



Attrition Issues of Employees in Pharmaceutical Industries: An Overview

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Abstract

The Pharmaceutical Industry is facing high rates of turnover among sales and marketing employees. Turnover intentions of the pharmaceutical employees are rising gradually and the organizations have to take serious action to control it. Even with the severe problem, we are unaware of any scholastic inquiry that has studied the factors of turnover among sales and marketing employees. This paper focused only two objectives: i) To study the causes and factors influencing attrition of employees in pharmaceutical industries. ii) To study the importance of employees retention in pharmaceutical Industries. The study is explanatory in nature and only secondary data has been utilized in it. The secondary data has been collected from various articles, books and web sources. This study concluded that HR manager should select right persons for right job, if not interested they can easily switchover to other job.

Key words: Employee Attrition, Employee Retention, Pharmaceutical Industry

I. Introduction

Healthcare sector is one among the most important and fastest growing industries within the world. Healthcare is one of the important pointers of any country's development and status of health care indicates the nature of the development of the country. It is also called medical industry. Pharmaceutical Industry plays a vital part in healthcare sector for producing and developing safe and effective drugs with effectiveness and profitability. In order to achieve these aims, good help from numerous scientific and marketable disciplines are demanded. The industry needs specialists with well qualifications in biological, chemical, engineering and pharmaceutical sciences. But there is also a demand for a wider knowledge of the integral parts of an innovative manufacturing company including research, development, manufacturing, distribution, marketing and sales. Medical representatives are the most important to pharmaceutical industry for promoting the product. Not only

promoting the product they create demand and bring customer relationship, build goodwill of the company and so on.

II. Overview of Pharmaceutical Industry

The Indian pharmaceuticals market is that the third largest in terms of volume and thirteenth largest in terms useful, and it accounts for 20 per cent within the volume terms and 1.4 per cent in value terms of the Global Pharmaceutical Industry as per a report by Equity Master. India is the largest provider of general medicines globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become a crucial characteristic of the Indian pharmaceutical market because the industry is very fragmented.

Pharmaceutical companies are working constantly towards the enhancement of the health care among people. Pharmaceutical products or drugs are one of the important components of the health care operation and its charges. The increase within the income of the individuals and therefore the change in lifestyle are contributing to the rise within the expenses of the health care management of an individual. The increase within the penetration of health insurance is another factor for the rise within the spending on pharmaceutical products. Research shows further than commensurate increase in the spending on pharmaceutical products compared to, increase in the charges on total health care globally.

The pharmaceutical companies not only contribute to the health care of the people but also contribute to the frugality of the country by creating jobs, developing ancillary industries, export earnings, contributing to the Gross Domestic Product (GDP) et cetera. Hence, the growth of pharmaceutical sector of a country is important for the growth of the country's frugality. A large portion of Indian population lives in the pastoral areas and a considerable portion of the Indian population are below the poverty line. It is a major challenge for the pharmaceutical companies, government, doctors, and other stake holders in the health care sector to pass the benefits of the outgrowth of Research and Development (R&D) to the really indigent people.

III. Review of Literature

Nila, Anusiya & Mazuwin (2019)¹ entitled Impact of Job Burnout, Job security, and Organizational Commitment on Turnover Intention among Credit Counseling and Debt Management Agency Employees in Kuala Lumpur. The study focused how these elements will impact the employee turnover intention? Snowball sampling techniques was used for this study. Data was collected through questionnaire from 106 respondents in debt credit counseling & Debt management agency. The study concluded that the elements Job Burnout, Job security, and Organizational Commitment were strongly correlated to the turnover intention.

¹ **Nila Chandran Rajandran, Anusuiya Subramaniam and Mazuwin Binti Haja Maideen (2019)** "Impact of Job Burnout, Job Security and Organizational Commitment on Turnover Intention among Credit Counseling and Debt Management Agency Employees in Kuala Lumpur", International Journal of Recent Technology and Engineering (IJRTE) ISSN: 2277-3878, Volume-7 Issue-5S, Pp-389-397.

