

Site Toolkit: Challenges in Workforce Retention and Inflation

Recruitment and retention of site staff are more challenging today than ever before. Due to micro- and macro-economic trends and geopolitical situations, the cost to recruit and retain good staff is expected to continue to rise at historic rates for the foreseeable future.

Many of these trends (e.g. inflation, geopolitical uncertainty) are outside of a site's control. However, a site's reaction to them to mitigate any negative effects *is* within its control. While sites can try to ask Sponsor and CRO partners for relief in the form of additional funds and/or alleviation of uncompensated burdens, there is no guarantee that a complete solution will come from this tactic. Sites must also use many other tactics to address this issue on the cost side to assure their business is sustainable.

Always remember that your site is unique and thus many of these suggestions may not apply or be realistic. Also, this is not a complete list as there are many other solutions and ideas that could be added here and/or discussed further.

Revenue

Renegotiating Budget Amounts

As stated previously, this is not the only solution you should try. However, it is potentially your best source for immediate and/or long-term relief. Always note that you are in your best negotiating position if you are flexible for alternatives but ultimately ready, willing, and able to walk away.

Revisit and Update Costs and What You Can/Can't Negotiate

Even if you revised your cost analyses and/or chargemasters as recently as 6 months ago, these rapid rates of increase have likely outpaced your update cycle. Assuming you have experienced similar inflationary pressures for payroll, supplies, rent, power, and other expenses, you may need to consider what your expenses are today when signing the CTA versus what they will be months in the future when the study actually starts. Be sure to stay abreast of the current trends in site budgets regarding issues like non-refundable startup fees, set-up fees for each technology vendor, monitoring fees, and added costs for monitor turnover, closeout cost fees, etc.

Understand Time Value of Money and Negotiate Accordingly

While everyone generally understands that \$100 in the future is not worth as much as \$100 today, many do not do the exercise of *quantifying* that amount and negotiating that into their budgets. This decrease in value is not difficult or time-consuming to calculate. There are websites that can calculate this, but it is also recommended that budget professionals learn the Present Value (PV) and Future Value (FV) functions in finance calculators or software like Excel for better analysis and budget planning.

Example of Impact of Quarterly Payments and Holdbacks: A line item of \$100 paid only once a quarter and with a 10% holdback for about 3 years means that your site is essentially only getting paid ~\$96.72 due *solely* to the time value of that money (based on the current U.S. inflation rate). If \$96.72 is not enough for your site today, then consider requiring monthly payments in full or increase the budget to \$103.38 to offset the negative impact. Note that accepting the sub-optimal terms at a higher rate does not account for the added costs of micro-accounting and collections, so it is an underestimate of the true impact costs.

Example of Inflation Impact on Multi-Year Studies: A budget line item for a three-year study is \$100. 3 years from now that line item is equivalent to ~\$80 in today's dollars based on today's U.S. inflation rate. If you would not do that line item for \$80 today, then you arguably would not agree to do it at that rate 3 years from now. But after signing the budget without a cost of living adjustment, you essentially are agreeing to that \$80 rate in the future. Instead, you would need to contract Y1 at \$100, Y2 at \$107.90 and Y3 at \$116.43 to make the payments a constant value.

It is important to note that this is not a budget increase, but the same budget numbers across three years with a cost-of-living adjustment based on the current inflation rate. Cost-of-living rates vary over time (the U.S. average 2010-2019 was 1.7%) and we do not know what they will be in the future. Thus, an alternate strategy to putting hard numbers in the budget is to agree that the budget will increase each year based on a commonly agreed-upon government statistic (e.g. the Consolidated U.S. Consumer Price Index or the published healthcare components of that index which is often higher than the average consolidated index).

Consider Investments in Future Revenue Streams

Increased Business Development for New Studies: Many sites, even very experienced sites with decades of relations in the industry, have found benefit in joining site networks to share marketing costs in obtaining new studies. Regardless of whether the site is in a network or not, increased in-person presence at strategic conferences (not just industry conferences, but therapeutically-aligned clinical conferences) to network for future studies has been successful.

