



Transforming the talent experience

The COVID-19 pandemic permanently altered society's view of work. The biggest transformational shift came from, not "where" work was done, but "how"—a wholly digital way of working.¹ Life sciences companies are still optimizing virtual ways of working, and other issues of concern for life science leaders in 2022 include:

- What is our talent acquisition strategy? How do we secure in-demand skills and capabilities in a competitive market?
- What are the "Great Resignation" effects on our company? How can we create a more meaningful talent experience?
- How can we become a more agile and adaptable organization?

Life sciences companies that want to succeed in the future of work will need to be flexible in how work is done and how talent is sourced, trained, and managed.² Human resources is also undergoing a massive transformation. Instead of trying to predict the future, leaders might consider how they can develop an open culture of experimentation, learning, and iteration.³

Developing new talent strategies will be a challenge for Human Resources (HR) in 2022. Leaders will need to find competitive advantages to address skills and talent shortages (e.g., digital and data analytics skills).⁴ Competition for workers will grow as the effects of the "Great Resignation" are now being felt at every level. Many older workers chose early retirement, and more than 40% of the global workforce is looking for new jobs, including 54% of Gen Z.⁵ Even high-level executives, including the C-suite, are quitting their jobs to spend time with their families.⁶

Aggressive hiring practices are poaching talent at all levels—potentially inflating titles and compensation. Rising inflation poses more challenges. Recent Deloitte research looks at a variety of potential inflation scenarios and key decisions executives will need to consider going forward. In the worst case scenario, inflation rises to 8-9% and becomes embedded in worker expectations and a “wage-price spiral” takes off. Companies may need to seriously consider cost-saving labor models—offshore, automation, and labor-as-a-service.⁷

Throughout the next year, many life sciences companies will continue to grapple with how to solve these issues, and each will land in a different place on the spectrum. The “Great Resignation” is calling for a “Great Re-imagining”, and a winning strategy includes creating value for workers as whole human beings and key stakeholders—including internal and external workers.⁸

In a technological world, meeting the needs of humans has never been more important.⁹ By harmonizing technology and worker preferences, life sciences companies can deliver more flexible and meaningful talent experiences and become more adaptable organizations.¹⁰

“ In a business-as-usual environment, HR is a trusted partner to the business but, in a pandemic, we are leading the fight. The future of work remains undefined, I believe it will be marked by continuous organizational change with HR orchestrating transformation from within. ”

Agnieszka Romanczuk, Director, Human Resources, Japan and Asia-Pacific, AbbVie¹¹

Massive shifts in talent models

Successful companies are no longer concentrating on just hiring the smartest people, but rather on having access to the smartest people.¹² New workforce ecosystems include in-house employees combined with a diverse mix of external contributors—e.g., contractors, app developers, other gig workers, external partners and suppliers, and even software bots.¹³ According to recent research from MIT Sloan Management Review and Deloitte, only 28% of global managers feel they are sufficiently preparing to manage a workforce that will rely more on external participants.¹⁴

One agile strategy is to shift from a hierarchical structure to a more team- and networked-based approach that may combine internal and external workers into specialized or cross-functional teams. To support cross-functional engagement, organizations might consider sharing owned facilities with suppliers and partners.¹⁵

An agile work environment allows for choice and flexibility. Teams are formed to address specific problems, such as launching a new product, optimizing a process, analyzing market trends, understanding customers and their needs, and so on.¹⁶ In 2022, effective leaders in team environments will be mentors—more than managers—and digital enablers, embracing role mobility and job agility.¹⁷

Helping people thrive in a large organization, ditching hierarchy for teams

Roche Pharmaceuticals, based in Basel Switzerland, is moving away from traditional hierarchy to autonomous, self-organizing teams—putting people and patients first. According to Roche’s pharma CEO, William (Bill) Anderson, with a team approach, workers are much more accountable to their teams. Anderson says that Roche is allowing teams to request the funds necessary to fulfill an objective or to solve a problem. “We only ask that they: 1) drive medical advances, 2) thrill customers and patients, and 3) make best use of company resources. We talk about how they did later,” says Anderson. The team approach is proving to be much more efficient. “Spending actually went down,” he says. There is more team pressure to deliver on an objective and use company resources wisely.¹⁹

