



Committed to Success

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Personnel Management

Why managing scientists is not the same as managing employees

It's no secret that the business world is out to make a profit, and most believe that success or failure in this venture depends on two main factors: a solid product and persuasive, extensive marketing. Challenging this assertion is the large number of companies – especially start-ups rising from academic research institutions – which, despite a good product and significant initial investments, fail and close down before even reaching the point where marketing should begin. So what other factors should we consider when establishing a new company, and how can we ensure that they work for us instead of against us?

While most consultants will insist that product and marketing are the only keys to success, we know this is not the case. Even the best product developed by the wealthiest start-up must stand to a test which has nothing to do with money, permissions, or scientific credentials: it has to be completed within the context of a company made not of machines, but of people.

Managing personnel in the business world is an entirely different matter than doing so in an academic environment. Not to say that it is a more complicated management, merely a different one which needs to take into account varying priorities – as well as business laws. The problem arises when the owners, founders and CEOs of a start-up company have only had experience in personnel management in a scientific, academic context. It is simply intuitive to try and apply the same methods to personnel management in one's own company – especially if what little personnel the company starts with also comes from the same background, not to mention the same laboratory.

But before one assumes that academic personnel management and business personnel management are one and the same, some considerations are in order. First and foremost, the private and academic sectors are themselves very different. While competitiveness is a crucial factor in both, the owner of a newly founded company cannot expect to command the same level of respect in the business world that he or she commanded in the academic world. This is particularly important to keep in mind since most start-up founders are already influential and have attained prestigious positions by the time they create their own company. But even more so, it is important because one should not make the mistake of thinking that one's scientific reputation or accomplishments will be enough to both draw new personnel in (regardless of working conditions) and to keep them working in the company.

The truth is that scientists and personnel working in the private sector are not looking for a CEO with outstanding scientific credentials or a place from which they can publish good papers, as much as for a financially secure place where working conditions are good. Therefore, a start-up founder must adjust his or her thinking and understand that the methods used in academic research are no longer applicable. The *forma mentis* of a professor or group leader does not translate well into the business world.

This is especially important in the case of recently founded start-up firms. Such companies are entirely dependent on venture capital (which is raised from investors who expect a sizeable return on investment), and yet in the first few years, they have no marketable product and need instead to focus on research and development in order to achieve that goal. With no product in hand and being entirely dependent on the



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firm's employees to achieve the goals stated in the company's business plan – goals which are critical to the continued raising of additional venture capital – it is a very real fact that the company's survival depends almost entirely on its employees. A decrease in productivity, an unexpected resignation or an unhealthy work atmosphere can easily snowball into the company's bankruptcy.

With this in mind, the entrepreneur must transition from an academic mentality to a business mentality, which translates into understanding that the priorities of the employees are not the same as the priorities of academic scientists. Two important considerations that the entrepreneur must always keep in mind are:

- **Renown vs. security:** An academic scientist building up his or her career looks for a prestigious working place with a famous scientist as an employer, hopefully ensuring that he or she will gain renown as a result (which in turn will lead to better career perspectives). On the contrary, a company employee – even a scientist – has no real interest in the scientific credentials of the employer; he or she is looking for a steady paycheck, good working conditions, the possibility to advance in his or her career with commensurate increases in salary and responsibilities.
- **Employer-employee relations:** The way an employer treats his or her employees is critical in determining success or failure. In the academic world, the balance between employer and employee is heavily tilted towards the employer, who often tends to amass a large amount of authority and influence over the employees. Vice versa, in the business world this equilibrium is more balanced, with the employee depending on the employer for a salary, health insurance, social security and similar benefits on one hand, and the employer depending on the employee for the success of the firm.

It is easily understandable that the employer – employee relationship in the business world is more of a symbiotic partnership, where upsetting the balance one way or the other will lead to a number of problems for both parties involved. So how can an employer ensure that this balance is maintained, at least from his or her side? A few suggestions include:

- **Listening to the employees.** They may have complaints, suggestions, constructive criticism, advice about a variety of situations within the company. More importantly, they may recognize the presence of a potentially threatening problem a long time before the employer becomes aware of it.
- **Ensuring good working conditions.** Disgruntled employees are unproductive employees. Giving employees a good working atmosphere will ensure they will be happy to come to work, and will be more productive. Working conditions can be improved through a variety of means, such as:
 - Purchasing a good coffee machine which they can use for free;
 - Providing a room with a couch where they can relax during breaks;
 - Allowing employees to personalize their workspace (within limits);
 - Giving employees a way to make problems known to management anonymously (for example, with a suggestion box).



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- **Learning the difference between *demand* and *encourage*.** Management should never demand that employees work more than their contract requires. Rather, the employer should find positive ways to encourage employees to work more, if needed – while not penalizing employees who are unwilling or unable to do so. Encouraging employees could include staging “work competitions” (i.e. “employee of the month”) or offering a bonus for high productivity, for example.
- **Building teamwork and company spirit.** Employees who feel part of a team are happier in the workplace and are more willing to go the distance, because they know they are not working alone. Teamwork can be encouraged outside the workplace by organizing short company trips and excursions, setting up a company-wide sports team, or in some cases even offering employees the chance to participate in teamwork-building courses (for example, survival courses).

It goes without saying that an employer should also ensure that the employees do not go too far in their demands; the balance can easily be shifted in their favor, if this happens. Maintaining the balance between an employer and the employees is a dynamic task which, however, can bring great rewards if properly executed.

In short, the employer should always keep in mind that the welfare of the employees and their happiness translates into company productivity. If a small expense of time or money can ensure that the employees are satisfied with their workplace, leading to a good profit in the long term, then it would be more than worth the initial investment. And it is far easier (as well as cheaper) to start pursuing this kind of considerations when the company is still young, with few employees and a flat hierarchy, which means a smaller investment and the possibility to make employees feel like a crucial component of the company’s growing business. And it is worthwhile to remember that this may be all that stands between the fledgling company and its financial success.