

The Future of Talent Acquisition in Healthcare & Life Sciences





Part One

What Is Think Talent?

Think Talent was created in January 2018 as a response to the ongoing pressures that talent functions face to evolve at pace to support business transformation.

Mission

IBM Talent Acquisition Optimization created Think Talent as a community for talent acquisition professionals and leaders to network, share ideas and help each other.

Commitment

We are committed to exploring topics that affect talent acquisition, supported by research and peer-to-peer workshops.

We are delighted to share insights on the **The Future of Talent Acquisition** benchmark study conducted before the **Global Think Talent Healthcare & Life Sciences** event hosted by Merck & Co., Inc., in Kenilworth, New Jersey, in July 2018.



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C-suite executives who were interviewed for the **19th Edition of the IBM Global C-Suite Study** were asked which external forces will impact them most in the next two to three years. The top five answers were:



Market factors



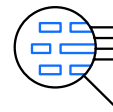
People skills



Macroeconomic factors



Technological factors



Regulatory concerns

Of those, market factors and people skills had risen significantly as concerns of business leaders since the previous C-Suite Study.

In addition, the same executives say that the types of enterprises that are leading disruption in their industries are not the startups but industry incumbents:

72% Innovative industry incumbents

34% Digital giants (such as Apple, Google, Alibaba)

23% Companies from other industries

22% Smaller companies or startups

Talent is universally accepted as a key to competitive advantage, so getting it right as a Talent Leader has never been more important. This dynamic, in the context of the skills supply and demand imbalance (**85% of the jobs that will exist in 2030 don't exist right now**), with continued advances in technology and artificial intelligence, led IBM thought leaders to embark on creating a global community for Talent Leaders to share experiences and explore pertinent topics impacting talent acquisition on a biannual basis.

The impact of industry disruption on life sciences

Pricing pressures and increased public scrutiny are compelling life sciences organizations to demonstrate value through the effectiveness of patient outcomes. The more targeted treatments that are developed for patients, the more specialized the talent that is required to develop these treatments.

Governments and regulators are placing greater demands and higher expectations on life sciences and healthcare enterprises. They must operate with greater alignment to social policies and objectives, and infuse far-reaching innovation into business strategies and operations on a broad and sustained basis.

On a global scale, according to Radford's **Global Workforce Trends at Life Sciences Companies** survey for Q2-Q3 2018, the industry continues to "compete fiercely for talent worldwide." Many regions are experiencing "aggressive hiring" by life sciences companies (defined as actively planning and recruiting for organizational growth). The survey discovered strong hiring upswings in India and the UK. In the United States, the number of companies reporting aggressive hiring continues to "outpace the rest of the globe by a large margin."

In addition, Bersin by Deloitte is projecting that life sciences recruiting cost per hire will continue to rise at a rate of 7% per annually, as talent pools continue to constrict.

All this disruption in life sciences is having an impact on talent strategies globally, necessitating a new approach to recruiting, training, motivating and retaining the best teams to support business transformation and growth in the "Patient First" era.

Part Two

Benchmark Results & Insights

The competition for talent is increasing and necessitating Talent Leaders to think differently, impacting process accountability.

We conducted one-hour stakeholder interviews with 10 organizations investigating talent acquisition strategies to enable business transformation. Each participating organization is a mid- to large-size firm operating in life sciences or healthcare, has a significant impact on products or services that directly impact patient satisfaction and has HR organizations with dedicated talent functions. The benchmark was segmented into three areas:

- Organizational insights
- Talent acquisition strategy
- Measuring success

Our purpose was to discover the correlation between organizations on enterprise-level transformations and the impact on centralized talent acquisition functions and budgets.



ORGANIZATIONAL INSIGHTS

Cumulative Hiring

External

62%

Internal

27%

Referral

6%

Agency

5%

Process Stop

Is there a general appetite for more influence and control across the talent lifecycle?

Offer Acceptance

50%

Day One

33%

Pre-boarding

17%



Observations

- More examples of post-offer management.
- Closer ties between talent development and talent acquisition on the horizon.

