

Talent Acquisition with 20/20 Vision

Is your talent strategy in focus for the year 2020?

The global life science industry faces significant challenges due to geo-political unrest, evolving regulatory controls, the aging workforce, and heightened public awareness around the cost of drugs and overall healthcare expenditures. Simultaneously, demographic shifts, lifestyle changes, and technological advancements are creating opportunities for accelerated growth. To remain competitive, companies must ensure they have the talent supply chain and human capital needed to improve operational efficiency, meet compliance standards, and drive innovation. However, by 2020, the global workforce will be dominated by millennials — a generation life science companies struggle to attract and retain. The following is what employers need to know about total talent management looking ahead to 2020 and beyond.

Industry Trends Influencing Talent Demand

- ▶ **Cost control:** While biotech funding and global health spending are on a moderate growth trajectory, R&D and production costs are rising. Factor in public awareness and pressure to eliminate overcharging and to create more affordable treatments, and it's clear why returns are decreasing. The ensuing need for cost control is not only leading to downsizing, it's necessitating exploration of new operational models. This can involve outsourcing functions such as R&D and manufacturing, which will lead to a higher demand for talent in Functional Service Provider (FSP) models. It can also involve establishing remote teams instead of relocating talent; developing collaborative endeavors; and using contingent labor.
- ▶ **Innovation/Disruption:** A growing number of companies are leveraging technology in biotech, biopharma, biomed, genetics, and molecular biology. On the operational side, they're undergoing digital transformation to become more streamlined while taking advantage of new technologies and expanding operations. As a result, tech companies are entering the industry either independently or as partners to life science companies. Employers will experience a growing need for

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R&D and clinical talent with high-level specialties such as biomechanics, molecular biology, and genetics. They'll also need talent with data management and analytics skills to process the growing amount of information, as well as specialized talent to develop new methods of patient care.

- ▶ **Personalization:** Life science companies are developing mHealth (mobile health) solutions that provide consumers constant access to their healthcare providers. Thanks to the ability to record and analyze patients' data remotely (wearable diagnostics), there's also a growing focus on precision medicine. In addition to IT, data management, and analytics talent, companies will focus on talent with marketing, communication, and customer service skills.
- ▶ **Regulation:** While the United States could soon ease regulatory requirements regarding development, companies face stringent and changing regulations globally. In the United Kingdom, new regulations must be developed in preparation for Brexit. The E.U. continues to focus on harmonizing regulations, and regulators around the globe are focusing on cybersecurity, counterfeit drugs, and corruption. Due to the existing shortage of experienced legal, regulatory, and compliance talent, it's possible that life science

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companies will have to use independent contractors and talent from other industries.

Trends Influencing Talent Supply

- ▶ **The skilled workforce is aging:** More than 50% of life science workers are currently over 45 years of age. This, combined with a chronic shortage of millennials with academic S.T.E.M. degrees entering the field only exaggerates the challenge. By 2020, advanced economies are likely to have a surplus of workers with vocational training or high school degrees.
- ▶ **High competition for talent in the United States:** Most life science companies are located in historic geographic clusters, intensifying competition for talent. To further exacerbate the situation, experts predict an average job growth of 10% plus in the United States life sciences industry in the next 10 years. The sectors that will experience the most growth will be medical equipment and supplies manufacturing, pharma and medicine manufacturing, and most importantly, R&D in biotechnology.
- ▶ **Negative perceptions of the industry:** High-visibility price gouging, increasing costs of drugs and devices, and a lack of transparency all contribute to a millennial's possible negative perception of — and reluctance to work in — the sector. Further, the M&A trend of recent years is likely to continue, which could deter new talent from a career choice in life sciences.

- ▶ **Compromised talent mobility:** With the United Kingdom set to leave the E.U. and other countries debating following suit, restrictions on talent mobility (Article 50) are likely to impact many companies with overseas operations.
- ▶ **Work expectations and preferences:** Millennials have specific expectations regarding work. They want to innovate, and they want their employers' corporate culture to align with their values and goals. If work environments don't meet their requirements — and most traditional work environments don't — they're quick to move on.

