



For Immediate Release

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A 2016 HR+SS Compensation Study Reveals: Turnover at Clinical Research Organizations Remains High

Reading, Pennsylvania (December 12, 2016) – Turnover in the U.S. for clinical monitoring jobs (the function that monitors participants’ health during a clinical trial) at CROs remained high at 25.1 percent in 2015, almost the same as the previous year’s reported 25.4 percent (2014). Turnover remained high despite the 7 percent spike in average salaries for professional positions from 2014 to 2015 according to the 18th annual CRO Industry Global Compensation and Turnover Survey, conducted by HR+Survey Solutions, LLC (www.hrssl.com), a specialty compensation consulting and research firm. What is hidden behind these numbers, are cases where individual companies are experiencing turnover that is well over 50%. This is significantly higher than estimates of overall U.S. professional turnover of 16.7 percent (<http://www.compensationforce.com/2016/04/2015-turnover-rates-by-industry.html>).

For countries outside the U.S., turnover in clinical monitoring slightly decreased to 16.4 percent in 2015 from the previous year’s turnover of 17.9 percent.

U.S. overall average turnover at CROs increased slightly to 20.1 percent in 2015 from 19.5 percent in 2014 (all positions at the CROs). Outside the U.S. the overall turnover rate increased from 16 percent to 17 percent. Globally, average turnover by country was 13 percent or above in all but one of the surveyed countries (up from a low of 11% in 2014). More than half the countries surveyed (24 of the 45) have average turnover of 20 percent or more. The top ten losers for the war on talent include the following countries:

Country	2015 Total Turnover %
Norway	47%
Denmark	43%
India	36%
New Zealand	33%
Switzerland	30%
Taiwan	29%
China	28%
Finland	28%
Hong Kong	26%
Poland	25%

The number of registered clinical trials has sky rocketed from 24,921 in 2005 to 231,508 as of Dec 4, 2016. (source: <http://clinicaltrials.gov/ct2/resources/trends>). CROs play a very important role in the growth of clinical trials; according to the 2016 Nice Insight Contract Research - Preclinical and Clinical Survey, there was a big jump in expenditure for outsourcing

services this year, maintaining the continuously escalating spend over the last five years. The majority of companies (38%) now spend \$51 million to \$100 million for outsourcing, and another 18% spend more than \$100 million (<http://www.americanpharmaceuticalreview.com/Featured-Articles/185929-Ways-to-Lower-Costs-of-Clinical-Trials-and-How-CROs-Help/>). Grand View Research reported that the Global CRO Market, which was valued at \$27 billion in 2014, is expected to grow at a compound annual growth rate of more than 6% over the next seven years, bringing it to a \$45 billion industry in 2022. (<http://www.outsourcing-pharma.com/Clinical-Development/CRO-market-to-reach-45.2bn-by-2022>). With this type of growth predicted in the CRO industry – attracting and retaining talent is a key factor to a successful business model. Employee turnover in critical roles such as clinical monitoring can undermine this by:

- Creating a loss of continuity that can lead to delayed timelines.
- Increasing costs as a result of lower productivity, increased workload on colleagues, onboarding costs, loss of knowledge, recruitment costs.
- Impacting business development as sponsors scrutinize turnover in their vetting process.

U.S. unemployment has continued to decline since it peaked in 2009, and currently is well below 5 percent. This means that CROs have an uphill battle identifying new talent sources. According to Judy Canavan, managing partner, HR+Survey Solutions and the author of the study, turnover is extremely costly to CROs, “Turnover is a significant business issue; high turnover can undermine the relationship with a sponsor or lose a bid for new work.”

Ms. Canavan continues, “Employees have figured out that changing jobs is the key to maximizing their compensation and rounding out their CV, companies need to create internal career opportunities.”

CRAs (clinical research associates) often work from home but most of their week is spent on the road traveling to study sites. Finding a way to engage these employees and gain their loyalty is a challenge. Companies need to focus on both compensation and other approaches, such as work-life balance, to attract and retain talent.

To gain a more detailed picture of what CROs are doing to attract and retain key talent, in addition to their annual survey, HR+Survey Solutions conducted a hot topic survey in 2016 addressing this specific issue. Sixteen CRO companies participated in the survey. Some of the key findings of this survey found that:

- Money is the most common solution for retaining talent.
 - Off cycle raises are the most common approach to retain talent, with 85% use in the U.S. and 78% used outside the U.S. (OUS)
 - 48% of companies also use retention bonuses as a way to keep talent, however this tactic is more prevalent OUS.
- Companies also rely on money to bring in new talent
 - 80% of U.S. and 89% of OUS companies are offering above market/midpoint salaries at least some of the time.
 - New hire sign-on bonuses were utilized by 81% of companies in our 2016 annual survey.

Other Findings

- U.S. turnover in clinical monitoring was 29.4 percent in 2011; 24.4 percent in 2012; 16.4 percent in 2013; and 25.4 percent in 2014.

- Global turnover in clinical monitoring was 27.2 percent in 2011; 15.6 percent in 2012; 14.2 percent in 2013; and 17.9 percent in 2014.
- Average salary levels for professional non-management positions in the survey increased by 7 percent from 2014 to 2015.
- Average salaries increased by 6 percent for regulatory jobs, 7 percent for safety/pharmacovigilance from 2015 to 2016.

About the Methodology

The 18th annual CRO Industry Global Compensation and Turnover Survey was conducted by HR+Survey Solutions in 2016. A total of 22 public and private CROs with fewer than 500 to more than 12,000 employees participated in the niche study. Compensation data was collected and analyzed for 47 countries (turnover was reported for 45 countries) in addition to the United States. The annual comprehensive survey reports compensation levels (base salaries plus annual incentives and LTI) for 215 benchmark positions in both early and late stage in 18 job families including: executive, biostatistics, business development/sales, clinical research, database management, medical affairs, patient recruitment, pathology, quality assurance, regulatory, safety/pharmacovigilance, toxicology, and site operations. It also covers critical topics such as turnover; annual incentive plan design; business development/sales incentives; benefits and perks; deferred compensation; employment contracts and allowances.

For those interested in participating in the 2017 CRO Industry Global Compensation and Turnover Survey, contact Judy Canavan at 866-252-6788 x902 [jcanavan@hrssl.com].

About HR+Survey Solutions

HR+Survey Solutions conducts annual industry and custom client surveys and provides organizations with expert advisory services focused on compensation plan design and assessment of appropriate compensation levels. Please visit www.hrssl.com for more information.

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