HR Strategy

What would you recommend to other talent acquisition leaders to retain a seat at the table?

Open
Communication

58%

Integration
Partner

42%



Observations

- General trend of integration and collaboration across HR.
- Success typically achieved with C-Suite top-down focus on talent.



ORGANIZATIONAL INSIGHTS

Funding Model

What are the typical barriers to securing budget and how do you overcome them?

Business

58%

Hybrid

25%

Centralized

17%



Observations

- Predominantly talent acquisition is funded directly or in the majority by the business.
- Businesses with a centralized budget value agility and proactivity.

Technology Landscape

Where does your organization stand in relation to tech consolidation versus ecosystems?

ATS, HRIS and CRM

50%

ATS, HRIS

42%

ATS

8%



Observations

- 8 participants have Workday; 3 are retaining another ATS.
- Technology capability is generally limited to ATS, HRIS and CRM.
- All organizations are exploring AI and its role in the talent acquisition operating model.



TALENT ACQUISITION STRATEGY

Industry Dynamics

What are the industry dynamics impacting your talent strategies?

Competition
92%

New Skills
33%

Global
Talent Mobility
25%

Unemployment Rate
17%

Regulation
8%



Observations

- The competition for talent is consistent pressure from within and outside of the industry.
- Accessing skills wherever they are as soon as you can reach them—globally and early careers.



TALENT ACQUISITION STRATEGY

Business Contribution

What is holding talent acquisition back from being recognized for its contribution to the top and bottom line?

Closing Skills Gaps

50%

Talent Strategy Execution

33%

Competition Insights

25%

Nothing

25%

Organizational Insights

17%



Observations

- Talent acquisition is playing a critical role in identifying skills gaps and developing strategies to address them.
- Talent acquisition is a window to the market, sharing insights on market dynamics and the competition.



TALENT ACQUISITION STRATEGY

Talent Acquisition Priorities

How are you adjusting expectations and embracing new ways of working?

Go to
Market
67%

Capability
67%

Capacity
25%

Re-organization
33%

Technology
Strategy
25%

Workforce
Planning
17%

Process
Reengineering
17%

Process
Efficiency
17%



Observations

- Significant focus on candidate go-to-market strategy and the development of capability for the talent acquisition function and hiring managers.
- Improving efficiencies through process and technology to elevate the value of the talent acquisition function.



TALENT ACQUISITION STRATEGY

Technology Investments

What do you believe to be the most valuable contribution technology could have for your business right now?

Targeted Process
Augmentation

42%

Front-end
Automation

25%

Front-end
Augmentation

17%

Predictive
Matching

8%

Unknown

8%



Observations

- Augmenting the process with technology is a major trend for market differentiation and increasing efficiency.
- Automation and predictive matching are being explored for volume talent segments.



MEASURING SUCCESS

Success Measures

What is the most important measure of success for you now and in the future?

Traditional Metrics

92%

Satisfaction Surveys

83%

NPS

8%

Career Mobility

8%

Quality of Hire

8%

Workforce Planning

8%




Observations

- Talent acquisition is measured using traditional metrics by most organizations.
- Satisfaction is important, predominantly measured using surveys; emergence of NPS.
- Some examples of qualitative metrics.

