

**Deloitte.**

Healthcare and  
Life science

Global Mobility, Talent  
and Reward Survey



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## Key findings



Globally, harmonising policies and processes was cited as the key challenge for mobility, talent and reward within the HCLS industry by **70%** of participants. Conversely, only 20% reported pressure to outsource functions.



**60%** reported cost pressure and governmental regulations to be the most disruptive trends for mobility, talent and reward within their organisation.



**60%** feel that Central & Southern Asia offers the best growth opportunities for their organisation. Yet 40% also feel that this region will be the most challenging for sourcing talent.



Only **20%** of respondents reported mature and fully connected talent and reward strategies.



**70%** reported both retention & engagement and leadership were the most important human capital challenges for their organisation at present.



**70%** are making international assignments a pre-requisite for career progression.

The Health Care and Life Science (HCLS) industry has undergone a series of transformations in the last decade. As innovation, mergers and acquisitions (M&A), regulatory demands and growth in emerging markets remain forces for change in the industry, organisations in the HCLS sector are having to constantly evaluate how to deploy their workforce in the most effective way to meet these challenges. This in turn necessitates determining how best to align their mobility, talent and reward strategies.

Deloitte's Global Mobility Transformation team conducted a survey to uncover some of the key trends facing organisations in the HCLS industry as they seek to optimise their mobility, talent and reward practices.

Participants included 10 senior HR and Mobility professionals from organisations in Asia Pacific, North America and Europe, with the size of these organisations varying from 500 to over 100,000 global employees. Industries and sectors represented included medical devices, generic and speciality pharma, healthcare, life sciences and biotechnology.

# Key concerns for Mobility, Talent and Reward

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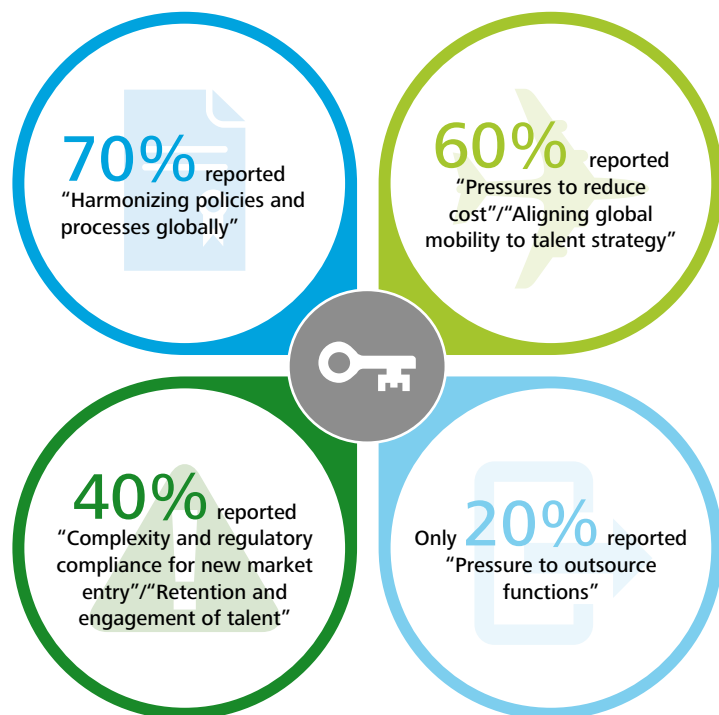
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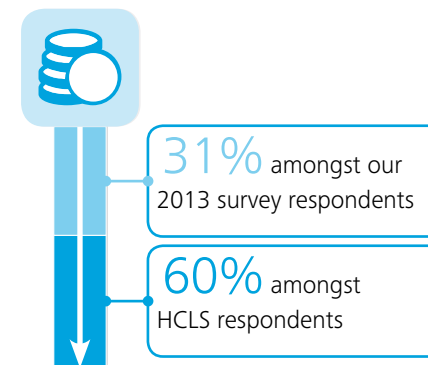
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Optimisation of policy and process was the most commonly cited response in terms of key concerns for the HCLS industry, broadly echoing the results of [Deloitte's 2012 Strategic Moves survey](#).