K K Maran & Praveen Kumar (2018)² titled A study on Employee Perception of Retention Strategies with reference to Software Industry in India, Chennai. The study focused pull factors influencing the employee attrition. Descriptive Research design was used. Non-Probability, Convenience sampling techniques was used for this study. 500 employees were selected software companies in India. The study also proved that clients may shelve their project if the replaced employees were not up to their expectations. In the case of the impact on employees, stress was found to be more among female employees. Similarly staffing disruptions were found more than experienced employees leave the organizations and too many responsibilities in the wake of team members' attrition force employees to engage in extra work.

Ednah & Geoffrey (2017)³ focused on Factors Affecting Employee Retention at the University of Eldoret, Kenya. To determine the effects of compensation on employee retention. Descriptive research design adopted for this study. The researchers used purposive sampling method to sample top & middle level managers. A simple random technique was used to determine sample size of other employees. Data was collected through questionnaire from 1500 employees of different levels of management at university of Eldoret. Chi-square test used. The study findings indicated that compensation had significant relationship with employee retention.

Suhasini (2013)⁴ investigated the various factors which influence employee retention and the reasons responsible for employee intention to quit the organization. The study has done for IT sector with special reference to study of selected IT companies in Hyderabad, Andhra Pradesh. 100 samples were taken for this study. Both primary and secondary data was used. Convenience sampling method was used to collect the data. Structured questionnaire was measured on 5 point scale. The study found that dissatisfaction with organizational culture, compensation, motivation, development and challenging work environment factors were liable for employee leaving from organization. Along with this, impact of Employee commitment and involvement on employee productivity and retention. It concluded that Organizational culture and compensation benefits have significant impact on employee retention.

Brijesh and Sushmita (2012)⁵ investigated that in today's fiercely competitive business landscape, success hinges much on the retention of employees. In a knowledge driven frugality, it was the people who were emerging as key competitive differentiators and retaining the talent has become a matter of consummate significance. But swelling attrition levels across the companies were strait-jacketing the distraught HR

² **K. Maran, Mahisha Sura Mardhini and Praveen kumar.T (2018)** "A study on Employee Perception of Retention Strategies with reference to Software Industry in India, Chennai", Serials Publications Man in India, 97 (22) Part 2: Pp-183-193.

³ **Ednah Jepkemboi Rono and Dr Geoffrey Kimutai Kiptum (2017)**, "Factors Affecting Employee Retention At the University of Eldoret, Kenya", *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Vol.19, Iss. 3. Ver. I, Pp- 109-115.

⁴ **N.Suhasini and T.Naresh Babu, (2013)**, "Retention Management: a Strategic Dimension of Indian IT Companies", *International Journal of Management and Social Sciences Research (IJMSSR)*, Vol.2, Iss.2, Pp- 191-210.

⁵ **Brijesh Kishore Goswami and Sushmita Jha, (2012)**, "Attrition Issues and Retention Challenges of Employees", *International Journal of Scientific & Engineering Research*, vol. 3, Iss.4, Pp-1-6.

practitioner's ability to return out with good retention strategies. Willy-nilly, attrition was here to remain and was not a fringe concern for the business any longer. The trick lay in having sound human practices in place which will effectively combat the scourge of attrition. This article would provide an insight into the various issues surrounding the problem of attrition and what major challenges were being faced in retaining the employees. Acquiring skilled workforce was not just enough in today's changing frugality; instead a lot needs to be done to retain them. Losing knowledgeable and trained employees can cause serious damage to the company's progress and performance within the market.

IV. Statement of the Problem

Today each and every employee is facing lot of problems while doing job. Particularly marketing employees are facing many problems to promoting their product. Talent and skilled employees do not stay long period in the same organization due to lack of Managerial support, low salary packages, not proper incentive schemes followed, lack of motivation, work pressure, lack of superior support, lack of recognition, limited control over work, not followed proper performance appraisal system, not able to balance the work life, and limited career growth these are all the problem of this study.

V. Objectives of the study

1. To study the causes and factors influencing the attrition of employees in pharmaceutical industries.
2. To study the importance of employee retention in pharmaceutical Industries.

VI. Research Methodology

The study is descriptive in nature and only secondary data has been utilized in it. The secondary data was collected from various articles, books and web sources.

