

How to benefit from Switzerland's talent pool and attractiveness

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European Cities and
Regions of the Future
2022/23



Executive Summary

The COVID-19 pandemic has undoubtedly had a profound shape-shifting impact on the way we work. Many people and organizations now choose how, where, when, and indeed if they are to continue to work. But as the world of work battles with the issues of reformation in a slightly eased post-pandemic period, another staffing crisis has emerged that's already being acutely felt in the pharmaceutical and biotech sectors.

The new competition is in the realm of recruitment. Simply put, there's less talent with the right skill-set and experience available to go around.

This report, compiled by the economic promotion agency **Basel Area Business & Innovation** in collaboration with the global specialist workforce solutions provider **Hays**, we do a deep dive into the following:

- **The current situation and the reasons for the talent gap in life sciences**
- **The impact on business and recruitment strategies**
- **How Basel Area's life science hub might hold alternatives to the talent shortage**



«The report tackles the issues of the «talent war». It highlights the impact on businesses but also shows that there is a solution to be found in the vibrant innovation ecosystem that is The Basel Area. Thank you to Hays for their insightful contributions to this report.»

Paul Eschmann

Head of International Markets and Business Affairs,
Basel Area Business & Innovation

Reasons for the talent gap

The talent shortage in life sciences has never been so high

While the life science sector is flourishing and investment and demand for talent are extraordinarily high, competition for senior management positions and highly skilled scientists and technicians is fierce. Salaries offered at a senior level can be very competitive among companies and organizations, resulting in a brain drain and the need to backfill with fewer choices. More flexible working arrangements, such as remote working, even from one country to another, are also making some roles more attractive to individuals and competing companies.

At the same time, far fewer science graduates now see a career in life sciences as attractive. They often choose other industries when leaving university, adding to the shortfall in available talent. These factors severely hamper the ability of CEOs and hiring managers to get the right people for the job in order to execute their plans successfully.

Talent war* is booming in life sciences

Leaders across the life sciences sector report that the attrition rate, particularly in biotech, is worrying. Many reports that they are struggling to retain staff and recruit new candidates before they are snapped up by the competition. A survey by talent assessment company XBI Insight** revealed that it can take more than three months to fill non-executive positions.



«With attrition at all-time highs and an increasing shortage of talent, it is becoming very difficult for companies in the Boston Area to find the highly skilled talents they need.»

Robert Berendes, Ph.D.

Executive Partner at Flagship Pioneering

*www.fiercebiotech.com/staff/m/biotech/2022-talent-war-life-sciences-salary-inflation-c-suite-builds-to-negative-feedback-loop

**www.xbinsight.com/resources-list/blog/life-sciences-talent-shortage/

Talent shortages in life sciences

The impact on the business strategies

The growth in life sciences and biotech companies in recent years, sustained by huge investment capital, is undoubtedly having a major impact on public health and quality of life across the healthcare continuum. But the lack of available talent threatens to impair that growth. CEOs say they don't have a sufficient pool of talented people to draw on. This slows down their plans or even puts them on hold, innovation is hampered, and business development is restricted.

The impact on the HR strategies and operations

With the life sciences sector being so heavily impacted by this lack of readily available and qualified candidates, the situation has led to outright «wars for talent», in which companies attempt to lure the most attractive prospects to their side, constantly outbidding each other in the process. This battle for talent has resulted in many factors imposed on the labor market and shifted it towards a more candidate-centric model. Nowadays, employers find themselves confronted with the **limitation of local talent**, making it difficult to find available people nearby, pushing many companies to seek talent beyond their country's borders. **Lacking competitive applicants** amongst the locally available candidates is another hurdle many faces, since qualified people are in such high demand. Finally, lacking the **focus on the internal culture** has become an issue, preventing a lot of companies from staying relevant to the new generation of purpose-driven employees.

To adapt to the new ways of work and not fall behind in terms of employer brand, life sciences and biotech companies must find new ways to attract and retain the best people on the market.

«The talent shortage goes so far that projects have to be cancelled or put on hold due to lack of resources.»

Robert Berendes, Ph.D.

