

## CRYSTAL PHARMA: A company that fosters participation and trust

### What does this case study demonstrate?

The case study of Crystal Pharma shows the example of a top-performer company in the market, fully open to international markets and with a strong emphasis on the development of innovative workplace (WPI) practices that lead to excellent and mutual-nurturing economic and social results for the company.

**Workplace innovation elements:** employee initiative and participation, learning and reflection, workplace partnerships, improving trust

### Context

Crystal Pharma SA was set up in 1991 as a R&D and consultancy company by a Spanish entrepreneur (Mr Gerardo Gutierrez), who is still the main owner of the company. Since then, the company has moved forward to large scale producer of a wide portfolio of commercial active pharmaceutical ingredients (API), as well as high potency hormones and sterile steroids (by filtration). Since 2007, Crystal Pharma is currently the main enterprise within the Spanish Gadea Grupo Farmacéutico (Gadea Pharmaceutical Group). Gadea employs around 300 persons, located in three establishments in Spain (the main establishment is located in Valladolid with 200 employees), as well as one small unit in Malta and several commercial offices in different parts of the world.

The company is very active in R&D activities, in the sense that up to 20% of the staff of the company is dedicated exclusively to these activities, and approximately half of the workforce is university graduates and doctors. On the other hand, more than 98% of the enterprise's sales are exported to 65 countries all around the world. The company has experienced very robust growth in the last years, with recent annual rates approaching 15-20%. Crystal Pharma can be considered as a key player in the global API market.

### Crystal Pharma: Rowing all together in the same direction

Crystal Pharma is a top-performer in its business niche, and characterised by a strong attention to the development of Workplace Innovation (WPI) practices. In this regard, Crystal Pharma, although integrated in the Gadea Group, is a fully independent company, so the introduction of these WPI practices respond to the own initiative of the company and they are strongly influenced by the personality of the founder of the enterprise. Some of the most prominent WPI practices developed by Crystal Pharma are explained next:

**Active competence development policy for employees.** Thus, the company devotes a 1% of the total personnel budget to these activities in different domains (i.e. specific technical training, risk prevention training, training on general skills/capabilities, etc.), according to needs detected and agreed between individuals/groups of employees and managers. This strong competence development policy is complemented by a strong “backup” policy, which means that for each job position there must be at least two individuals who can do the job (or part of the job). Related to this, the company has got a very active employee hiring policy founded on the principle of selecting the best people accordingly to their values, attitudes and skills for work. This recruitment policy has also resulted in the creation of a multi-national, gender-balanced workforce from different countries and ethnic origins but sharing relatively common values. Finally, the company fosters voluntary horizontal and vertical mobility of employees within the

company, which facilitates that people have a thorough and comprehensive view of the company. In turn, this mobility requires an intense attention to competence development activities for those individuals affected.

**Open and participative business culture.** To start with, five years ago the company decided to sell approximately 6% of all the company's shares to all interested employees, irrespective of their position in the hierarchy. Approximately 100 employees are currently shareholders of the company. Also, the management has developed a profit-sharing scheme by which a 3% of the annual profits are distributed to all employees, as well as an additional 3% to 20% of the personnel that are selected annually based on their outstanding performance levels. Also, the company organises twice a year a follow-up meeting to inform all employees on the main results achieved as well as the expected future directions and guidelines. Finally, the company fosters an "open door" business culture, so each employee is "welcomed" to speak to all hierarchical levels, including the CEO.

**Emphasis on the health and well-being of employees.** In this regard, there is a very active committee of safety and hygiene at work, which takes care of all the elements related to risk prevention and safety at work. Also, the company has incorporated flexitime practices, with a certain degree of flexibility in the entering/exit times to reconcile enterprise and personal needs. In this regard, the company "trusts" their employees, favouring results and not mere attendance.

**Fluent social dialogue with the legal employee representation,** in all areas of interest for both parties (working conditions, wages and working times, etc.). Interestingly, the company legal employee representation is solely formed up by independent workers, not affiliated to a trade union. They are selected via "open lists" made up of volunteers who are voted by their job colleagues. Interestingly also, the company has got an own enterprise collective agreement with better conditions than the provincial one. For instance, company employees have got one month and a half holiday period and an annual working time of 1,752 hours per year.

**Development of a model of "management by values" ("gestión por valores" in Spanish).** Last but not least, the company initiated in 2014 the definition of the so-called "management by values" model, intended to identify common "values" that underpin the company and its culture and have to be shared by all employees of the company. For this purpose, a participatory process was opened up to employees of different sections, where five main values and associated characteristics have been defined (Transparency; Development of talents; Improvement/doing better; Team Work and, Flexibility). These values are currently used for identifying areas of improvement for individuals, as well as for evaluating the work of individual employees.

## **So who benefits?**

From the perspective of the company representatives, the presence of active WPI practices facilitates both a higher engagement of employees with the company, the existence of a very good working environment where ideas can flourish and be brought forward and, finally, positive employment relationships within the company. Meanwhile, these social outcomes explain the very low staff turnover in the company, the opportunity to bring into the company highly qualified personnel and, finally, are at the root (together with other elements) of the important economic results obtained by the company in recent years (with annual growths approaching 15-20%).

Meanwhile, from the perspective of employees and employee representatives, the company is perceived as an excellent employer, in terms of good working conditions, job/income security, good working climate, challenging/active jobs or high participation in the company's life. In this regard, the idea of "being part of the company" is also very present amongst employees, in the sense that the company "belongs" financially and emotionally to them.

## **Prognosis**

Future prospects for Crystal Pharma are very positive. Meanwhile, the company is fully decided to continue its strong emphasis on human resources and on the development of WPI practices as a key tool to underpin the future of the company.