

Talent leadership: the new competitive advantage

Introduction.

FiveAndCo is on a mission to help everyone in the life sciences industry thrive – to do well for the business (whatever their context) and feel well too. We recently asked 100 global pharma leaders we have worked with what they saw as their biggest challenge over the next five years. It was almost a unanimous response; recruiting and retaining skilled people to meet the demands of industry growth and development.

In this Pharma Leadership Trends briefing, we take a look at the broader context for this issue and build on your responses to three important survey questions:

1. **What are the most important factors for retaining talent?**
2. **What (if anything) had changed over the last 5 years?**
3. **What were the most important factors in retaining talent in the next 5 years?**

In this briefing you will also see a number of practical recommendations for leaders. Some recommendations are conversation starters for you and your leadership teams, others are more practical – things that you can start to do now to change the way you see your role as a ‘talent leader’.

We conclude with some industry predictions that we think will help you prepare for the next 5 years.

We trust you will find it helpful and join us in our mission to help everyone to thrive – to do well for the business and feel well in the life sciences sector.

A background image showing a microscopic view of cells, likely from a petri dish, with a blue and green color scheme. The cells are in various stages of division or growth, with some showing distinct nuclei and others more diffuse.

The big picture.

Like many others, the pharmaceutical industry is wrestling with a range of economic, political and social headwinds. Regulatory changes, shifting inequalities, rapid technological change, and emerging markets are all challenging ‘business as usual’, particularly when it comes to how we recruit, engage, deploy and retain the talented people needed to achieve business goals.

The combination of technological, scientific and people skills are in short supply and many nation states are not moving fast enough to create the skills pipeline to meet demand (for e.g. through education or apprenticeships).

A recent study on Talent Acquisition Trends, found that:

42% of Talent Leaders

viewed skills shortages as their biggest business problem and with good reason.

Almost 80 million

“baby boomers” are set to retire in the next 30 years.

Only around

40 million new workers

are entering the job market during that same period – in some specialist areas there will be a significant talent shortage.

At the same time, job opportunities in the life, physical, and social sciences sectors are also predicted to grow by 7% by 2028; faster than in any other industry.

The World Economic Forum (WEF) shared sobering views in their recent Future of Jobs Survey suggesting 50% of all employees will need reskilling by 2025, as adoption of technology increases. They suggest that critical thinking and problem-solving top the list of critical skills for employers in the next five years. Discussions with employers also identified newly emerging needs – skills in self-management such as active learning, resilience, stress tolerance and flexibility.

How are we doing?

In a recent survey by McKinsey, only 13% of HR leaders rate their talent management practices as 'excellent,' while 70% of HR leaders rate their organization's ability to address their talent needs as 'mediocre.'

Many of you remarked that aspects of talent management processes appear not to have changed to reflect some of the broader societal changes we have witnessed like the Pandemic and 'lockdown'

"People have reassessed their priorities and are now more willing to make choices based on those priorities. Leaders need to recognize this and not simply use the same playbook they've always used"

Even where it is working well, there is growing recognition by CEOs that existing approaches are running out of steam. Nearly half of life sciences CEOs in a 2020 survey said that talent development and management strategies were disconnected from core business in a way that was hindering growth.

It's not all bad news. A new generation of leaders and workers are optimistic about the opportunities presented by some of the technological and societal changes. Despite a call to return to the office in many sectors, two large scale studies have pointed out that not only are flexible working policies popular, but a majority of leaders say they have noticed improvements in motivation and productivity. Flexibility over work location has opened up promotion opportunities for some employees who has previously been prevented from applying due to being unable to move house.

Talent Development or Talent Management?

A quick word on two terms that get used interchangeably. For us, talent development is focused on continuous growth and learning, while talent management is about strategically maximising and deploying individual talent.

Talent development focuses on individualised learning and growth plans, while talent management is an organisational strategy for finding, hiring, and retaining top talent.

The View from Your Window.

We had a great range of responses from people working in medium and large pharma businesses. What was striking however was the commonality of themes and the degree to which individual leaders were positive, purposeful and people orientated in their feedback on current talent management approaches.

