



2019 Talent Trends sector report.

talent acquisition strategy is a lifeline
for the **life sciences & healthcare** sector.

disrupt or be disrupted: the human capital leaders ready to stand up will drive their organizations forward.

In an era of rising life expectancies and aging demographics, the demand for innovative medicine is skyrocketing. Consumers want to feel better, enjoy active lifestyles longer and expect more choices when it comes to treatments. With a focus on delivering diagnostics and therapies more quickly, life sciences and healthcare companies have many opportunities, but also challenges, ahead. The sector is not only expected to grow by 5.4% annually, outpacing global GDP, but it also faces an aging workforce. This is why 80% of talent leaders in the industry say Baby Boomers retiring will have a big impact on their organizations this year.

These market trends are placing tremendous pressure on human capital leaders to source and hire talent. You need to meet skills demands for today's consumer-driven healthcare, but must also look to the future to find the talent who will develop emerging therapies for a booming global population — all while backfilling the talent that is expected to leave the workforce.

Data from Randstad Sourceright's 2019 Talent Trends survey of more than 800 human capital and C-suite leaders around the globe confirms this. More than any other sector, life sciences and healthcare employers (85%) say talent scarcity is one of their business leaders' greatest concerns.

To address talent scarcity, companies are fine-tuning their workforce strategies by leveraging more flexible talent. They are developing their employer brands and seeking opportunities to collaborate with external partners. The desired result is to create a more agile and focused organization that is well-positioned to deliver the innovation their customers demand.

There is no question that talent leaders in this sector are placing a greater emphasis on value creation. Our Talent Trends survey shows that 89% of human capital leaders in the life sciences and healthcare industries believe talent acquisition should be driven by value creation, not cost savings. This is the highest percentage of all major industries we surveyed. What's more, 87% also believe the work they do helps prepare their organizations for the future.



do you know

who your competitors are?

Focusing on the future needs of business leaders is perhaps the single most important imperative for life sciences and healthcare employers because new diagnostics and therapies account for much of the sector's growth.

For example, pharmaceutical and biopharma companies must ensure they have a healthy pipeline of products in development to remain competitive as many widely used drugs come off patent. Research and development — always the source that keeps the industry growing — is taking a new turn as personalized medicine gains popularity. Gene therapy promises to enhance the success rates of treatments for cancer and other diseases.

While new therapeutics and technologies present tremendous opportunities, they also require significant investment in knowledge, expertise and practice. And as new treatments are pursued, and medications are investigated, the demand for existing and unique skills will spike.

Traditional roles such as clinical study managers, research associates, regulatory managers and others continue to be in high demand, but a host of emerging skills have also become difficult to find. Mathematics and analytical specialists working in the field of bioinformatics, for instance, are helping companies discover drug molecules more quickly and refine treatment for individuals.

Adding to talent acquisition challenges, life sciences and healthcare companies face fierce competition for skills outside of their own industry specializations. As they continue the evolution to becoming digital businesses — leveraging data and consumer technologies in their growth strategies — they will need to attract and hire talent from other sectors more aggressively. If it's not already, your company will compete with employers in the IT and communications space, among others, to acquire digital skills.

Deloitte estimates that only 20% of companies in life sciences consider themselves to be digitally mature. This means that talent scarcity will only grow as the majority of businesses in your own sector move toward digitalization.