“ I strongly believe when you invite folks to co-create a transformational process from the beginning, they’re more likely to contribute to the longer-term effort required to make it a reality. ”

Eva McLellan, Head of Business Strategy, Transformation, and Innovation, Roche Pharmaceuticals²⁰

The workplace is now a virtual place

As organizations are reimagining work, physical space and the need for facilities, and who needs to be in the office,²¹ they might start thinking about the workplace as a virtual place—a digital office for working. A virtual office is where team members gather digitally and use collaborative tools to solve problems in the pursuit of organizational goals—no matter where anyone is physically located (see figure 1).²²

Figure 1: Concepts for thinking differently about the workplace

Term	Definition
The digital workplace	The digital overlay that enables the physical work experience (typically in an office), including smart building technology, digital user interfaces (apps, portals), data collection, predictive technology.
Working digitally	Work that is agnostic of physical space or place, as it is done digitally (rather than physically) and so adheres to different rules and norms.
The virtual office	A “digital” place to work: the technologies (tools and media) that allow people to work individually and as a team anywhere, anytime, anyhow.

Source: Reconstructing the workplace: The digital-ready organization, Deloitte, 2021.²³

Digital offers a way to unbundle the workplace and create new solutions. For example, the pandemic caused some employees to feel isolated with remote work, in addition to experiencing loneliness in everyday life.²⁴ Workers may also want to set boundaries between work and homelife for virtual work. A return to the office may not be the only option for someone unhappy working from home. Organizations might provide a co-working space close to home for the desired work environment, along with the benefit of a shorter commute.²⁵ Empowering workers to work from a location that suits them promotes a better work/life balance.²⁶

Supporting flexible, hybrid work

Offering workers a choice

Every life sciences organization must determine the work environment best-suited to its various operations and teams. Processes that require labs, such as clinical research or toxicology, are not viable for remote work, but many other pharmaceutical processes can be executed remotely.²⁷

Deloitte research finds employee engagement—which is directly correlated with productivity—is at its highest among employees who spend **60-80%** of their time working remotely.²⁸

Almost half of employees²⁹ and a majority of millennials report they would give up some work benefits for a more flexible working space.³⁰ As the workforce shrinks, attracting and retaining young talent by offering a choice of work style may be a competitive advantage.³¹

Before the pandemic, it was rare to ask: “What would be your preference, if your role allowed for greater flexibility?”³² However, the success of a hybrid model depends on researching preferences. In Japan, despite being offered a choice of work style, many still carry the belief that an office presence is required. These workers may need to be encouraged to take a remote or hybrid option by companies asserting that the choice is acceptable, and maybe even preferred.³³

In Germany, ‘modern rules for mobile working in Germany’ are in development, creating a legal right to work from home. With this change, all employees would be allowed to work from home, so long as their presence isn’t necessarily required at the office; employers would only be allowed to refuse for compelling reasons.³⁴

“ We believe that the key to an energized work environment is recognizing individual needs and supporting a healthy work-life balance. That’s why we offer flexible workspaces and benefits, with some of our sites organizing volunteer activities, while others offering a range of initiatives that include gyms and sports events. ”

*AztraZeneca in China*³⁵

Culture, collaboration, and co-location

Can life sciences’ company culture evolve and thrive?

New ways of working are testing whether life sciences company culture can evolve and thrive. Work may never revert to pre-pandemic culture, and preserving collaboration is central to life sciences companies. Challenges of hybrid and virtual work may become a source of tension between an organization and its workforce as they try to figure out how to build community, culture, and engagement—critical for retaining talent.

Geographical differences also complicate global strategies for remote work and employment models. For example, Swiss global life sciences companies must consider tax compliance risks. Switzerland has separate tax agreements with different countries regarding frontier workers—workers who typically return to their foreign place of residence every day. The pandemic’s working-from-home arrangements prompted new cross-border agreements, but in 2022, Switzerland is expected to clarify post-pandemic terms for frontier workers.³⁶

Reevaluating the need to keep workers in “expensive” locations

While considering administrative and operational implications and tax compliance risks, life sciences organizations are also reevaluating their location strategies for various teams and individuals and the need to keep people in “expensive” geographies. Some office-centric, knowledge-based work does not need to be in legacy locations.

