The Critical Role of Career and Professional Development in the Embedded Model

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Executive Summary

The rapid rise and success of the embedded (Functional Service Provider, FSP) solution in the pharmaceutical services industry has resulted in large-scale, enterprise solutions. Many of these models have been in place for well over a decade, with large blocks of hundreds of provider employees dedicated to a single customer. While it is tempting to consider these as static models with a fixed number of resources, the reality is that these models reflect a dynamic flow as staff continue to develop their careers; hence an equilibrium must be maintained. However, in the absence of proactive career management and opportunity within a model, too often, this career progression is achieved by the employee leaving the model and possibly, leaving the provider company, resulting in much of the turnover plaguing the industry today. Despite significant attempts to stem the tide, turnover rates have remained a consistent difficulty for the industry. As a result, we question whether this turnover is actually a consequence of how these models are managed and by contract constraints that may restrict a provider's ability to provide appropriate career progression for staff while in the model. This white paper seeks to consider the root causes of this turnover and, equally important, aims to develop solutions that can extend the time staff will remain in a role or within 'roles' while assigned to the customer model. Our focus will be on the clinical monitoring (Clinical Research Associate [CRA]) function, but we believe the findings are relevant to any long-term embedded model. We focus on clinical monitoring because it is one of the most mature and largest embedded functions yet remains the function with the highest turnover rates across all models. We identify problems causing an imbalance in the equilibrium and provide a range of practical, testable, operational and training solutions to restore a balance that ensures concurrent benefit to both provider and customer, with successful career progression for CRAs achieved with reduced turnover.

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Timeline of the CRA Career

It is important to consider the CRA career path and general timing for advancement as these professionals develop their skills. For most companies, the clinical monitoring function is provided by a CRA team of varying levels of experience. For the purpose of illustration, this includes the entry-level CRA 1 role, followed by progression to CRA 2 and ending as a CRA 3 or Senior CRA role (in this case, CRA 3 and Senior CRA are synonymous). However, many companies, ours included, often have additional levels within this range, and we are aware of up to nine CRA levels developed in some companies. As a general rule of thumb based on our data, we find that most CRA professionals spend approximately 2 to 2.5 years at each CRA level as they develop the competencies required to enable career progression with a resultant "career timeline" of 7+ years in a CRA role (Figure 1).

While years of experience is often the determining factor used by customers to consider CRAs, at PRA, these time-based experience requirements are only one of several leveling considerations. Specific competencies and responsibilities must also be achieved to be considered for advancement, including:

- Range of monitoring visit types
- Degree of complex therapeutic knowledge
- Support of departmental initiatives
- Negotiating/conflict resolution skills
- Preceptor training and coaching responsibilities

CRA 1	CRA 2	CRA 3/ Senior CRA

0   **Years in CRA Role**   7+

Figure 1: CRA Progression: Time in role

Contract Considerations

The contracts used in embedded models often dictate the minimum experience requirements needed to qualify for a certain level. This usually includes 2-3 CRA levels but tends to be too limited to reflect both the actual career progression CRAs are expecting and the accompanying salary increases reflecting this progression (Table 1).

Customer	Minimum Experience Required by Contract		
	CRA1 (junior)	CRA2	CRA3 (senior)
A	2	N/A	3-5
B	1	2	4
C	1-2	2-4	>4
D	By Exception	2-5	>5
E	0-2	2-5	>5

Table 1: Minimum CRA Experience Requirements by CRA Level and Customer

More critically, however, for senior CRA positions, customers often require candidates whose experience levels are far in excess of the minimum levels the contract prescribes (it is unbounded as there is no cap on CRA experience).

This results in an imbalanced CRA distribution with a heavy weighting on highly experienced (and more expensive) CRAs. Looking at our data, we find that many of our customer models are heavily weighted with CRA 3s, particularly in North America, where the CRA shortage is most pronounced (Figure 2).

