

# TALENT SURVEY REPORT



Talent, like other scarce resources, can be difficult to find and replace. There is a popular saying among human resource departments: “The war on talent is over – and talent won.”<sup>1</sup>

This war on talent is especially acute in the life sciences industry. Some instances of talent shortage are chronic. For years, there has been a notable shortage of clinical research associates in the workforce.<sup>2</sup> Other occurrences of shortages of talent are caused by external events. For example, in the post-Brexit United Kingdom (UK), life sciences firms are reporting having difficulties filling senior positions.<sup>3</sup>

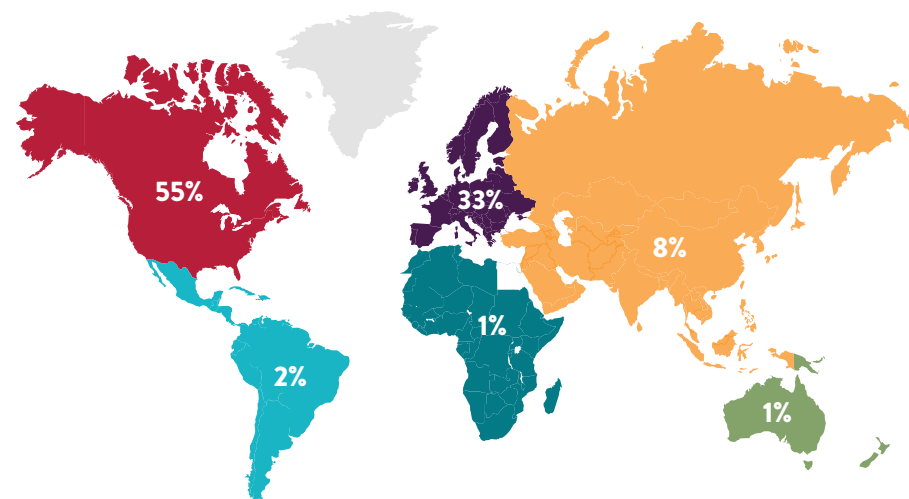
SCORR Marketing, in conjunction with Applied Clinical Trials, conducted a survey in January 2018 to gain insight into the best strategies companies are using to attract and retain clinical research talent.

Survey participant demographics include:

- Organization types – those who work for academic/research institutions and hospitals, contract research organizations (CROs), pharmaceutical and biopharmaceutical companies, research sites and consultancies
- Job functions – those in clinical operations, project management, research and development (R&D), patient recruitment and quality assurance/control (QA/QC)
- Job levels – directors, managers, associates/coordinators, investigators and C-Suite personnel
- Locations – more than half of respondents from North America, about one-third in Europe; respondents from six continents
- Company sizes – respondents from smaller (50 employees or fewer), medium-sized (51 to 1,000 employees) and larger (1,000+ employees) companies

In this report, we provide information about:

- Which types of companies are sources of talent and the destinations of lost talent
- Incentives used to attract and retain talent
- What tactics companies prioritize when hiring and recruiting new employees
- Which positions are most difficult to replace
- Employee retention programs
- Evaluations of company talent acquisition efforts
- Areas of emphasis for workplace culture



## Companies primarily gain team members from organizations like themselves. Correspondingly, they lose employees to similar companies.

Organization type	Top talent source	Top destination of lost talent
Academic/research	Academic/research	Academic/research
CROs	CROs	CROs
Pharma/biopharma	Pharma/biopharma	Pharma/biopharma
Research sites	Academic/research	Pharma/biopharma

- A plurality of academic institution respondents (48%) reported that most of their new hires come from other academic institutions. Fifty-nine percent of them say that academic institutions are the organizations to which they primarily lose talent.
- Slightly more than one-half of survey participants from CROs (52%) identify CROs as their top talent source. And more than one-half (55%) believe that CROs are where departed employees are most likely to go.
- Almost two-thirds of pharma/biopharma respondents (65%) said that pharma/biopharma companies are where they get most of their new hires. Eighty-five percent of these sponsor types state that former employees are inclined to find employment at other pharma/biopharma companies.

