

 Global Insights

Healthcare & Life Sciences World of Work 2023 Outlook



78% OF EMPLOYERS HAVE
DIFFICULTY FILLING ROLES
BECAUSE OF LACK OF SKILLS

\$29.1 Billion
FUNDED FOR DIGITAL
HEALTH COMPANIES IN 2021

78x TELEHEALTH USAGE
INCREASE DURING THE
PEAK OF COVID-19

Contents



As the world begins to recover from the COVID-19 pandemic, leaders in the global healthcare and life sciences industries are facing many of the same pre-pandemic challenges, but the pace of change is accelerating. **This ManpowerGroup Global Insights report examines the top seven key global trends to help C-suite leaders answer the big questions.**

- What is changing in the consumer and business landscape, and how are the industry leaders positioning themselves for differentiation and improved patient outcomes?
- Which areas of digital transformation show the greatest opportunities for ROI when deploying limited IT resources?
- How are organizations working to overcome the challenge of persistent global talent scarcity?



An Rx for New Technology



Digital transformation innovation and adoption is accelerating within the healthcare & life sciences industry as key players throughout the value chain seek to improve the effectiveness and efficiency of their value propositions.

- **Increasing investment in digital transformation:** 70% of organizations in the healthcare industry increased spending in digital investment, 60% are adding new digital projects while 42% are accelerating some or all their digital transformation plans – [BDO](#)
- **Growing Consensus on AI Potential:** 81% of life sciences business leaders say they want their organization to invest more aggressively in AI technology – [KPMG](#)
- **Robotic Process Automation (RPA):** Use of RPA and AI to eliminate manual data entry tasks is projected to increase and it is estimated the technology could save an average healthcare worker up to 93 minutes of manual work each day – [OliveAI](#)

Workforce Implications:

- **Underscores the need to scale efforts to find and retain skilled IT and engineering talent**
- **Upskilling/reskilling needed to help current employees fully leverage emerging technologies**
- **C-Suite leaders must consider how these disruptive technologies will impact their future business models, organizational design and long-term workforce needs**

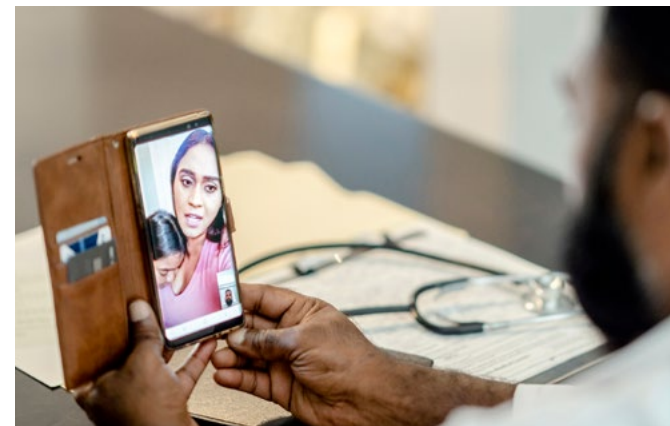


ROBOTICS AND AI COULD **SAVE** AN
AVERAGE HEALTHCARE WORKER UP
TO **93 MINUTES OF**
MANUAL WORK EACH DAY

The Digital Doctor Is In

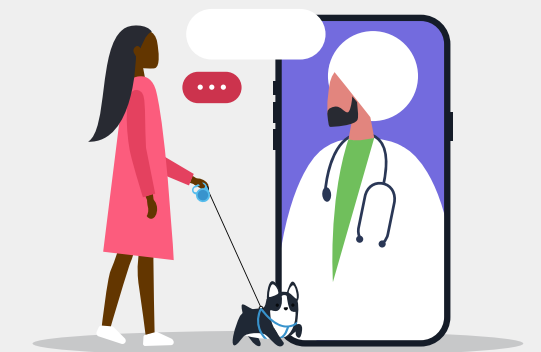
The COVID-19 pandemic dramatically accelerated the growth of new forms of digital patient care. This is still a new and evolving global opportunity for business growth and more accessible care for patients.