This may perhaps be due to the way the industry has grown through mergers and acquisitions, meaning that differing practices still exist within different divisions or locations for these companies. This can create inefficiencies and challenges to the single global organisation model that many of these organisations are aiming to implement in the future (see Deloitte Healthcare and Life Sciences predictions 2020).

The frequency with which respondents cited cost reduction pressures as a key challenge is a surprise, especially given the typically generous "paternalistic" approach often adopted by companies in this sector towards their mobile employees. This suggests a significant change in approach may be necessary in the future as some traditional assumptions are no longer valid.



"Global mobility costs can often be challenged when it is felt that the programme is working inefficiently, or where there is perceived to be little return on global mobility investments, either from a talent or business perspective."

This is also consistent with the responses from the HCLS survey participants, where all three of these areas were rated highly as current challenges. However, this is not an insurmountable challenge – as demonstrated in our recent [Deloitte publication discussing cost optimisation](#). Focus on areas such as policy and process optimisation and alignment to talent initiatives can reap significant savings.

Conversely, only 20% reported pressure to outsource functions. Given the pressure to reduce costs and harmonise policy and processes globally, it is surprising that this isn't being considered as a solution by more of the respondents.



# Disruptive trends

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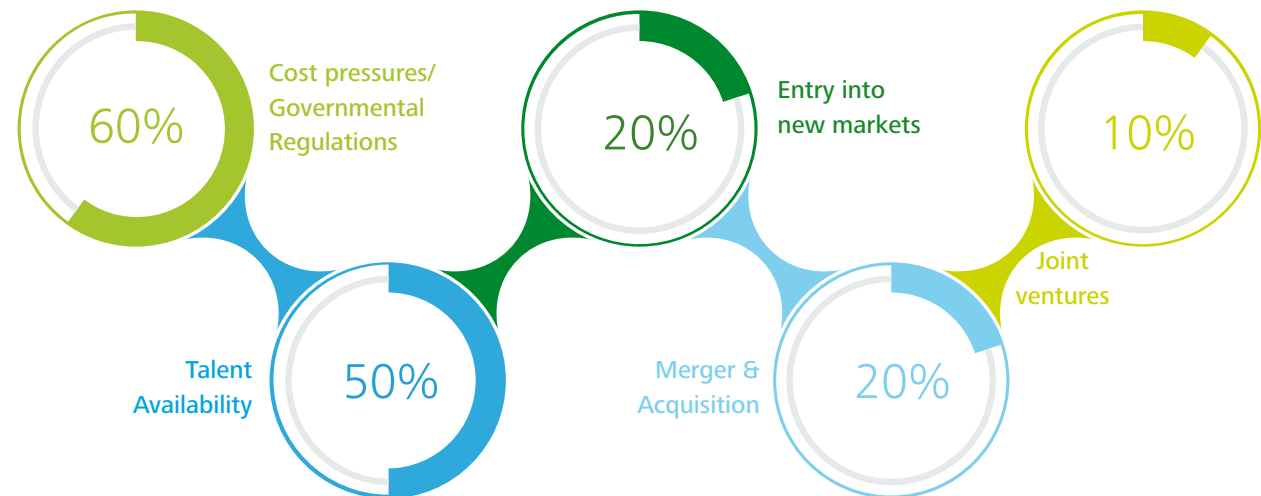
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When asked what they see as the most disruptive trends for mobility, talent and reward within their organisations, cost pressures and changing governmental regulations came out on top. The latter in particular is a perennial concern for companies in this industry, where scrutiny by governmental and professional regulators are a daily reality. When combined with cost pressures, this can create further challenges for mobility, talent and reward programmes due to the costs of implementing the new requirements.

Despite the recent flurry of M&A and joint venture activity in the industry, these were not considered to be particularly disruptive trends. This may be because such activities are typically supported by large-scale change management initiatives and can be planned for in advance, whereas external factors, such as changing regulation or talent availability, cannot to the same extent.

