mentors, not commanders and controllers;

- The elimination of "turfs" and organization silos,

- The building of a stronger goal and process orientation

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- Retaining talent,
- Creating a learning organization;
- Eliminating "turfs" and functional silos affecting individual and organizational performance;
- Helping managers get better at managing people;
- Realizing the anticipated benefits of mergers;
- Improving the execution of our plans.

Roche Canada Prepares for the 21st Century

- Latest, and best management practices; re-engineering, total quality management, and leadership training and development

- Requisite organization chosen

Organizing To Deliver Roche Strategy

- Somewhat top heavy and fragmented functional structure resulting from an acquisition.

- New functional design led to better role design, improved working relationships, reduced silos

Organizing To Deliver Roche Strategy

- The right number of organization levels,

- The challenge would be ensuring that the complexity of work in roles at each level and employee capability were well aligned with the levels.

Organizing To Deliver Roche Strategy

- Communicating the Roche Canada Business Plan

    Vision

    Mission

    Strategic Objectives

    Key strategies

Organizing To Deliver Roche Strategy

- Developing Integrated Functional plans
- Translate Plans into Employee Accountabilities/tasks
- Stratum Appropriate Accountabilities and tasks
- On-going review of progress against plans

Establishing Better Cross-Functional Working Relationships

- Clarified Accountability and Authority of Marketing, Regulatory Affairs, and Clinical Research with respect to the development of marketing materials.

- Clarified Accountability and Authority of Strategic Support Functions

Establishing High Performance Product Development and Launch Teams

- A few weeks delay in launching a new product could cost the organization millions of dollars.

- The teams were producing good outputs and results, however they were "leaping high hurdles" and "running obstacle courses" to do so.

Establishing High Performance Product Development and Launch Teams

- Product launches required two very different types of teams, project and coordinative teams,

- How to transition from project teams, needed to analyze and recommend a product's inclusion in the portfolio, to coordinative teams needed to plan and execute the development and launch phases of the product launch process.

Establishing High Performance Product Development and Launch Teams

- Accountabilities and Authorities of accountable executive, "home base managers", other functions

- Accountabilities and Authorities of team leaders and members for both project and coordinative teams;

- Clearly defined role relationships between teams and the rest of the organization;

Establishing High Performance Product Development and Launch Teams

- Selection criteria and processes for team leaders and members;

- Processes for delegation of authorities;

- Human resource management policies- personal effectiveness appraisals, rewards and recognition, training and development, and other types of team support.

Establishing High Performance Product Development and Launch Teams

- Increased morale and enabled the teams to get on with their work, including moving toward the reduction of launch times.

Assessing the Talent Pool and Communicating the Results

- A pilot test to communicate the assessment results to 50 randomly selected employees.

- Test results showed employees felt that the new system produced simpler and fairer assessments;

- Simpler because employees and managers were using the same language and concepts about capability and considering one major factor;

Assessing the Talent Pool and Communicating the Results

- Fairer because of multiple inputs, including the employees own input.

- Employees especially liked knowing assessments would be reviewed on an annual basis.

- The judgments were not "once and for all" judgments,

Requisite Rewards and Recognition

- Roche took an approach to rewards and recognition, which was far "outside the box" and eliminated predictive criteria-based bonus schemes.

Personal Effectiveness Appraisals

- Reduced concerns about lack of equity and fairness in performance assessment and increased consistency and reliability amongst managers in judging performance.

Personal Effectiveness Appraisals

- Five performance appraisal categories which ranged from "outstanding performance to unacceptable performance" replaced with six performance

Personal Effectiveness Appraisal

- Manager judges where in the range of the role an individual was performing

- In the top or bottom half of the role

- High, mid or low

Personal Effectiveness Appraisals

- Performance appraisals and merit increases, two highly emotionally charged issues could now be handled more efficiently and effectively.

Personal Effectiveness Appraisals

- Changes in the compensation and performance management program meant the "performance bar" had not been lowered it had just been raised-and employees agreed this exchange was fair.

Summary

- Requisite Organization enhanced the decisions which depend upon or impact good organization and management.

- Roche had better means of finding solutions to questions such as,

  How can we better execute our strategies?

  How do we retain our focus on customers, markets, and the competition?

  What employee development investments will provide the greatest return for the company and the employee? How do we link our human resources to the company's strategy?

OUR PURPOSE

The Global Organization Design Society is a not-for-profit corporation registered in Ontario, Canada to promote the following objective:

The establishment and operation of a world-wide society of academics, business users and consultants interested in science-based management to improve organizational effectiveness for the purposes of:

Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.

Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources.

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