- **Exponential Growth in Telemedicine:** Telehealth usage increased 78x during the peak of the COVID-19 pandemic. In 2019, annual revenues of US telehealth players were an estimated \$3 billion; with the acceleration of consumer and provider adoption and the extension of telehealth beyond virtual urgent care, up to \$250 billion of current US healthcare spend could be virtualized – [McKinsey](#)
- **Growing Investment in Virtual Patient Care:** Venture funding for digital health companies was a record-breaking \$29.1 billion in 2021. Comparatively, there was \$14.9 billion invested in 2020 and \$8.2 billion invested in 2019 – [RockHealth](#)
- **More Focus on Improving Digital Patient Experience (PX):** A recent report on patient experience found that 78% of patients said they want to be able to engage with healthcare systems on their preferred channel. Additionally, 84% said it's important that their "customer service issues are solved quickly and accurately" with their healthcare provider, and 75% said they are more loyal to healthcare providers that focus on improving their patient experience. – [Forbes](#)



Workforce Implications:

- Need for skilled talent to continue scaling and improving telemedicine solutions that emerged during the COVID-19 pandemic
- Growing industry need for talent in software/app development, user experience (UX), cyber security, and quality assurance (QA)
- Upskilling/reskilling support needed to help current workforce fully leverage emerging technology and continue driving innovation



**TELEHEALTH USAGE
INCREASED 78X DURING
THE PEAK OF COVID-19 PANDEMIC**



The Diagnosis is Talent Scarcity

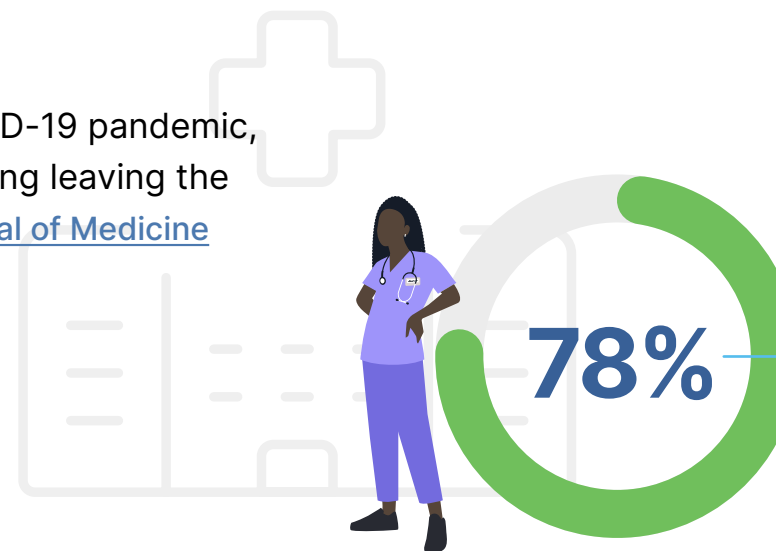
The COVID-19 pandemic also helped to bring a greater focus on the heroic work of frontline healthcare workers. However, it has also raised greater awareness of a global talent shortage and increasing burnout that is even driving some workers to leave the industry.

- **Employers Struggling to Find the Talent they Need:** 78% of employers in the Healthcare & Life Sciences industries say they are having difficulty filling jobs due to a lack of skilled talent – [Manpower Employment Outlook Survey Q2 2023](#)
- **Global Talent Scarcity Expected to Persist:** The global healthcare workforce shortage will grow to 10 million by 2030, with particularly serious impacts in developing countries – [World Health Organization \(WHO\)](#)
- **Frontline Workers are Burnt Out:** In the wake of the COVID-19 pandemic, 52% of nurses and 20% of doctors in the US are considering leaving the healthcare profession due to burnout – [New England Journal of Medicine](#)

Workforce Implications:

- Explore opportunities to upskill/ reskill new talent more efficiently to close growing gaps
- Women represent 70% of the global healthcare workforce, so it is critically important to ensure you offer a differentiated Employer Value Proposition (EVP) to attract and retain them
- Reinforces the importance of strategic workforce planning to optimize recruitment and retention of skilled IT talent to drive automation/process efficiencies which reduce burnout and improve patient outcomes

78% OF EMPLOYERS IN THE HEALTHCARE & LIFE SCIENCES INDUSTRY SAY THEY ARE HAVING DIFFICULTY FILLING JOBS DUE TO A LACK OF SKILLED TALENT



Big Tech Sees Big Opportunities

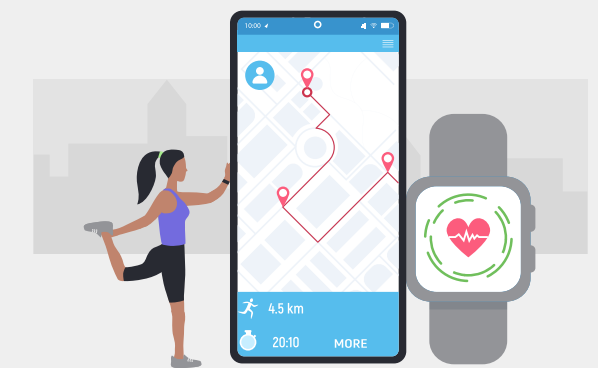


Major tech players such as Amazon, Microsoft, Google, and Oracle are becoming increasingly active in healthcare. Investments, strategic partnerships, product development and M&A activity are all on the rise as each tries to grow their respective market share.