“The recent “perfect storm” in Switzerland of changes to immigration law, the expatriate ordinance, and the removal of the cap on the Euro:Swiss Franc exchange rate is one example of how sudden changes in the external environment are forcing companies in this sector to quickly re-think their mobility, talent and reward strategies”

Which of the following industry trends do you see as the most disruptive to mobility, talent and reward within your organisation?



# Growing talent challenges

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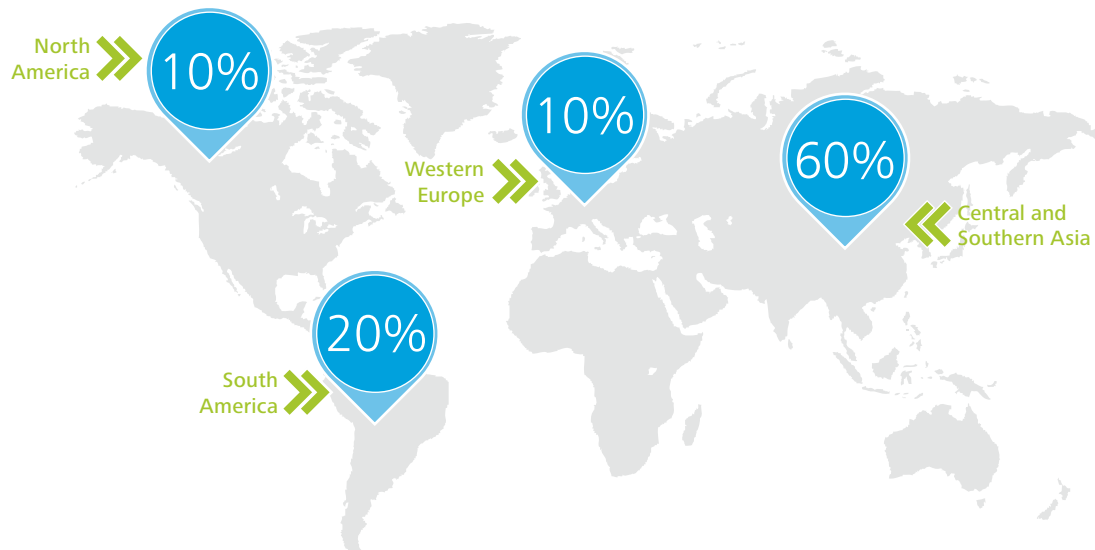
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## Locations and opportunities for growth

Respondents indicated that Central and Southern Asia was the region that offered the best opportunities for future growth, and by quite some margin.

**In the next three to five years, which region is likely to offer the best opportunities for growth for your organisation?**

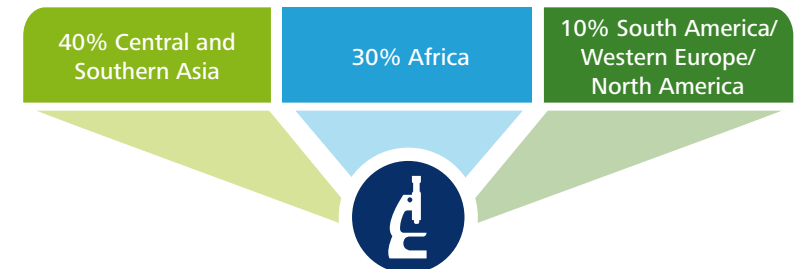


This supports findings outlined in the recent [life sciences Asia outlook](#), that suggested the Asia region is developing rapidly and holds considerable future potential for the HCLS industry due to its high population growth rates, the region's population going through an epidemiological shift from infectious diseases to a chronic disease pattern, and the increased ability for its consumers to afford the full spectrum of products from life sciences companies.

## Scarce talent in key growth regions

However, Central and Southern Asia was also one of regions that respondents felt would pose the most challenges in sourcing talent.

**In the next three to five years, which region will be the most challenging for sourcing local talent for your organisation?**



It is significant that respondents indicated perceived skill shortages were highest in the region identified with the highest growth potential. Mobility, talent and reward teams will need to work together proactively to identify how best to resource these growth markets in future, through a mixture of talent mobility, talent development and talent acquisition.



