



Employee Engagement and Retention in Biotechnology



The biotechnology industry has experienced rapid growth and those in this highly competitive industry are looking for answers about what really matters when it comes to recruitment, retention, and engagement. To provide you with concrete data, Keystone Partners commissioned Leading Indicator Systems to conduct primary research among full-time workers in the biotechnology sector using a survey focused on both rational and emotional indicators of employee well-being, and how specific employer responses have supported, or failed to support, these employees.

The bottom line?

Compared to other US Industries, biotech employees are half as likely to stay with, and twice as likely to leave, their current employers, in large part due to a lack of perceived investment of companies in employees.

The detailed findings have clear implications for what employers can do differently to have a positive impact in these powerful areas. Keystone Partners looked at the survey data, recent news in the media, along with other employee surveys on the current state of employment in the biotech industry to offer key insights, takeaways, and recommendations for employers.

Survey Methodology

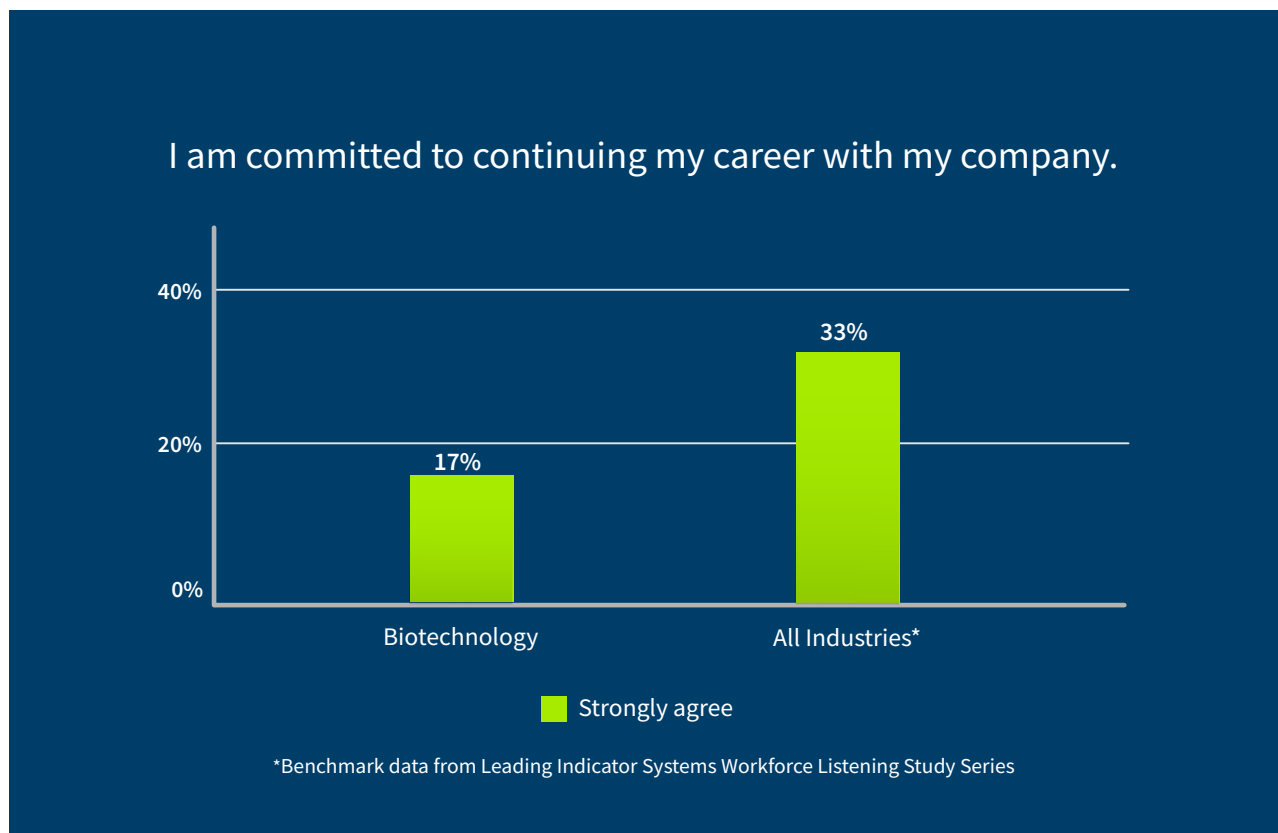


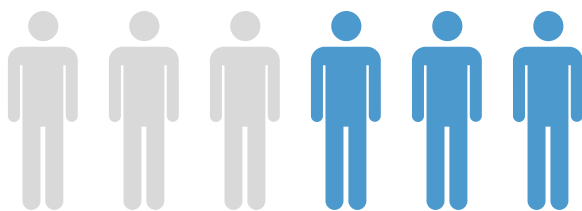
