

Life Sciences

UNDER THE SPOTLIGHT



Deloitte.

From Great Resignation
to Great Reimagination

Sector overview and 2022 outlook



COVID-19 has fundamentally changed the way we work and the way we **feel** about work. It has compelled the life sciences industry to implement radical organizational changes while under the world's microscope as they raced against the clock to deliver life-saving remedies.

Business leaders were forced to navigate the tensions of a partially remote workforce and the surging demand on those who could not perform their essential work from home. The unique pressures experienced by leaders in this space amidst a global public health crisis have made the norms of the pre-pandemic working world a thing of the past.

The virtual-first workplace, born out of the pandemic response, provided an opportunity for many to reevaluate the role of work in their lives and what might be *possible*. The Work from Anywhere¹ phenomenon dissolved geographic barriers for both organizations and employees, opening a new world of possibilities for in-demand talent pools.

This perfect storm of circumstances, coupled with the relentless pressure to deliver novel solutions at rapid speed, resulted in an exodus of talent, to the tune of 22%, since the pandemic began.²

Despite an economic recession and talent shortages, the life sciences industry has seen steady growth with job postings exponentially outpacing other private sector industries.³ The race to design next-generation therapeutics requires a uniquely skilled and diverse organization. Life sciences organizations rely heavily on highly skilled researchers, data scientists, engineers, and expert production technicians to work side by side with business leadership.



The industry potential and allure of being on the cutting edge of innovative technologies helps to attract investors and bring billions of dollars into the industry.

While grappling with an increase in voluntary resignations, the pressure to meet market expectations is forcing organizations to examine and address the root causes of attrition. Crippling market pressures and consistently high expectations, coupled with an increasingly introspective, geographically mobile workforce with more options than ever before, has led many employees to seek out opportunities to reset, slow down, and, quite simply, live *better*.

At the same time, the Future of Health⁴ is driving significant change across the industry. The world of interoperable data, open yet secure platforms, and consumer-driven care, is driving an increased need for digitization and Artificial Intelligence (AI) integration. Life sciences organizations will need to prepare for a shift away from traditional hierarchical design to a collection of project teams assembled to solve specific problems or achieve defined business objectives.⁵ Investing in the development of internal talent as well as strategic partnerships will be critical to building a sustainable pipeline. Access to the data scientists and digitally fluent talent⁶ needed to compete within the life sciences industry is vital as organizations are all vying for the same candidates.

Current labor situation

While CEOs have identified attracting and retaining talent as a top strategic priority,⁷ doing so will remain difficult in the current climate.

For life sciences organizations, the market is more employee-driven than ever before. As thousands of new roles have opened to meet the demand of the ongoing pandemic and other global challenges, there are more open jobs than there are qualified candidates, and the mounting pressure for organizations to deliver remains unsustainably high.⁸ As roles remain unfilled, an enormous burden is placed on existing employees to fill in the growing gaps.

Life sciences leaders must prepare for radical shifts in their long-term planning and outlook when it comes to the nature of work, the workforce, and the workplace. The pandemic has heightened employees' expectations of their employers and has proven the war for talent is over. Talent won.

Nearly one in four employees have left their employer since the pandemic began. In addition, 50% of employees are actively looking for new opportunities outside of their current organization.⁹ To remain competitive and cutting-edge, organizations must seek to understand the unique needs of their people and design a workplace of the future that is mission-driven, balances the need for flexibility with predictability, connects people to purpose, and is the employer of choice for the talent required to keep pace with an accelerating digital evolution.



Organizational responses

Although the responses to this labor market frenzy vary across life sciences organizations, the common thread is that it is certainly time to reimagine their talent architecture to keep up with their competition.

The responses range from proactive, strategic planning to short-term “need to fix it for now” solutions to even those organizations who have a “wait and see” mentality. Unfortunately, most organizations’ efforts are short-term solutions as opposed to long-term strategic planning due to the urgency of the issue. Even though transformational change has occurred across almost all business areas, the reactive nature of these investments has fallen short in addressing the high attrition and talent gaps that life science organizations are experiencing.

Although technological advances will be the key drivers and differentiators for many organizations, human-centered interactions remain the *heart and soul* of an organization. People are the greatest asset of a company.

As the pressures and disruptions of a global pandemic and world events marked by violence and injustice persist, organizations need to recognize that many have reached their breaking point.

Most organizations’ efforts are short-term solutions as opposed to long-term strategic planning.

Building a sustainable foundation for the Future of Work¹⁰ will require life sciences organizations not only to reimagine how and where work gets done, but also to re-focus on understanding the needs of their employees, personally and professionally, and reinvest in a company culture that supports and celebrates the whole person.

It's time to take action

To be industry-leading, organizations must be prepared to live their values, put purpose at the center of their work, make a positive impact in the lives of their employees, and take a stand on societal issues.

While there is no one-size-fits-all panacea, the Future of Work¹¹ belongs to those willing to reimagine the who, what, where, and how of work.