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When asked about their global talent and global reward strategies, a high number of respondents indicated that their strategies were either fragmented and inconsistent, with activities managed on an ad-hoc basis, or take place in country/regional silos with limited global cohesion.

Of those respondents who had previously indicated that talent availability was a disruptive trend for their organisation, all had either a fragmented and inconsistent or country/regional siloed talent strategy.



Only 20% of respondents reported mature and fully connected talent and reward strategies.

Looking at the wider Human Capital issues, retention and engagement, in addition to leadership, emerged as key areas of concern for respondents:

70%

reported both retention & engagement and leadership were the most important Human Capital challenges for their organisation at present



reported talent acquisition as a major concern

50%

These findings are, of course, not only particular to companies within the HCLS industry: 86% of respondents to the Deloitte Human Capital Trends 2015 survey cited leadership as a key issue, and culture and engagement emerged as the no.1 trend in terms of importance.

However, given the challenges reported in talent availability, and particularly in key growth regions, the need for companies in the sector to develop innovative and globally integrated mobility, talent and reward strategies in order to address these issues is only likely to increase in strategic importance.

70%  
Retention & engagement is a major concern



70%  
Leadership is a major concern



50%  
Talent acquisition is a major concern



# Bridging the gap...

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## A difficult dilemma:

The survey revealed an increasingly difficult set of circumstances and challenges for HCLS organisations: How to build engagement and leadership capability in key regions that are increasingly regulated, with scarce talent resources, while facing pressure to drive down costs? An unenviable task...

## Global Mobility has solutions...

When we asked organisations what they might be planning to do in order to bridge potential talent gaps in key regions, respondents revealed that global mobility was playing a critical part in supporting internal efforts to develop workforce capability.



## But these need some work...

However, when we view the planned global mobility solutions against the responses to having global talent and reward strategies we see potential challenges to success.

- 86% of respondents who plan to make international assignments part of career progression reported a fragmented or disconnected global talent strategy. This may pose challenges around identifying talent to undertake assignments, assessing alternative development options and managing regional as well as global careers on a long-term basis.
- 66% of respondents who plan to use cross border talent pools also reported a fragmented or disconnected global talent strategy. This could ultimately result in further retention and engagement issues due to the lack of a consistent performance or career management process across different locations.
- Finally, every respondent who plans to redesign operations to access skills in other locations indicated a fragmented or disconnected global reward strategy. Without the right incentive structures in place, this could prove an obstacle in ensuring the right skills can be mobilised at the right time in the right location. As such, global mobility teams will need to work proactively with talent and reward teams to ensure that real benefits can be reaped from any initiatives which are implemented.

**"Global mobility is playing a critical part in supporting internal efforts to develop workforce capability."**

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In summary, the survey revealed that respondents in the HCLS sector are facing a variety of internal and external challenges surrounding global mobility, talent, and reward.



External

- Organisations are facing increased governmental regulation and strong pressure to reduce cost.
- The key region identified with the highest growth opportunities (Central and Southern Asia) was also the most problematic for sourcing local HCLS talent.



Internal

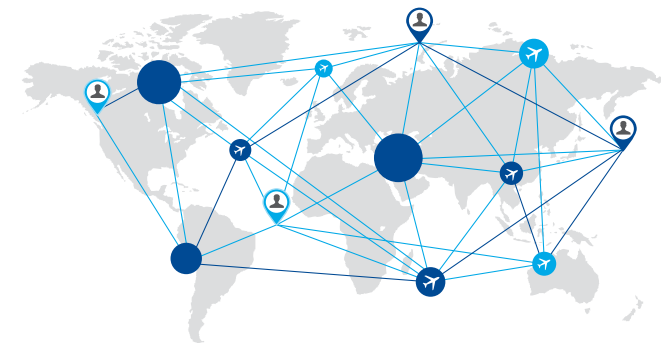
- Pressure to harmonise policy and process.
- Pressure to reduce costs and align global mobility with business objectives.