## Recent graduates are more likely to be sought by some respondent groups than others.

- More than one-third of academic institutions (38%) get most of their new hires from recent graduates. On the other hand, 4 percent of pharma/biopharma company respondents report that they acquire talent mostly from recent graduates.
- A plurality of project managers (42%) state most of their company's new hires come from the pool of recent graduates. For those involved in patient recruitment, however, just 13 percent say this.
- Forty-two percent of respondents from the rest of the world (RoW, or the aggregate of Asia, Australia, South America and Africa) obtain their new talent primarily from recent graduates; considerably fewer European respondents (22%) and North American (24%) respondents primarily seek new employees among recent graduates.

## Pharma/biopharma as a segment is more of an occupational destination than a temporary stop.

- As stated above, most (85%) pharma/biopharma respondents report that other pharma/biopharma companies are the primary drain on talent.
- Pharma/biopharma is also the top destination among respondents at research sites (33%).
- Almost one-half (45%) of CRO participants say the primary destination of their companies for departed talent is pharma/biopharma companies.

While competitive benefit programs and paid time off are rated as the most effective employee retention efforts across all company sizes, the effectiveness of other employee retention efforts depends in part on the size of the company.

Company size	Most effective employee retention program	Second-most effective employee retention program
Large	Competitive benefit programs and PTO	Vesting (equity or 401k)
Medium	Competitive benefit programs and PTO	Vesting (equity or 401k)
Small	Competitive benefit programs and PTO	Higher salaries

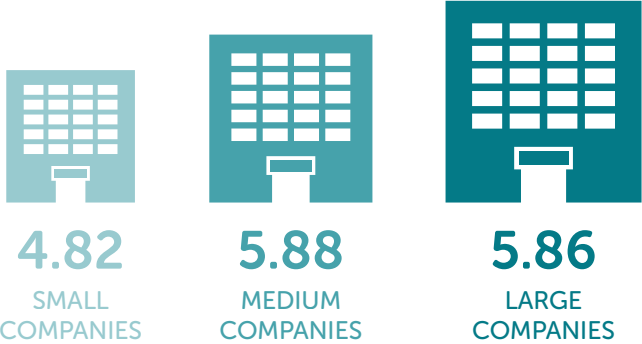
- Vesting (equity or 401k) is the second-most effective employee retention program for large and medium-sized companies. For small companies, higher salaries are rated second.
- For large company respondents, on-site conveniences is the third-ranked employee retention program in terms of effectiveness.
- For small company respondents, periodic bonus schedules is the third-highest-rated employee retention program.

Pharma/biopharma companies are more likely than other types of organizations to use both financial and non-financial incentives to recruit employees. This could explain why they are an occupational destination.

Organization type	% that uses financial incentives	% that uses non-financial incentives
Academic/research	18%	41%
CROs	57%	87%
Pharma/biopharma	76%	95%
Research sites	35%	80%

- More than three-quarters of pharma/biopharma respondents (76%) say their company uses financial incentives to recruit new employees.
- Nearly all pharma/biopharma survey participants (95%) say their company uses non-financial incentives to recruit new employees.
- The finding that pharmaceutical or biopharmaceutical companies are more likely to use incentives to recruit new employees is consistent with previous ACT-SCORR research on salaries and employee satisfaction that indicates pharma/biopharma company respondents have higher salaries and are the beneficiaries of more non-cash compensation.<sup>4</sup>
- It should also be noted the aforementioned research showed that better pay is not an indicator of overall job satisfaction.

On a 1-10 scale (with 10 being the most difficult), how difficult is it for your company to hire and retain employees?



