A STUDY ON EMPLOYEE ATTRITION IN A CORPORATE OFFICE OF A PHARMACEUTICAL COMPANY

Mr. S. V. Jayapal Reddy, Dr Rachna Chaturvedi, Dr S. Anand Reddy

Research Scholar at Rabindranath Tagore University

Research Supervisor, Rabindranath Tagore University

Co-Supervisor, Rabindranath Tagore University

Abstract

This Research article a study on young employee attrition in corporate company of a pharmaceutical company which is based out of Hyderabad. The focus of this study is to understand the factors which are influencing the employees to resign from the company. The study is also focusses on investigating the influence of Company HR policies on the employees who are either leaving or left the organization. For this study a questionnaire is prepared based on the understanding of various aspects of the company and various benefits the company is providing. Pharmaceutical sector being a sector of critical talent, the retention of talent is a huge responsibility for HR, the data analysis and finding from the study will help this company and pharmaceutical industry at large to understand on various reasons for attrition and develop strategies that will help to retain the employees.

INTRODUCTION

Due to emergence of Covid, in the recent past the pharmaceutical industry has gained lot of prominence as the entire industry has put in efforts to bring the required medicine to save the lives of people from the deadly decease. It may be hospitals or vaccine manufactures or medicine manufacturers, all of them have put in tremendous efforts to beat the pandemic situation. The Pharmaceutical Industry is one of the highly regulated industries as it deals with the medicines related to people health. The major focus of employees working in pharmaceutical industry is to produce quality medicine which can be used safely and effectively by patients. Pharmaceutical companies operate in shift system and there is no flexi system available unlike other industries. Also working places in the manufacturing plants are not so conducive to work like most of the IT or ITES as there is chemical smell. In addition to this most of the current generation have no interest in opting for Chemistry related subjects. On the contrary, there are lot of new industries emerging in this segment. With all these, there is fierce competition among the companies for the available resources. This may be leading to high movement among the freshers. Surprisingly this is happening even in the corporate offices. Though the industry is highly valued, recognized and ever growing, but surprisingly the craze for the industry is not increasing rather it is going day by day. It is surprising to understand why there is decrease in such value driven and highly important industry in terms of human life and wellbeing.

About Pharmaceutical Industry:
Pharmaceutics is the discipline of pharmacy that deals with the process of turning a new chemical entity (NCE) or old drugs into a medication to be used safely and effectively by patients. Formulation of Key API will help the medicine to get absorbed into the body as per the requirements. Finding new drug targets on getting respected regulatory approval from government agencies, and refining techniques in drug discovery and development are among the challenges that face the pharmaceutical industry today. The continual evolution and advancement of the pharmaceutical industry is fundamental in the control and elimination of disease around the world and to cater to the needs emerging sickness. The modern pharmaceutical industry began with preparation of medicines from plants, animals and minerals from Hindu, Chinese and Mediterranean civilizations. Pharmaceutical science improved markedly in 16th and 17th century when first pharmacopeia was prepared in 1546.

Pharmaceutical Industry in India:
The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceutical Industry. India ranks 3rd worldwide for production by volume and 14th by value. India is the largest provider of generic medicines across the globe and in terms of volume, India has 20% of the market share in global supply. India is also largest vaccine manufacturer globally. India has highest number of US- FDA compliant pharma plants outside of USA and has more than 3000 pharma companies with 10,500 registered manufacturing facilities. India offers 60,000 generic brands across 60 therapeutic categories with major segments of generic drugs, OTC medicines, Bulk drugs, Vaccines, contract Research, Biosimilars and biologics.

https://www.gapbodhitaru.org/

With this kind of market, Indian Market has expected to reach $65 BN by 2024 and $130 by 2030. The cost of manufacturing in India is 33% lower compared to western markets. Indian Pharmaceutical companies enabled by price, competitiveness and good quality has share of 60% of vaccines and 20% of generic medicines. The market is projected to grow faster with an average of 11 to 12% Annually with CAGR. Thus, there is tremendous scope for the Indian pharmaceutical companies soon to emerge as the number one in terms of pharma manufacturing.