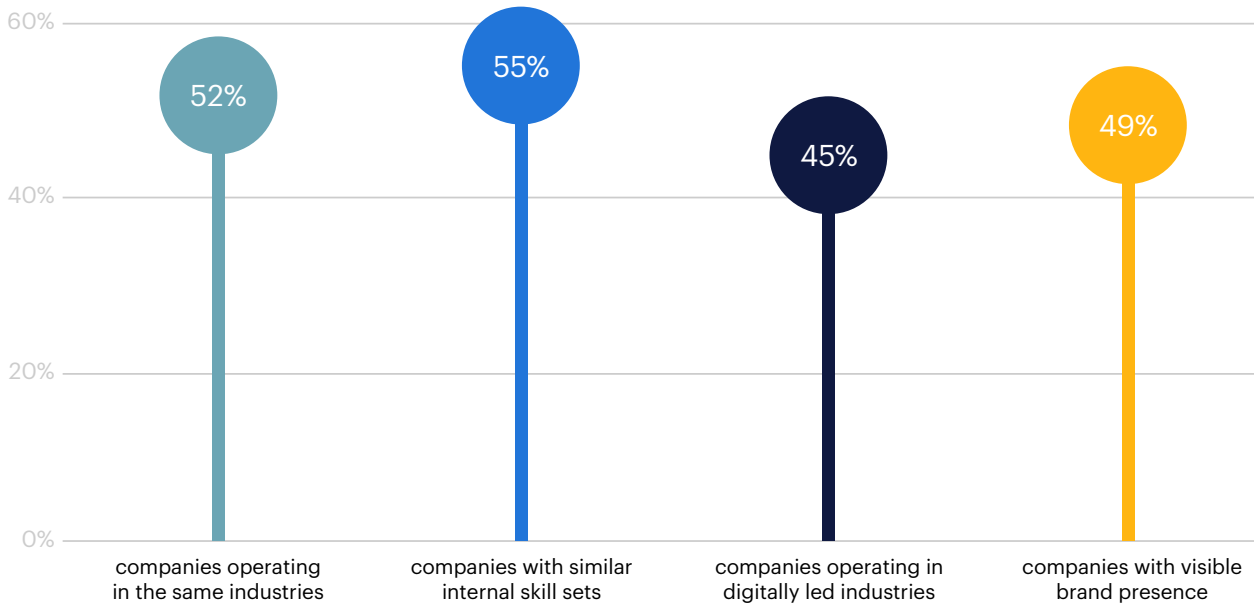
For example, medtech companies are now focusing on how to create better experiences for patients, caregivers and all other stakeholders. They may be recruiting for talent outside of the industry with experience in the consumerization of devices. Organizations that are focusing on improving patient safety and outcomes will likely recruit for analytics experts, according to McKinsey.

At the same time, traditional technology companies are raising their investments in consumer health markets. Apple recently received its first U.S. Food and Drug Administration approval for a smartwatch that can be used as an electrocardiogram monitor. Tech giants such as Google, Microsoft and Amazon have all moved into the life sciences space by investing in health data analytics and systems.





which companies do life sciences & healthcare organizations consider to be competitors for talent?



source: Randstad Sourceright 2019 Talent Trends employer survey

These new services and revenue opportunities mean you will have to compete with Silicon Valley for world-class digital skills. Some of the largest companies in the sector are already recruiting chief digital officers from other industries to help with this major transformation.

[click here](#) to see what talent values most during their job search

It's a challenge not easily addressed. Life sciences and healthcare companies face many obstacles because, unlike the IT and technology sector, their businesses historically have lagged others in brand recognition and providing operational transparency. The makers of top-selling drugs, such as HUMIRA, REVLIMID and KEYTRUDA, are hardly household names (made by AbbVie, Celgene and Merck, respectively). Nor are medical devices such as catheters, replacement hips or pacemakers often discussed by consumers.

The regulated nature of the life sciences and healthcare sector has historically shielded the operations of its employers from public view. Companies and their employees are prohibited from publicly sharing details about their work. This makes it more difficult for job seekers to learn what it feels like to work at the company.

Due to the slow regulatory approval process, businesses in this sector don't always have opportunities to position themselves to job seekers as the exciting innovators that they are. Clinical studies can take years, and review by government agencies in some countries can take up to a year before drugs and other medical products are allowed to be marketed. As a result, talent may be more inclined to work in the IT and communications sector, which tends to commercialize innovation more quickly.

The encouraging news is that a number of companies have recently undertaken initiatives to create greater transparency about their business and application process. They are also now emphasizing their excellent employee value propositions, including awards for creating excellent working environments, being financially healthy, fostering diverse and inclusive cultures, and promoting healthy work-life balance.