You developed three themes in your feedback that we have summarised:

Culture

Everyone who took part in our survey agreed that culture was as important now as it has ever been. The purpose and nature of work might be changing, but there are some fundamentals that need a fresh focus. When asked what would be important over the coming 5 years, you told us values like honesty, transparency, and collaboration should remain essential features of the workplace experience:

*“an honest, transparent, collaborative, productive culture with trust in each talent”
“talent looks for a safe and collaborative environment with a high level of independency; this should be created in each organization”*

Further, you observed that the most successful Talent Leaders during disruption and change were those who doubled down on their emotional intelligence and who committed to sharpening “...skills and strength in communication” that keep people motivated and engaged “even at a distance”. Those Talent Leaders were able to create a culture that endured and was experienced consistently across time zones, organisational and country boundaries.

Belonging

Respondents to the survey told us that helping people belong, see their value and tap into intrinsic motivation were critical during times of technological change and rapid adoption of tools like AI.

One respondent told us that the most important thing for them was “...making a person feel valued and supported” and that retaining talent “is a long game that requires investment in individuals over time”, not just a once a year event tied to performance reviews or goal setting.

Already we can see in the market that careers have become more self-directed with talented people looking for opportunities to contribute, learn, and access meaningful experiences, as well as be properly rewarded.

As such creating a sense of belonging is a challenge with some respondents feeling employers had lost sight of the importance of continuously investing in a culture of “...belonging and trust (incl. strong people development)” and that we need to keep offering “interesting activities and missions that make sense and which are adapted to the business”.

Productivity

An essential part of a talent development cycle is deployment. Specifically, using the workforce in the most effective and efficient way for maximum productivity. Effective deployment of talent should include opportunities through job rotations, skill enhancement opportunities, formal learning, project work, and secondments. Respondents told us it was essential that employers provided “Remits that challenge you, inspire you, and allow for growth”.

These opportunities need to be meaningfully connected to business activities and come a clear plan for helping talented people grow and reach their potential while also helped people feel like the employer is “...there to support them in the journey”, and not just interested in outputs.

Talented people will understand the necessity for productivity, but also need to feel an experience of being valued for more than the sum of their skills. In essence, they want to thrive – to do well for the business and feel well.



Conversation starters.

At FiveAndCo. we know that not every change has to come from the Board so we have shared five conversation starters you can have with you peers either at your leadership team meetings or at your next offsite meeting:

1. “What are the core skills we need in the next 3-5 years and how do existing employees develop those skills whilst they work with us?”
2. “How are we preparing our leaders to lead across the different social platforms, generations, and time zones?”
3. “When in our careers did we feel we were most invested in our business, and that our business was the most invested in us? What can we learn from those experiences?”
4. “What’s the red thread that connects the purpose of our business, our teams, and our people? How often do we speak to it as we lead ourselves and others?”
5. “Where are we providing inclusive (all in) opportunities for talent development and are we clear who should be experiencing exclusive (selected high worth talent) opportunities?”

Things to do now and next.

We know pharma leaders are busy and so we have developed 4 things you can do, starting today. They all have simple entry points that provide a foundation for deeper levels of growth with investment over time.

What's your People Plan?

How do you all as senior leaders know where people are, where they need to be, the budget you have to support them to get there?

Do now – add a substantive session for your leadership team meetings to talk about where the budget is going currently and how you know it's making a difference. Agree at least one strong area of performance where you going to invest more to increase impact for your people.

Celebrate Learning

For talent development to really take off, make sure to recognise and reward internal role models who are actively participating in your talent development initiatives and share stories about what they've accomplished to inspire colleagues to follow in their footsteps.

Do now – work with your leadership team to compile a list of the people or events in your group that are already demonstrating the development opportunities available. Use those stories to theme a Townhall or regular newsletter.

The Picture and the Pixels

Organisations that help talent thrive keep the big picture in mind and are intentional about execution and the experiences they create for their people. Organisation wide initiatives such as learning and development, performance management frameworks, employee engagement, and career planning need to become part of the talent development conversation, not run parallel to it. At a granular level, the employee experience needs to align clearly as well.

Do now – compare staff survey results from the last two years. Are the trends positive, neutral or negative in terms of how connected your people are to the big picture? How are the engagement scores overall?

Create Enterprise Leadership Opportunities

To build a work force fit for the future, organisations should focus on internal movement of talented people, not just recruitment. Consider how to offer redeployment and referral to other parts of the business that add value and which that actively manage and support individuals career pathways. This helps employees understand more of the business at the enterprise level which they can add to their functional expertise.