Increased Recruitment into Existing Studies: Consider adding resources to your recruitment/retention team. These do not need to be industry professionals; one site touted hiring hotel concierge staff was key to recent successes in this area.

Remove Unnecessary Delays to Payment

In-House Analysis: First, a site must assure they are working as efficiently in-house to meet all requirements for payment. For example, sites are often surprised to find that data entry that is supposed to

be done in 5 days is taking 4-6 weeks. Also, sites that have had issues with not being paid often find quality problems in their invoicing systems. A site's first line of defense is its own quality and efficiency in assuring that the deliverables are being met.

Remove Contractual Barriers: Many sites unfortunately succumb to contract clauses, such as only being paid after the data is verified by the monitor. Typically, 100% source document verification is rarely done at the site in a risk-based monitoring plan. Assure your data is due upon being entered and free of outstanding queries – not delayed for things like monitoring visits or other factors you do not have control over. Many Sponsors and CROs were kind enough to release payments delayed because of monitoring stalling during COVID-19, so they are familiar with this concept.

Revisit Your Reserve Funds Strategy with Your Investment Advisor

Absent other efforts, your reserve funds (or a line of credit) may be your only option to keep you afloat during this hopefully temporary period of cost rises. Sites experienced with this indicate that community banks were more open to extending lines of credit to them than large national/international banks were.

Unfortunately, many sites have less than 3 months of operating capital in their reserve funds and/or line of credit. Even sites with reserves deemed adequate as nearly as 6 months ago are now likely challenged because of increased costs and a decreased value of the investment portfolio in that account. While we cannot provide financial advice, we encourage you to obtain proper financial advice on your reserves strategy.

Costs

Evaluate Current Staff Recruitment & Retention Efforts

Increasing salaries is not necessarily the only option you have. Explore what you are doing to retain existing employees. This may involve frank conversations about this issue with your employees.

Also, just as important as examining your site's efforts, we encourage you to also understand what other employers are using to successfully recruit to their organizations.

Example ideas used by some of our site colleagues:

- Increased benefits such as PTO/vacation/holidays, health insurance contributions, 401K matching, tuition reimbursement, etc.

- Employee recognition software to assess satisfaction, improve relationships and manage monetary and non-monetary rewards. There are many to choose from and offer a wide variety of services for a wide variety of prices.
- A couple of sites offered that they use a rewards/recognition program where site leaders (based on certain criteria) can nominate team members to receive a “spot bonus” that ranges from \$25 up to \$1,000. Each department is allocated a certain amount of dollars yearly.

Examples of some non-monetary (or marginally monetary) ideas that site colleagues are using:

- Rearrange duties and/or scheduling as best possible to improve work-life fluidity such as working from home on afternoons, on certain day(s) of the week, etc. Having an honest discussion with current staff on this topic can be enlightening. In fact, some sites found after talking to their employees that the employees would rather exchange a weekday for Saturdays, which enabled the site to offer an additional day open to patients. Some found employees preferred extended hours in exchange for 3.5 or 4 days/week, which also allowed the site to offer evening times for patient visits. Some CRCs may be interested in doing home visits instead of coming to an office (although caution is needed to assure your site is adequately set up from a regulatory and insurance standpoint for such a shift).
- Take opportunities to reward staff with time off or other flexibility (e.g. if Friday afternoon scheduling is light, give them the afternoon off).
- Provide learning and/or growth opportunities for your staff. Consider allowing them to become cross-trained in other departments, apprentice in an area where they are interested, or shadow a leader to prepare for promotion.
- Proactively conduct “stay interviews” with your staff. This is not the same thing as a reactive “exit interview” once they have resigned or a performance evaluation but a simple discussion about them and why they work there. Determine what has led your top performers to stay with your organization and find out what changes they would hope for that would keep them engaged. There might be cultural advantages to staying with your company that you hadn’t even thought of that you could leverage to attract or retain staff.
- Have more frequent performance reviews not only focusing on key productivity indicators but also about them as a person. Incorporate aspects of the “stay interview” referenced above as well as their career goals and interests.
- Some sites offer the employees the ability to pick out their own office chairs/decor (within budget). This may even extend into allowing them to have some site-provided niceties in their home office as well.