Consequently, it is often the case that the CRAs assigned are already well along the 7+ year CRA career path timeline, which reduces the overall duration they may have available to the model, particularly when constrained by billing rates that will not accommodate progression.

In the absence of progression, staff may choose to leave the model and even the company in order to continue developing their career. When this happens, in addition to the potential for site-facing disruption in business continuity and loss of intellectual capital and brand ambassadorship, we find the customer often expects to assign a replacement CRA whose experience is equivalent to the outgoing CRA. This only serves to perpetuate the problem.
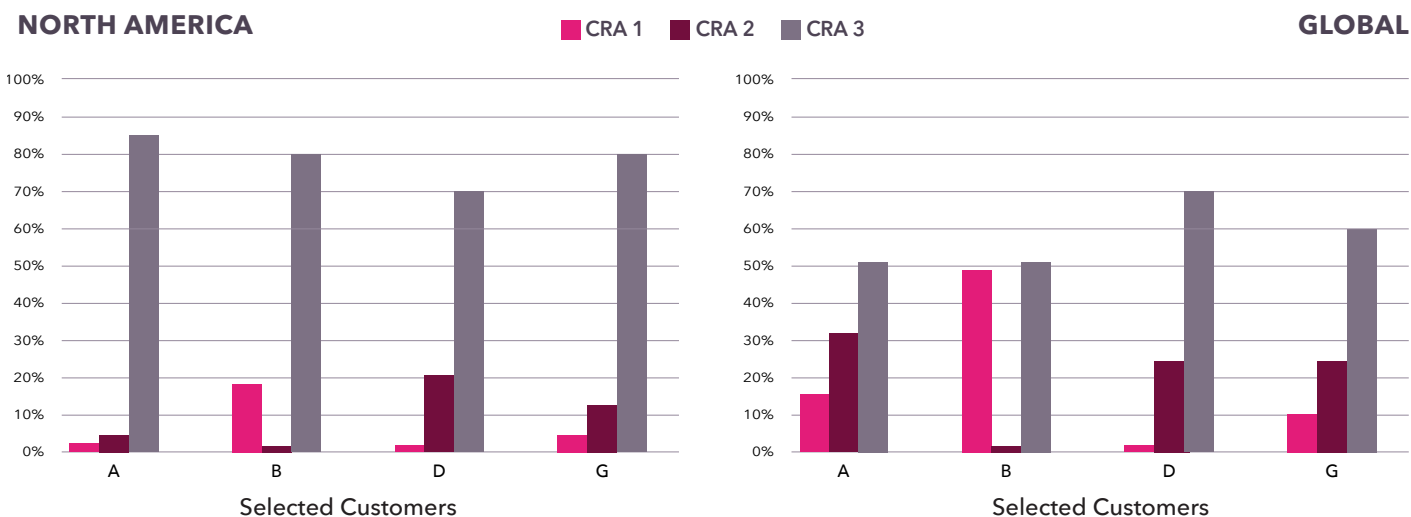

Figure 2: Distribution of CRAs Select Customer Models

Turnover Management

Attempts to date to address this dilemma have included efforts to increase employee engagement, track flight risks, offer retention bonuses, promote career pathing, enhance line management, etc. However, these actions do not address the root cause of the issue as they instead attempt to retain the CRA at their current level for longer rather than providing what the CRAs actually want – true career progression. Therefore, despite these attempts to reduce or eliminate turnover, this industry problem remains largely unchanged. Figure 3 shows PRA's overall embedded model CRA turnover rate from 2016 to 2020. While PRA's overall rate of employee turnover in 2019 was 16%, the rate of PRA embedded model CRA turnover (18.9%) was better than industry-wide clinical monitoring turnover (19.6%)[1] in the same year; this data confirms that turnover is plaguing the industry.