To address existing talent gaps, life sciences organizations must consider new strategies to attract candidates that will enable digitally fluent networks across the enterprise.

As part of developing a future-oriented talent model, life sciences CEOs will need to expand their geographic distribution, allowing for greater access to data scientists and employees with experience in data analytics, data privacy, cyber security, and machine learning/artificial intelligence.¹²

Similarly, the continued growth of the industry has resulted in an increased need for experienced operational talent, sales, account, and customer representatives as well as back-office managerial positions to meet both internal and external needs.

In a world where digital transformation touches every corner of an organization when designing the Future of Work¹³, it is important to ask a few strategic questions:

- 1. How can we reconnect our people** and our customers to our mission/purpose?
- 2. How can we expand our talent pool** to ensure we have the capabilities and skills we need now and in the future?
- 3. How can we support our workforce** in finding a better work-life balance?
- 4. How will we reimagine our talent development model**, so our organization is agile and engaged?

We've also seen four key themes emerging from leading organizations who are pioneering the Future of Work¹⁴.



#1 REIMAGINE THE EMPLOYER / EMPLOYEE RELATIONSHIP

Employees expect more from their employers than ever before. Employees want to work for an organization that is innovating, while also making a positive impact in the world and driving sustainability. Being a part of an organization that aligns with their values and supports their total wellbeing is of paramount importance. Equipping leaders with tools to manage diverse teams, and to have open, safe, and transparent dialogues will increase retention, improve productivity, and reduce the rate of burnout.

More importantly, establishing a culture that sees employees as whole human beings, and listens closely to their wants, while addressing their needs, will inspire a workforce of dedicated workers. A passionate and engaged workforce is a powerful asset in an intense job market.

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Similarly, mobility within an organization will be a critical retention strategy as the Millennial and Gen Z employees are more likely to leave an organization to pursue something new and fresh than previous generations.

Providing diverse opportunities for rich, transformational life experiences provide this talent group with the novelty and adventure they seek while fostering a deeper cultural connection that increases retention.

Opportunities to participate in rotational programs, international exchanges, and cross-departmental development opportunities through open talent marketplaces and other platforms may reinvigorate passions and inspire the existing workforce to unlock and reach their full potential. The bottom line: it is about more than a paycheck.

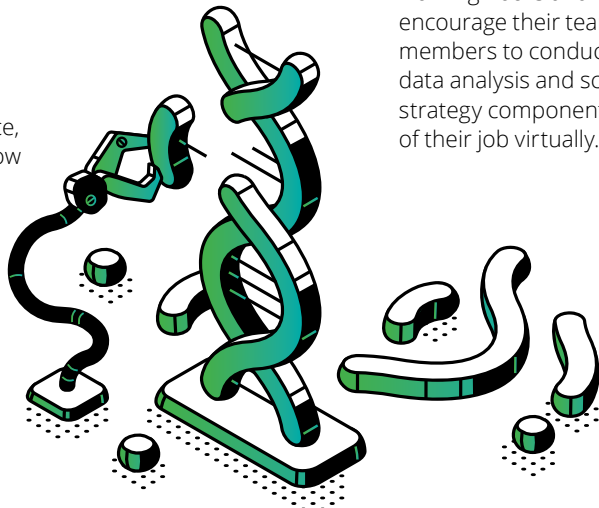
#2 ESTABLISH FLEXIBLE WAYS OF WORKING (NOT A MANDATE)

Life sciences organizations must redesign their business functions, processes, and culture to remain competitive in a rapidly evolving, increasingly hybrid world. Addressing talent gaps will remain a top priority for business leaders who need to build a workforce of the future with diverse and distributed talent networks. Creative and disruptive talent acquisition strategies will be required for life sciences organizations to attract “hot skills” like data science, eCommerce, and analytics that are now essential and coveted in nearly every industry.

Designing workplaces for the hybrid era will be especially challenging for life sciences organizations. As employees continue to demand the flexibility and freedom to work outside of traditional office spaces,¹⁵ secure digital workspaces and platforms remain critical for fostering collaboration across teams, functions, and even time zones.¹⁶

Cultural and regulatory differences between countries will make one-size-fits-all hybrid work strategies ineffective.^{17,18}

Life sciences organizations must also contend with the inherent tension of a hybrid model for some employees given many of their critical workforce segments require on-site labor (e.g., processes that require labs like clinical research, toxicology, and manufacturing).¹⁹ Business functions that demand on-site work will require organizations to address how they will offer flexibility to everyone without disrupting business operations. Team leaders in research & development, for example, can offer flexibility around core working hours and encourage their team members to conduct the data analysis and scientific strategy components of their job virtually.



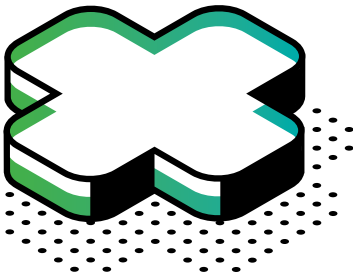
Implementing a formal return-to-office policy is a top priority for many executives, but a longer-term solution for organizations may be to design a hybrid model that gives people leaders the flexibility to determine what works best for their specific teams.