VII. Meaning of Attrition

Attrition in human resources refers to the continuing loss of employees over time. In general, fairly high attrition is problematic for companies. HR professionals frequently assume a leadership part in designing company compensation programs, work culture and motivation systems that help the organization retain top employees.

VIII. Causes of attrition in Pharmaceutical Industries

Indian pharma marketing is one of the fastest growing knowledge based industries. At the same time, it suffers the high rate of attrition particularly in the field of pharmaceutical marketing in comparison to the technical and Research and Development field of the same industry. Numerous pharmaceutical sales representatives or medical representatives leave company during a moment and this trend is more seen among the fresher and medium level manager level. HR personnel see this attrition as demand and supply rule where advanced demand to meet the competitive sales is supplied by two sources: Educational Institutions and market. At present the demand of skilled and experienced employee outstrips the supply. The consequences are large attrition of field force moving from one company to another in a blink of eyes. The money factor is one among the main causes for this high attrition. Inadequate salary of compensation package is a prime factor for

switching the organizations immediate gain in lucrative salary packages makes the employees more prone to change the organizations.

Now to meet the global competitiveness; Pharma companies have converted their survival strategy to competitive strategy as a result there is huge pressures on the shoulder of medical representatives for advanced secondary sales achievement and thereby constantly poking the field force which ultimately leads to attrition. So the people change the organizations repeatedly. Similarly poor management is also one of the crucial factors responsible for leaving the organizations. Poor management includes lack of support to the employee, lack of transparent career growth leader, adverse relation between the superior and subordinates, lack of motivation. Psychological relationship between leaders and employees is very crucial for sticking of employee in a particular organization. Therefore organization culture also plays a significant part in sticking of pharma sales representatives in the same company for long run.

IX. Influencing Factors of Employee Attrition in Pharmaceutical Industry

- Compensation
- Rewards and Recognition
- Promotion and Opportunity for growth
- Job satisfaction
- Working Environment
- Participation in Decision making
- Work-life balance
- Training and Development
- Leadership
- Job security
- Supervisor and Management support
- Annual Performance appraisal
- Fringe Benefits

Compensation and Benefits

When a good number of people hear the term compensation they think about "what a person is paid". Although this is true, it is only one aspect of a complex content. Compensation includes not only salary, but also the direct and indirect rewards and benefits the worker is given reciprocally for their contribution to the organization. To determine compensation, organizations should develop a compensation and rewards program. This type of program outlines an indifferent process for compensating employees. A well-structured program with a good balance of stipend, benefits and rewards will support an organization to remain competitive in today's labor market and ensure sustainability in the future.

Work Pressure

Everyone who has ever held employment has, at some point, felt the pressure of work-related stress. Any job can have stressful rudiments, indeed if you love what you do. In the short-term, you may experience pressure to meet a target or to fulfill a demanding obligation. But when work stress becomes chronic, it can be overwhelming - and harmful to both physical and emotional health.

Unfortunately such long-term stress is all too common. In 2012, 65 percent of Americans cited work as a top source of stress, according to the American Psychological Association's (APA) Periodic Stress in America Survey. Only 37 percent of USA citizens surveyed said they were doing a superb or great job managing stress.

Employee Reward and Recognition Systems

In a competitive business climate, further business owners are watching at advancements in quality while reducing costs. Meanwhile, a strong frugality has resulted in a tight job market. So while small businesses need to get further from their employees, their employees are looking for further out of them. Employee reward and recognition programs are one system of motivating employees to vary work habits and crucial actions to realize a small business.

Employer-Employee Relationship

The relationship between an employer and an employee may be a key deciding factor because it is vital to possess mutual trust. An employer should trust his employee and an employee should trust his employer. This trust factor actually helps in construction a relation between both the parties. Once this trust factor is constructing then we say that the base of the relationship between the parties is set. Going forward trust helps to take care of the connection and helps both the parties to know one another well in order that both can contribute to the development of the organization and personal development. It helps in maintaining the satisfaction point of both the parties which is significant for both the employer and employee as if any of the party is not satisfied the growth of the organization is not possible.