This is reflected in the Randstad Employer Brand Research, a global annual survey that reports on the perceptions of more than 175,000 working-age adults in 30 countries. Randstad's research uncovers that the life sciences industry is among the top five most attractive sectors, behind only the IT and communications sector. Our Talent Trends research reinforces this; 41% of working professionals in this industry prefer to stay within life sciences and healthcare when seeking new opportunities.



the urgency for creating total talent agility.

Seeking to reinvent their image, more companies are presenting themselves as agile and entrepreneurial. This is also reflected in how they are rethinking their talent strategies, with many businesses now focused on recruiting and retaining workers that specialize in core functions, such as research and development, and sales and marketing. For non-core functions, many positions previously held by permanent, full-time employees are being transitioned to flexible, contingent labor, according to Tania De Decker, senior vice president with Randstad.

As a practice leader in the life sciences sector, De Decker points out that a number of global companies are looking to convert a large part of their permanent workforces to gain flexibility. Turning to temp, statement of work (SOW) and independent workers, many pharmaceutical companies need to become more agile to accelerate their product development cycles.

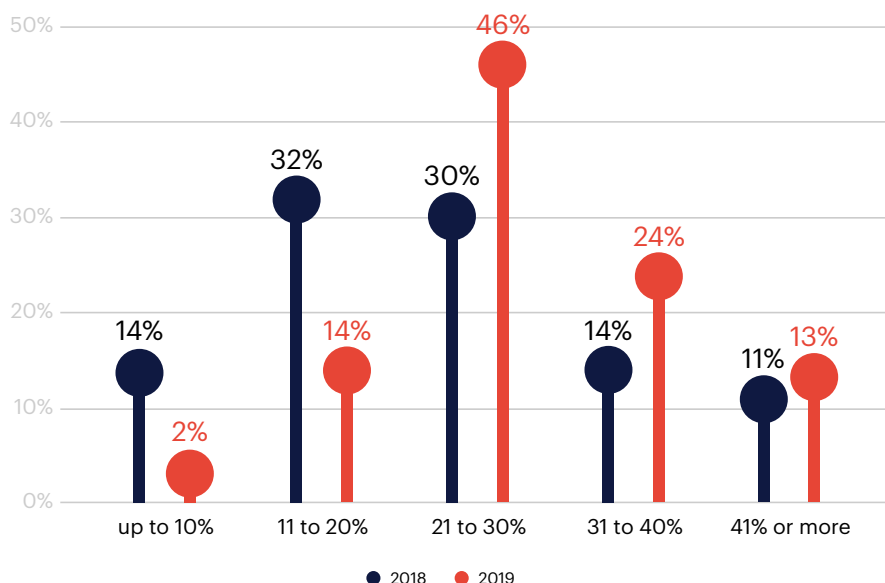
“They see the war for STEM talent growing, and by building this agile approach, they can access people resources more quickly and efficiently. At the same time, they are also looking to outsource a variety of non-core activities such as manufacturing, IT and back-office functions,” De Decker says.

Our 2019 Talent Trends research indicates a movement toward flexible talent in the sector. When asked what percentage of their workforces will be contingent over the next year, nearly half (46%) of life sciences and healthcare employers expect contingent workers to make up 21 to 30% of their workforces. This is significantly higher than the response (30%) recorded from our 2018 study.

Similarly, 24% estimate that 31 to 40% of their workforces will be flexible over the same period; also higher than the 14% reported last year. In fact, 13% predict more than 40% of their staff will be contingent, slightly higher than the 11% reported in 2018.



what percentage of their workforces do life sciences & healthcare employers expect to be contingent in 2019?



source: Randstad Sourceright 2019 Talent Trends employer survey

Life sciences and healthcare employers — more than other industries — plan to expand the use of contingent talent. It's likely that employers see this strategy as a way to not only reduce costs but also increase the talent pool and beat scarcity.

This shift also represents a bolder move by the industry to workforce planning that flexes and adapts as product development flows and ebbs. With drugs now reaching a higher rate of success than previously, pharmaceutical marketers will need to quickly ramp up sales and educational staff accordingly. The use of contingent workers may help them respond to this business demand.