An online survey was conducted in Q4 2022 among a population-representative sample of 234 American employees who are currently working full time, or recently left employment, at a biotechnology company; the subsample who recently left employment was included to examine the critical business issue of retention. The study included traditional scaled response items and LIS's proprietary emotional measurement tool AgileBrainSM to understand biotech employees at a more profound level.

In addition to tracking the attitudes and behaviors of the biotech workforce, this survey evaluated the importance attached to specific employer best practices as well as how employers performed in these areas, resulting in a set of key employer priorities.

An Employee Retention Crisis?

The survey results found that only half of biotech workers are committed to continuing their careers with their employers. Worse, biotech employees are half as likely to stay with, and twice as likely to leave their current employers.





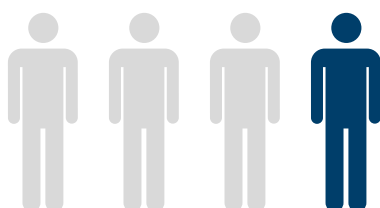
NEARLY HALF

Have been open to outreach from recruiters or other employers.



TWO IN FIVE

Have actively looked for a job with another employer or actually applied for a job with another employer.

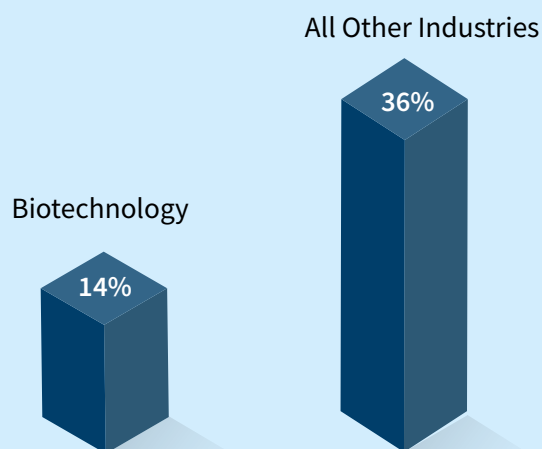


ONE QUARTER

Have recently left a biotech employer.

Biotech employees are two-and-a-half times less likely to strongly recommend their employers (14%) when compared with a nationally representative sample of American workers (36%).