Do now – speak to 5 of your peers across the business and identify at least two opportunities you could offer a member of your team to work in a different context as part of their talent development journey.



The Forward View.

Each of the participants in our survey had a view on the future and we have added our own experience and expertise to those contributions to provide a forward view for senior pharma leaders:

Early Career Hiring

Some jobs will continue to require some form of higher education, but we predict that over the next 5 years, the best employers will look for candidates whilst they're still in high schools, technical colleges or apprenticeships. They may also look to attract graduates from other, non-traditional graduate routes (as opposed to searching exclusively within life sciences disciplines).

There are good social and financial reasons for this but as you point out in your survey responses, young hires today expect more from employers - more inclusion, more balance, more compassion.

“Companies have to rethink their value proposition to employees... the answer in my mind is ‘flexibility’ but that can mean so many things... we need to be more adaptable and be willing to change to deliver what employees value going forward.”

FiveAndCo have always advocated for a culture that helps people thrive. We think it's up to employers to invest now in talent development and management practices that promote emotional intelligence, compassion, and a range of strategies to help people feel well and do well in the modern workplace.

The Human in the Loop.

In all the excitement about Artificial Intelligence, we are also aware of the need for highly regulated industries like Pharma to keep patient centricity, compliance and ethical standards front and centre.

AI will be a disruptor and an enabler for many years to come and will likely impact talent management in areas such as recruitment very soon. Specifically, we think employers will look to deploy AI in candidate search and selection, but potential employees might also use AI to help them get their preferred jobs.

This is a potential gain and a loss for talent leaders. The gain will come from smarter, more precise searches and supported thinking on which candidates have the right skills to offer. The potential losses come from systems being gamed, leaders not being adequately prepared to use AI tools, or poor governance around AI informed decisions.

We think it remains important for Pharma leaders to keep the 'human in the loop' at the right points of the talent development journey, and at the right level of the business processes. We know many Executive leadership teams are moving rapidly to embrace AI. We encourage them to move just as decisively to invest in their people and processes to prepare them for this paradigm shift.

Location, Location, Location

The Pandemic showed us both how fragile some systems were but also how resilient and adaptable our people were. A number of industries learnt important lessons on managing teams differently, trusting for outcomes (rather than relying on surveillance over delivery), and the added value of social connections.

One trend that is being challenged, maybe even reversed, is the flexibility to work from home. A number of clients discussed this at our annual dinner in 2023 and when it comes to attracting and retaining talent, many of you had clear views on what should happen next.

In our view, working from home is not a one size all solution, but neither is returning to an office centric culture. The old attitude of “relocate or quit” is still prevalent but we see a generation of leaders emerging who will not respond positively to that challenge and instead will choose employers who are ready to take risks, create trusting relationships across time zones and national borders, and come up a more blended approach to work.

In which case, future talent development tactics and management strategies need to reflect the dispersed nature of the workforce. The best development experiences are personalised, contextual, and practical. The best employers will be offering what you called “motivating projects, supportive leaders, clear company purpose, and flexibility”

We suggest that Executive leaders should be looking beyond the very different experience of work they had in developing their career and intelligently listen to emerging talent: not listening through our experiences and biases but with an open and non-judgmental mind.

Practically this means looking to modify talent management processes now to take this into account and see it as a competitive advantage in a war for talent that is only going to intensify in the years to come.



Our Purpose:

FiveAndCo. make Thriving Teams a reality across the Life Science sector.

We do this by partnering with courageous leaders who want to create extraordinary teams where everyone can be their best and do their best.

Our Manifesto

At FiveAndCo. we believe everyone deserves to be part of an exceptional team where they feel safe and secure whilst being challenged and stretched; where everyone works for the shared success of the team and where people know they're making a positive and sustainable contribution to business success every single day.

We call these Thriving Teams - and they don't happen by accident.

By empowering leaders to create Thriving Teams across the Life Science sector, we are inspiring a new way of working, transforming the lives of teams and patients around the world.

Everyone deserves to be part of a Thriving Team -and every leader has the potential to lead a Thriving Team.

FiveAndCo.

Find out more at:
www.fiveandco.com