- When asked to evaluate the difficulty of various hiring and retention tasks, large and medium-sized companies indicated that replacing employees who have left is the most challenging responsibility. In fact, more employers are making counteroffers in an effort to retain highly skilled employees.<sup>5</sup>
- When asked to rate difficulty on a 1-10 scale (with 10 being the most difficult), small company respondents gave an average rating of 5.60 for recruiting new employees and 5.30 for replacing employees who have left the company. All other groupings considered it more difficult to replace employees who have left.
- RoW respondents assign an overall average rating of 6.54 to these tasks. This is substantially higher than the overall average rating given by North Americans (5.28) or Europeans (5.35).

Referrals and advertising are the top two ways companies recruit new talent. However, the top two methods vary depending on the respondent's position within the company.

Respondents' titles	#1 way to recruit new talent	#2 way to recruit new talent
C-Suite/VP	Referrals	University recruiting
Director	Advertising	Referrals
Manager	Advertising	2-way tie: (1) In-house job postings and (2) Recruiters/headhunters
Associate/ coordinator	3-way tie: (1) Advertising, (2) In-house job postings and (3) Referrals	

- In that one-half (50%) of C-Suite/VP respondents identify university recruiting as a way that their company recruits new talent, they believe their company relies much more on university recruiting than do respondents with lower levels of responsibility.
- North American respondents are more likely to state that their companies use advertising (56%) than are those from Europe (39%) or RoW (27%).
- Those from small companies are less likely to state that their companies use advertising (36%) than are survey participants from medium (54%) or large companies (58%).

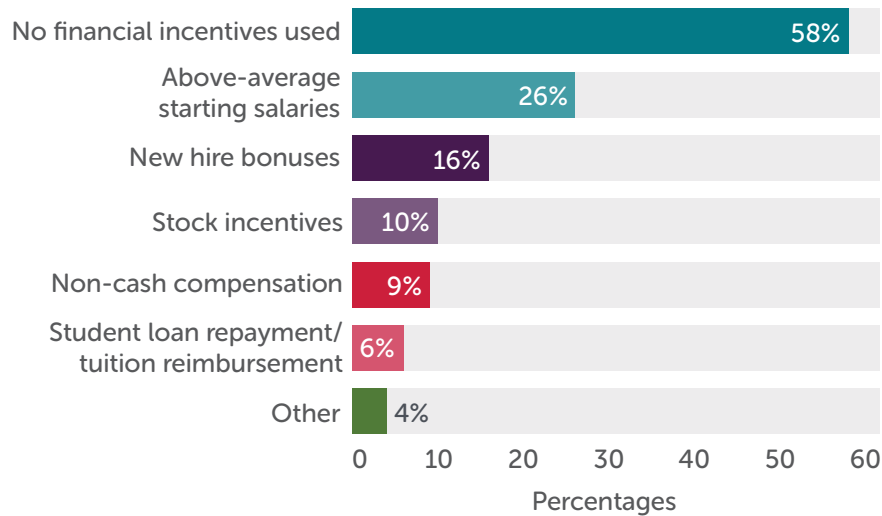
## Where do most of your new hires come from? Where do departing employees go?

	Academic institutions	CROs	Pharma/biopharma	Research sites	Recent graduates	Other
Where new talent comes from	26%	13%	24%	6%	26%	5%
Where departed talent goes	24%	23%	44%	5%	n/a	4%

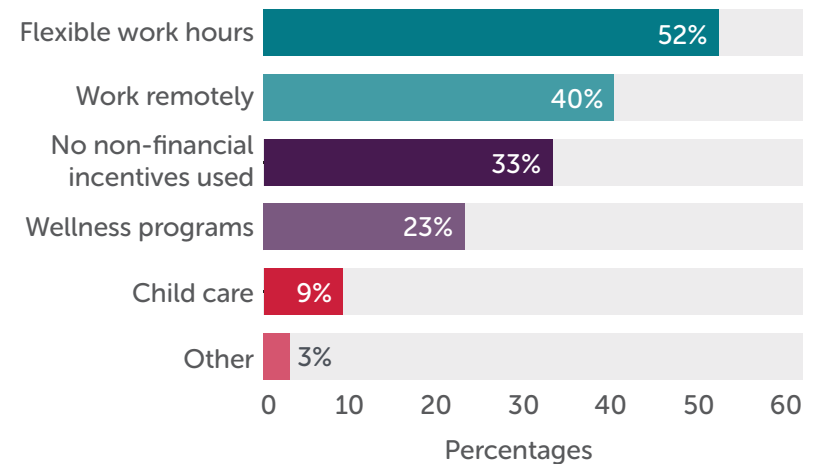
## On a 1-10 scale (with 10 being the highest), please rate how effective the following are to your company's employee retention efforts.