About the company:

The company in which I have undertaken this research is one of the leading pharmaceutical companies located in India. This is one of the largest generic manufacturing companies with the manufacturing units located across India. This company is catering to various therapeutics. This company has been in the market over 3 decades and has over 15000 employees.

REVIEW OF LITERATURE

Many studies have been already undertaken in the field of employee retention since so many years. There are lot of suggestions which were proposed by the researchers from their research studies. However, employee retention still plays a vital role in regaining the confidence of the employees and build loyalty of an employee with the organization. Just the recruitment does not ensure the growth of the employee in the organization but continuous support of the department to extract the best available talent from the employee (Tiwari Pankaj, Batra Shaizal, Naidu Gargi, 2008)

High competition in the industry and scarcity of the talented and skilled resources in the market throwing a challenge to the organizations to retain the best talent and this is the major challenge for the organizations. Competition and the lack of availability of highly talented skilled employees make finding and retaining talented employees a major priority for organizations (Flegley, 2006).

Apart from recruitment of an employee into the organization, allocating the specific roles and responsibilities to the employee is equally important in retention of the employee (Morgan, 2004). It is not just allocating the employees with their responsibilities and roles but what is important to retain the employees with their commitment is to emphasis on initiatives that can nurture the employee talent in the organizations (Pandit, 2007) and provide scope for the growth to the employees.

Hom and Griffeth (1995), described in a study that the process of encouraging employees to stay for a long period or till the project completion is termed as retention

Chary (2002), quotes Mr. N. R. Narayana Murthy, one of the most successful industry leaders, stating that "When our key assets, i.e., employees walk out every evening, our net worth is reduced to zero. Our challenge is to ensure that they come back next day rejuvenated, refreshed, and energized."

Paul Michelman (2003), in Harvard management update, says the companies that believe the quality of their people is central to building value have no option than to build strategy of employee retention which considers both employee's personal aspirations (Career development, Recognition and Reward) and the aspiration they possess for their organizations by developing companywide employee commitment.

Judith A Ross (2008) says provide a room to grow as nothing more is frustrating for an employee than discovering he is out of growth opportunities. The author explains how employee retention can be improved by providing career development, Making the workplace creative, fun, and rewarding and helping employees to forge connections to senior management. He also says that provide easily accessible information on career paths and competency requirements and keep the employees informed about the company's direction and talent needs forecasts so that they feel confident that they have room to grow.

Harvard Management Update newsletter (2001), in the article a new retention strategy: focusing on individuals says that the policies are not enough to retain the employees but if you want to retain the employees you have to pay attention to what they want. And suggests that create tailored opportunities for individuals, hire people who fit to the value of the company so that they are hired to retire, and conduct Stay interviews to understand employee satisfaction.

Harvard Management update newsletter (2000), in the article Employee retention what managers can do speaks about three broad categories which help employee retention. 1. Creating a great environment by not allowing jerks, friendly relations, and information sharing. 2. Ask early and ask often by getting feedback on the work environment and taking regular interactions.

Poonam Jindal and et al (2016), describe employee engagement can be one of the major tools to retain employees. Disengaged employees have higher chances of leaving the organization as they are less productive, less loyal, and less loyal when compared to the engaged employees.

Problem statement:

What are the factors which are contributing to the attrition in the corporate office of this huge organization and how to reduce attrition rate by taking corrective measures?

Objectives of the study:

The objective of the study is

1. To identify the factors that are prompting to the employees to look out for another job
2. To know the factor which are contributing to the dissatisfaction of the employees.
3. To identify factors which are hindering or stumbling blocks for their performance in the organization
4. To understand the challenges and propose remedial actions to reduce the attrition rate by improving the gap areas.