Using the Work-life Design Palette to Attract and Retain Millennials

Due to heightened focus on innovation, technology, and customer experience, life science employers are in competition with other industries — in particular the tech industry. To attract and retain skilled talent, employers need to understand what motivates millennials and adapt accordingly.

Millennials view their professional and personal lives as integrated parts of a comprehensive work-life design palette, made up of five components: work governance, flexible work arrangements, lifestyle and life stage amenities, personal realization and empowerment, and workplace culture.

Work governance

Millennials want control over when and how much they work. Almost 40% want restrictions on how much they work outside of designated business hours, and 17% want limitations on email communications in their personal time. Almost 25% want employers to encourage them to use all their vacation time.

For employers, this means moving away from the notion that employees can only advance if they are available 24/7. Instead, they need to embrace the fact that limiting work hours reduces employee stress and increases productivity.

Flexible work arrangements

Millennials are aware of the stress involved with lengthy daily commutes and long days at work. That's why 63% want flexible work arrangements, including working remotely and flexible schedules. Almost half want paid time off, and 11% want the opportunity to purchase additional vacation days.

Many employers are wary of telecommuting due to concerns about IP, cybersecurity, and productivity. However, there's robust technology available to protect companies'

online communications and assets. In addition, studies have shown workers are more productive when working from home and/or having flexible work arrangements.

Lifestyle and life-stage amenities

More than 40% of millennials value employer-provided wellness programs that include gym memberships and stress reduction services. And 20% want in-office kitchens and on-site cafés, and almost 10% want concierge services that can save time on everything from oil changes to laundry. Life-stage support is also important: 18% of workers require childcare support programs and 13% want caregiver support programs.

Providing these services will undoubtedly require investment. However, there are ways to control costs — for example, by moving to office parks that provide amenities, and partnering with insurance companies that offer corporate wellness programs.

Personal realization and empowerment

Greater than 80% of millennials are looking for companies that will help them grow their skills, and 45% want to work on innovative projects. Millennials also prefer their work to be meaningful. In life sciences, they're motivated by finding cures for both common and rare diseases, as well as by helping people live longer, healthier lives. Approximately 25% want the opportunity to volunteer in their communities during work hours, and 14% are interested in sabbaticals to pursue personal interests.

Employers need to ensure their employees have a clear understanding of the company's goals in order to keep them motivated. It can also be useful to structure work in the form of projects, which gives employees more freedom to select work that is meaningful to them. Investing in employee upskilling will result in a more loyal workforce, and considering the lack of talent with academic degrees, it can help employers quickly build their workforces to meet their exact needs.

While making provisions for volunteer work and sabbaticals doesn't have a direct payoff for employers, it's a good reputation builder.

Workplace culture

More than 80% of millennials want to work for a company with a corporate culture promoting innovation and progress, yet only 50% say their current company does this. They also value highly collaborative work environments with virtual and cross-functional teams.

For employers, breaking down traditional silos and successfully establishing a collaborative work environment is crucial in attracting

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millennials. They must invest in collaborative technology and share the outcomes of their efforts with their workforce. They also need to be transparent about their motivations and consider further improvements to their collaborative models. Most importantly, they need to spearhead the cultural transformation required to build workplaces where teamwork is actively supported by company leaders as an effective way to drive innovation and business results.

Conclusion

Effecting change on so many levels is no small task for employers. However, when done correctly, the benefits of creating forward-thinking employment arrangements and work environments that attract and retain millennials will help companies become more agile. Ultimately, they'll be better equipped to take advantage of future innovations and opportunities — while their competitors may remain stymied by talent bottlenecks. Now that's 20/20 vision. ^{PV}

Kelly Outsourcing and Consulting Group (KellyOCG) is the leading global advisor of talent supply chain strategies that enable companies to achieve their business goals by aligning talent strategy to business strategy across all internal and external worker categories.

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