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# **A Study on Retention Strategies and Talent Management with Reference to Selected Pharmaceutical Companies in India**

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**ABSTRACT:** Pharmaceutical Industry is the fastest growing business concern at global level. Indian contribution to this sector by liberalization of efforts of General Agreement of Tariff and Trade and World Trade Organization for making global market on competitive basis. India is one of the beneficiaries in view of world class talented personnel and companies of repute recognized at global level. Indian medicines are recognized in developed and developing countries in view of low cost and safe manufacturing practices.

Managing Talent is a goal-oriented system, that organizational processes exist to maximize the productivity of employees, teams and, ultimately, the organisations. TMS tracks the performance of pharmaceutical employees in a manner that is consistent and measurable.

This paper reviews the system of talent management by top pharmaceutical companies for the medical representatives in India. Pharmaceutical companies invest heavily in measuring their sales performance. Performance in sales is critical to the organizations as they reflect the ability of a company to generate revenue, and as such monitoring of sales activities is of the highest importance. Pharmaceutical companies had to compete in the dynamic and unpredictable context over the competitors.

**KEYWORDS:** Pharmaceutical Industry, Talented Personnel, Talent Management System, Monitoring, Competition.

## **I. INTRODUCTION**

In the emerging and future world of business, the key factor of success is only talent. In the emerging competition.

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 talented 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.

Retention strategies and talent management are critical aspects of the pharmaceutical industry in India, just as they are in any other industry. The pharmaceutical sector in India is highly competitive, and attracting and retaining top talent is essential for sustained growth and success. Here are some key strategies and practices that pharmaceutical companies in India can adopt to effectively manage talent and improve retention

## **II. LITERATURE REVIEW**

The research studies conducted in the area of talent management are reviewed which provide insights into different dimensions of talent management. It has been classified into two categories:

### **2.1 Talent Management Initiatives**

Findings emphasized on aligning human capital with corporate strategy and objectives. For the better performance of an organisation, it needs to implement effective Talent Management strategies. The study identified various measures taken by leading companies to develop and sustain talent pool across the globe. 37 Multi-National Companies (MNCs) were selected for the study on the basis of scope, reputation and long-term performance. Results suggested that designing and implementing best HR practices doesn't confirm the competitiveness of firms rather it depends on the proper internal alignment of various elements of Talent Management system along with their links to business strategy and their global coordination. Data were collected using questionnaire and analysed with the help of Statistical Package for Social Science (SPSS) Software by taking 159 management employees as a sample for the study. It was found that reward system, organisation culture, career development and work place environment affect talent management in State corporations. Therefore, organizations were advised to invest on Training and Development and Strategic Reward Management as former will lead to enhanced productivity and understanding of new technologies and latter will encourage and improve employees' competencies.

### **2.2 Talent Management in Pharmaceutical Industry**

This Study tried to establish relationship between employees' retention and their satisfaction with supervisor support and compensation in pharmaceutical firms in Pakistan. Observation method was used by taking six pharmaceutical firms and data were collected through questionnaire and applied SEM by means of AMOS 18.0 model test. Findings showed a positive relationship between the employees' retention and satisfaction with supervisor support and compensation.

Study also 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.

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. This study 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 Andhra Pradesh and nearby suburb 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.

**2.3 Talent Management in Other Sectors:** Effective recruitment and retention practices as expressed by the participants of the study in order to provide useful information to the employers in IT sector. For this purpose, intensive focus group study was conducted talking to 14 senior IT managers and recruiters from number of local companies in Northwest. Result suggested that the basic hygiene factors and job advancement opportunities need to be adequate or attractive than elsewhere in order to retain IT talent.

Study cited two main reasons for IT shortage

- Decline in number of graduates by more than 40% in USA
- Increasing demand for trained IT employees.
- This study tried to establish relationship between organisational goals, functions and IT personnel goals in order to help IT managers to hire and keep talent for the organization. Study revealed four strategic choices, beliefs and assumptions based on organisation's beliefs such as
- Long-Term Investment (LTI).
- Balanced Professional (BP).



- High-Performance Professional (HPP).
- Short-Term Producer (STP).