More troubling, as we dove deeper into the turnover data, we found that turnover is highest just one or two years after a CRA's assignment to the model (Figure 4). This trend was true regardless of CRA level as, over the past five years, over 50% of our total turnover was from staff who had a PRA (and model) tenure of three years or less (Table 2). For example, SSD (PRA Strategic Solutions Division) had a growth year in 2016, which meant that retention was good in 2017 but worsened in 2018 because CRA tenures had entered the danger zone for retention. It should be noted that CRAs cannot be treated as a single commodity – top performers will be advancing towards higher

FSP/Embedded CRA Turnover – 2016-2020		
Tenure Group (Years)	Tenure Turnover Mix % (out of 100)	Average of Tenure at Exit
0-2	36.79%	1.3
2-3	17.03%	2.5
3-4	14.05%	4
4-5	10.97%	4.5
5-6	8.64%	5.5
6-7	5.20%	6.4
7-8	2.07%	7.6
8-9	1.97%	8.4
9-10	1.11%	9.4
10+	2.17%	11.9

Table 2: Distribution of turnover by PRA tenure

positions more quickly than standard performers and their line managers, and the model itself, needs to accommodate this. In addition, CRAs with high career aspirations will also be looking for more rapid advancement, although in this case, the line manager must remain assertive to the need for performance and competence requirements to be met.
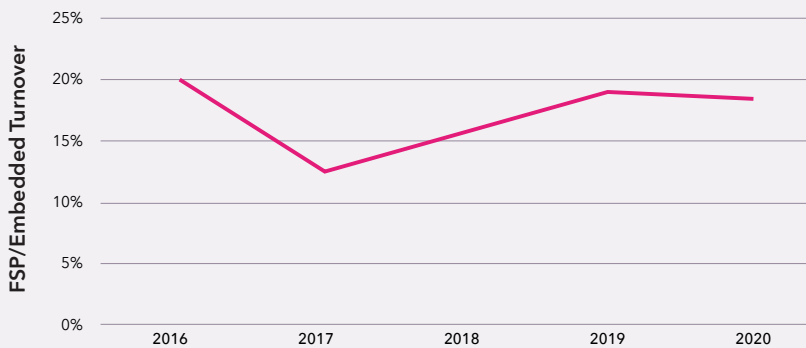
CRA TURNOVER BY YEAR

Figure 3: Overall CRA Turnover from PRA 2016 – 2020
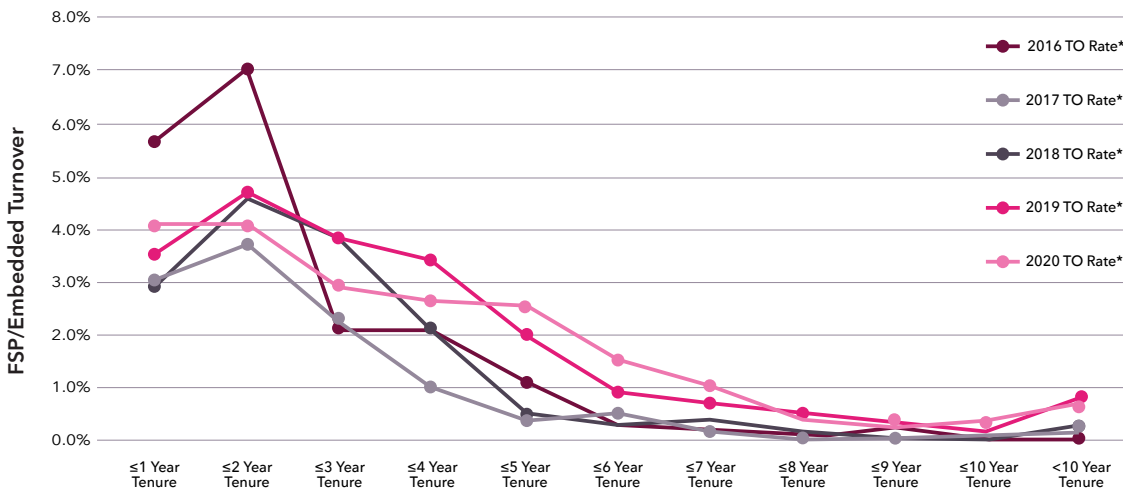
TURNOVER BY YEAR BY PRA TENURE