Executive Partner at Flagship Pioneering

Most wanted benefits to attract and retain talent

Editorial by Hays:

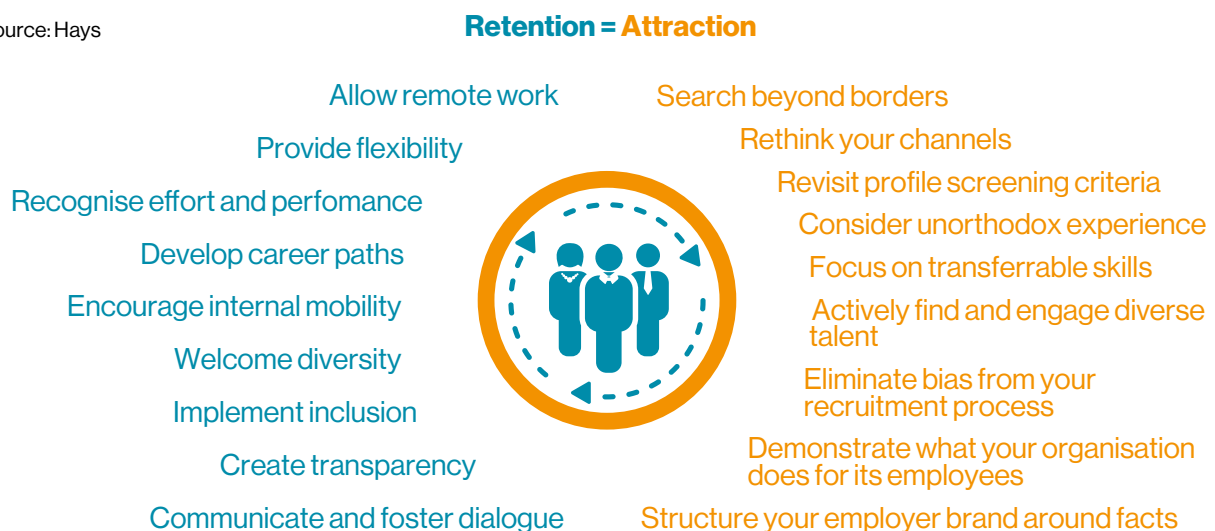
Our view on talents tends to be a very pragmatic one: «what does an organization need to tell talents to attract them, and what does it need to do to keep them?».

Generally, one of those two aspects will be neglected, resulting in situations such as rolling out a wide-reaching Corporate Social Responsibility (CSR) campaign but not following through with the planned actions and eventually losing all the people one managed to attract.

Or establishing a great culture with satisfied employees but not communicating efficiently through the right channels to attract new people. It is important to consider that attraction and retention of talent are two sides of the same coin:

Holistic approach to retention and permanent attraction

Source: Hays



Once companies adopt this holistic approach, they can effectively tackle the previously mentioned complications. Regarding the limitation of local talent, they should expand **the search scope beyond the local market**, in order to actively find and engage talent instead of waiting to be found.

Being **flexible** in terms of contract types or work arrangements has also proven very beneficial for a lot of companies over the last two years and allows the talent and the company to find the best option out of the permanent, temporary, remote, hybrid, freelance, consulting, project-based and contracting options.

While expanding the search focus, promoting the already acquired talent is crucial by providing them with **career development opportunities**. This comes by considering vertical and internal lateral **mobility**; that way, what talent is looking for elsewhere could be made available to them right where they are.

Training is another key part, fostering a learning mindset and culture and re/upskilling employees to tackle the lack of competitive applicants. It is crucial to identify which training type is best suited for the learning objectives (e.g., virtual, in-person, self-training, etc.), as well as allowing appropriate time for learning for employees.

After identifying the technical and core skills for each role, the next focus should be on the ability and willingness to learn new skills. An important aspect is that **digital and soft skills** are not necessarily linked to formal education, which should lead to reassessing how to measure and evaluate soft skills as they evolve and are a result of a **lifelong learning process**.

Finally, it is recommended to eliminate bias in the recruitment process by fostering an internal **culture of inclusion and by welcoming diversity**, allowing to set the focus on talent and skill. Flexibility, as mentioned above, should not be considered a benefit, but a given, to build an employer brand based on values and actions. Talents desire to fulfil a purpose, be useful, contribute to a goal and feel valued.