But it may not be enough to just increase the size of your contingent workforce. What's really needed to achieve business agility is integrating contingent talent management with your permanent workforce strategy. This creates a total talent strategy that allows business leaders to access the exact kind of resources they need to get work done, when they need it done. With a more holistic view, employers are finding the best way to hire is for the work that needs to be completed, not necessarily just filling an open job.

At last year's 9th Annual ABSL Conference in Poland, Maarten Hansson, head of workforce strategy at Philips, told an audience that integrating flexible talent into the company's overall strategy was critical for delivering medical diagnostics and treatments to its customers.

"What we do see is the workforce is going to be blended. It's going to be changing more rapidly than what we think," he said in reference to the company's recent strategy to adopt a holistic talent model. "What we clearly had was a sense of urgency to implement it. At the same time, we also changed into a more digital IT company and we needed that scarce talent in the STEM area, which led to that talent availability need."

Philips is not alone; 85% of organizations in this industry say they definitely or probably will adopt a total talent strategy in the next 12 months, according to our Talent Trends research. Another 9% say they are undecided. Among all sectors that plan to adopt a total talent strategy, the life sciences and healthcare sector is second only to automotive and manufacturing at 86%.

Another challenge facing employers is an aging workforce. A study in the Proceedings of the National Academy of Sciences found that the average age of life sciences Ph.D. scientists is 48, compared with the average of 45.1 in 1993.

For many companies in the sector, this will be a real threat to its knowledge base as experienced talent retires over the next several decades. HR leaders will need to focus on knowledge transfer from older workers to younger generations as part of their efforts to retain formal knowledge and intellectual property within their workforces.





talent strategies that power your business health.




The aging workforce and sector growth are two factors driving many companies to hire now. A majority (54%) of life sciences and healthcare talent leaders say they plan to hire extensively to keep up with growth and stay ahead of the competition, which is notably higher than last year's response, when only 21% indicated doing so.

With so much competition and the IT sector's strong talent attraction – especially for recent grads and millennials – employers will need to aggressively pursue top talent.

Our Talent Trends survey of 1,700 working professionals in 17 countries reveals that companies in the technology sector (23%) and those with a good brand (23%) are the most attractive among job seekers. Overall, these factors rank higher than seeking employment in the professional's current industry (19%), financially successful companies (19%), or companies that are transparent about compensation (22%).



which company types are most attractive to talent when searching for a new job (top 5)?

 all sectors	 life sciences & healthcare	 IT & technology
23% companies that have a good brand reputation	30% companies operating in the same industry	40% companies operating in digitally led industries
23% companies operating in digitally led industries	28% companies that are local and would not require relocation	21% companies that have a good brand reputation
22% companies that are transparent about compensation	26% companies that have a good brand reputation	21% companies that are transparent about compensation
21% companies whose culture aligns with my personal beliefs/desired work environment	23% companies whose culture aligns with my personal beliefs/desired work environment	19% companies whose culture aligns with my personal beliefs/desired work environment
19% companies operating in the same industry	20% companies that are transparent about compensation	19% companies operating in the same industry

source: Randstad Sourceright 2019 Talent Trends candidate survey

It's no surprise, then, that 63% of employers in this industry will increase investments in employer branding, up from 48% last year. They will likely focus on providing more information about their organizations and about compensation, wellness and engagement initiatives, promoting company values and culture, and their corporate social responsibility (CSR) efforts.

What's more, the majority of life sciences and healthcare employers see the value in honing employment branding efforts for all types of talent, including permanent, contract, freelance, temp, SOW and payrolled workers.

Many in this industry plan to sustain or increase investments in their candidate experience. They will focus on improving communication standards with applicants (85%), creating talent communities (85%), making their career sites easier to use (84%) and training hiring managers to more efficiently conduct interviews (83%).

To enhance the applicant journey, the sector is turning to artificial intelligence (AI) and robotics to optimize the recruitment process. Most (52%) say the ability to automate workflows, including communicating with applicants throughout the hiring journey, is a key benefit. Nearly as many (44%) say automation enabling tasks to be completed without the need to train humans is another key advantage.