METHODOLOGY

To address the problem statement and to meet the objectives, I have taken the approach of a structured questionnaire which consists of 8 questions. Out of these 8 questions 2 questions are straight forward and one among them is to understand what the motivating factor for them is to apply for another job which consists of 11 different options and while the other question focussing on if there are any hindering factors or stumbling blocks for them to perform at workplace with 4 options. While the rest of the 6 questions are to understand the satisfaction level of respondents with respect to various factors. This was done to understand first-hand information from the employees who left recently and who are in the notice period. I have rolled out this to around 250 samples and out of which more than 215 respondents have reverted with complete information. The questionnaire was administered through internal HRMS portal to the employees who are on notice period and those who have left this was administered through a phone call. The name of the organization is not disclosed anywhere in this study because of its confidentiality agreement with the company. If any such leakages, then it is the sole responsibility of the researcher.

Sample:

I have used random sampling technique in choosing the sample. I have taken the data of last 6 months that is from June 2022 to till Jan 15th and out of which I have picked up all the employees on the notice period who are around 90 members and the rest from those who resigned.

Scope of the study:

This study is limited to only one organization and that corporate office. The study was done on those who have resigned in last six months.

DATA ANALYSIS AND INTERPRETATION

Q1. **What promoted you to search for new job**.
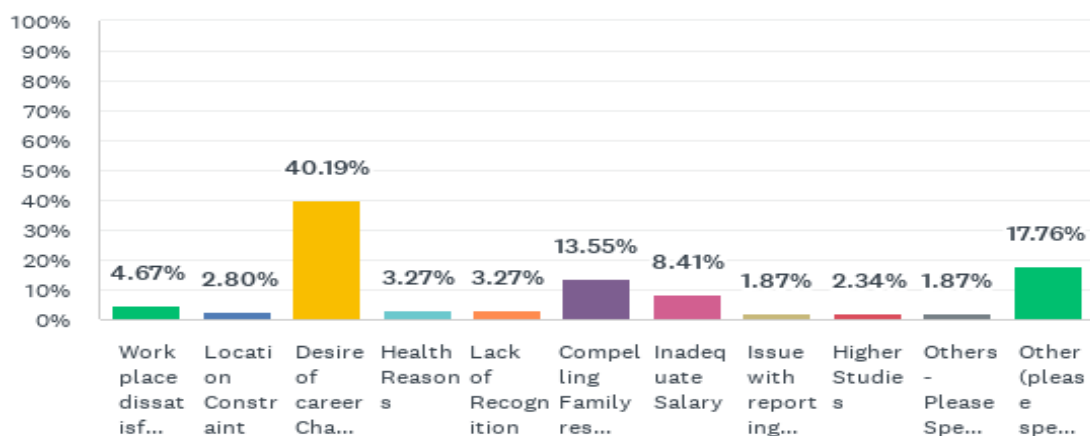
This question was used to understand the basic intention of the resigned employees. This question was given with 11 options like

1. Workplace dissatisfaction
2. Location constraint
3. Desire of career change
4. Health reason
5. Lack of recognition
6. Compelling family reasons
7. Inadequate salary

8.   Issues with reporting manager
9.   For higher studies
10.   Others influence
11.   Other than above mentioned

Out of the 214 respondents to the question what prompted you to search for new job, 40.19% that is 86 respondents said that desire for career change has prompted which is the highest of all while employees leaving the organization because of the issue with reporting manager is the least which is only 4 respondents with 1.87%. This shows that company should provide a clear career path where employees can see themselves in the future and that should be motivating the employees to stay back in the company.