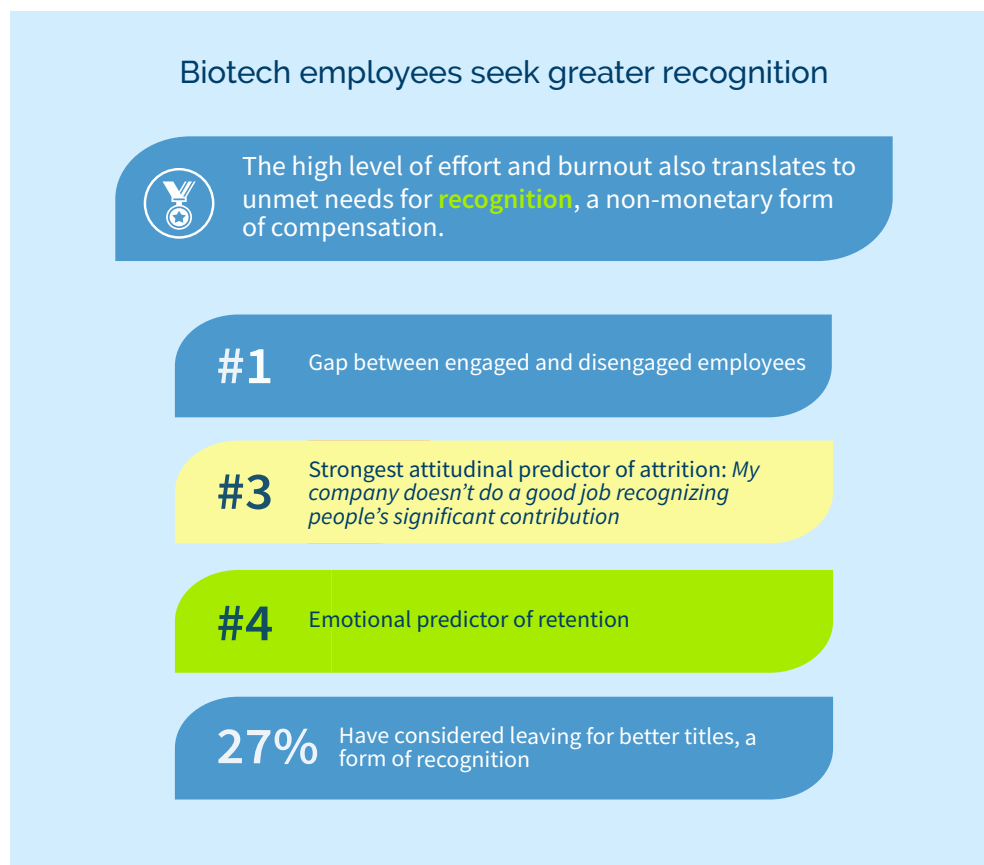
“If friends or family were seeking employment I would recommend my company.”



Factors That Contribute to Attrition

Working in the Biotechnology industry provides a strong sense of purpose, but attrition is driven by the failure to “share the wealth,” lack of recognition, and most importantly, a lack of perceived investment in employees. LIS’s Workforce Listening Series includes the proprietary image-based AgileBrainSM technique for assessing authentic emotions that can’t be accessed by traditional survey methods, providing unique predictive and explanatory power to the results.

- Biotech workers generally have their basic emotional needs met, but experience strong tensions at the highest, aspirational level as shown in AgileBrainSM results.
- On average, there are little to no unmet needs for purpose. Working for organizations that develop new treatments for diseases offers employees a strong sense of purpose.
- The single largest employer performance gap shows relatively strong unmet needs for feelings of achieving material success, including knowing that employees are paid fairly for their work. Nearly two in five (38%) have considered leaving for better compensation.



Achieving social recognition also shows relatively strong unmet needs. Striving for feelings of recognition is the 4th strongest emotional predictor of retention and represents the largest single gap between engaged and disengaged employees. The 3rd strongest attitudinal predictor of attrition is “my company doesn’t do a good job recognizing people’s significant contributions.” Furthermore, 27% have considered leaving for a better title (i.e., social recognition).

The strongest unmet need, by far, relates to striving to fulfill one’s personal potential. This emotional need is driven equally by positive aspirations to feel greater fulfillment and the desire to lessen feelings of being limited, stagnant, or held back.



The high level of effort also drives the strongest area of unmet need, **to fulfill one’s personal potential**, another non-monetary form of compensation.

#1

Emotional need:
fulfilling potential

#1

Weakest area of
employer performance:
*Targeted coaching to
help me grow*

#2

Largest area of employer
underperformance vs.
expectations: *Knowing
that my company is
genuinely supportive of
me advancing my career*

“Knowing that my company is genuinely supportive of me advancing my career” is the single biggest importance-performance gap (after compensation). (Biotech employer performance on this attribute is rated 15 percentage points below the level preferred by employees, a substantial performance gap).

Biotech Provides Purpose

Working in biotech provides a strong sense of purpose, but attrition is driven by the failure to “share the wealth,” lack of recognition, and most importantly, a lack of perceived investment in employees.

#1

Reason to love working in biotech: Improving the quality of life for others.

