

2023 pay trends in the Pharmaceutical and Health Sciences industry



Employee attraction and retention plague organizations around the globe

Organizations are struggling to fill key roles at every level

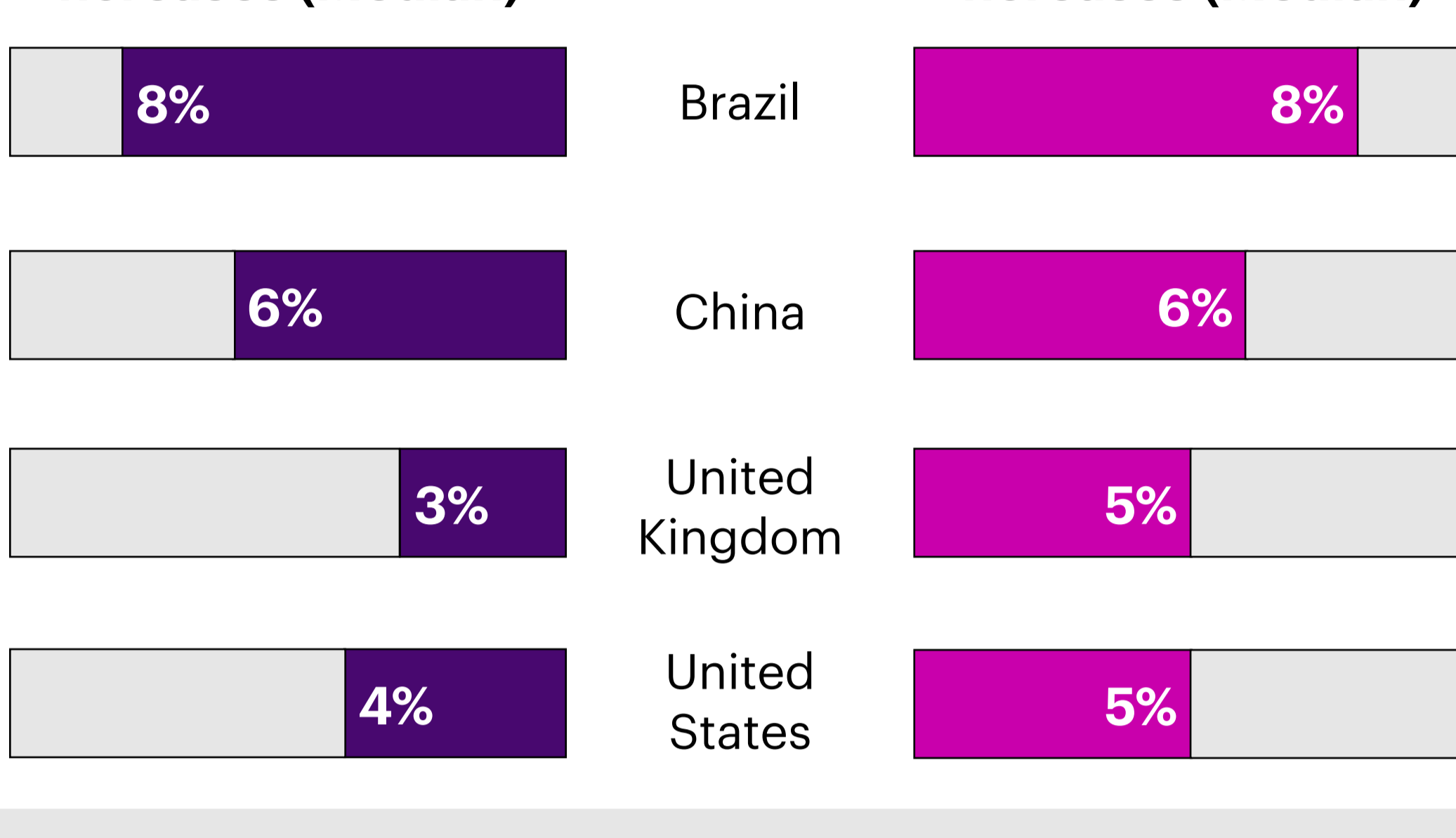


Key roles for which employers will be recruiting in the next 12 months



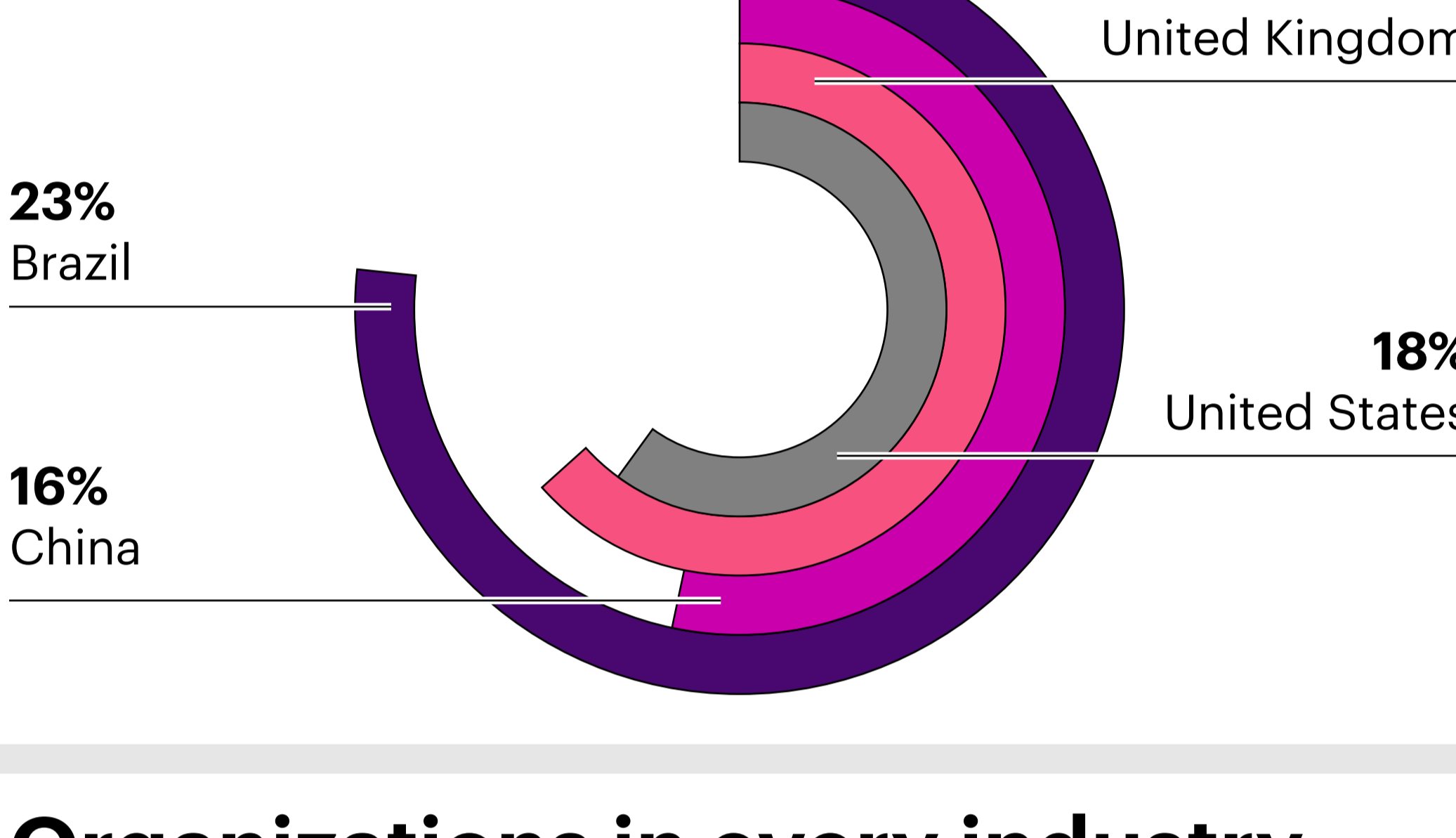
2022 saw the highest salary budget increases in nearly 20 years

Given the fundamental role that salary plays in an organization's ability to attract and retain talent, employers plan to carry this adjustment through to 2023 – yet remain cautious about how and when they allocate the overall budget



Additionally, organizations leveraged bonus payouts in 2022 and, again, are on track to the same in 2023

22%: Average 2022 projected variable payout for middle managers and professionals

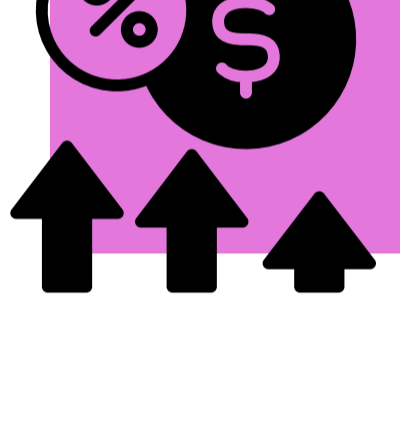


Organizations in every industry around the world have taken or are considering the same three actions