Research shows that teams feel a greater sense of balance when they are empowered to design their work for well-being.²⁰ By encouraging leaders to solicit regular feedback and input from their teams and establish responsive ways of working, organizations remain agile, inclusive, and attractive to top talent.

63% of Deloitte’s clients intend for their corporate workforce to operate in a hybrid model.²¹ To do so successfully, organizations must be extremely intentional to ensure employees feel connected to their organization while enjoying the flexibility they need from their employer. Nielsen found that 80% of employees would prefer to work for a company that gives them the freedom to choose their work location.²² While many life sciences companies have begun to introduce co-location days and weeks, few have formalized a long-term strategy.

When it comes to key characteristics of a successful co-location framework, two fundamental elements to keep top of mind are:

- **Strategically selecting “moments that matter”:** Empowering teams to decide when and where to co-locate, allowing them to get the most out of the time spent together (and research has found that this is typically a cadence of once per month).
- **Amplifying the employee voice:** Allowing employees to make the choices that best reflect their health and well-being needs leads to a more engaged workforce with higher productivity.



#3 ADOPT A SKILLS- BASED PHILOSOPHY

Deloitte's 2020 Global Human Capital Trends cross-industry survey found that, while 74% of organizations recognize that reskilling the workforce is important for their success, only 10% are ready to address it.²³

Like organizations across other industries, life sciences organizations are struggling with the significant effort involved in reskilling their workforces to execute the core competencies required for the future of the biopharmaceutical industry.

Fundamental competencies for employees are evolving at an unprecedented speed, making it more challenging for life sciences organizations to future-proof their workforces. Approximately 40% of core skills will change for employees by 2025,²⁴ which will force life sciences organizations to prioritize upskilling current employees and expand their overall talent pools as they compete for critical talent.

Only 10% of organizations are ready to address reskilling the workforce.

One trend emerging among life sciences industry leaders is a shift away from long-held degree requirements and a new focus on skills-based hiring. This change alone has the potential to dramatically increase potential talent opportunities but consider going further. Attracting the right skills is a crucial first step, but it is only one piece of the employee life cycle puzzle. Developing and rewarding those desired skills is equally essential to the future of life sciences organizations.²⁵

#4 EMPOWER PEOPLE LEADERS

People leaders must be equipped with the skills to lead during times of uncertainty, to empower their teams to find interpersonal balance, and to challenge their colleagues to continue growing as they navigate this next normal. However, the global pandemic has demonstrated just how difficult it is to effectively manage during times of extreme volatility.

Life sciences organizations should intentionally design leadership development programs that equip their leaders to champion compassion, foster agility, and cultivate resilience. This will set a strong foundation for those organizations to withstand future workplace disruptions.

Similarly, organizations will need to support people leaders in helping their teams strike a balance between predictability and flexibility. Research shows that productivity and job satisfaction are highest when 60-80% of work can be conducted remotely.²⁶

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As organizations continue to define their new ways of working (i.e., virtual, remote, hybrid, etc.), creating a feeling of shared values and connection remains a top concern for many CEOs.

This sentiment exists across the organization, as well—52% of people leaders say they feel more pressure than ever before to maintain company culture.²⁷ As the Future of Work²⁸ continues to evolve, the life sciences industry will need to be creative, innovative and thoughtful about bridging the culture gap between team members with roles that allow for more flexibility and those who have remained on the front lines throughout the pandemic.

READY TO REIMAGINE WHAT'S NEXT?

As organizations continue to navigate a continued period of ambiguity and begin to capture the opportunity of “The Great Reimagination,” one thing is certain—the corporate world has changed forever.

Developing a consistent, but forward-leaning, culture will be challenging for organizations that are unwilling to address this new reality. Life sciences organizations will need to adapt so they can meet new workforce expectations, or those employees will leave for an organization that will.

Three key questions for every leader to consider:

#1 How will you prepare your workforce to meet the challenges of today while preparing them for the opportunities of tomorrow?

#2 How will you build a workplace that supports the well-being and actualization of your workforce?

#3 How will you put purpose first and live into your shared mission and values?

It's time to take action.



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**READY TO
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CONTACTS



ALEXANDRIA YOUNOSSI

DC PRINCIPAL

ayounossi@deloitte.com



CAREY AMBROSETTI

SENIOR MANAGER

cambrosetti@deloitte.com



CHLOE DOMERGUE

SENIOR MANAGER

cdomergue@deloitte.com



VERONICA MELIAN

PARTNER

vcmelian@deloitte.ch

**CONTRIBUTORS AND
ACKNOWLEDGEMENTS**

CHRISTINA BOWMAN, ALI THAYRES,
SAM PERRELLA, MACKENZIE ANDERSON



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