	Avg. rating overall	Avg. rating North America	Avg. rating Europe	Avg. rating RoW
Competitive benefit programs and paid time off	6.80	6.89	6.22	7.85
Higher salaries	6.31	6.22	6.34	6.67
Vesting (equity or 401k)	6.14	6.59	4.85	6.33
On-site conveniences	5.95	5.50	6.03	7.80
Periodic bonus schedules	5.94	5.84	5.86	6.64
Overall average rating	6.23	6.21	5.86	7.06

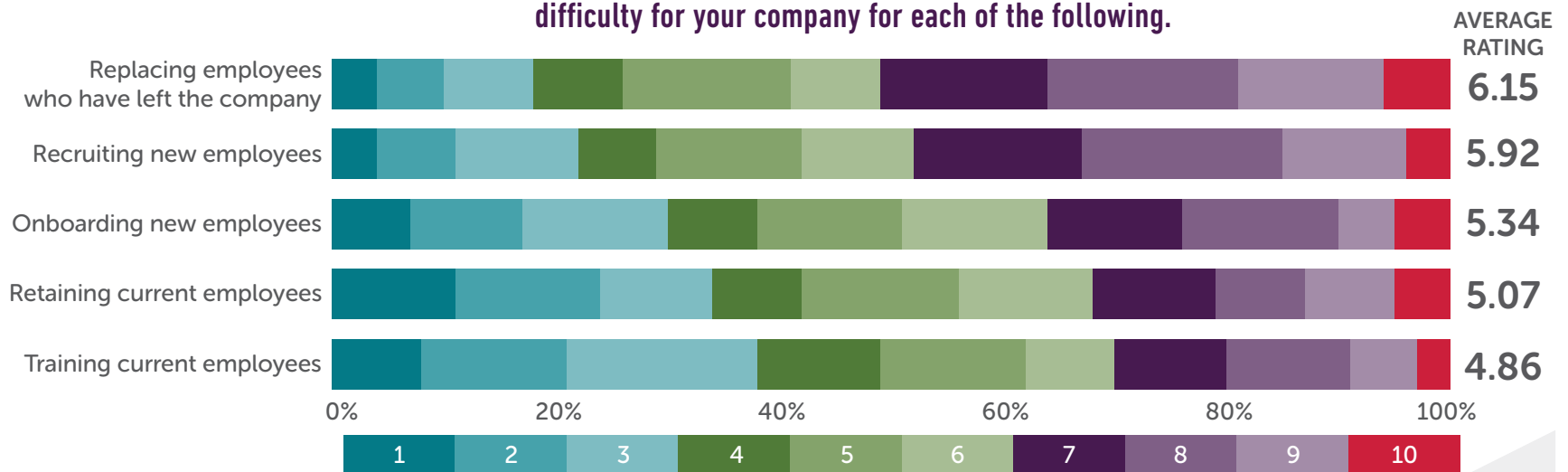
## Which of the following financial incentives does your company use to recruit new employees? (Select all that apply.)



