

Business Development

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▼ Biotech's gender gap

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Some of the world's top scientists and business school graduates are women, so why are so few of them holding senior-level management positions in biotech?

On August 1, Deborah Dunsire will become CEO of Millennium Pharmaceuticals, a Cambridge, Massachusetts-based biotech firm focused on oncology, cardiovascular disease and inflammation. Dunsire is the latest addition to, alas, a conspicuously short list of women who hold senior management positions in biotech. How is it that 30 years on, biotech still has so few women at the top when they have so much to offer the field, particularly at the startup level? And what can be done to rectify this matter? These are fair questions with no easy answers.

A report released earlier this year, which largely escaped notice, by the global executive search firm of Spencer Stuart headquartered in Chicago, Illinois, found that the gap between women and men in the executive suite is stark (see [Box 1](#)). After analyzing the 2003 proxy statements issued by the top 25 US biotech firms, they found that only 3 of the 18 new directors named to biotech boards (17%) that year were women. Smaller still is the ratio of female-to-male biotech CEOs.

Paradoxically, according to a 2004 study designed to analyze the connection between gender diversity and financial performance, researchers found that return on equity and total return to shareholders were on average about 35% higher in those firms with the highest representation of women in their top management team. These kind of statistics can be misleading, but staffing experts say that biotech startups should at the very least bear them in mind when casting about in search of management talent. The study was conducted by Catalyst, a New York-based research and advocacy firm.

There are multiple theories as to why there is such a dearth of women in biotech management. One is that women are out there, but elect to keep a low profile; consequently, they are easily overlooked. Others think that women are not eager to trade the joys of mothering for the time-consuming challenges of starting or joining a startup.

MPM Capital, one of the world's largest venture capital groups, sees the vast majority of biotech business plans being pushed by entrepreneurs, and finds precious few with women at the helm. Ashley Dombkowski, a general partner at MPM says it's going to be difficult to resolve this disparity because it's still hard to know exactly why it exists. "When women make it to the CEO level, they have to truly be exceptional because there are still enough unspoken barriers [keeping them out of top jobs]," she says.



Michelle Joyce

MPM's Ashley Dombkowski wants to see more business plans from women.



M.H. Concepts

Sequella CEO Carol Nacy says women can be particularly valuable to startups.

There is the cliché that women try harder because they must. This might explain why the ones who do make it to the top are so formidable. Take, for example, Susan Desmond-Hellmann and Myrtle Potter, who serve as president of product development and president of commercial operations, respectively, at S. San Francisco-based Genentech.

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"Here you have two extremely successful women in their own right [at Genentech]," says Joanna Horobin, newly appointed CEO of U3 Pharma in Martinsried, Germany. "Clearly they get along very harmoniously and they are running one of the most exciting and successful companies by anyone's standards." Horobin, former Entrepreneur-in-Residence at MPM, says by any measure, women have already proved what they can accomplish if given the opportunity.

Before MPM, Horobin held top positions at CombinatoRx and EntreMed where she was instrumental in raising a total of \$150 million of financing.

Carol Nancy, mother of five and CEO of Sequella, a Rockville, Maryland-based company focused on tuberculosis therapies, says women can also be valuable to startups in ways that aren't always quantifiable, but are nonetheless valuable. Nancy, who started her scientific career at the Walter Reed Army Institute of Research, says most of the women in biotech whom she knows have a calming effect when times get tough. "You have to be able to look beyond the day-to-day craziness and say, 'It's okay, we'll make it,'" she says. "If you don't [keep this daily chaos in check], your staff panics—and panicking scientists don't think clearly."

Robbie Melton, who is president of the Washington, DC-based Women in Bio, thinks the way men and women are wired suggests that the gender imbalance in biotech might persist unless women find a way to make biotech bend to them rather than vice versa. "Women are sometimes hesitant to promote themselves," notes Melton. "Men, on the other hand, dream about the possibilities and go after them" regardless of what stands in their way.

“Women often don't think their ideas are worthy of a business plan or venture funding.”

Horobin echoes such sentiments: "Women often don't think their ideas are worthy of a business plan or venture funding." Indeed, in the Washington, DC, area where there are now 49 women who have started their own biotech businesses, the vast majority have pursued government funding and research grants for their startups.

Again, there are notable exceptions. Some women, such as inventor/founder, Nalân Utku, CEO of GenPat77 of Berlin, Germany, have successfully garnered both government and venture capital funding. She states, "But, there aren't many woman biotech CEOs in Germany perhaps because women prefer to stay home a couple of years with their kids." Utku says, however, that she worked until the last day of her pregnancy and now has a nanny—two things that are not always an option.

There are, of course, efforts to rectify the gender gap in biotech. One such effort is a program funded by the US National Science Foundation, which operates out of the University of Maryland. This initiative, called the Activate program, trains women in mid-career to become biotech entrepreneurs and to commercialize technologies created at US government labs in Maryland. Melton says that this program has led to a few startups of late.

There are other similar small-scale programs around the globe. The main problem, however, is that most of these programs are competing with business schools and other science-and-business-based academic programs for talent and resources.

More research is needed to determine the scope and scale of the factors keeping women out of senior management in biotech. Then again, the data that exist already speak volumes.

Web links

Websites referenced:

- [Catalyst](#)
- [SpencerStuart](#)
- [DowJones VentureOne](#)
- [Healthcare Businesswomen's Association](#)
- [Women in Bio](#)

Box 1: Spencer Stuart 2005 Biotech Board Index Study: Where are all the women?

- Women hold proportionately fewer director positions on biotech boards than on S&P 500 boards: only 64% of biotech boards have at least one female director, compared to 85% of S&P boards.
- Only two of the 25 biotech boards surveyed have two or more women directors.
- Of the 18 new directors on biotech boards, only three (17%) are women.
- The number of female board members as a percentage of the total number of directors is 9% for biotechs and 13% for S&P firms.

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