Part Three

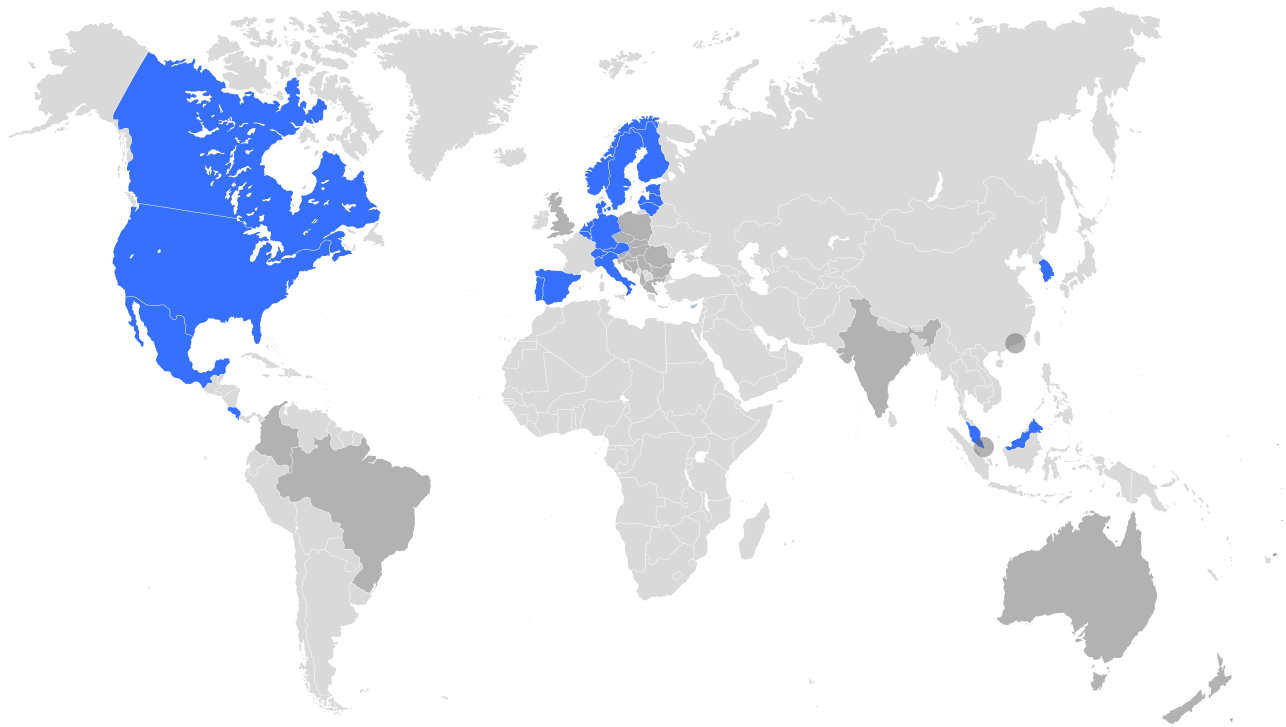
Talent Acquisition Transformation at Merck & Co., Inc.



IBM was delighted to co-host our first Think Talent event for Talent Leaders in healthcare and life sciences with Merck & Co., Inc. At this event, participants heard the talent acquisition transformation journey that Merck has embarked on.

Merck is a 125-year-old pharmaceutical company whose mission is to “discover, develop and provide innovative products and services that save and improve lives around the world.” Headquartered in New Jersey, the 70,000-employee organization is known as Merck in the United States, Canada and Puerto Rico and as MSD everywhere else.

Global Talent Acquisition Transitions



LIVE / NEW MODEL

PLANNED FOR 4Q 2018

NORAM	Canada	US		
LATAM	Costa Rica	Mexico	Brazil	Colombia
APJ	Malaysia	South Korea	Australia New Zealand Singapore	Hong Kong India
EMEA	Austria Switzerland Germany Spain Portugal Italy Finland Denmark	Belgium Luxembourg Netherlands Latvia Lithuania Estonia Sweden Norway	Czech Republic United Kingdom Poland Slovakia Hungary Romania Greece	Cyprus Malta Slovenia Croatia Bosnia Albania Serbia Bulgaria

A spike in global hiring

Merck's two-year talent acquisition transformation project began in Q4 2017 in Austria. With a decentralized TA approach and lack of scalability, the organization could not scale fast enough to meet the significant increase in global hiring demand. The TA team knew the time was right to use recruitment process outsourcing (RPO) services, says Ajay Patel, Director of Talent Acquisition, Global Recruitment Solutions & Employer Branding.