Figure 4: Turnover by year by PRA tenure

Contract Constraints

We believe that one of the challenges this model faces is constraints within the contract pricing itself. It is a delicate topic but one that needs to be addressed if, as an industry, we are to solve this problem effectively. As mentioned, most embedded contracts include a single or perhaps 2-3 rates to accommodate different CRA levels despite that fact that there is a wide range of CRA salaries, a range that both within and between levels is significant.

According to various industry compensation surveys, CRA annual salaries in the US range from $65K to $140K with an average of $108K. Salaries of experienced Sr CRAs (5+ years) range from $115K to $140K and average $130K. Salaries of CRAs with particular therapeutic expertise such as Oncology or those located in high cost of living areas can be 10-25% higher, exceeding $150K per year. Figure 5 shows US salary range by CRA level and experience.

A Word on Inflation

We often find that customers feel they have accounted for career progression by allowing inflation adjustments in the contract. However, this only recognizes that the cost-of-living increases with time (it always has and always will). In context though, consider a gallon of milk is still a gallon of milk, it just costs more next year than it does now. The milk hasn't progressed or become more valuable. Now, if we turn the milk into butter or ice cream, we can charge more for it as it is now more valuable. It has progressed its "career." Inflation works if the model is static, but not when the model needs an equilibrium. It also falls short of the 8% average increase in salary as a CRA moves from $66K to $140K over a 10-year career.
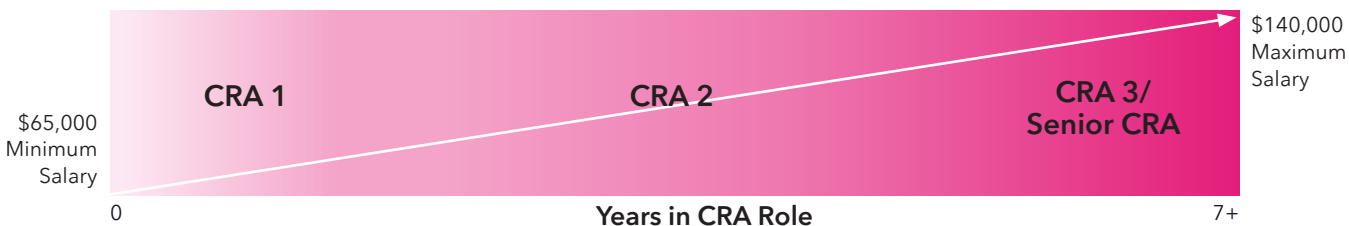

Figure 5: US salary range by CRA Level and Experience

On an hours basis, these ranges can result in hourly differences of $25 per hour or more, which, when marked up by the typical 2.5-3X multiple found in consulting businesses (the Rule of Thirds)[2], results in rate differences of $62-$75 per hour, even within the same range.

More recently, the problem has been exacerbated as new staff assigned to the model have been heavily weighted towards the high end of the salary range. Those involved in CRA day to day management and CRA selection are often not the same individuals who negotiate CRA rates; therefore, there can be a disconnect in what is desired from a cost perspective versus the reality of what is (perceived to be) needed by operations. Rates within the contract are often simply too low to allow the necessary salary progression; therefore, CRAs are often open to leave in order to secure a higher salary at a new company. Figure 6 illustrates the imbalance between negotiated CRA salary range and actual CRA seniority present in the model.