«Ten23 health was launched in September 2021 and we grew to 130 employees within last year. Our organization at Ten23 health is based on new work principles and we are strongly driven by our purpose and a deeper sense of working, to the benefits of patients, people and the planet. We want to provide jobs for people that believe in creative, diverse, fun and meaningful workplace»

Hanns-Christian Mahler
CEO of Ten23 Health, Basel

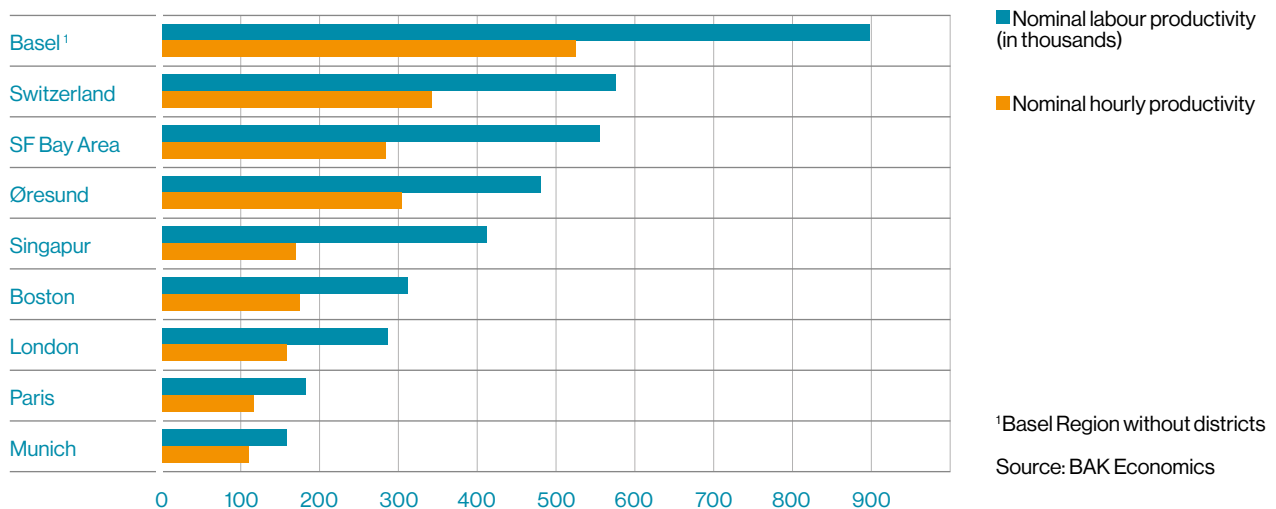
How Switzerland stands out to candidates in the life sciences market

Switzerland's performance is outstanding in areas related to human capital. Switzerland boasts the fifth-longest healthy life expectancy in the world, and it ranks first on the skills pillar, overtaking Finland. It is the best in the world for vocational training, on-the-job training and employability of graduates. Combined with a well-functioning labour market, Switzerland's talent adaptability with regard to the disruptions brought about by the fourth industrial revolution is second to none. Its talent base contributes to making Switzerland one of the world's top three innovators, ranking third on the Innovation capability pillar*.

The strong growth of the life sciences industry has created numerous jobs over the past 25 years. The sector employed around 47,000 people in 2020. Another 209,000 people are employed by companies that are indirectly connected to the pharmaceutical value chain**.

The success of the life sciences industry is primarily due to its high productivity. The key factor here is the industry's high research and innovation intensity.

Productivity in the life sciences sector Switzerland



This innovation drive also stems from Switzerland's excellent academic institutions, as the highly respected. The Swiss Federal Institute of Technology in Zurich belongs to the top 10 universities in the world. Other Swiss institutions are also well-recognised in academia and business, for instance, the University of Zurich, the University of Geneva, or the École Polytechnique Fédérale de Lausanne (EPFL) and the University of Basel.

Although only a small country with a population of around 8 million, Switzerland's impressive presence in international university rankings underlines its reputation as a prime source of great academics and as an intellectual hub. These factors contribute to the success of a lot of companies in the swiss ecosystem, allowing for exceptional and sustainable growth, especially in the life sciences sector.

* World Economic Forum Global Competitiveness Report

** Interpharma Report, BAK Economics

Most wanted profiles in life sciences

In 2021, the most wanted profiles in biotech industry Switzerland have been **R&D scientists**, followed by **QA/QC specialists** according to Hays' evaluation and market insights. Talents hired for such roles come from a broad range of countries, a testament to Switzerland's talent reach across the European talent market and beyond. Switzerland's labour law regulations allow companies to fulfill their staffing needs with flexible solutions. Remote work combined with temporary project-based or interim contracts expands employment possibilities across the globe, allowing professionals to develop skills and employability, whether foreign or not.



«Bright Peak has grown to 45 employees in Basel over the last 3 years, taking advantage of the depth and quality of talent available. Switzerland has top universities, an excellent education system and a prospering pharma industry. On top of that, the enviable quality of life, social security and an international culture at the center of Europe makes this a place that potential employees want to come to and to settle. As a company, we have created an exciting and supportive culture, and work environment, so that our employees not only want to stay in the region – they want to stay with us.»