Q2. **Role clarity**
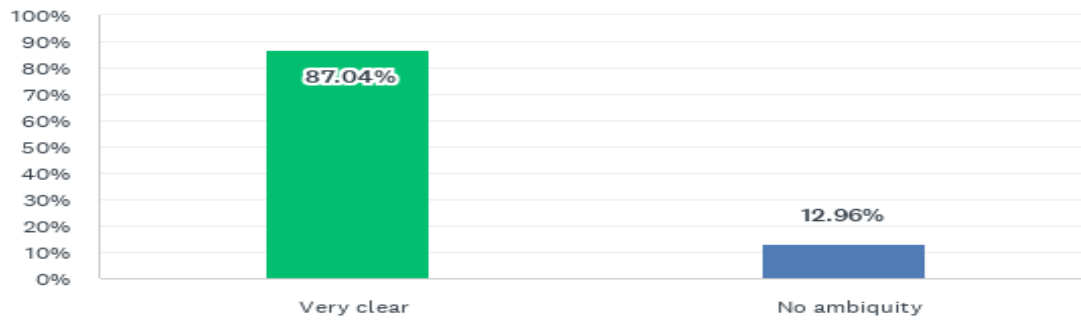
I wanted to understand if the employees were leaving the organization because of the lack of role clarity. But 87% of the employees said that they have role clarity while only 12% do not have.

Q3. **Workload**
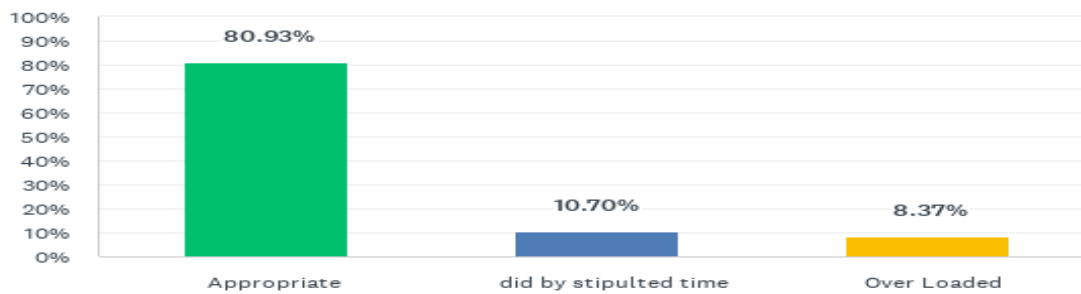
Workload is another parameter that I have considered. For this 80.93% of the respondents said that they had appropriate workload. Only 8.37% of the respondents said that they are overloaded with work

Q4. **Policies of the company**
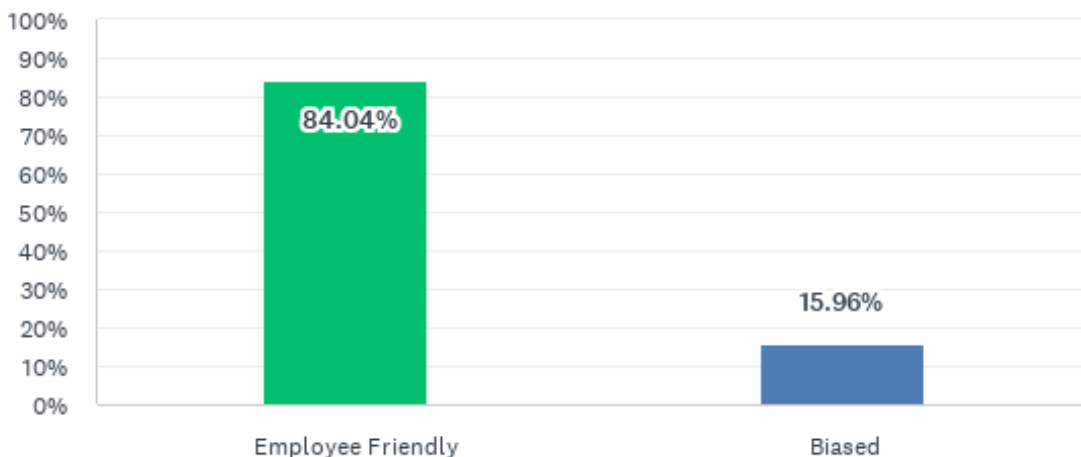
84.04% of the respondents said that the company policies are employee friendly however, 15.96% of the respondents said that the policies are biased. The company should focus on identifying what is making these respondents to think that the polices are biased.