The TA team identified focus markets that they considered critical to the success of the transformation project. The transformation included partnering with two RPO vendors (one being IBM) and significant training and development for an in-house team of Talent Acquisition Advisors, as well as a new internal Executive Search function built to bring proactive sourcing and talent pooling capabilities to support the organization's business critical and niche roles.

At the time the project began Merck's global headcount had remained relatively level for several years, but hiring needs were significantly increasing mainly due to upskilling the workforce—for example, recruiting oncology experts, standing up biologics manufacturing capabilities or building new marketing capabilities with digital marketing competency.

A significant technology shift

Merck has adopted a new talent acquisition model along with tech tools and processes for recruiting in 80% of its global locations. In a significant technology shift, Merck is implementing a new ATS, CRM and Recruitment Marketing Platform within the next 12 months. The CRM is a new fundamental pillar of the transformation journey that will enable talent pipelining and engagement for business critical roles.

Merck's talent acquisition transformation also involves upskilling its in-house recruiters, placing some in new roles and initiating new sourcing activities and strategies.



**“Talent acquisition is about people, process and technology,”
Patel says.**

“Our goal through this transformation was to deliver a much better hiring experience for our candidates, new hires and hiring managers. All of this needed to sit in an architecture that was intuitive for Talent Acquisition Advisors to ensure adoption and use of all the new talent acquisition toys we offer.”

Becoming a value-add, strategic partner

Merck mapped out its candidate, hiring manager and Talent Advisor experiences—all wrapped into the new technology stack configuration. As the new systems came online, with RPO admin services supporting, the Talent Acquisition Advisors started to have more time to focus on adding more strategic consulting and value to the business.

Through its RPO partnerships and internal upgrades, the Merck TA team is providing the organization more. The ability to complete a variety of hiring requests, such as high-volume hiring in a short timespan or sourcing new talent with niche skills, is another benefit RPO provides Merck. IBM has also played a role consulting with Merck through its talent acquisition transformation. IBM is guiding the company through implementation, course correcting, adopting new processes and then standardizing them.

Desired outcomes

One of the goals that Merck wants to achieve through its talent acquisition transformation is to increase satisfaction among hiring managers, candidates (both hires and all candidates in the process) and Talent Advisors. To get a pulse check on whether the new talent acquisition approach is improving satisfaction among these key stakeholders, Merck will survey each of these groups, beginning with hiring managers.

Although it's too early to gauge satisfaction yet, Patel predicts that in many locations hiring manager satisfaction may initially dip, and then trend back upward as managers adjust to the new processes and see the benefits of best-in-market talent joining their teams. One way the new recruiting process is affecting managers, Patel says, is that recruiters in many cases are delivering fewer resumes but better qualified applicants to hiring managers. Fewer resumes can be unnerving for managers initially, but if the quality of resumes is high real value will be created.



“We aim to improve satisfaction for all our customers including candidates, hiring managers and Talent Advisors,” Patel says.

“At the same time we expect to have truly hired the best candidates in the industry, not just the best candidate who applied—there is a subtle but big difference.”

Part Four

An Operating Model to Achieve Transformation

Progressive companies are considering their talent acquisition operating models with a new segmentation lens, focused on a user-centric experience. At the Think Talent session co-hosted with Merck, the participants used Design Thinking to co-create an operating model to expedite business transformation.

Typically, segmentation does not take into consideration whether an organization's brand strength is conducive to attracting the talent. As **digital reinvention** continues in the life sciences and healthcare industries, talent acquisition leaders are increasingly competing for critical talent outside of their main competitors. While still a major need, Research & Development is not the only talent required. Life sciences companies also need digital skills such as software engineers, who typically are drawn to startups and tech giants.

The group co-created a solution framework to consolidate all of their ideas about the experience both candidates and hiring managers expect. We did this based on five talent segments:



Future Talent

to include all college and internship hiring



High Volume

to include manufacturing and support staff positions



Core Professional

mid-managers and non-specialist professional skills



Known Critical

skills that are critical to life sciences organizations that the sector and specific brands are known for



New Critical

new skills that are critical for new business strategies and transformation that we have not historically hired, such as digital skills

An immediate observation following the exercise was the number of ideas that were sitting in the Core Professional segment. These skills are not particularly difficult to source, but when we put ourselves in the shoes of those candidates, we realize they expect a lot from their recruitment experience.