Jeremy Beauchamps

Director of Operations at Bright Peak Therapeutics, Basel

The Basel Area is a unique location for talent in life sciences

For every business strategy, the right talent

Basel Area has proven to be the favored location for many of the world's biggest, best and newest innovators in life sciences. It's one of the leading European hubs for pharma giants. In the rankings of the top 100 global pharma companies⁽¹⁾, 8 of the top 50 are headquartered or have a branch in the Basel Area, such as Johnson & Johnson, Roche, Novartis, Moderna, Bayer, Lonza, or BeiGene.

With a multitude of breakthrough innovations, the Basel Area has seen the establishment of successful biopharma spin-offs in more recent times. This has inspired growth in fledgling startup companies, sparking significant interest in inward investment.

The country's labor laws favor business. The Swiss rapid and efficient immigration process and the bilateral agreements with the EU provide the foundation of a dynamic and multicultural business environment. **Well-qualified and talented employees** can therefore be found very quickly. Notice periods are relatively short, social contribution costs are low and there are practically no strikes thanks to traditionally solid social partnerships. But there's another gem... it's the **quality of life**, living in a cosmopolitan area with a rich culture and one of the most picturesque parts of the world.



«If you want to be in fashion, you should be in Paris or Milan. If you want to be in finance, you'd better be in London or New-York. If you want to be in pharma, Basel is maybe the city with the biggest concentration of pharma discovery and business in the world.»

«Basel has many assets to offer, but to say it in one word: diversity. It's very important to have diverse cultures, diverse origins, and it was important for us to have the possibility to grow with diversity.»

Martin and Jean-Paul Clozel
Co-Founders, Actelion and Idorsia

⁽¹⁾ Source: Online research analysts Visual Capitalists mapped out the world's biggest pharmaceutical companies and plotted their value according to their 2020 market capitalization.

Facts about the Basel Area



700+

life sciences
companies



\$21B

yearly research
spending



\$5+B

financing
rounds



3

country
borders



32'500+

talents in
life sciences



14+

research
institutes



What business leaders say about living and working in Basel

In 2018, Vas Narasimhan became CEO of Novartis. The American, his wife and two sons have lived in Basel for more than ten years. With «network mag», Vas Narasimhan shared his view on diversity and inclusion and on living in Basel.



«Nestled in the heart of Europe, I've found that Basel is very internationally minded and open to newcomers. This may be because it is a border town and because historically immigrants have found their way to Basel, including some of the founders of the pharmaceutical and chemical companies that have become global leaders. When you think that Novartis and our predecessor companies have been shipping goods from here for over 250 years, you realize how closely this place has been linked to the world over the past centuries. My experience here has only been positive.»

Vas Narasimhan
CEO of Novartis

Recently, the global biopharmaceutical company, BeiGene opened its a new office for its regional headquarters in Basel, serving as the European hub for its operations.



«We all feel very comfortable when we come here. You have a beautiful relaxing river that runs through the city, and that's the way it's felt for our organization as we set up here. At every moment we felt very comfortable and like we were flowing with a stream of things to get our organization going, and it's really been a pleasure and a delight, and refreshing.»

John V. Oyler
Co-Founder, Chairman and CEO of BeiGene



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Basel Area Business & Innovation is a non-profit agency dedicated to helping startups, institutions, and companies find business success in the Basel Area. We help develop a robust business climate and support innovative ventures. We attract and support companies moving into the area, connect organizations and entrepreneurs with collaboration partners, and help create a vibrant ecosystem that fosters innovation.

Hays is the world's leading workforce solutions provider who is «Working for your tomorrow». Investing in lifelong partnerships that empower people and organisations, Hays judges it's success by the impact they have on their client's businesses and in their candidates' careers. Taking the time to truly understand their clients' and candidates' needs to deliver solutions that are right for them, They are combining meaningful innovation with their global scale and insight to help businesses and people succeed.

«In times of rapid innovation and talent scarcity in life sciences, the Basel Area offers a broad and deep talent pool with 32,500+ skilled professionals on the ground along the entire value chain. Great framework conditions attract international talent and companies alike, whether they are relocating their headquarters, setting up a new division, or opening a research and development facility.»

Paul Eschmann

Head of International Markets and Business Affairs,
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wing their way to the Basel Area**

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good quality of life**

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