https://www.gapbodhitaru.org/

Q5. **Growth Opportunities**
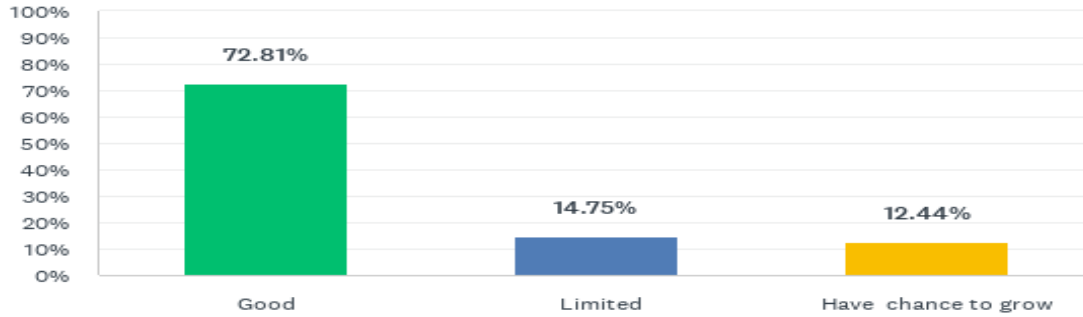
Majority of the respondents feel that they have growth opportunities in the company. And only 14.75% said that the growth opportunities are limited. However, what is contradicting is though majority feel that they have growth opportunities in the company, majority have responded stating that career growth opportunities are prompting them to look for alternative jobs.

Q6. **Salary**
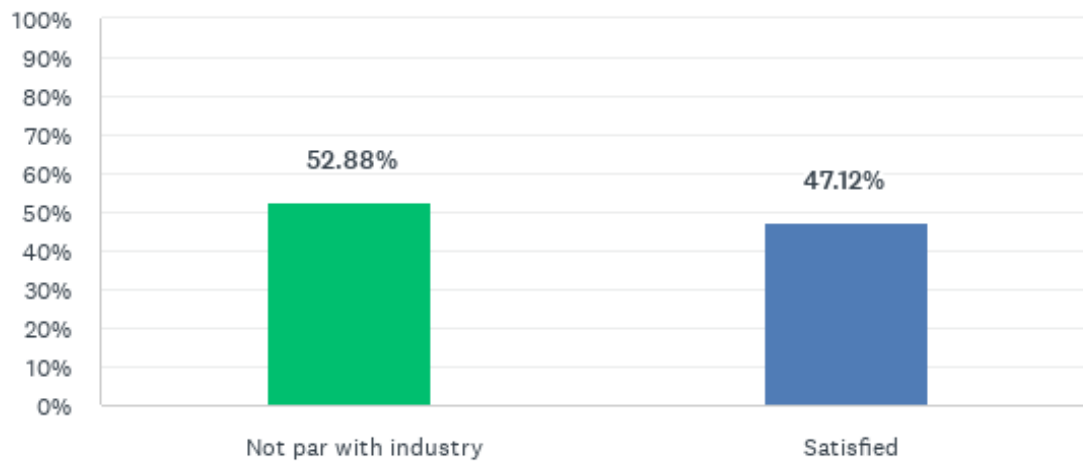
Out of the total respondents 52.88% of the respondents said that their salary is not as per the industry. While 47.12% of the respondents said that they are satisfied with their salary. May be though majority feel that there are growth opportunities in the company, yet majority is saying that career growth is prompting them to look for job opportunity. From this we can conclude that for the majority of the respondent's growth opportunities are salary.