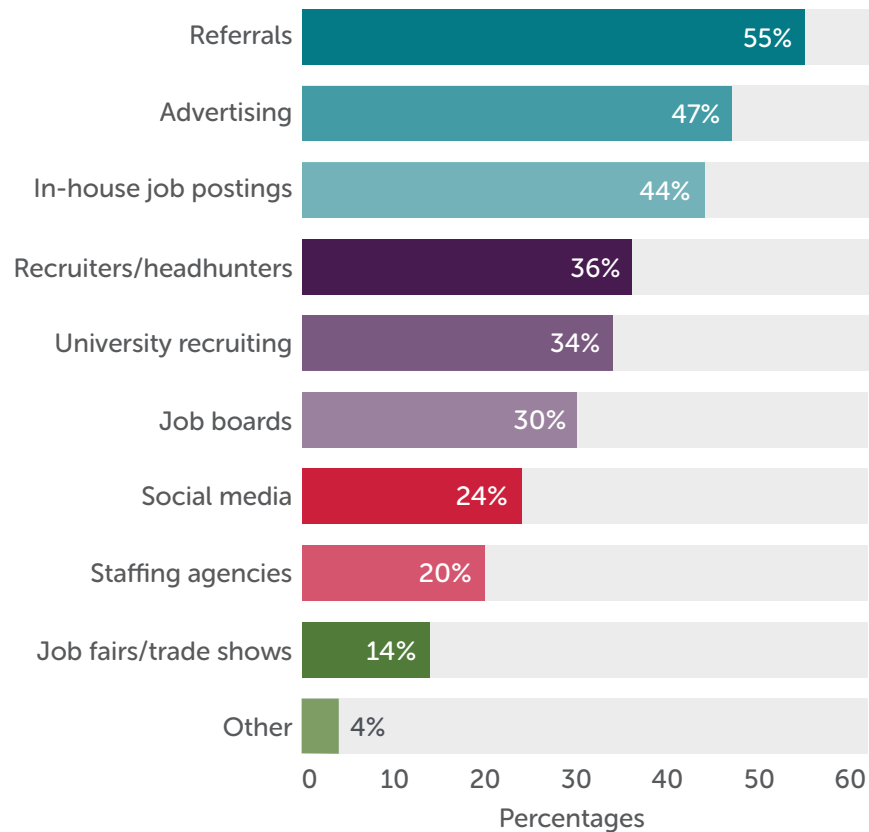
## Which of the following non-financial incentives does your company use to recruit new employees? (Select all that apply.)



## On a 1-10 scale (with 10 being the most difficult), rate the difficulty for your company for each of the following.



## In which of the following ways does your company recruit new talent? (Select all that apply.)



## How long does your company typically take to hire/train new talent?

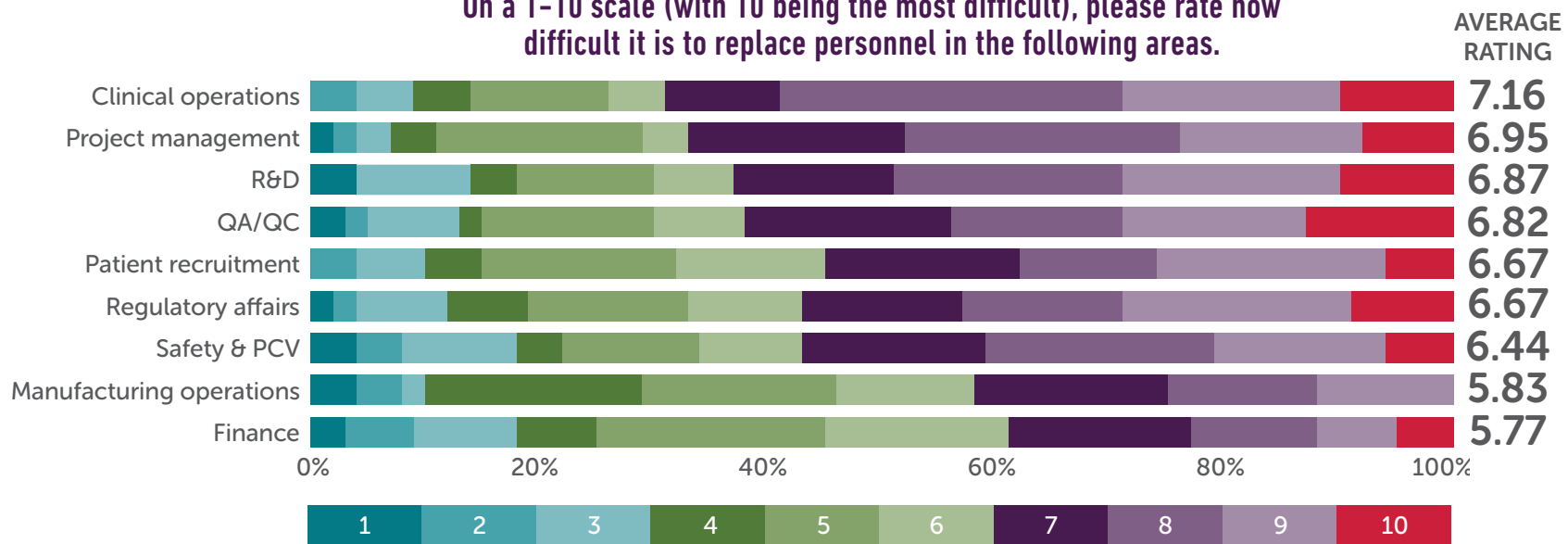
	Hire	Train
Less than a month	7%	9%
1 to 3 months	41%	40%
4 to 6 months	35%	23%
7 to 12 months	9%	16%
More than a year	8%	12%