In addition, contract agreements rarely include an experience cap which can allow the customer's expectations to go unchecked. For example, when a provider proposes multiple candidates for a specific role, all of whom exceed the minimum requirements in the contract, more often than not, the customer will naturally select the most experienced candidate, one who is often also the most expensive for the provider. Finally, we believe that newly hired, experienced CRAs are more inclined to resign since they essentially already have before (i.e., the first time is the hardest or, as Rod Stewart would sing, "The first cut is the deepest").
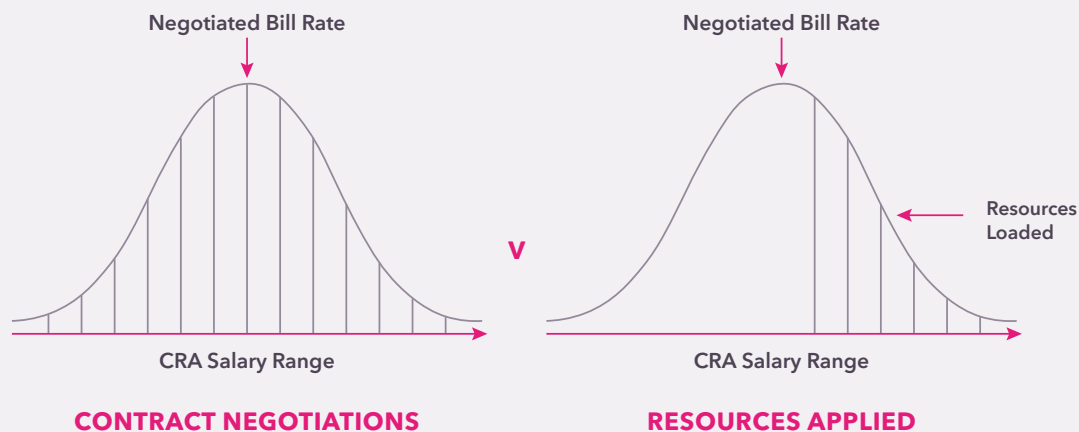

Figure 6: Imbalance between negotiated salary ange and actual CRA Seniority

Practical Strategies to Address Our Industry Challenge

We believe a model exists that enables a lengthening of the assigned time in the model and creates a dynamic flow between the number of staff coming into and going out of a model over time. It accepts that, while models might be fixed, people are not and, as their careers continue to develop, proactively managing their development while in the model is critical to maximizing their assignment to it. Importantly, these solutions do not require the increase or creation of new rates for our contracts (however, in the absence of the following, that may be the only remedy).

These solutions will require collaborative partnering with the customer as we set targets within their embedded model. It will also require an operational change to the customer expectations of CRAs coming into the model.

These strategies include:

- Establish a target distribution of CRAs within and across levels and track and report on this distribution regularly. For example, a target of 15-20% CRA 1s, 50-60% CRA 2s, 20-35% CRA 3s might be appropriate.

- Within the level, avoid accepting only those CRAs at the high end of experience so that the actual distribution of salaries reflects the distribution used to model the negotiated rates. This would eliminate the rate constraint to promote within the model and provide the provider with the career management autonomy we need and that customers expect (but often constrain).

- Address local customer autonomy with a top-down emphasis to adhere to the targeted distribution of CRAs. Local teams evaluating candidates often ignore the experience requirements and select the highest level.

- Shift the dialogue from turnover-based discussions to business continuity and sustainability with supportive metrics reflective of this focus. When a higher CRA level departs, promote from within the model (CRA 2 to 3, CRA 1 to 2) and backfill with a CRA 1. Many companies say that their people are the greatest asset so let's take a human-centric approach and action these words.

- Actively demonstrate to the customer that CRA 1s are fully capable, even if this includes three months of accompanied visits, via performance reporting and mentorship output.

- Establish an opportunity matrix specific to the model so that new staff can visualize their career growth within it and establish goals accordingly. Review with staff at onboarding and throughout their tenure on the model. This can include progression within customer and provider ecosystems.