Q7. **Job Satisfaction**
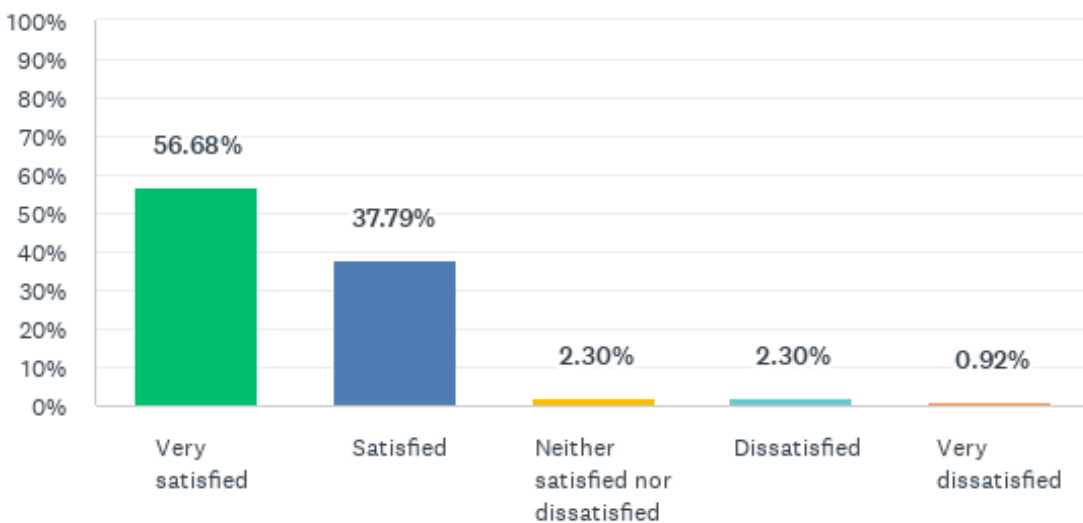
The majority of the respondents say that they are satisfied with the job and company. Very least percentage of respondents are dissatisfied with the company. This is a positive sign for the company.

https://www.gapbodhitaru.org/

Q8. **Hindering factors for not achieving goals**
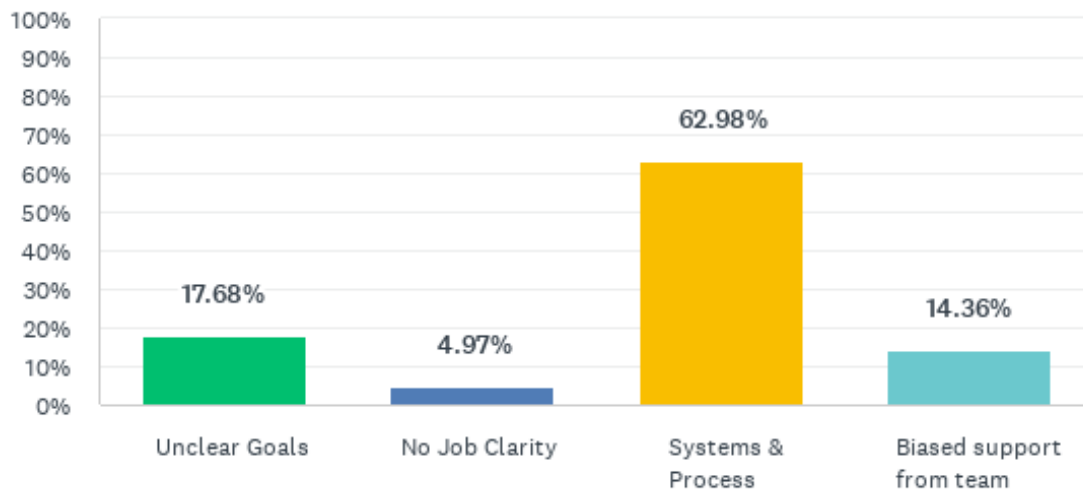
In conclusion, I wanted to know what are the factors that hinder growth of an employee and achieving goals in the organization, 62.98% of the respondents said that systems and processes are hindering the growth and achieving their goals as primary factor. While 17.68% of the respondents said that unclear goals in their work are not allowing them to achieve their goals. While 14.36% of the respondents said that biased support from the team is another factor which is not helping them to achieve goals. And the least is no job clarity where only less than 5% said that this is hindering factor.

