

Organisations in the pharmaceutical sector are struggling to hold on to their staff, according to the 2006 National Management Salary Survey, published by the Chartered Management Institute and Remuneration Economics. The findings show that, despite an average increase in earnings of 2.7 per cent, many individuals are frustrated by company pay structures and a lack of job satisfaction. For the 12 months to January 2006, pharma organisations reported a labour turnover of 16.9 per cent, compared with an average of 11.9 per cent.

Although resignations in the industry stand at a lower rate than other sectors, at only 1.5 per cent compared with 4.6 per cent nationally, requests for internal moves are reported at 13.9 per cent against a cross-sector average of 4.9 per cent. This suggests that executives are looking for new opportunities with their employers rather than moving to a different organisation.

The message is clear – employees are calling out for opportunities to develop, but 37 per cent of organisations admit to offering little career development or training. Of these companies, 29 per cent said structured training was not open to all staff. Over half said they could not find staff with the required specialist skills. This is where there is some synergy between employers and staff.

Not just money

Employers are finding that financial rewards alone are not enough to retain talent. More than half the organisations reported retention problems and six in ten admitted difficulty recruiting. Explaining these problems, many organisations cited dissatisfaction with the working environment, frustrations with company structures and lack of skills or development opportunities. One-fifth of respondents claimed that restructuring or job insecurity had caused uncertainty within their organisation and 15 per cent suggested that staff were unhappy with the office location or relocation plans.

Jo Causon, director, marketing and corporate affairs at the Chartered Management Institute, says: 'Employers aren't doing enough to keep their staff motivated. If organisations rely wholly on financial reward to retain employees, there is a danger they will shop around for more challenging opportunities.'

The research suggests that employees are looking for a complete fit when they consider career development. Their current role must complement their lifestyle and ethical beliefs, and it must deliver plenty of opportunities to acquire new skills that can be used to develop their career. In an attempt to redress the trend in resignations and transfers, the 2006 Survey shows that organisations are offering a range of benefits to staff. These now include private medical cover (72 per cent), childcare vouchers (67 per cent) and life assurance (63 per cent). Almost all offer some form of pension provision (99 per cent), but the number offering contributory final salary schemes has dropped from 34 to 28 per cent, reflecting the national picture.

However, the findings reveal that the average total earnings for managers in the pharmaceutical sector is £51,585, making them second only to utility managers (who earn an average of £53,740) in this year's earnings league tables. Perhaps this goes some way

PHARMA'S BIG TURNOVER

Frustration with company pay packages is on the increase among pharma employees, according to the 2006 National Management Salary Survey. The Chartered Management Institute's Petra Wilton offers employers a few tips for reducing labour turnover.



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Petra Wilton is head of public affairs for the Chartered Management Institute. The institute's mission is to promote the art and science of management, and to be the authoritative and influential champion for professional management. For more information, visit www.managers.org.uk.

to explain why they are remaining with current employers – they do not appear to be searching for additional financial reward.

People investment

There will be times when recruitment is the way forward for an organisation to attract the right staff, never an easy process. Companies are concerned about investing in the right person and individuals need to be sure they are making the appropriate career move. But, if handled correctly and planned properly, there is no reason why transitions cannot be smooth for both parties.

The key is to examine the remit of the role and set clear objectives up front. Most people are motivated if they have a sense of empowerment, especially when they have specific goals to reach. But this does not mean they should be left entirely to their own devices. On the contrary, if people know what is expected of them, they are more likely to embrace the challenge. Managers in the pharmaceutical industry are taking responsibility for their own careers, which is a positive step. They are no longer willing to endure a role that does not meet their expectations and if they cannot find development opportunities with their current employer, they will look elsewhere. But the concern for employers must be about ensuring continuity of business and retention of skills. Encouraging individuals to develop and progress should not only benefit their own careers, it will also help improve organisational productivity across the whole industry. **END**