



Talent management of employees in pharmaceutical industry

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Abstract

Talent management is putative fruition of human resource and also sequence of business process. It is neither product nor solution to be procured and interleaved into business organization. Organizations are focused on different elements, driven by their maturity and imperative business problem being handled by different administrations. Few recognized organizations handle their essential problems vigilantly and successfully; other few focus on several key elements and develop their own cohesive approach, while understanding their problems. Talent management is forward looking function, where it improves with flexibility and performance. Talent management requires integration and communication between human resource and leadership development functions. India is one of the beneficiary in view of world class Talent employees and companies of repute recognized at global level. India could stay in global market due to low cost of manufacturing and patent facilities of formulations and process work. Indian medicines are recognized in developed and developing countries in view of low cost and safe manufacturing practices. Various developed countries are providing outsourcing facilities to India. In spite of various prospects and opportunities, India is facing serious attrition problem with present rate of attrition of about 30 percent highest in the world average attrition rate of 8 to 10 percent. Companies are making sincere efforts to retain their talent employees through various measures, but the attrition problem is uncontrolled due to requirement of Talent persons outside country and new pharma industries. This paper primarily emphasizes on talent management strategies and retention strategies of pharmaceuticals industries in India. Companies are making sincere efforts to retain their employees through performance accompanying benefits and better prospects to talent persons.

Keywords: talent, management, pharmaceuticals, retention, attrition

1. Introduction

The term 'Talent Management' first emerged in 1990s to incorporate development in human resource management, which placed more emphasis on management of human resources or Talent. The term was coined by David Watkins of Soft cape, published in an article in 1998. The connection between human resource development and organizational effectiveness has been established since 1970s. The issue of Talent management with many companies put tremendous pressure on attracting employees, but devoted meagre time in developing Talent and retaining it. Talent management system needs to be worked into business strategy and implementing in daily processes throughout company as a whole.

In the emerging and future world of business, the key factor of success will be Talent more than capital or technology. In these days of intense competition, it is important for an organization to develop the most important resource of all – the Human Resource. In this globalized world, the main source of competitive advantage would be the Human Resource because under the new trade agreements, technology can be easily transferred from one country to another and there is no dearth for sources of finance. But it is the Talent workforce that is very hard to find. With rapidly changing skill sets and job requirements, it becomes an increasingly difficult challenge for organizations to manage their Talent. Talent management is an ongoing process that systematically identifies, attracts, develops and retains Talent to meet current and future business needs and objectives. By implementing an effective Talent management strategy, organizations can help ensure that the

right people are in the right place at the right time, as well as organizational readiness for the future.

Talent management is a business strategy and must be fully integrated within all of the employee related processes of the organization. Attracting and retain Talent employees, in a Talent management system, is the job of every member of the organization, but especially managers who have reporting staff (Talent). Globalization has given young generation opportunities to employ them in choice organizations and facilitated in solution of unemployment problem in high Talent professionals. India is second highest populated country in the world and young Talent have witnessed their capability in the global market with ability, Talent and securing their position in most competitive world market. The corporate and private sectors have expanded their activities in the country market and abroad. Specialization in any sphere of knowledge and ability to adjust in new positions has created problem of Talent retention. Young professionals after obtaining working experience in some reputed concern have options to work in other concerns with high remunerations, which they choose keeping in view of their prospects in existing organization or working in offered organizations. Liberalization, gradual decontrol, opening up of various sectors to multiplayer regime and enormous technological interventions have shifted the dynamics of labour market. The employee, as an internal customer, has now an all-time expectation in view of alternative job opportunities. The industries have been overwhelmed with growing list of left-out employees, despite offering competitive remuneration across the board.

2. Meaning of Talent Management

The assets of an organization can be divided into two parts i.e., its people and everything else. Usually the value of company is measured by its real estate, sales, inventories, supply chains, accounts receivable, brand recognition and many other pieces, when assembled create an organization's physical and market presence. It may also be termed that a company consists of human beings, who use technology to improve the life of their fellow citizens. A dictionary definition of 'Talent' is people, who possess special attitude or faculty. This definition possesses the smell of creativity of thinking outside the box, of unique ability to solve a problem.

3. Research methodology

The research study has been undertaken on well-set methodology comprising of collection of information from secondary sources. The published material related to Talent management and retention strategies is available based on theoretical concepts in books and articles published in magazines and also available on internet. The application part of the system is quite limited, as each industrial unit takes its own measures through policies and practices, which remain unpublished and staff position related details are known from the balance sheet and remuneration component of the expenditure.