FINDINGS

1.   Based on the study that was conducted it is identified that the Employees in the company have a role clarity and there is no issue with respect to their role in the workplace and clear about what they must perform.
2.   The results show that the Employees in the organization have nominal workload. This is good indication that the employees have not too much of stress at the workplace and they are happy with the work they are given with.
3.   The study says that the company policies are good, and employees are happy with the kind of policies. However, some of the employees are feeling that the policies need to be more unbiased while they are implemented.
4.   The results show that most of the respondents feel that there are growth opportunities in the company but what is surprising is that when the company has lot of opportunities, the study says that most of them are leaving the organization because of the growth opportunities.
5.   The results also show that most of the employees feel that their salaries are not on par with the industry.
6.   The results of show that most of the employees are happy with the job. Which means they are happy with the work culture, workload, their reporting managers, and their teams.

SUGGESTIONS

1.   The company should focus on creating awareness to the employees about the kind of growth opportunities available within the company so that the employees do not look out for opportunities outside
2.   Since most of the employees are feeling that their salaries not as per the industry standards, the company may focus on doing a study and if there is a gap need to work on the gap or else need to inform the employees that the company is on par or much ahead.
3.   Most of the employees are feeling that the systems are a major stumbling block for their performance, the company should focus on improving the systems to help the employees to perform better. And need to focus on other factors which are not supporting for better performance.

SCOPE FOR FURTHER STUDY

1.   The questionnaire is prepared based on the interaction with few of the employees who left in the recent past from this organization. This is only basic questionnaire which is implemented for this organizations employee after taking approval from Head HR. though this questionnaire is approved by Head HR as per their needs, to make it more robust this questionnaire needs to be checked for its factor analysis.

2.	This work can be extended to the manufacturing units to understand the overall pulse of the organization.

3.	This work can be analyzed in detail with demographic factors like age, gender, years of experience, designation etc.

REFERENCES

[1] Tiwari Pankaj, Batra Sahizal, Naidu Gargi. (2008), "Attracting, Identifying and Retaining Best Human Resources for an Organization", IMI Disha, Vol. I, No.2, Nov. 2008, Indore

[2] Flegley, S. (2006), "Talent Management Survey Report", SHRM Research, Alexandria, VA)

[3] Morgan, R. (2004), "Positioning Success from the Start: Strategic Employee Assessment and Assimilation Practices", Burkholder, N.C., Edwards, P.J. Sr. and Sartain, L (Eds.), on Staffing: Advice and Perspectives from Human Resource Leaders, John Wiley & Sons, Hoboken, N.J., pp19-29.

[4] Pandit, YVL. (2007), "Talent Retention Strategies in a Competitive Environment", NHRD Journal, Hyderabad, pp 27-29

[5] Hom, P.W., & Griffeth, R.W., "Employee turnover", Cincinnati, OH: South-Western, 1995.

[6] Chary, S.N., "Business Gurus Speak", New Delhi: McMillan India Ltd , 2002.

[7] Paul Michelman, "Why retention should be a core strategy now", Harvard Management Update, a newsletter from Harvard business school Publishing corporation, October 2003: Article Reprint no. U0310A.

[8] Judith A Ross, "Five ways to boost Retention", Harvard Management Update, a newsletter from Harvard business school Publishing corporation, April 2008: Article Reprint no. U0804C

[9] Poonam Jindal and et al, "Employee Engagement; Tool of Talent Retention", Study of a Pharmaceutical Company, SDMIMD Journal of Management, December 2017.

[10] Harvard Management Communication Letter, "Employee Retention: What managers can do", Harvard Management Update, a newsletter from Harvard business school Publishing corporation, April 2000: Article Reprint no. U0004A

[11] Harvard Management Communication Letter, "A new Retention Strategy: Focussing on Individuals", Harvard Management Update, a newsletter from Harvard business school Publishing corporation, January 2001: Article Reprint no. U0101A

[12] (Pharmaceutical industry | Definition, Overview, History, Characteristics, Examples, & Facts | Britannica)

[13] Pharma industry in India: Invest in Indian Pharma Sector (investindia.gov.in)