The study found that the employees of both the sectors felt importance of Talent Management in achieving financial benefits of organizations. Tests also proved that there is no significant difference between the opinions of both the sectors employees. Hence, it can be rightly said that talent management is important in achieving business results.

Three variables were considered for the study -Talent Management Practice (TMP), Employees Value Proposition (EVP), and Talent Brand Strategy (TBS) as an independent variable, mediating variable and dependent variable respectively. Findings revealed TMP as a significant predictor of EVP and TBS.

### **III. OBJECTIVES OF THE STUDY**

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

### **IV. TALENT MANAGEMENT DIMENSIONS**

Talent management dimensions include talent acquisition, talent development and talent retention.

#### **4.1 Talent acquisition**

It is observed from Table 1 that direct sourcing is the major recruitment method used by the pharma companies followed by referrals and social networks

**Table 1. Usage of Recruitment Methods**

<u>S. No</u>	<u>Recruitment Methods</u>	<u>Mean score</u>
1	Social networks	3.47
2	Referrals	4.79
3	Corporate career site	3.03
4	Direct sourcing	5.69
5	Mobile career site	1.85

In addition to this, the HR managers of more than 50% companies expressed that they are part of the poaching trend and attempt to attract employees from competitors.

#### **4.2 Talent development**

The research study portrayed that all 9 companies have a formal budget in place for further training and development of employees and 6 of them are planning to increase the budget for talent development in the next three years as it plays a key role in improving the performance of the company. HR managers of majority of the companies responded that they conduct performance appraisal on a systematic basis and identify the training and development needs. Employees nowadays are assigning more importance to career planning and development which may also lead to availability of talent for filling lead roles in the company in future. HR managers of 6 companies expressed that the companies use a formal approach to identify potential leaders and groom them for further development benefitting both the company and the employees.

#### **4.3 Talent retention**

The study revealed that 6 out of 9 pharma companies are experiencing the problem of attrition. This is in tune with trend prevailing across the pharma industry in India. After Information Technology, the pharmaceuticals industry in India is grappling with the highest level of attrition. The fast-growing knowledge-based sector suffers an attrition rate of 26.1%, 21.1%, 10.2%, 5.5% and 3.1% at clerical, junior, middle, senior and top levels of management respectively.

**Table 2. Reasons for Attrition**

S.No	Reasons for Attrition	Mean score
1	Lack of inspirational, visionary, characteristic leadership	2.27
2	Lack of challenging and supportive work environment	2.67
3	Lack of growth and advancement opportunities	3.43
4	Lack of competitive compensation and rewards	4.17
5	Lack of career development	3.43
6	External factors like lack of better educational facilities for the children, lack of better medical facilities, geographical challenges of the State, etc.	3.55

The study outlined the major factors that are attributed to attrition of the work force. Lack of competitive compensation and rewards is the most prominent reason for attrition followed by challenges of Sikkim State, like lack of better educational facilities for the children, lack of medical facilities, geographical challenges of Sikkim State which include vulnerability of earthquakes, landslides, etc.

Whereas lack of inspirational, visionary, characteristic leadership and lack of challenging and supportive work environment are not considered to be the major reasons for attrition as these factors have relatively lower mean score. HR managers of 7 companies expressed that they conduct exit interviews and use a formal approach to identify the reasons for employees' turnover. Though external factors cannot be regulated by the company, 6 companies opine that attrition problem can be addressed through appropriate talent management strategies.

**Table 3. Strategic HR Approaches for Talent Management**

Strategic HR Approaches	Mean score on a scale of 5
Effective recruitment	4.67
Efficient selection	4.44
Reward Management	3.59
Competitive pay	4.11
Training & Development	4.33
Career planning & development	4.22
Benefits	4.33
Work life balance initiatives	4.33

According to the perception of HR managers the companies are using various strategic HR approaches in order to facilitate better talent acquisition, talent development and talent retention. They opine that they are focusing more attention on talent acquisition which is reflected by relatively high mean score of 4.67 and 4.44 for recruitment and selection respectively. Talent development through training & development and career planning & development is also given due focus which is denoted by mean scores of 4.33 and 4.22 respectively. Talent retention to a greater extent depends on pay, benefits, facilities, rewards, etc. Reward management appears to be a grey area which has to be strengthened.