## On a 1-10 scale (with 10 being the most important), rate the importance to your company for each of the following when hiring and retaining talent.

	Avg. rating overall	Avg. rating small companies	Avg. rating medium-sized companies	Avg. rating large companies
Qualifications	7.99	7.63	8.26	8.18
Experience	7.56	6.85	7.78	8.16
Cultural fit	7.55	7.16	7.94	7.71



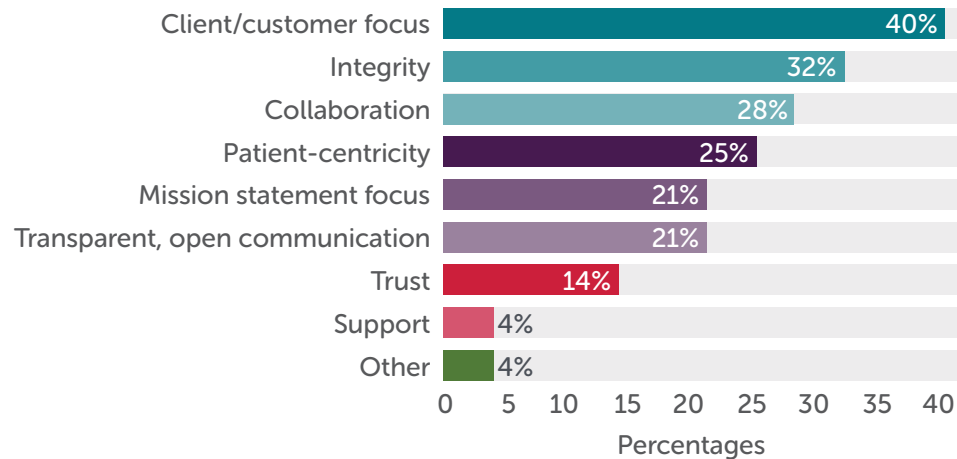
On a 1-10 scale (with 10 being the most difficult), please rate how difficult it is to replace personnel in the following areas.