The talent acquisition tasks they want to mostly automate include candidate search (75%), reference checking (68%) and managing HR analytics (66%). Most (79%) also say they plan to seek support from their recruitment process outsourcing (RPO) or managed services program (MSP) providers.

Investments in analytics are most often mentioned as an area of investment by life sciences and healthcare employers. Eighty-six percent (86%) report investing in insights at significant to moderate levels. HR and talent visualization tools are also most often cited in this sector when it comes to technologies that have the greatest positive impact on the talent experience.

This type of insight is especially useful to organizations seeking a holistic talent model. This integrated approach requires an understanding of how all work arrangements are utilized within the business. By being able to identify what resources are needed where and when — and where talent is most accessible — human capital leaders can better support workforce planning to address business needs.



for which types of talent are employers investing in employer branding and the talent experience?



source: Randstad Sourceright 2019 Talent Trends employer survey

AI drives you to rethink employee reskilling.

Although employers generally view AI as a positive development for their organizations, working professionals in this industry express both excitement and concern. Most workers (51%) say AI and robotics will enable them to be more efficient, productive and innovative. Nearly half (45%) say AI will open up new opportunities for talent, but 35% are concerned they may lose their jobs in the next 12 months due to automation.

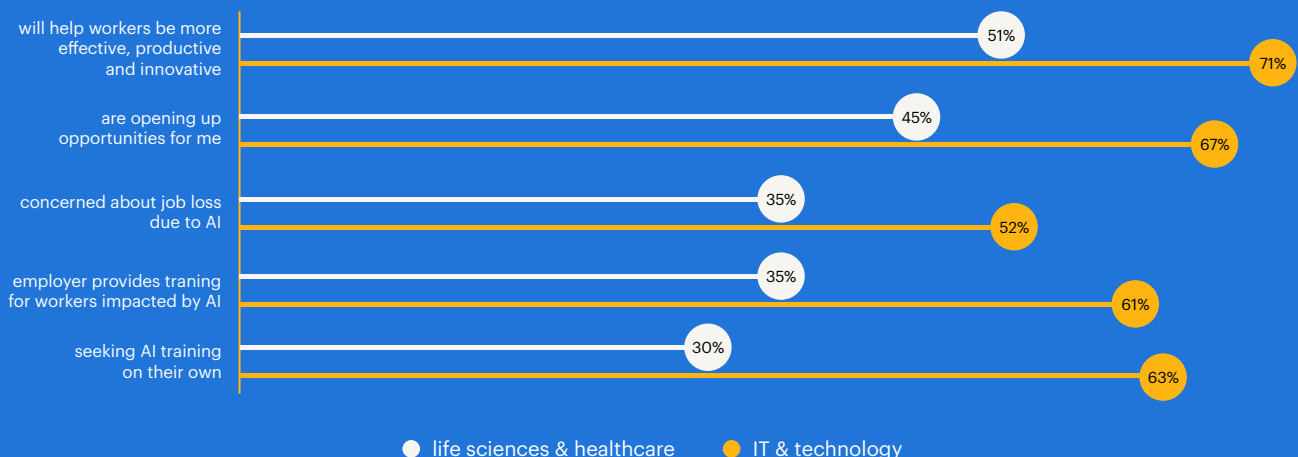
In the IT and technology sector, for talent these sentiments are even stronger. Seventy-one percent (71%) say smart technologies will help workers be more productive and innovative. At the same time, more than half (52%) suspect they may lose their jobs due to automation.

The life sciences and healthcare sector has an opportunity to woo talent across industries with the promises of tech adoption and job security, but they will likely have to step up their training programs to do it.

More talent in IT and technology (61%) than life sciences and healthcare (just 35%) report that their employers are providing training to keep their skills up to date with advancements in AI. Employers will need to develop a clear roadmap to compete and to help elevate the value of their workforce in a rapidly changing environment.



how do working professionals feel about AI & automation?



source: Randstad Sourceright 2019 Talent Trends candidate survey



data redefines

talent attraction & engagement.

