

A case for consulting

Mari Paul

Today's demographics call for biotech companies to be more flexible with their workforce.

As we have moved from an agrarian to a manufacturing to an information-driven society, we have diversified our workforce—adding women and minorities and leveraging more onto computers. As communications technology shrinks the globe, we have tele-commuted, outsourced jobs to cheaper labor pools and networked more closely, around the clock, both internationally and domestically. And as medical research has extended our lifespans, we now keep people in the workforce longer. The bottom line is that brainpower, now more important than ever, is accessible in more ways than ever before. So does our '9 to 5' environment still fit?

The new world of work is multicultural, existing in a spectrum of values, mores, locations, time zones and governing systems. It is also multigenerational, representing many stages in people's lives. Younger, entry-level people may not be as money oriented. They want more control of their lives and more ability to dictate what they are worth, and they aren't convinced they should be committing all of their loyalty to one master. Midlevel employees may be single, divorced or part of a two-earner family and want flexibility to coparent or care for elderly parents. And seasoned employees often want to keep working past retirement age, but on a less steady basis.

On the other side, companies' reduced commitment to employees, in the form of layoffs, outsourcing and employment at will, is causing a commensurate loss of employee loyalty. Pensions and benefits, no longer as generous or secure, don't have the retention power they once did. Birth rate declines after the baby boom means more competition for fewer entrants to the job force. And rapid

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Human resource executive Rebecca DeAnda believes that consultants can be beneficial to a company when used properly.

done, such as telecommuting, virtual meetings, email, flextime and sabbaticals. While employers are struggling to meet these needs, consulting can provide interim help. As our current economic crisis dictates layoffs and reductions in employment, employers will be moving more of their jobs to consultants, so they can exert greater economic control by turning the 'human resource tap' on and off as needed.

Getting value for consulting

I recently asked Rebecca DeAnda, human resources executive at Dey for her opinions on consultants.

Mari Paul: I always think of consultants as more risky because they are not 'loyal' employees. Is that really the case?

Rebecca DeAnda: I would ask what loyalty in our workplace means today. Consultants see themselves as their own brand and are loyal to the project and to their contribution. This is not a bad thing. Consultants may take more ownership than employees when they know they have been hired for their specific expertise.

MP: How do relations between employees and consultants affect overall morale? How

technology advances make companies more dependent on recent graduates with current skills and training.

Among the wants and needs of today's workers are improved health care, job retirement and security, longevity (elimination of mandatory retirement) and greater control over where and when work is

do managers need to adjust their style for 'outside' team members?

RD: It really depends on the overall management culture. It's important that the team understands why a consultant is being brought on board, or even better, has together identified what expertise may be necessary to complete them. Aim to integrate the consultant with transparency; try to de-emphasize differences between employees and consultants without giving consultants priority or special treatment. It's important that consultants on site show up as hardworking and involved, and held to the same ethical and interpersonal standards as employees. And aside from proprietary meetings, consultants should be involved in company team, organization and social events. This fosters group solidarity.

MP: How do we maximize productivity?

RD: It is all about finished product. A manager must have knowledge of what should be done and how long the project should take. Prior to extending the contract, both sides should have a clear picture of the task and time. Consultants should know when they are expected to be in the office, when the projects are due, what the check-ins should be to review milestones. If you think you're not getting the appropriate work, it's time to more closely manage the consultant.

MP: What is the cost comparison?

RD: In terms of actual dollars, I would say consultants cost 30–50% more. Consultants measure their value against external consultant market rates as opposed to internal corporate measurements. Or, they may be more expensive because they know they bring specific expertise that they know a company needs. Also, since consultants don't get benefits coverage, their fee often includes compensation for this. The bottom line is, since a consultant is not considered overhead to a company, that 30–50% can be fair. It also depends on how the contract is

structured—does it include expenses, travel, accommodations, bonus, etc.?

MP: Does employee retention improve with greater autonomy?

RD: Retention of key employees is a major concern for all business, large and small. In our highly competitive environment where money isn't always the controlling factor, the culture in which we work is critical to retention. Some employees become consultants because they have lost confidence in their employers and/or don't want to be involved with politics—they want to choose where they work and what they work on. And if they are not happy with the company they consult with, they can move on.

MP: What is the best balance between exiting employees and consultants?

RD: Depending on the company, project and available internal resources, I always believe consultants should complement the team, not comprise the team. It is less than ideal to have an organization heavy on consultants because existing employees may view themselves as valued less by the company. Working with consultants who set their own price, have flexible hours and are less threatened with shifts and changes in corporate culture may make employees rethink their career path (perhaps they should also be consulting), and then you have retention problems.

MP: What difficulties have you seen when a person terminates employment and comes back into the same job as a consultant?

RD: If you are referring to veterans who come back as consultants, I think we will see more and more baby boomers doing this. They have the expertise but may have retired and don't want a 9-to-5 [job] with a lot of minutiae in their day, preferring to focus on what they are good at. This can be a

great thing, as long as we understand that the consultant now has a different master and that other employees may resent the bump in hourly pay and other accommodations consultants get, and manage accordingly.

MP: Are there any positions that you would not fill with a consultant, and why?

RD: Any positions that require demonstrating or communicating company culture and values, such as key executive positions or certain human resources positions. I say this because to represent employees, one has to understand and embrace the company culture, and employees must trust you and believe that you know the issues they are faced with. They must also know you are there for the long haul. Having consultants in these roles would diminish trust and limit the relationship building that is so important to leadership. I would also discourage having employees report to consultants.

MP: What personal attributes do you look for in a consultant?

RD: The same I would for any key employee, but especially the expertise required, commitment to the outcome, ability to interface well with others, open communication and honesty.

MP: What is your vision of a progressive way to use flextime, telecommuting and consulting to serve the new work paradigm?

RD: First of all, not all jobs can be done off site or outside of set hours, and the company should be honest about this with those employees. Next, we need to get over the concern that remote employees are working less. Companies need to go beyond the control of the old management paradigm of 9-to-5 workers on site. We have to retrain management to manage by outcomes and not the time clock. I believe that most employees are

inherently honest and want to be valued as such. We just need to clearly set expectations and operate more like we do with consultants. Manage the project, letting employees decide how to do their jobs, and just measure the outcome. I don't think it's impossible, but I do think we need more courageous, expansive-thinking executives to lead this change.

MP: How do we develop people that will work well with these new work patterns? What is the first sensitivity that we need to imbed?

RD: To work in a new paradigm, honesty and trust are the most important. If you have that, everything is workable. Clearly set expectations for the work to be done in a communicative, transparent work environment. Lead by example and trust that what you get back will be timely, open and honest. Together, employees and management should develop a contract not unlike what we expect of contractors. Set expectations, outcomes and consequences of not achieving milestones into a written project contract between the manager and employee.

MP: How do you grow trust? It seems like a lot of the success of these new work styles depends on this.

RD: Rather than growing trust, I think you start with trust and then subtract from that. Let employees know you expect the best from them and trust that they, being inherently honest, will do their best. When people feel your trust—and I mean feel, rather than just knowing, your trust—they rise to the occasion. Clearly communicate your trust and let employees know how to manage their own 'trust bank' with you by being accountable. Follow through on consequences, letting them know that the future of these programs rests on how they manage themselves. 