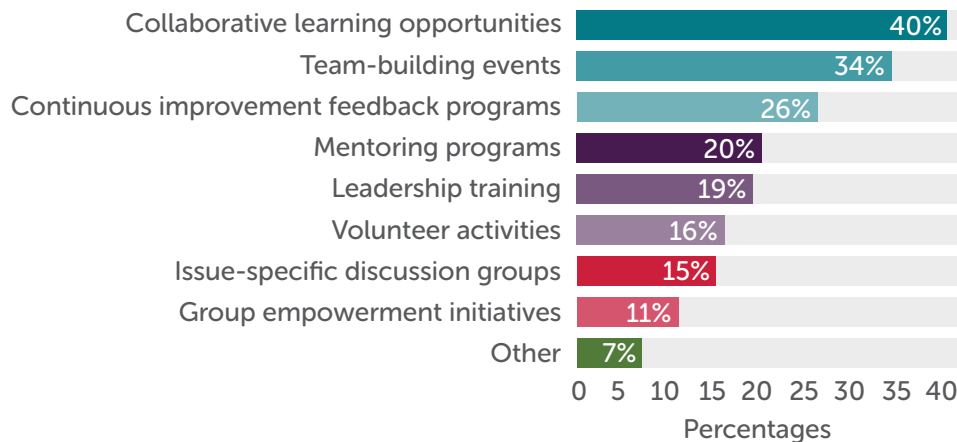
On a 1-10 scale (with 10 being the best), please rate how well your company performs in each of the following categories.

	Avg. rating overall	Avg rating small companies	Avg. rating medium-sized companies	Avg. rating large companies
Workplace culture	6.95	7.43	7.21	6.22
Employee engagement	6.77	7.02	6.88	6.31
Employee recognition	6.64	6.90	6.43	6.36
Performance evaluation	6.52	6.62	7.04	5.97
Employee recruitment	6.26	6.52	6.79	5.50
Overall average rating	6.63	6.90	6.87	6.07

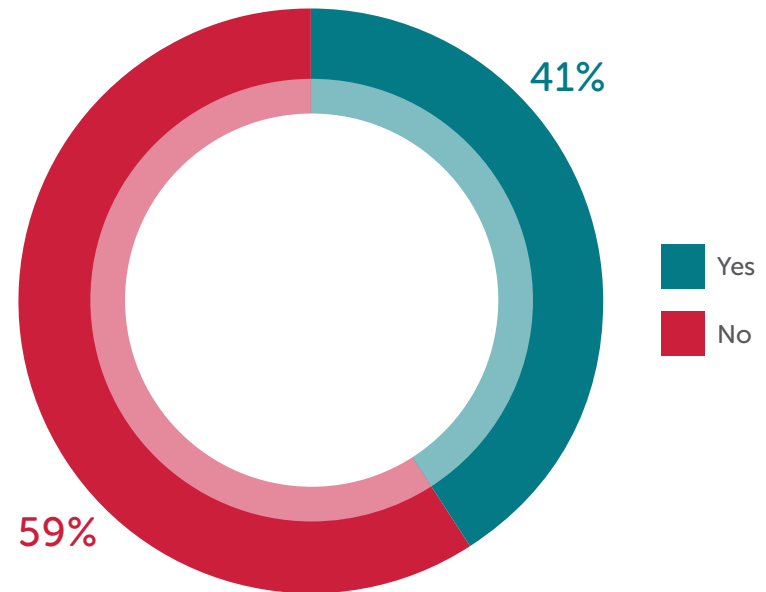
Please select the top two areas of workplace culture emphasized by your company.