Objectives of the Study

1. To understand Talent management practices in pharmaceutical industry
2. To study different dimensions of Talent management (Talent acquisition, Talent development, Talent retention).
3. To study strategic HR approaches used to manage Talent

4. Talent Segmentation

Talent can be segmented either from the exclusive perspective focusing practices on any specific group in the organization such as high potentials in the sense of an elite sub-group of future leaders or an inclusive perspective recognizing and focusing practices on the Talent of all employees in the organization. Such decisions become inevitable, where the organization has diversified activities and each department has to address the specific issues related to its own sphere. In addition, Talent is not limited to top level dignitaries of the organization, but middle and subordinate persons may have solution to specific issue, which the top-level executives are not in a position to accept.

5. Concerns of Talent Management

Talent management concerns the additional management processes and opportunities; those are made available to employees in the organization, who are considered to be Talent. This means systematically attracting, identifying, developing, engaging, retaining and deploying those individuals with high potentials, who are of particular value to the organization. This is the ability of the management or chief manager to select appropriate person for each problematic or innovative area and assess the capability of selected person to derive requisite results in desired manner. Wrong person can ruin total game plan.

6. Psychological Contract

In the situations, where an employee believes to be obliged to perform or behaves in certain way and also believes that the organization has certain obligations at the specific employee, who starts to hold psychological contract. This represents an individual belief regarding the terms and conditions of a reciprocal exchange agreement between individual and the organization. The psychological contract consists of employee obligations, employer obligations and psychological contract evaluation. Such evaluation can be measured in terms of fulfilment or violation of the reciprocal obligations

7. Generation gap and talent management

In any organization, employees working for different durations, generation gap become an issue of ego among the employees about their capability and capacity. Talent is an intellectual property of an individual, which always vary among the persons of same age group and qualifications. Similarly, the elder staff possesses experience of working in same task for long duration and gained capability to derive requisite results. New person has advance knowledge of the specific subject and may prove worthy in terms of innovative technological inputs and quality. The management and senior executives must not be bias with pre-conceptual thinking and interact both to understand the vision and approach.

8. Organizational Commitment

Organizational commitment describes the strength of an individual's identification with and an attachment to an organization. It has been conceptualized as having three main dimensions: affective, continuance and normative. The effective commitment is the situation, where employee intends to transcribe the task into practice, while maintaining the quality and cost effectiveness. The continuance is reflected in the situation, where the employee is loyal to its work and honesty, but continuance is possible through similar reciprocation through encouragements and enhanced salary or promotion.

9. Review of literature

Dube. P and Verma. S (2015) ^[4] analysed various factors influencing attrition rate in Information Technology (IT) and Pharma companies with the help of an exploratory research based on analytical method. With the help of questionnaire and interviews of 50 professionals from both the sectors in Mumbai and nearby district industrial areas were taken. Findings revealed attrition rate of IT and Pharma to be 30-35% and 15-20% p.a respectively. Career growth and salary are found to be the major reasons for attrition among employees with 35 yrs of age in IT. Whereas in Pharma, timings constitute the main reason among employees with 35 years of age that contributes lot for change in job.

Mathew. A., (2015) ^[1]. Studied the perception of senior management executives and HR on the existence of Talent gap in their organisations and how they manage Talent. Talent shortage due to skill shortage and retirement emerged as an outcome in pharma sector by 58% in all categories. Lack of attention to leadership and succession planning was revealed in pharma and hospitality profession "Mishra s., (2014)" focused on providing HR strategies in relation to reduction in attrition rate and gender inequality in

pharmaceutical companies in India. Data were collected from secondary sources (seven case studies). Study concluded that in order to eradicate the gender inequality and formulate women friendly policies, the firms have to adopt new Talent Management models and leadership techniques.

10. Talent Management in Pharmaceutical Industry
Talent management strategies

Retaining Talent is somewhat trickier. We are under no illusion there are a multitude of factors contributing to an employee’s decision to seek alternative employment, however, by utilizing our resourcing skills and expertise we have identified strategies which mitigate unnecessary staff turnover. Employee retention doesn’t need to come with a price tag; by implementing the simple steps below, we have found that the number of resignations have decreased and that employees are more focused on continued growth and success within their current organisation:

- **Mentoring**
 Assigning mentors guarantees a continual line of knowledge-sharing and engagement throughout employment.
- **Communication**
 Have regular meetings. It’s important to maintain a regular dialogue from the start with employees to understand their development needs and aspirations.
- **Internal Career Development**
 Opening up potential career opportunities cross-functionally provides employees opportunities within the organisation. Company knowledge is then carried through adding value to your business.
- **Managerial Engagement**
 Regardless of the sector you work in, employees leave managers, not companies. The management of your top employees must be as high quality as the achievers themselves if they are to be engaged and reinforced by respect, a challenging environment and support.
- **Training**
 Employers do not need to spend vast amounts on external training courses for their employees; internal training teams should guide managers on how best to develop their staff. This allows employers to focus on allocating spend to more technical focused training courses and qualifications.