To combat these challenges, a variety of global mobility initiatives are being implemented to develop internal workforce capability. Return on investment data was also noted as being increasingly demanded by the business. However, these initiatives are being implemented in the context of a largely fragmented, inconsistent, siloed or disconnected global talent and reward strategy. This could well reduce the potential impact the initiatives might have.

Overall, harmonizing policy and process and aligning global reward and talent strategy to business objectives were central challenges – and these are core challenges to solve. By focusing on these areas there is a possibility to enhance the impact of the other mobility, talent and reward interventions that organisations are planning, to ultimately deliver increased value to the business. It may also support HCLS organisations, in a more demanding, regulated environment, in achieving their required cost savings. Most importantly perhaps, it would help organisations better ensure that the right talent is mobilised into the most critical positions, in the most important growth regions, where the key skills are most scarce.

**Harmonize and Align**

“Aligning talent and reward strategy to critical business objectives remains an important process to enable Global mobility to support regional growth plans.”





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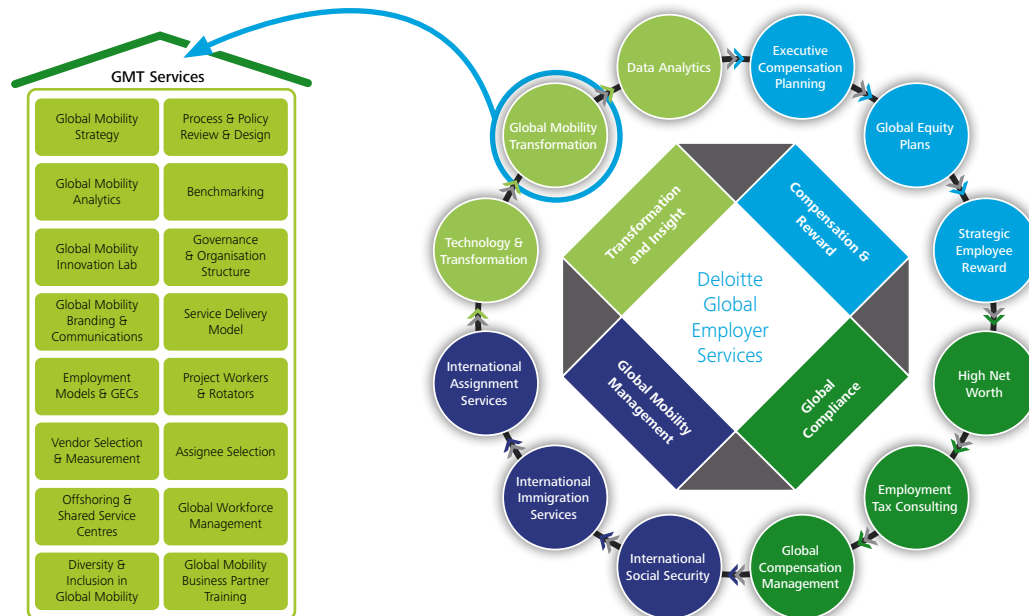
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## Our Global Mobility Transformation Practice

Our Global Mobility Transformation (GMT) practice, a market leading offering, was formally established over 10 years ago and has worked with over 500 organisations across the globe to assist them with their global mobility programme goals. We have partnered with each of these organisations to achieve a wide range of outcomes unique to that organisation's strategic and business objectives.

Our dedicated team of full time GMT professionals span the globe and come from variety of global mobility and talent specific backgrounds from tax, technology, reward and HR consulting. The team consists of GMT consultants located across EMEA, America, and APAC regions. Our unique GMT approach offers not only industry and functional knowledge, but also wide ranging experience through our unrivalled track record in delivering GMT projects and providing market leading insights.

## What we do



## The benefits

Organisations that transform their mobility programmes have the potential to see significant efficiency gains from clarified service delivery models, business aligned policies, streamlined process, and the greater automation gained from mobility transformation will actually be the improved ability to execute the organisation's mobility strategies and, in turn, address business needs for growth, globalisation, and global talent management.

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