Although employers often hold beliefs that don't align with the views of the talent they hope to attract, one critical development will help them to address this gap.

With analytics becoming increasingly insightful and prescriptive, companies can leverage information gathered from all touchpoints with talent. With the insights gathered, today's AI and automation innovation for HR can be refined to better attract and engage with talent. For instance, Johnson & Johnson's [Shine program](#) uses automation to keep job seekers informed about the status of their applications, while also providing opportunities to chat and pose questions to recruiters.

This is just one example of how innovation helps employers better win talent. Recruitment technologies such as [Montage](#), [Wade & Wendy](#) and [AllyO](#) use artificial agents to perform a series of functions including job alerts, screening, interview scheduling and more. According to Wade & Wendy, 40% of chats occur outside of the 9-to-5 window. Using chatbots to engage with talent during off-hours, employers are not only more likely to get a response from candidates, but also communicate how important candidates' time is to them.

And because many of these tools rely on machine learning to constantly improve engagement, the data from each interaction can be leveraged to further personalize recruitment for each candidate.

time to get out

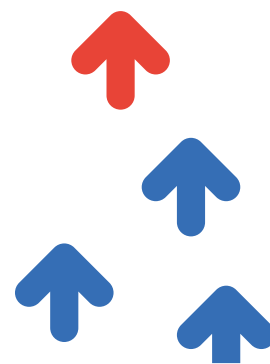
of your comfort zone.

As demand for talent rises with the growth of the life sciences and healthcare sector, employers must still meet the needs of consumers and patients now and in the future. As a result, they will need to find ways to source, attract and win a variety of existing and new skills across all talent types.

As they look to become more digitally mature and move into a new realm of medicine, pharmaceutical makers, medtech developers and biopharma innovators have to become more inventive and transparent in the way they engage talent. For some, this will be an uncomfortable journey. Others will seize the opportunity to refine and evangelize their employer brands to attract skilled talent from all industries and across all worker types.

Adopting such an approach may challenge the way they have recruited in the past, but embracing a transformative, holistic model will likely help them secure a sustainable and flexible talent pipeline — and give them a competitive business advantage — for years to come.

To learn more about these trends and how they impact your talent strategy, [contact us](#).



5 tips:

disrupt before you're disrupted in today's
challenging life sciences & healthcare market.



1. Focus on your employee value proposition.

Organizations in the sector have a lot to offer in terms of competitive compensation, being financially healthy and having meaningful work. Focus on your strongest value propositions to attract great talent.



2. Collaborate with business leaders on future needs.

In a highly innovative sector, employers are especially dependent on future skills to develop new diagnostics and therapies. To do this, foster a closer relationship with business leaders to understand their goals for the near- and long-term future.



3. Embrace a digital-first mindset.

As the sector continues transitioning to a digital business model, consider the skills that will accelerate that shift. Whether you look to other industries for digital talent or implement a more comprehensive reskilling program, prioritize your efforts to achieve digital fluency.



4. Focus on greater workforce agility.

With the cost of developing new drugs and other treatments on the rise, companies in this sector need greater agility to pursue new products and commercialization opportunities. This requires a workforce that is agile and a talent function that can deploy talent to where it is needed immediately.



5. Use talent analytics to your advantage.

All of these steps can be optimized with the right insights and analytical support. Identify how HR data can be best captured and analyzed to help you make the right decisions about your talent strategy.



about Randstad Sourceright

Randstad Sourceright is a global talent solutions leader, driving the talent acquisition and human capital management strategies for the world's most successful employers. We empower these companies by leveraging a Human Forward strategy that balances the use of innovative technologies with expert insights, supporting both organizations and people in realizing their true potential.

As an operating company of Randstad N.V. — the world's leading global provider of HR services — Randstad Sourceright continuously builds and evolves talent solutions through recruitment process outsourcing (RPO), managed services programs (MSP) and total talent strategies.

Read more at randstadsourceright.com.