Cautiously Evaluate Disincentives

Disincentives To Leave: Many attorneys state that the more draconian and unreasonable non-compete clauses in employment agreements are, the less enforceable they are. While this is not legal advice, you can attempt to put in certain reasonable parameters of non-compete clauses. Most often we see this as an employee being prohibited from working for a competitor unless they are relocating more than a defined distance (e.g. 50 miles) or for a sit-out period (e.g. 2 years) or else there are liquidated damages. However many lawyers may say that this may not even be enforceable.

Note that a clinical research coordinator becoming a monitor or project manager at a CRO is arguably not violating a “non-compete” as they are not going to a competitor. Other options may be that the employee is not prevented from working in the industry but would have to repay you a set amount to offset the training costs you incurred if they do not stay for a defined time (e.g. 2 years).

Keep in mind even the most reasonable terms to you may still be a disincentive for them to join your organization, especially if you do not have opportunities for advancement and/or the ability for employees to make lateral moves within your company. No strategy is without business risks and/or unenforceability risks. Please consult a human resources attorney on the language if you are interested in writing the most enforceable limitations.

Disincentives to Recruit: Like non-competes in employment agreements, non-solicitation clauses in agreements with customers and vendors are often deemed unenforceable and/or easy to work around. Similar to the non-compete clauses in employment agreements, no strategy is without business risks (unless you are willing to walk away from that Sponsor/CRO) and/or unenforceability risks. Also, your company may be asked to reciprocate the non-compete.

Minimize Staff Onboarding Costs

Target Postings Most Likely To Lead To Success: While this may not translate outside of oncology, a recent SCRS poll of 100 oncology sites dealing with this problem finds that the most successful sources of candidates have been from general job posting sites such as Indeed.com and ZipRecruiter.com (28.6%) followed by posting in internal departments (17.9%) and then referrals/word of mouth (14.3%). Among the lesser successful sources were postings on healthcare/trials-specific job posting sites (3.6) and general social media such as Facebook and LinkedIn (3.6%).

Optimize Training:

- Stagger training topics over a longer period of time to align with the phasing in of the role. *Do not train on all possible things at the very beginning.* Focus on what they need to know for their

immediately upcoming job duties and settle on “know what you don’t know” so they know when to ask questions until they learn the rest.

- Seek advice on adult learning techniques. For example, one common model is the 70-20-10 Model. This means only 10% of training should be through didactic (i.e. reading SOPs, GCPs, etc), 20% should be through mentoring, and 70% is experiential.
- “Try Before You Buy.” Although there are definite cost offsets when taking on interns, students and/or volunteers, fine-tuning this process can benefit twofold:
 - (i) the “realistic job preview” can eliminate people taking the job that would otherwise not be interested and
 - (ii) you can first-hand preview the person’s performance and cultural fit. Lessons learned from sites that have done this successfully have shown that internship programs seem to work best when working with the most invested individuals.

From many sites’ experience it has been medical residents, medical school students, and nurse practitioner students as individuals who were the ones nearly guaranteed to roll up their sleeves to participate in your program and maximize the win-win of a successful internship. Also be aware that your site may be fortunate enough to receive grants for such programs to offset costs, although there is no known central repository where such grant opportunities exist.

Reevaluate Existing Suppliers

Many suppliers of items and services necessary to run your site will approach you with increases in their prices if they have not already. You have the opportunity to shop around to assure you are getting the best items and services at the best price. Reexamine what you need, survey the providers of those items and services accordingly, and negotiate terms and prices accordingly as best you can.

Note that there may be many offers to place temporary staff at your site under contract with the Sponsor or CRO. While this may sound like a tempting quick-fix, we encourage sites to review all their obligations in making such accommodations. All parties must understand the limitations, especially if the staffing entity is not contracted with and paid by the site. It may take you longer to make those accommodations (if you are able to make them at all) than focusing on recruiting and onboarding your own employee. Nobody wants to discount this option altogether, however it is not without its problems and may not be pragmatic.

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