- **Big Tech Inroads:** Amazon is leveraging its scale to enter the healthcare market, launching [pharmacy services in 2020](#) and recently acquiring health care provider One Medical in a [\\$3.9 billion deal](#)
- **Bringing Scale to Primary Care:** In response to growing competition in their core business, traditional pharmacy market leaders such as CVS and Walgreens are increasingly investing in primary care services to leverage their scale and find new opportunities for growth – [WSJ](#)
- **Consumer Electronics Become Medical Devices:** Apple is actively seeking opportunities to utilize and monetize its rapidly growing collection of user health data collected from its devices. In particular, the latest versions of the Apple Watch are increasingly becoming medical devices capable of identifying chronic health conditions over time
- **Scaling and Improving Digital Patient Experience:** Oracle's recent \$28.3 billion acquisition of Cerner, the world's second largest provider of Electronic Health Record (EHR) technology, is one example of growing competition to create a better digital patient experience

Workforce Implications:

- **Skilled technical talent needed to fully leverage growing use of Internet of Things (IoT) devices and big data to improve patient care and outcomes**
- **Traditional pharmacy expansion into primary care will require strategic workforce planning to overcome persistent talent scarcity**



MAJOR TECH PLAYERS SUCH AS AMAZON, MICROSOFT, GOOGLE, AND ORACLE ARE BECOMING INCREASINGLY ACTIVE IN HEALTHCARE



Good M&A Keeps the Doctor Away

As many highly profitable patents expire, a growing number of pharmaceutical industry leaders are pursuing strategic acquisitions to continue driving innovation. They are also exploring divestitures of non-core business units to cut costs. The trend is characterized by a shift from Big Pharma to Focused Pharma.



- **Need to Offset Growing Cost of Expiring Patents:** In the coming years, the patents for many popular and highly profitable drugs will expire. For example, the expiration of a popular cancer drug in 2028 will impact \$21 billion in annual sales for a single manufacturer – [WSJ](#)
- **Using M&A to Drive Growth:** As a result, M&A activity is on the rise with major acquisitions from global leaders such as Pfizer, Merck and Bristol Myers Squibb
- **Building Focus with Strategic Divestitures:** Since 2019, many of the industry's largest players, including Eli Lilly, Merck, Novartis, and Pfizer, have divested or spun off noninnovative pharmaceutical assets, such as established medicines and generics, and nonpharmaceutical assets in consumer health, animal health, and medical technologies – [McKinsey](#)

Workforce Implications:

- Continuous strategic workforce planning and change management needed to minimize the impact on employees
- Focusing on innovation will make the recruitment and retention of highly skilled talent a critical business priority
- Accelerating pace of change will create increased need for scaled solutions for upskilling, reskilling, and outplacement



EXPIRING PATENTS AND THE CHANGING BUSINESS LANDSCAPE WILL CONTINUE TO DRIVE M&A ACTIVITY





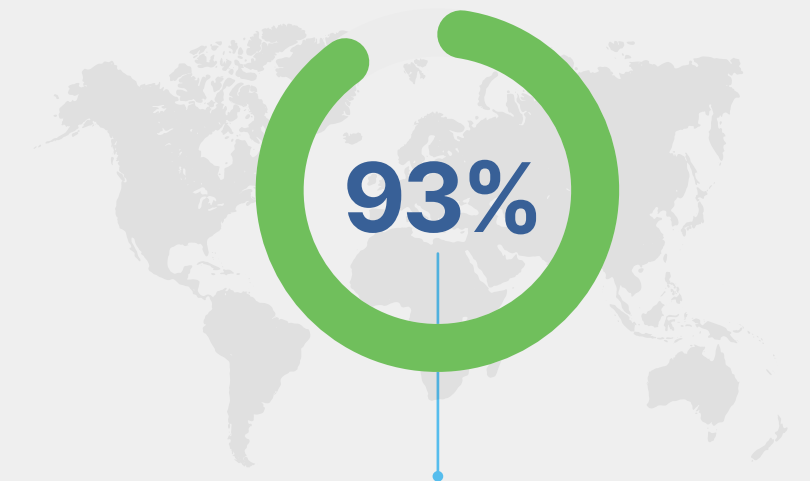
Maintain Supply Chain Health

Disruptions during the height of the COVID-19 pandemic exposed vulnerabilities in the global Healthcare & Life Sciences supply chain. In particular, they are now reexamining decades of supply chain globalization and consolidation which have delivered significant cost savings but minimal redundancy when any part of the chain is disrupted.