#1

Area where biotechs outperform employee expectations: Knowing that a core set of values drives the company's actions.



What Can be Done?

Fortunately, this research points to several potentially impactful interventions to enhance workers' sense of development and growth. Four areas stand out as high priorities to close the gap between worker expectations and company performance.

Employers should devote resources to:

- Rationalizing compensation structures
- Increasing pay transparency
- Demonstrating the fairness of each employee's compensation package

They need to provide employees with targeted training, coaching, and extra support during transitions to new roles to help them grow professionally. Employees who receive coaching are 26% more likely to stay with their employers. A smaller, but still important, driver of retention is the need for recognition, which can take different forms depending on the type of work done and the personality of the worker.



How Biotech Companies Can Drive Retention

The most important actions an employer can take include:

- Paying fairly (82%)
- Letting employees know that profits will be shared (70%)
- Letting employees know that the company is genuinely supportive of employee careers (69%)



Focus on Burnout

In addition to the clear need for enhanced support toward personal and professional development, this study revealed a distinctive burnout risk among biotech workers. The statement that garnered the highest level of agreement was, I have been working too hard, at 53%. And compared to workers of all industries, biotech employees are one-third more likely to report being at risk for burnout (36% vs. 27%).

Focus on Former Academics

Former academics represent 17% of the survey's sample, one in six, a substantial segment of the workforce. For those coming from an academic background which focuses heavily on individual contributions and publications, this segment is far more likely to feel that their companies do not do a good job of recognizing people's significant contributions (a level 23% higher than non-academics). The largest gap in unmet emotional needs is related to the need for recognition, followed by inclusion. Biotech companies should offer these employees more opportunities to publish and present their work. Experimentation should also be encouraged for former academics. And as former academics may have a greater commitment to specific therapeutic areas, presumably where they have expertise, they are also more likely to leave if the company were to divest from a particular area or if they felt that the company lost its entrepreneurial spirit.



Focus on Neurodiversity

*Note that we will be using the term neurotypical for lack of a better word. See [here](#) for more reading on the subject.

Based on previous LIS research that found substantial prevalence of neurodiversity in STEM fields (which includes biotechnology), specific hypotheses were included on this topic. Those who identify as neurodiverse show huge positive gaps on emotional needs for caring, safety, and autonomy relative to neurotypical employees. They are also far more likely to rate their employers as sensitive to employee needs, providing meaningful growth opportunities, and making them comfortable expressing their true selves at work.

In terms of prevalence, the neurodiverse segment is enormous at nearly one-in-four (24%) and displays a highly differentiated profile. In many ways, neurodiverse workers are model employees:

- Neurodiverse workers give their employers far more credit for showing caring and supporting their personal and professional growth
- These employees rate all employer performance attributes at or above expectations, with the following standouts:
 - Being given extra support during transitions to new roles (+30 points)
 - Targeted training for managers (+22 points)
 - Having someone regularly reach out to see how I'm doing (+19 points)
 - Access to targeted coaching (+16 points)

Consequently, neurodiverse employees are significantly more likely to intend to stay with their employers (63% vs. 51%).

An important insight is that neurodiverse workers are more likely than neurotypicals to focus on questions of ethics and fairness, giving their employers additional credit for:

- Knowing that compensation discrepancies will be addressed quickly (+18 points over neurotypicals)
- Feeling that the company is committed to helping me grow and develop (+16 points over neurotypicals)
- Additionally, AgileBrainSM profiles reveal that the neurodiverse show elevated spiritual domain needs (justice, ethics, and purpose)

Retention efforts must speak to person focused themes.

A key insight about neurodiverse workers pertains to their differing levels of acceptance by generation. The youngest generation, Gen Z, reports by far the highest level of self-identification as neurodiverse, whereas the oldest generation, Baby Boomers, report the lowest. Tellingly, Gen Z reports the lowest rate of selecting Prefer not to say, whereas Boomers are most likely to select this response. This difference in acceptance has tremendous implications for how neurodiverse employees are trained, managed, and coached, as younger neurodiverse employees readily acknowledge their different learning and thinking styles, whereas their older counterparts may seek to hide such differences, necessitating a great deal of sensitivity from management.

