

## Employment Climate in the Clinical Research Industry

By Norman M. Goldfarb

The author conducted a survey of 15 staffing firms that exhibited at the Association of Clinical Research Professionals (ACRP) Global Conference & Exhibition in April/May 2006. The firms represent a broad cross section of the clinical research industry. Their focus, in general, is on pharmaceutical and contract research organization (CRO) employers, rather than research sites. The largest part of the market is for clinical research associates (CRAs).

The survey question was:

"Over the past year, in clinical research, for your firm, roughly what percentage increase or decrease did you see in the number of open positions and the number of people looking for a new position?"

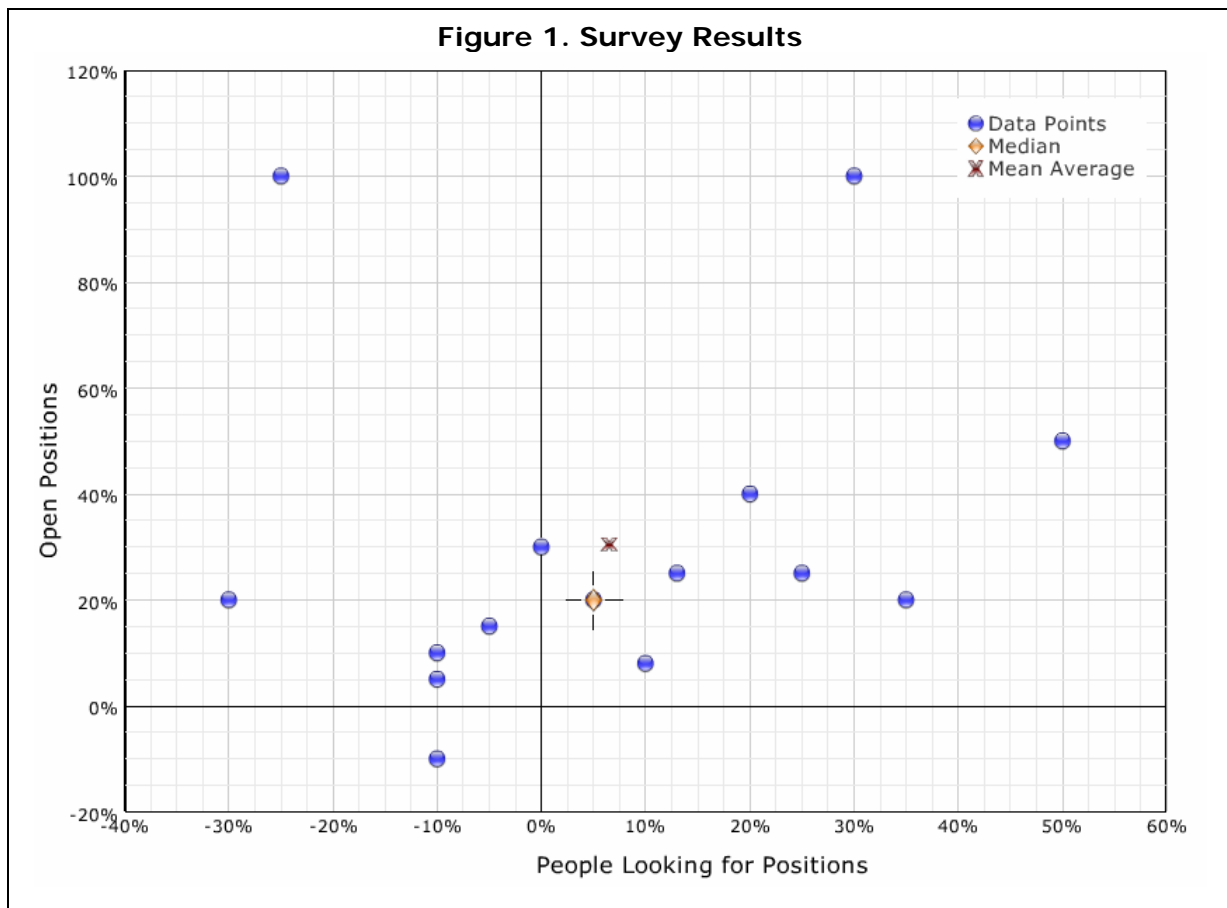
Figure 1 displays a scatter chart of the results. The median number of open positions increased by 20%, while the median number of people looking for a position increased by 5%. The mean average numbers are higher – 7% and 31% – and probably less reliable indicators of market conditions. The experience of any single firm is clearly not indicative of the experience of all firms.

Assuming the laws of supply and demand apply to the clinical research employment market, average compensation rates and staffing costs, e.g., for relocation, should increase, with obvious implications for industry costs. Given the supply and demand trends, an increasing number of positions will go unfilled, resulting in more study delays. Growth in the clinical research industry may partly account for the increase in open positions. However, excess demand in employment markets tends to feed on itself, increasing employee turnover and thus generating further demand.

When employee shortages and costs increase, employers seek to offset the problem by reducing their demand. In the clinical research industry, demand for CRAs can be reduced by conducting fewer studies, by using more-productive and higher-quality research sites, and by automating, e.g., with electronic data capture (EDC) that pushes labor costs to the sites. Supply can be expanded by hiring less-experienced people (e.g., study coordinators for CRA positions) and conducting studies in developing countries.

These trends should:

- Continue the growth of clinical research in developing countries.
- Cause sponsors and CROs to become more selective in the sites with which they work on studies. According to economic theory, proven, high-performing sites should be able to retain, in the form of higher prices, some of the additional value they provide to their customers.
- Add to the difficulty that CROs have in protecting their staff from sponsors that can offer higher compensation and better benefits.
- Increase the employability of newly-trained personnel.



The following 21 firms participated in the survey:

- Aerotek Scientific
- ASG
- Biophase Solutions
- ClinForce
- ConsignMed
- eReady Monitors
- Kelly Scientific Resources
- Kforce
- Med Exec International
- MedFocus
- Placemart Personnel Service
- SmithHanley
- The Judge Group
- Volt
- Yoh

Website addresses for these firms are available at <http://www.firstclinical.com/directories/staffing.html>.

**Author**

Norman M. Goldfarb is Managing Director of First Clinical Research LLC, a provider of clinical research best practices information, consulting and training services. Contact him at 1.650.465.0119 or [ngoldfarb@firstclinical.com](mailto:ngoldfarb@firstclinical.com).