- **A Massive Shift:** In the US alone, the Food & Drug Administration (FDA) recently estimated 88% of active pharmaceutical ingredient manufacturing had shifted to other countries in the previous decade. Estimates to reshore production to a new facility in the US requires an investment of \$300 million to \$2 billion and up to five years for construction and regulatory approvals – [EY](#)
- **Complicated by Geopolitics:** COVID-19, rising trade tensions, and production disruptions from lockdowns exposed the vulnerability of overreliance on supply chains in China. To a lesser extent, sanctions related to the Russia-Ukraine war are also complicating supply chains
- **But Leaders See Current Urgency:** 93% of global supply chain executives say they want to make their supply chains far more flexible, agile and resilient – [McKinsey](#)
- **Must Overcome Skilled Talent Scarcity:** 78% of Healthcare & Life Sciences employers today say are struggling to find skilled talent. With talent scarcity projected to persist in the future, finding skilled talent will be an essential component of efforts to scale up or localize critical supply chains – [Manpower Employment Outlook Survey Q2 2023](#)

Workforce Implications:

- Strategic workforce planning is needed to determine proximity to adequate talent pools
- Scaled upskilling/reskilling needed to ensure newer manufacturing workers are properly trained in Good Manufacturing Practice (GMP), safety and regulatory compliance



93%
OF GLOBAL SUPPLY CHAIN EXECUTIVES SAY THEY WANT TO MAKE THEIR SUPPLY CHAINS FAR MORE FLEXIBLE, AGILE AND RESILIENT



Keep a Pulse on Changing Consumer Behavior

In addition to the rapidly changing business megatrends, consumer behavior is changing. They have seen an increased focus on speed, convenience, transparency, engagement, and digital experience and expect the same from their healthcare experience. They also expect leadership on important Environmental, Social, and Governance (ESG) issues such as sustainability and health equity.



- **Increased Industry Focus on ESG:** 88% of biopharma companies plan to increase ESG investments, which is higher than the overall average of 81% – [BCG](#)
- **Consumers and Businesses Calling for Health Equity:** 76% of business leaders believe health equity should be incorporated into their ESG strategy – [WEF/Deloitte](#)
- **Digital Experience Impacts Patient Retention:** 50% of consumers say a poor digital experience from a healthcare provider “ruins their entire experience with that provider” while 39% say a good experience “has a major influence on my experience with a healthcare provider” – [Accenture](#)

Workforce Implications:

- Integrate ESG leadership into your EVP to aid recruitment and retention, particularly with younger workers
- Upskill/reskill frontline workforce to effectively leverage and promote digital patient tools
- Skilled QA and customer service talent needed to continuously improve digital patient experience



50% OF CONSUMERS SAY A POOR DIGITAL EXPERIENCE RUINS THEIR ENTIRE EXPERIENCE WITH A HEALTHCARE PROVIDER



In Conclusion

With valuable lessons learned from recent years and a global pandemic, Healthcare & Life Sciences employers are simultaneously navigating dramatic changes to their businesses and the world of work. Advances in automation and continued digital transformation have the power to significantly improve outcomes for patients, but the industry must first overcome persistent talent scarcity to ensure they have the human capital needed to successfully lead future innovation.



Global Workforce Solutions for Healthcare & Life Sciences



Workforce Consulting
& Analytics



Workforce
Management



Talent
Resourcing



Career
Management



Career
Transition



Top Talent
Attraction



About Us - ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing, and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis, and Talent Solutions – creates substantially more value for candidates and clients across more than 75 countries and territories and has done so for 75 years. We are recognized consistently for our diversity – as a best place to work for Women, Inclusion, Equality, and Disability, and in 2023 ManpowerGroup was named one of the World's Most Ethical Companies for the 14th year – all confirming our position as the brand of choice for in-demand talent.