Key Insights and Takeaways

Keystone Partners commissioned this survey by Leading Indicator Systems to better understand employee engagement, retention, and the emotional well-being of employees in the biotechnology sector. By looking at biotech employee sentiment, we endeavored to examine how employers can better support and invest in their employees along with what employers can do differently to have a positive impact.

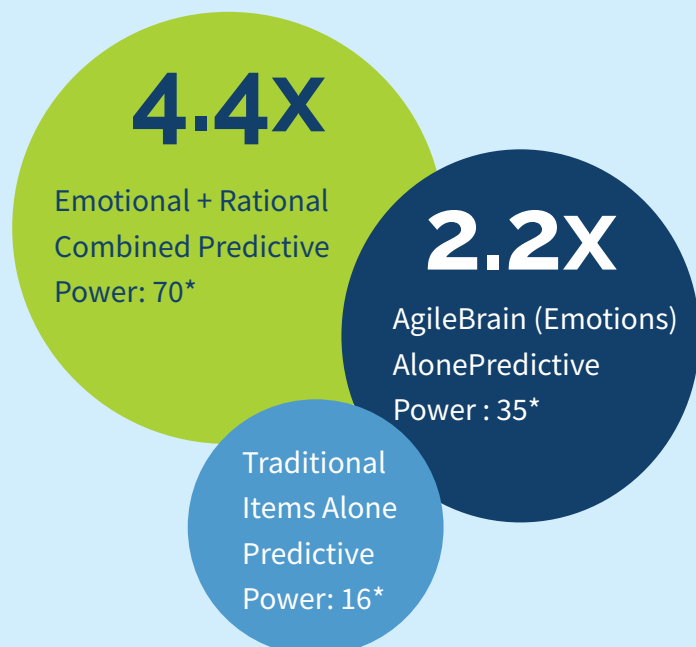
As the survey found, biotech has a major attrition problem. The Keystone survey found that biotech employees are twice as likely to leave their employers as employees in all industries. Three-quarters of biotech employees have engaged in some combination of job switching activities.

The data suggest that the high rate of attrition is due much more to the “push” of dissatisfaction with their employers than the “pull” of competitive opportunities.

They are far less likely to recommend their companies as places to work and are far more likely to be at risk of burnout, than employees of other industries. By the end of December 2022, the [Fierce Biotech Layoff Tracker](#) recorded 119 total layoffs for the year. And they don't believe the trend in reductions is over. Despite uncertainty about future layoffs, the demand for top talent in the biotech industry is still ongoing. And according to a January 2023 Boston Globe article, [“Holding on by its fingernails.’ The biotech industry in Massachusetts braces for another tough year.”](#) many executives say that they have such a hard time filling open positions. Barry Greene, chief executive of Cambridge-based Sage Therapeutics, says “There's so much demand, it's insane. It's a war for talent in biopharmaceuticals.”

MassChallenge recently wrote about the [5 Biotechnology Trends and Innovations to Watch in 2023](#) and it addressed one of the challenges in the biotech industry: finding top talent. It touched upon how as the pressure for new therapies and vaccines increases, training new and existing employees will test the capacity to keep up at many companies/firms.

Introducing the Keystone Retention Index



Three drivers of attrition



Investing in employees



Desire for Material
Success



Desire for Recognition

The biotech industry's strength in providing employees with a "higher purpose" is outweighed by feeling overworked, feeling that employers don't care enough about developing talent, and feeling that both compensation and recognition are inadequate. Perceptions around supporting career development can be bolstered through the provision of coaching, targeted training, and extra support during transitions to new roles, all of which show substantial under-performance by employers.

In early 2022, BioSpace, asked Life Sciences industry professionals in their [How to Attract and Retain Talent](#) survey what their motivators are to look for a job and 57% said "greater compensation." However, the top driver was growth opportunities", with 63% of life sciences professionals saying they were seeking out employers where they could further their learning and development, according to the report. Other top motivators included looking for a new challenge and being unhappy with company leadership and culture.