51%

Compensation review of specific employee populations



45%

Targeted increases for specific employee populations



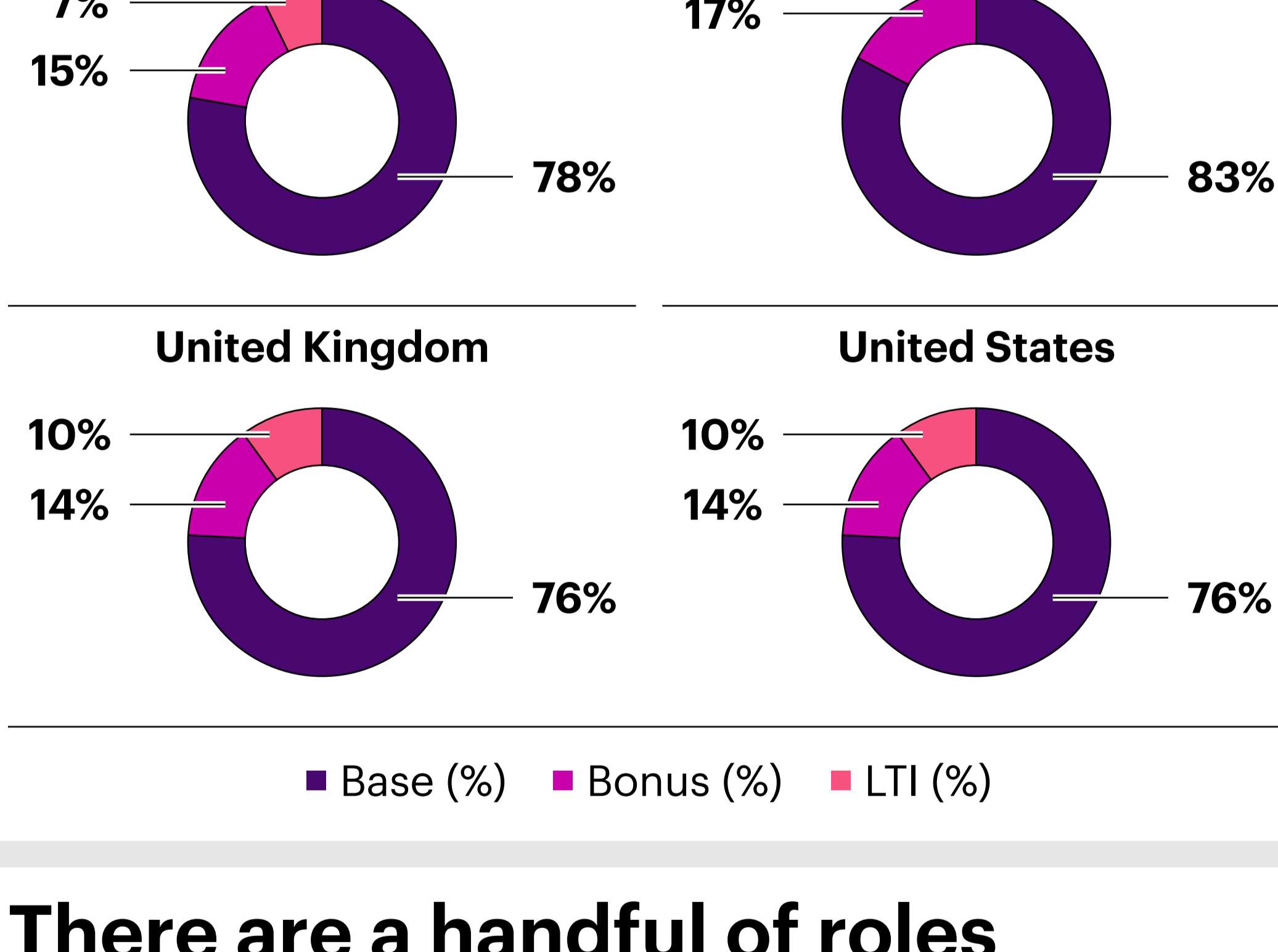
44%

One-off cash payments (e.g., retention bonus, lump-sum payment or allowance)