- Allow those in entry-level positions, e.g., Clinical Trial Associates, to grow into CRA 1s via an Academy program. The new CRA 1s/CRAs tend to stay with the company longer as they have deeper loyalty, an appetite to be shaped and groomed in alignment with customer culture and brand expectations, and tend to be more readily adaptable to evolving technologies and processes than their more experienced CRA peers. In a previous white paper[3], we showed that CRA 1 Academy graduates generally perform at or above the level of non-academy CRAs. That said, customers can tend to draw a correlation between experience and quality, and therefore will not gain this benefit given the resistance to accept many CRA 1s.

- Establish triggers to proactively address career progression in advance of flight risk (duration in the model, time since last promotion, etc).

- Create job sharing/shadowing and a stretch program whereby staff can experience different roles for periods of time.

- Future-proof the model to prepare for the continued evolution of the CRA role by ensuring contemporary and evolving CRA Academy curricula, with appreciation that existing and emerging technologies are changing clinical trial conduct (e.g., decentralization).

- Consider career progress beyond the CRA role into management and adjacent functional areas within the partnership construct, enabling intellectual knowledge maintenance and sustainability in the model, career development, and retention.

- Trust instincts and implement a CRA development plan that guarantees progress and promotion to CRAs on a timescale that requires proof of competence, but allows for market-driven salary and job title even if the customer model does not allow for this. For example, the CRO takes the risk rather than the customer and benefits from the reduced cost of employment as replacement recruitment, training, and supervision costs are eliminated.

- Genuinely care for CRAs – do not just see them as a commodity role but rather as individual people with dreams and aspirations. Partner with them and reap the loyalty rewards. Infiltrate this spirit through all levels of line management and ensure that financial budgets and turnover targets improve as the result of a human-centric approach. At PRA, we recognize and value our people: human-centricity is the first of our core competencies for all employees.

Case Study 2021: Addressing Key Account CRA Turnover

The following case study demonstrates the successful implementation of our strategy.

On one of our key accounts, employee turnover rose from an impressive figure well within compliance limits for 2020 to out of compliance by ~4% annualized. This has since improved to within agreed upon, acceptable limits as the result of the implementation of a mutually agreed action plan.

The customer instructed us to investigate the true causes for this increase, and the following actions were taken:

- Deep dive into the available data on those who left
- Follow up analysis from external data on what those who left – whom we will call "leavers" – actually did next
- Identify the real reasons for this increase in turnover and develop a focused action plan
- Feedback to our customer

Figure 7 shows that 40% of leavers resigned for career development reasons, and 20% for personal reasons, much of which were related to the Covid-19 pandemic.

Of the 40% who cited career development as their reason for leaving more than one half had posted a new status on LinkedIn. An analysis of these posts revealed that:

- 85% of the leavers had moved to a higher position within the industry
- 11% moved to an equal position within a pharma company
- 4% moved to an equal position within a CRO
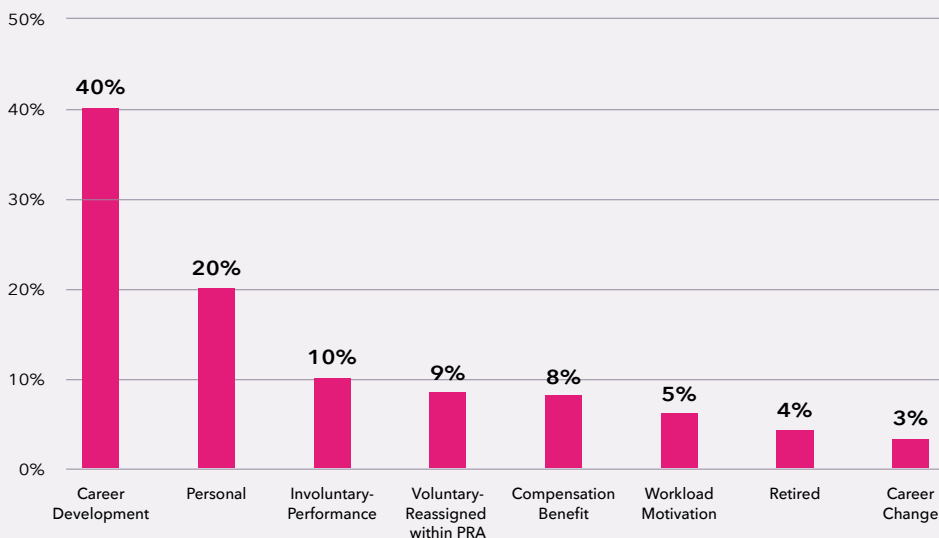
PERCENTAGE OF RESIGNATION