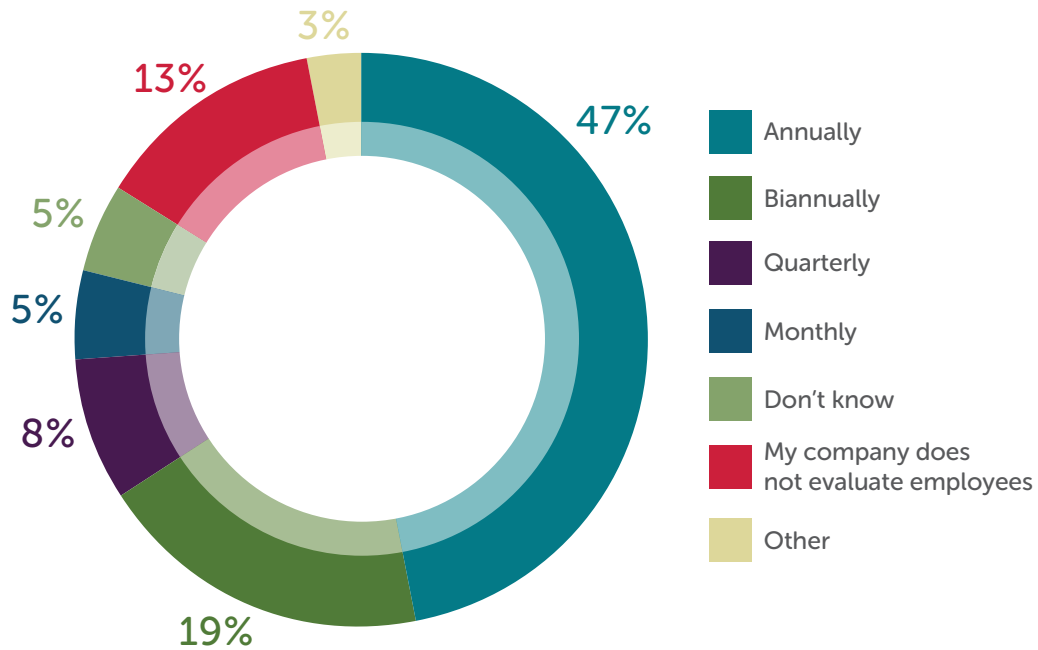
Please select the top two employment engagement programs emphasized by your company.



Does your company have an employee recognition program?



## How often does your company formally evaluate employees?



## Regarding the recruitment process, does your company usually measure \_\_\_\_\_ of the process?

	Applicants' perceptions	Hiring managers' perceptions
Yes	28%	37%
No	38%	35%
Unsure	34%	28%



Companies acquire and lose employees from other companies in the same space.



When people “move up,” it is often to pharmaceutical or biopharmaceutical companies. That is, talent migrates to these companies and not away from them. This could be because these companies have more resources to acquire and retain team members.



While talent acquisition is hard, replacing employees who have left is even harder.



The most difficult areas in which to replace personnel are clinical operations, project management and R&D.

**Recommendation:** To improve retention, companies should evaluate their benefit programs and paid time off policies in particular, as these are considered the most effective retention tactics by our respondents. Because departing employees tend to stay at the same type of company that they have been in, companies should begin their assessment by comparing their employee programs against those offered by similar companies.

Additionally, given the preponderance of pharma companies offering incentives, any pharma company not offering incentives or offering only limited incentives should consider assessing their policies without delay, especially if employee retention has been a problem.

<sup>1</sup> “The War for Talent Is Now a Way of Life for HR,” Society for Human Resource Management, May 30, 2017. <https://www.shrm.org/hr-today/news/hr-magazine/0617/pages/the-war-for-talent-is-now-a-way-of-life-for-hr.aspx>

<sup>2</sup> “Clinical Trials Day: Focusing on Awareness, the ‘War on Talent,’ and an Industry-Wide Commitment,” in-Pharma Technologist.com, May 18, 2016. <https://www.in-pharmatechnologist.com/Article/2016/05/19/Clinical-Trials-Day-awareness-war-on-talent>

<sup>3</sup> “UK Life Science Firms Struggle in Post-Brexit War for EU Talent,” European Pharmaceutical Review, January 8, 2018. <https://www.europeanpharmaceuticalreview.com/news/71373/uk-life-sciences-brexit/>

<sup>4</sup> “Clinical Research Industry Salary and Employee Satisfaction,” ACT-SCORR, Dec. 2017. <https://www.scormarketing.com/resources/salary-survey-report/>

<sup>5</sup> “More Employers Resort to Making Counteroffers to Retain Highly Skilled Employees,” Fierce CEO, February 20, 2018. <https://www.fierceceo.com/human-capital/counteroffers-are-becoming-more-commonplace-for-employers>