**V. MANAGERIAL IMPLICATIONS**

Talent Management issues are a matter of great concern for the companies. HR personnel surveyed recognize that retaining employees is imperative to the health and profitability of their organizations and they believe that effective talent management will pay off in the long run for their organizations. But still the study revealed that 6 out of 9 pharma companies are experiencing the problem of attrition. Lack of competitive compensation and rewards is the most prominent reason for attrition. Other reasons include challenges of the State like vulnerability to earthquakes, landslides, lack of better educational facilities for the children, lack of better medical facilities, etc which makes it more difficult for the companies to retain the employees. Pay, benefits, facilities, rewards should be good enough to compensate the inherent limitations of the place of location. Otherwise, the employees will have inclination to leave the job and the company. It is a great challenge for the pharma companies in Sikkim to retain the best talent. The research provides HR practitioners with insights to strive for retention of talented employees through appropriate talent management initiatives. In order to attract and retain the best talent, the companies have to formulate and implement good talent management strategies.

**5.1 Ways to Retain Talent**

**Career Growth and Development:** Pharmaceutical professionals often seek opportunities for career growth and continuous learning. Companies should invest in training and development programs to enhance employees' skills and knowledge. Providing a clear career progression plan and opportunities for promotions and advancement can also boost employee morale and loyalty.

**Work-Life Balance:** The pharmaceutical industry can be demanding, with long working hours and strict deadlines. Encouraging and supporting a healthy work-life balance can significantly impact employee satisfaction and retention. Flexible work arrangements, paid time off, and family-friendly policies can all contribute to a positive work environment.

**Employee Recognition and Rewards:** Recognizing and appreciating employee efforts and achievements can go a long way in motivating and retaining talent. Implementing an effective employee recognition program can help boost morale and create a positive workplace culture.

**Employee Engagement:** Engaged employees are more likely to stay committed to their jobs and the organization. Conducting regular feedback surveys, fostering open communication, and involving employees in decision-making processes can increase their sense of belonging and engagement.

**Competitive Compensation and Benefits:** Offering competitive salaries and benefits packages is one of the most basic and essential elements in attracting and retaining skilled professionals. Companies should regularly review and adjust their compensation packages to stay in line with industry standards and ensure that their employees are fairly rewarded for their contributions.

**Supportive Leadership:** Strong and supportive leadership is crucial for employee satisfaction and retention. Managers should be trained in effective leadership skills, empathy, and emotional intelligence to create a positive and motivating work environment.

**Diversity and Inclusion:** Emphasizing diversity and inclusion in the workplace can create a more inclusive and innovative atmosphere. Promoting diversity not only helps attract a broader talent pool but also fosters a culture of respect and collaboration.

**Health and Wellness Programs:** The pharmaceutical industry should also focus on the health and well-being of its employees. Implementing health and wellness programs can demonstrate the company's commitment to the overall well-being of its workforce.

**Exit Interviews and Feedback:** Conducting exit interviews with departing employees can provide valuable insights into the company's strengths and areas for improvement. Collecting feedback can help identify patterns and address potential issues affecting employee retention.

**Employer Branding:** Building a positive employer brand can attract top talent and retain existing employees. Companies should showcase their values, workplace culture, and opportunities for growth to differentiate themselves as an employer of choice.

In summary, talent management and retention strategies in the pharmaceutical industry in India should focus on competitive compensation, career development, work-life balance, employee recognition, leadership support, diversity and inclusion, health and wellness, feedback mechanisms, and effective employer branding. By prioritizing these aspects, pharmaceutical companies can create a more engaging and rewarding work environment, ultimately leading to higher employee satisfaction and reduced turnover rates.

## VI. CONCLUSION

India has been the attraction for pharmaceutical companies mainly due to the benefits provided by North- East Industrial and Investment Promotion Policy (NEIIPP). On the other hand, there are many challenges due to lack of infrastructure, poor manpower supply, inadequate facilities and location of the place which is more prone to earth quakes, landslides, etc. Due to the lack of potential manpower supply these companies are bound to attract human resources from outside the state. The companies face different challenges in attracting and retaining the talent.

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