Figure 7: Case Study: Reasons for Key Account Customer Resignation

This data confirmed that career progression is the true cause of turnover for most people. Further analysis of historical and current data revealed that the highest turnover for countries and functions was due to them having:

- A lower number of role possibilities
- Recruited mainly into advanced roles

Based on these findings, the following plan was presented to the customer who agreed to progress it to implementation:

- Achieve acceptance at management levels of the role that the customer plays in retention through development
- Increase knowledge/acceptance/support of development possibilities for team members at the Manager level
- Ensure pipeline/movement opportunities are the same for all roles/countries/functions
- Recruit into junior/base roles (e.g., CRA 1), allowing developmental ladder on the model
- Consider experience-balanced teams versus top-heavy teams (allows growth and reduces turnover)
- Agreement on Academies and development programs to operate at country levels
- When appropriate, consider moving a team member into a more senior opening to include consideration of Academy and development program members and graduates for open positions

Conclusion

It is crystal clear that our industry needs to solve the problem of CRA turnover – the current situation is not satisfying anyone. The challenge is to create an industry model that benefits all stakeholders and provides a sustainable career development ecosystem for employees. Customers and providers need to accept that CRAs want to develop and will change organizations to achieve career progress. Customers need to accept that time in position does not directly correlate to 'experience' and correlates even less with competence – and it is competence that needs to be the measure of a CRA's ability and, therefore, job title. The good news is that the CRA career advancement 'challenge' is straightforward to solve – as per the solutions highlighted above. It just takes customers and providers to work together across functions to throw away the outdated historical shackles and instead create transparent, competency-based progression models that work for CRAs, providers, procurement, and customer leadership. If we do not do this, customers and providers will continue to suffer from high and early turnover, which in an industry where CRA demand exceeds supply, must not compound the problem. The results of our 2021 case study of CRA turnover at a key account customer support this. Here, a detailed data analysis confirmed that high CRA turnover at the client was due primarily to insufficient career development opportunities. As a result, a plan to address CRA turnover, comprised of solutions described in this paper, was developed and implemented by PRA SSD and the customer. Creating a sustainable, self-propagating career development ecosystem in the CRA marketplace at the industry level is a parallel challenge. Again, competence and development are at the heart of the solution, which must include caring for our people. These are all core competencies that a partner CRO must have to drive down CRA turnover. The case study above clearly shows the immediate benefit and long-term potential of implementing the solutions highlighted.

References

1 BDO CRO Industry Global Compensation & Turnover Survey

2 https://consultantjournal.com/blog/setting-consulting-fee-rates

3 https://prahs.com/insights/a-shift-in-thinking-how-investments-in-supply-of-cras-is-better-than-competing-with-
demand-for-cras

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PRA Health Sciences and its Strategic Solutions Division (SSD) is regarded as the pioneer of the embedded FSP model with customer units dating back to the early 2000s. These customer units range in size from a few hundred to well over 2,000 staff. More recently PRA has strategically differentiated itself as a healthcare intelligence organization making multiple investments into mobile, digital and virtual health trial platforms. PRA employs more than 19,000 employees with operations in over 90 countries.