Global life sciences enterprises should consider:

- What are the reasons to maintain or retain talent in those areas?
- How can we be more targeted in getting the best talent where it’s needed most?
- How can some tactical, less-knowledge centric work be moved to a better location or to remote work to suit talent preferences and growth needs?

The culture for the type of work also matters, and organizations should facilitate different types of collaboration tailored to the specific work to be done. Certain specialized team members, like data scientists, may benefit from co-located teams and face-to-face collaboration. Organizations should create a space for a data-driven and connected community.

Fierce competition for digital and data science talent

Data is changing life sciences. New products with greater digitization—such as next-gen therapies and software-powered medical devices—require an understanding of customer needs and feedback through data. Life sciences companies need digital talent, software engineers, and data scientists who understand how to design a digital product and solution that meets patient needs.

Hiring data science talent is completely different from how the sector has hired in the past. Organizations will need to differentiate hiring practices because these specialists are difficult to source. There are also so few people that are true data scientists. Organizations should consider retraining existing employees who already have the necessary scientific background.³⁸

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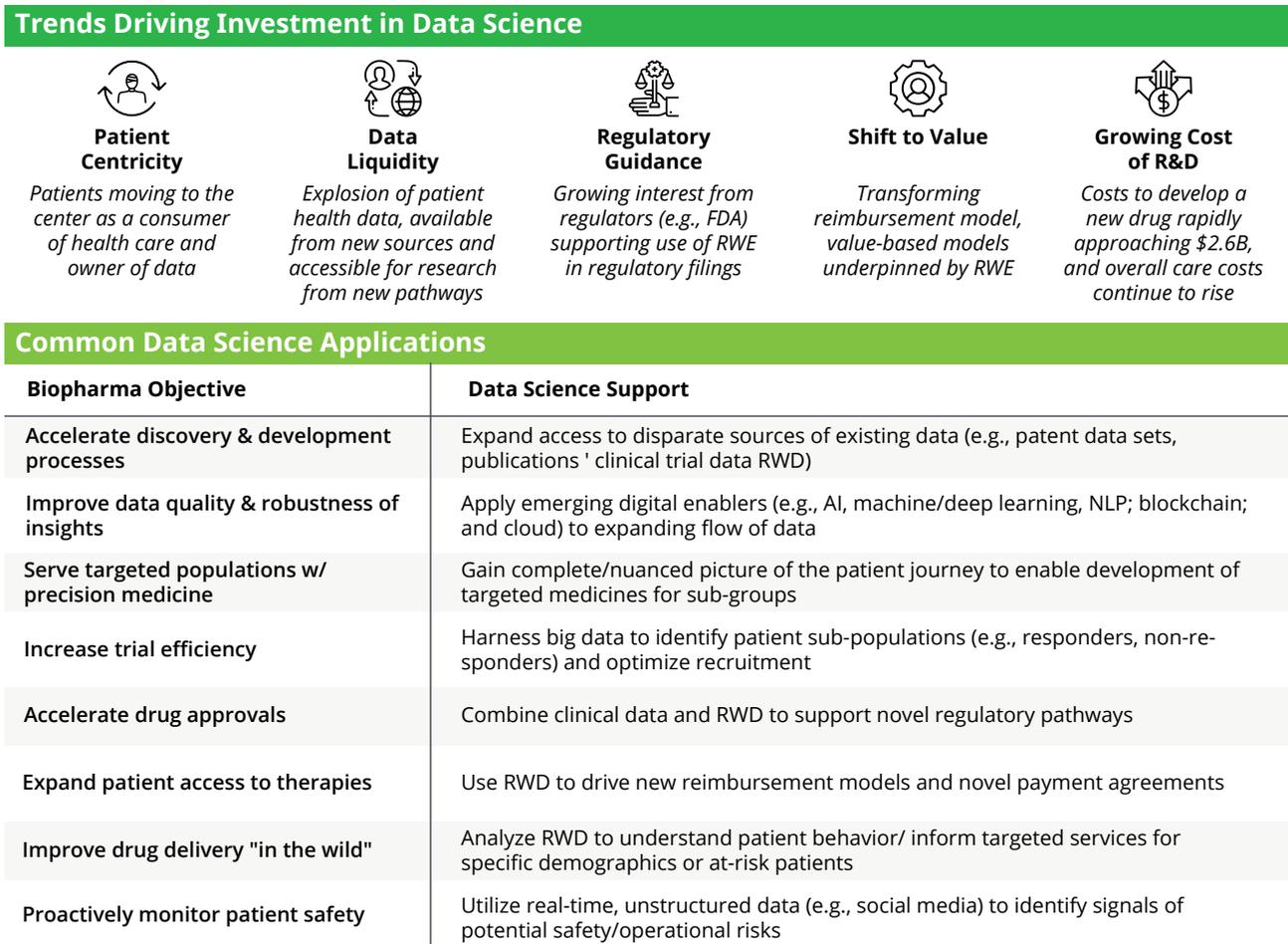
Incorporating data science into everything we do is transforming the way that our organization answers the question of ‘what is possible,’ including the way we conceive of, develop, and provide treatment options to our patients.