Performance Appraisals

Performance Appraisals is the assessment of existent's performance in a systematic way. It is a experimental tool used for all round development of the employee and the organization. The performance is measured against similar factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health. Assessment should be confined to history as well as implicit performance also. The alternate definition is more focused on actions as a part of assessment because actions do affect job results.

Human Resource Policies

Human resource policies are the formal rules and guidelines that businesses put in place to hire, train, assess, and incentive the members of their workforce. These programs, when organized and circulated in an fluently used form, can serve to expropriate numerous misunderstandings between employees and employers about their rights and obligations in the business place. It is tempting, as a new small business proprietor, to

concentrate on the concerns of the business at hand, and put off the task of writing up a human resource policy. All business analysts and employment lawyers will advise a replacement business owner to urge a policy down on paper, even if it is a simple one drafted from a boilerplate model. Having programs written is important so that it is clear to all what the programs are and that they are applied constantly and literally across the organization.

Work life Balance

Work life balance is an effective tool to increase morale and develop company culture. Employees hunt down companies that support healthy work life balance. The only factor more important than balance to job campaigners is compensation. According to several surveys, work-life balance improves happiness and overall job satisfaction. Furthermore, employees are more invested in companies that support their work life balance. Work life balance generally translates to employees who work harder and are more productive.

X. Meaning of Employee Retention

Employee retention refers to the different policies and practices which let the employees stick to an organization for a longer period of time. Every organization invests time and money to groom a new joiner, make him a commercial ready material and bring him at par with the existing employees. The organization is entirely at loss when the employees leave their job once they are fully trained. Employee retention takes under consideration the varied measures taken in order that an individual stays in an organization for the maximum period of time.

Importance of Employee Retention

The Cost of Employee Turnover

The cost of employee turnover includes hiring cost, training cost and productivity loss. Replacement costs 2.5 times more than the individual salary. The costs associated with turnover may include lost customers, business and damaged morale. In addition there are the hard costs of time spent in screening, verifying credentials, references, interviewing, hiring and training the new employee.

Loss of Company's Knowledge

When an employee leaves, he takes with him valuable knowledge about the company, customer's relationship, current projects, competitors and past history of the company. Frequently a large amount of time and money has been spent on the employee in expectation of future return. When the worker leaves, the investment is not realized.

Interruption of Customer Service

Clients and customers do business with a company in part because of the people. Relationships are developed that encourage uninterrupted backing of the business. When an employee leaves, the relationship that employee built for the company are served, which could lead to potential customer loss.

Turnover Leads to More Turnovers

When an employee terminates, the effect is felt throughout the organization. The unspoken negativity frequently intensifies for the remaining staff.

Goodwill of the Company

The Goodwill of the company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization. When more and more employees leave from one industry to another industry it creates bad opinion about the company. So the employer should take necessary steps to control it.

Regaining Efficiency

If an employee resigns, the good quantum of time is lost in hiring a new employee and also training an employee and this goes to the loss of the company directly which many a times goes unnoticed and indeed after this companies cannot assure us of the same effectiveness from the new employee.

XI. Conclusion

Employees are the backbone of any organization. Pharmaceutical sales representative are playing a vital role in pharma industry for the sales achievement of their products. Pharmaceutical industries invest high quantum of money on their recruitment and training. Therefore it is imperative that pharma industry should retain their valuable assets. Thus attrition may be a serious issue and puts pharma industries during a huge loss and thus its challenge for pharma industry to retain the workers. The high attrition may be due to wrong selection of candidates, lack of interest in job, migration to the different areas, personal problems and others. Human resource management team should concentrate more on retaining their valuable employees in pharma industry. Their role starts right from the selection of right campaigners through strict recruitment procedures, proper training to the employees and taking some anti-attrition measures or retention policies. Also conducive working terrain, favorable organizational gets to increase the confidence, self-esteem and morale of the medical representatives, reward and recognitions of outstanding performers can reduce the higher attrition rate in the field of pharmaceutical marketing industries. When the employee's expectations are fulfilled by the employer, they will never switchover to other industries. So, the organization should give much more importance to their employee's expectation.

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