11. Processes of Talent Management

Talent management has become most important buzzwords in corporate sector, where human resource department has been recognized as separate entity. In addition, training of the personnel recruited has become essential to acquaint the employees about the specific features of the task to be handled. In addition, the competitive market has necessitated the quality and cost aspects most requisite issues. Selection and training of personnel was earlier handled by personnel department, but organizations had realized the importance of human resource function has much larger role.

Process of Talent management has been depicted under, where total cycle is inter-connected with each other with the objective to implement business plan into performance management. Starting from workforce planning and concludes on critical skills and gap analysis, as detailed below:

Talent Management: A process



Fig 1

- a. **Workforce Planning:** This is integrated with business plan and this process establishes workforce plans, hiring plans, compensation budgets and hiring targets for total year duration.
- b. **Recruiting:** This is integrated process of recruitment assessment, evaluation and hiring the business brings people into the organization.
- c. **On boarding:** The organization must train and enable employees to become productive and integrated into the company more quickly, as long time need not be encouraged.
- d. **Performance Management:** This can be achieved with the help of business plan, where the organization establishes its own processes to measure and manage employees. This is a complex process in itself require careful handling.
- e. **Training and Performance Support:** This is most important and critical function, which envisages providing, learning and development programme
- f. **Succession Planning:** There is continuous need to move personnel into new positions to evolve changes in the organizational system. Succession planning enables managers and individuals to identify right candidate for any position. This function need to be aligned with the business plan to understand and meet requirements for key positions on three to five yearly bases. Such process is deemed necessary for managers and executives, but application to all the functionary of business is also essential.
- g. **Compensation and Benefits:** This is an integral part of human resource management, where organization is required to tie compensation plan directly associated with performance management. The compensation, incentives and benefits align with business goals and execution is necessary.
- h. **Critical Skills Gap Analysis:** Such functions are generally over-looked in various industries and organizations, but such analysis is necessary to identify the skill gaps for making the performance more elaborative and taking early measures after identification of requisite gaps. Positions likely to be vacant through retirement, attrition needs to be suitably addressed at the earliest.

12. Organizational Design and Structure

Organizational design is defined as process of managing the

organizational structure, having important implications for competitiveness and survival of the organization. The structure of the organization is not a tool for managing the workforce, but also a means of communicating priorities and responsibilities enabling management to focus employees and stakeholder's attention on particular aspects of the business. Organizational design need to support strategy implementation, facilitate flow of work, permit effective managerial control and create reasonable and measurable jobs.

13. Leadership

Traditionally, leadership has its root in the military and in corporate field successful leaders need to furnace their way along very different lines. In the contemporary competitive environment, organizations are increasingly decentralized and flexible, the leadership is no longer the authoritarian, once it was. The organizational structure is increasingly decentralized, where decisions are made at the lowest levels, resulting in the traditional hierarchy being turned.

14. Employee retention strategies

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employees. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't they would be left with no good employees. A good employer should know how to attract and retain its employees.

15. Retention involves five major things

- Compensation
- Environment
- Growth
- Relationship
- Support

Employee retention would require a lot of efforts, energy, and resources but the results are worth it.

Importance of employee retention

Now that so much is being done by organizations to retain its employees, why is retention so important? Is it just to reduce the turnover costs? Well, the answer is a definite no. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain Talent employees from getting poached. The process of employee retention will benefit an organization in the following ways

1. The Cost of Turnover

The cost of employee turnover adds hundreds of thousands of moneys to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs and productivity loss), industry experts often quote 25 % of the average employee salary as a conservative estimate.

2. Loss of Company Knowledge

When an employee leaves, he takes with him valuable

knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money has been spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized.

3. Interruption of Customer Service

Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

4. Turnover leads to more turnovers

When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.

5. Goodwill of the company

The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

What Makes Employee Leave

Employees do not leave an organization without any significant reason. There are certain circumstances that lead to their leaving the organization. The most common reasons can be:

Job is not what the employee expected to be

Sometimes the job responsibilities don't come out to be same as expected by the candidates. Unexpected job responsibilities lead to job dissatisfaction.

Job and person mismatch

A candidate may be fit to do a certain type of job which matches his personality. If he is given a job which mismatches his personality, then he won't be able to perform it well and will try to find out reasons to leave the job.

No growth opportunities

No or less learning and growth opportunities in the current job will make candidate's job and career stagnant.

Lack of appreciation

If the work is not appreciated by the supervisor, the employee feels de-motivated and loses interest in job.

Lack of trust and support in co-workers, seniors and management

Trust is the most important factor that is required for an individual to stay in the job. Non-supportive coworkers, seniors and management can make of fice environmentunfriendly and difficult to work in.