*Mathai Mammen, Global Head of R&D, Janssen Pharmaceutical Companies of Johnson & Johnson*³⁷

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In addition, data scientists in enterprise offices differ from data scientists in the Research & Development (R&D) lab. R&D relies more heavily on data to drive towards specific outcomes—requiring intricate and deep skill sets (see figure 2).

Figure 2: Data science in biopharma



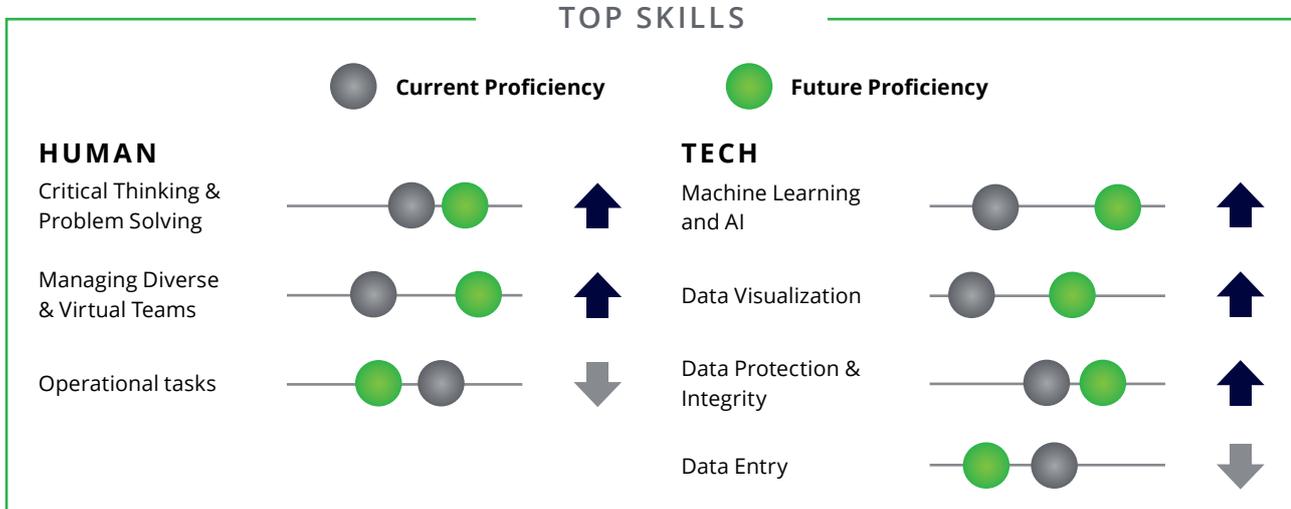
Source: Deloitte analysis

Future-proofing data science roles in life sciences

The skills in demand in biopharma companies are rapidly changing, and the types of new skills needed are growing. R&D organizations are posting 7 times more data science positions than they did 5 years ago. In addition to overall data science, the skills growing in most demand are python and machine learning.

Roles are also evolving, and anticipating change is critical to future-proofing an organization. For example, the worker profile for a Statistical Programmer or Biostatistician may evolve into a Data Strategy Manager role. To prepare, life sciences organizations can start by developing future proficiencies now (see figure 3).