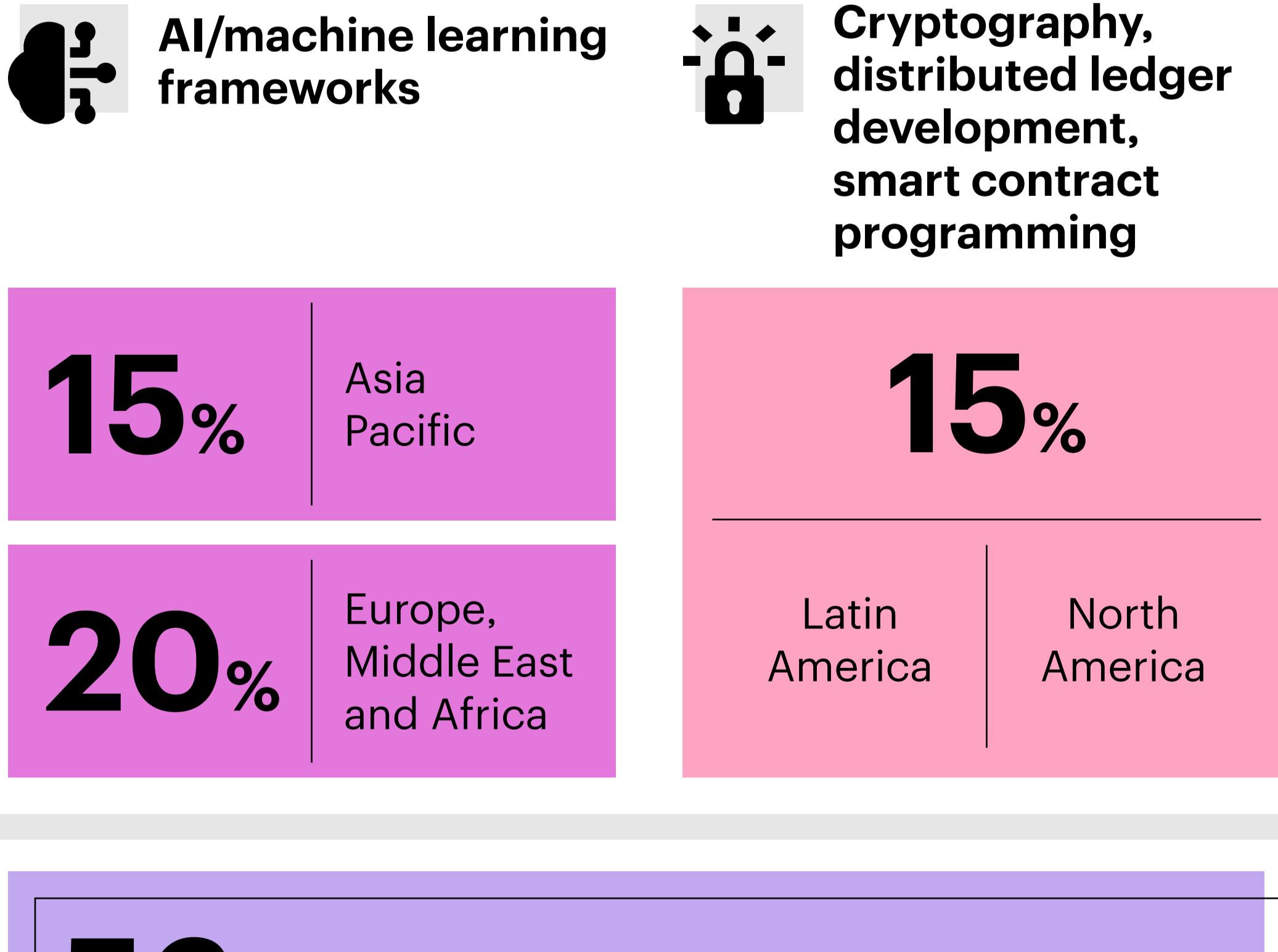
Top 3 highest-paid functions in the industry at Professional Level 3 (P3)



Median pay mix for Manager Level 3 (M3) in the Data Scientist function



There are a handful of roles that will receive the highest pay premiums across regions



56% overall increase in the number of data submissions to our Pharmaceutical and Health Sciences Compensation surveys

Trends that will drive 2023 rewards decisions

- The development of artificial intelligence and automation in the life sciences industry will gradually change tasks and skills. This trend may entail reskilling or upskilling certain employees to work with advanced technologies.
- Companies must develop total rewards packages that reflect employees' needs to effectively win talent. Competitive compensation levels continue to move quickly, requiring up-to-date market data and a well-defined pay strategy.
- M&A activity is intensifying the war for talent. Ongoing market volatility requires companies to reconsider using equity and long-term incentives (LTIs) as primary compensation drivers. Companies are re-visiting their pay design and mix, and exploring alternative LTI models (e.g., cash, phantom shares). There is ongoing pressure to reserve cash, which can be invested in research and development.