Stress from overwork and work life imbalance

Job stress can lead to work life imbalance which ultimately many times lead to employee leaving the organization.

Compensation

Better compensation packages being offered by other

companies may attract employees towards themselves.

New job offers

An attractive job offers which an employee thinks is good for him with respect to job responsibility, compensation, growth and learning etc. can lead an employee to leave the organization.

16. Employee Retention Tools

1. Employee Reward Program

You can make a provision of Monthly or Quarterly Award (depending upon the budget) for the best employee, Awarding 2 or 3 best workers each month. The award can be in terms of gifts or money. it is money than it should be divided into two parts, first part to be given with the next month salary and the remaining after 6 months. In this way he/she can be retained for 6 more months. These rewards shall be considered at the time of appraisal.

2. Career Development Program

Every individual is worried about his/her career. You can provide them conditional assistance for certain courses which are beneficial from your business point of view. Conditional assistance means the company will bear the expenses only if he/she gets an aggregate of certain percentage of marks. And entrance to that course should be on the basis of a Test and the number of seats to be limited. For getting admitted to such program, you can propose them to sign a bond with the company, like they cannot leave the company for 2 years or something after the successful completion of the course.

3. Performance based Bonus

The employee always comes to know about the profit of the company which is of course based on the strategic planning of the top management and the productivity of the employee. To get more work out of the employee, you can make a provision of Bonus. By this employee will be able to relate himself with the company's profit and hence will work hard. This bonus should be productivity based.

4. Employee Referral Plan

You can introduce Employee Referral Plan. This will reduce your cost (charges of external consultants and searching agencies) of hiring a new employee and up to an extent you can rely on this new resource. On every successful referral, employee can be given a referral bonus after 6 or 9 months of continuous working of the new employee as well as the existing employee. By this you can get a new employee at a reduced cost as well as are retaining the existing one for a longer period of time.

5. Loyalty Bonus

You can introduce a Loyalty Bonus Program in which you can reward your employee after a successful completion of a specified period of time. This can be in the form of Money or Position. This will encourage the fellow employees as well whether they are interested in money or position, they will feel fascinated.

17. Present Scenario of Pharmaceutical Sector

Pharmaceuticals are medicinally effective chemicals, which

are converted to doses forms suitable for patients to imbibe in the basic chemical form. Pharmaceuticals are called bulk drugs and final doses forms are known as formulations. Bulk drugs are derived from four types of intermediates i.e., raw materials viz., (i) plant derivatives or herbal products, (ii) animal derivatives e.g., insulin extracted from bovine pancreas, (iii) synthetic chemicals, and (iv) biogenetic or human derivatives e.g., human insulin. These are substances known as medicines and used in preventing and curing illness and diseases. Usage of pharmaceutical is governed by underlying science of illness and disease.

Branches of medical sciences have been divided into four categories, where allopathy system of medicine is known as modern medicine and world over pharmaceutical industry is focused upon it. Ayurvedic system of medicine is ancient Indian medicine science and mainly uses herbal remedies and gaining importance in pharmaceutical market particularly in United States of America. Unani system of medicine has its origin in China and is prevalent in South East Asia region. Homeopathy system of medicine is found by German physician and was fairly popular in 19th century and still prevalent in third world countries.

All the four systems of medicines have their own merits and demerits. Allopathic system of medicine is prevalent throughout the world and it has added advantage of surgery system to remove damaged portions from the body. Patient feels immediate relief with the prescribed medicines and this is the reason of its wide scale use. In addition, treatment of accidental cases is possible to keep the body in perfect condition to the possible extent. Allopathic system of medicine has most serious disadvantage of side effects of the medicines and in due course of time, body becomes medicated, where higher doses become necessary to cure disease.

Ayurvedic system of medicine takes long time in treatment and usually people avoid this system in serious diseases in view of long duration of treatment.

18. Talent management is key to India's pharma future

India's pharmaceutical industry is experiencing tremendous growth and is poised for even more success. In order to grow and truly compete with Big Pharma, however, these companies will need to think strategically about their resources, both human and financial.

Conclusion

This is already mentioned in the above study that the resources are divided into two as capital which is the infrastructure wise and human resources. Capital resources depends upon the investment capabilities of entrepreneur whereas the human resources are not like that the key variation in between the two is that capital resources are non-living objects and the human resources are living objects moreover, capital resources are being affected by the organizer whereas human resources are affected by the multi-dimensional elements. Thus, Talent management which is a part of human resource management make use of all the means to retain Talent professionals with the organization. Though the industry producing consumer goods or the lifesaving drugs the profit making and sustainability is its key objective and the Talent professionals are the main element of success. The above given steps to retain Talent resources are in fact practically applicable but the real success of an organization depends

upon

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