The following heatmap shows the number of ideas that the group created in each segment.

	Future Talent	High Volume	Core Professional	Known Critical	New Critical
Candidate	11	5	20	9	12
Hiring Manager	6	9	17	8	6
Brand, Source, Attract	3	5	16	7	6
Selection	7	7	10	5	4
Capability	6	5	13	7	4
Technology	5	6	12	4	2
Success Measures	5	5	9	4	6

When we shared these findings with Karin Wagner, Senior Director Talent Acquisition at UnitedHealth Group, she observed:

“The majority of our effort as talent acquisition leaders is focused in Core Professional work. However, this work should be shifted to our emerging leaders to give them the development they need. We should then reinvest our time as experienced talent acquisition strategists to Known Critical or New Critical talent pools as this is a better area to leverage our leadership and strategic capabilities to drive the highest value / impact for our businesses.”

Key Themes Identified

We consolidated the key themes from the exercise into the following solution framework, which provides a reference for your own talent acquisition strategies.

	Future Talent	High Volume	Core Professional	Known Critical	New Critical
	Structured Engaging	Efficient Systematic	Non-Programmatic Complex	Personalized Compelling	Pragmatic Compelling
Candidate	Personalization, EVP and Digital Experiences	Systematic & Technology Driven	Expert, Compelling, Flexible, Responsive, Transparent	EVP, Personal, High Touch, Competitive	Future Focused, Compelling, Company Fit to Person, High Value
Hiring Manager	Minimal Time to Hire, Engaging, Easy	Efficient, Visible, Supply & Demand Insight, Flex Expectations	Expert, Quick, Continual Feedback, Clear, High Quality, Proactive, Transparent, Insightful	Diverse, Creative, Proactive, Insightful, Real-Time Intel	Values Alignment Flexible, Quality, Proactive
Go to Market	Social, Brand, Authentic	Brand, Advocacy, Creative	Targeted, EVP, Proactive, Omni-Channel, Social, Networking, Market Intel, Talent Pools, Top Competitors	EVP, Strategic, Proactive, Sourcing, In Person, Human, Creative	Cutting Edge, Niche Attraction, Make It Compelling
Selection	Assessments, Diversity, Soft Skills	Sift Out Criteria, AI Assessments, Consistent	Focus on Experience, Diversity, Assessments, Market Intelligence, High Value Interviews, Concierge	Challenges, Diverse Panels, Comprehensive Feedback	Culture Fit, Build or Buy, Traits & Soft Skills
Capability	Social Media, Leadership Advocates, Digital & Personal, Focus on Growth Opportunities	Events, Interviews, Project Planning, Infrastructure/ Resources	Professional, HM Coaching, TA Geeks, Market Intel, Relationship Building Sourcing, Consultative, Talent Advisors, Business Acumen, Inclusion, Analytics, Problem Solvers	Search Budget, Executive Sponsorship, Existing Talent on Panel, Consultative, Experienced TA Practitioners	Networking, Business Acumen, Sourcing Niche Experts
Technology	Gaming, Mobile VR, Ongoing Communication	Parsing, Screening, Mobile, Automated, Video Interview, Efficient ATS	AI, RPA, Chatbots, Dashboards, Scheduling Tool, CRM, Profile Aggregations, Marketing Tech	Personal, Digital Targeted, Specialist	AI for List Gen, CRM for Talent Pipelines
Success Measure	Time to Fill, Diversity, Satisfaction, Engagement, Retention	Cost, Time, Applicant Flow, Fill Rate	Experience, NPS Quality, Talent Pools, Performance, Retention, Engagement, Financial ROI	Retention, Performance, Revenue	Business Growth / Value, Retention, Diversity, Quality, Time

Contact us for more information on how to design your talent acquisition operating model, leveraging AI and data.



t&e talent &
engagement