Figure 3: Biostatistician to Data Strategy Manager, current skills and future proficiencies



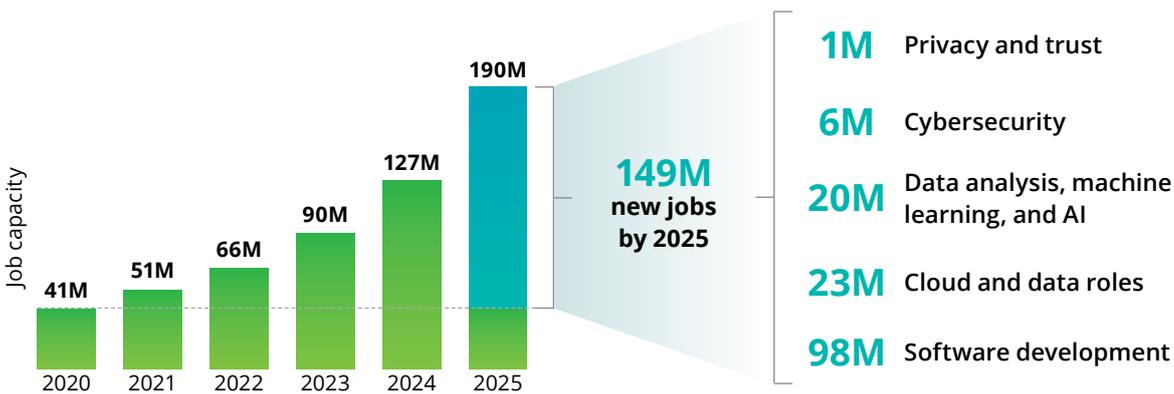
Source: Deloitte analysis

Reimagining work is a CEO strategic priority

According to a recent Fortune/Deloitte CEO Survey, attracting and retaining talent in a tight labor market has ascended to the top of CEOs' list of strategic priorities. Companies should reimagine work as a landscape of tasks and skills that dynamically evolves with business priorities.³⁹

By 2025, an estimated 40% of core skills will change for workers.⁴⁰ Life Sciences will be competing from within and outside the industry for the same digital and data talent (see figure 4).⁴¹ The dearth of talent to support digital transformation initiatives is one of the biggest barriers to overcome, and expanding and upskilling talent should be a top investment priority.⁴²

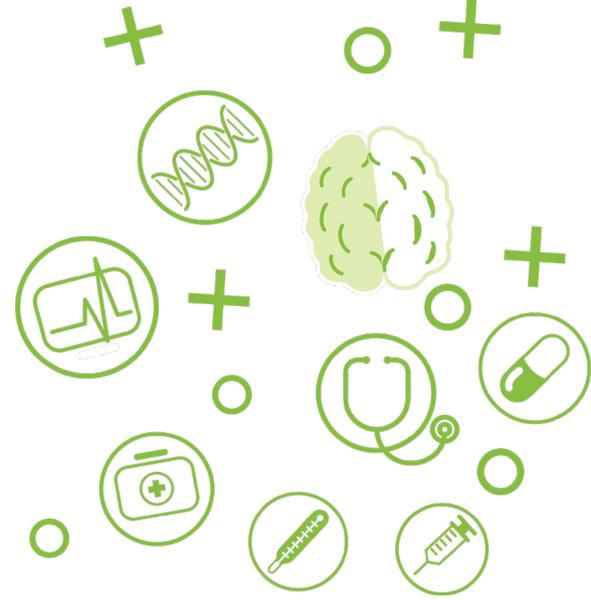
Figure 4: Digital Job growth acceleration, 2020 to 2025



Source: Microsoft

Virtual work, recruiting from wider geographies, and acquiring talent outside of the industry (e.g., consumer-tech companies with different perspectives and skill sets) are strategies for expanding the digital talent pool.⁴³ Life sciences companies should also clearly define career pathing options and tasks, provide opportunities for all colleagues to improve their digital and data literacy, and implement scalable technology. A new distributed work model coupled with efficient, secure network communication tools will be essential to an organization's success.⁴⁴

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Acknowledgments

We would like to thank the following individuals for their contribution to this chapter: Marty DiMarzio, Jenny Ahn, Chloe Domergue and Veronica Melian.

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