

Impact of Employee Retention on Medical Representatives of Pharmaceutical Companies

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Abstract- Employee retention is the strategy through which a company ensures stability of its employees by reducing employee attrition and engaging the employees through creating a positive work culture ,providing appreciation to employees and motivating them through benefits and healthy work life balance.. The pharmaceutical sector is struggling with hard times as its staff turnover rate has become highest among industries in India. Indian Pharmaceutical industry is worst influenced by it. After IT and BPO, pharmaceutical industries experience the greatest rate of employees leaving the company for various reasons. Though attrition is a natural phenomenon in all industries, while the global pharmaceutical attrition rate is 10-12% per annum, the rate of employees who leave the organization in India is 25 -30 %. The primary objective of this research paper is to analyze the effect of employee retention on medical representatives.

I. INTRODUCTION

The most critical issue faced by today's organizations is to retain the employees especially in the pharmaceutical sector. The turnover rate of employees is higher than in other industries. Previously, organizations used to hire the best talent and expectation was that they perform till their retirement, but today the scenario has changed completely. Now if the organization replaces any employee there is a certain amount of intangible costs involved as well as a loss of productivity also.

Organizational growth depends on the retention of employees; it is more applicable in the pharmaceutical sector to maintain their key performers. A successful organization is one that maintains its best employees and looks out innovative ways to do so continuously. Employees leave for many reasons such as unclear

roles, poor supervision, pay inequality, unchallenging jobs, fewer options of career advancement, lack of motivation and recognition, and the impression that other companies have better opportunities.

Organizations are at a big loss when these employees leave. Employee retention strategies must be considered so that employees work with the organization's maximum time. With lots of opportunities available in the industry, it is difficult for employers to keep their employees. Loss of employees means a loss of knowledge, skills, abilities, and experience. Loss of talented employees means the loss of an organization's growth and productivity.

EMPLOYEE RETENTION

Employees are valuable assets for every organization; an organization cannot exist without a knowledgeable workforce. As labor has become unforeseeable, employers prefer to have a workforce that is committed, stable, and yet flexible. The objective of an employer is to reduce employee turnover which helps in the reduction of recruitment, training costs, loss of potential, and knowledge.

Employee retention is significant for all organizations for two main reasons:

1. Expensive turnover
2. Business performance was driven by key performers.

It is not possible to prevent every employee from leaving a company. However, the turnover rate becomes too high when the associated costs and instability outweigh the benefits.

- Role of HR professionals in employee retention

HR professionals are having problems with designing retention strategies. The average attrition rate is too high in this sector. Only rewards and perks will not work. Loss of a critical employee results in a negative effect on innovation and delay in customer services which ultimately affects productivity.

Some of the reasons responsible for employee retention are

- rapid career advancement
- Numerous Job opportunities
- Downsizing did by the organizations
- Structural changes and recession

Other reasons include the unhealthy environment, lack of growth and innovation, complex hierarchies, poor monitoring, and fewer challenges in the job.

To gain a competitive advantage it is very much required to have a workforce that is committed and productive as well. So HR professionals must design proper retention strategies for quality employees. These strategies should include gainful compensation packages as well as engaging employees in every part of the organization's functioning.

II. LITERATURE REVIEW

Cloutier et al. (2015) in their studies found that a positive working condition develops when an employee is having a good rapport with the boss and if given a leadership role, their sense of belongingness with the company becomes very strong.

Mehta, Kurbetti, & Dhankhar (2014) suggested that if employees are provided with right career opportunities, it will result into increase in employee loyalty.

Idris (2014) suggested that flexible working reduces absenteeism and helps in employee retention. It improves employee's knowledge which ultimately results into generation of new ideas and innovations

According to B. L. Das & Baruah (2013) an employee feels satisfied with the job when his job expectation at

the time of joining the organization matches with the reality.

According to Sinha & Sinha (2012) effective communication not only improves employee identity related with the company but also creates a positive environment of openness and trust.

Ramendran, & Kadiresan (2012) shows that a company with no compensation planning results in a poor working environment.

Moncraz, Zhao, and Kay (2009) concluded that compensation can act as an important factor in reducing employee turnover and increasing their commitment towards their organization.

Noah (2008) suggested that participation of employees in decision making creates a sense of belongingness among the employees, which results into creation of a good congenial working environment and improves employer employee relationship.

Prince (2005) suggested that a company requires talented employees to gain competitive advantage over its competitors and employees look for career growth opportunities to progress in career.

Research by Meyer et al, (2003) has shown internal career development of employees ensures their commitment towards organization.

Hyman et al., (2003) in their empirical research in the UK found that imbalance between work and personal life of employees resulted into stress and emotional depletion among the employees

According to Miller, Erickson & Yust (2001) employees get benefited by a work environment that provides a sense of belonging

Messmer (2000) found that one of the important factors in employee retention is an investment in employee training and career development. An organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment.

Agarwal (1998) explained the term reward as something that an employee gets in return of his effort from the organization and it is something which is desired by the employees.

Eisenberger and associates (1990) suggested that employee’s perception regarding an organization is strongly influenced by their relationship with the supervisor.

III. RESEARCH METHODOLOGY

The objective of the study was to find out the causes of employee attrition in the pharmaceutical sector and utilizing retention strategies. Respondents were the medical representatives of various companies in Sikar city. Respondents were selected randomly. Employees were mainly from Abbott India Ltd, Wockhardt Ltd., Mankind Pharma, Glenmark Pharma, Systopic Laboratories, Indoco Remedies, IPCA Laboratories, Lupin Laboratories, Overseas pharma, IndiaBulls Pharmaceuticals, Cipla Limited, etc. Overall 70 questionnaires were provided to respondents. Finally 50 (71%) questionnaires were analyzed. 20 (29%) questionnaires were not considered as they were incomplete.

The questionnaire was self-designed and involved various dimensions of employee retention like HR strategies, remuneration & benefits, work pressure, and relations with superiors. There were overall 18 statements; each statement was in the form of a dichotomous question, i.e., it had to be answered in either “agree” or “disagree”.

IV. DATA ANALYSIS

Demographic profile of the respondents		
Total no. of respondents.	50	%
Males	50	100
Females	0	0

Age brackets		
20 -25	3	6
26-30	19	38
31-35	23	46
36-40	4	8
41 and above	1	2
Educational qualifications		
Graduation	39	78
Post-graduation (Academic)	6	12
Post-graduation (Professional)	5	10
Years of experience		
0 to 2	3	6
2 to 4	6	12
4 to 6	15	30
6 to 8	12	24
8 and above	14	28
Monthly income (Rs.)		
5000 - 15000	2	4
15000-25000	7	14
25000 - 35000	10	20
35000 - 45000	18	36
Above 45000	13	26

- Problems in employee retention of Pharmaceutical Sector

HR Strategies	Agree	Disagree	Agree (%)	Disagree (%)
1 The organization has employee-centric HR policies	42	8	84	16
2 The organization makes strong efforts to maintain the motivation level of employees	38	12	76	24
3 The organization has satisfactory working hours	9	41	18	82
4 The organization provides job security	12	38	24	76
5 The organization provides a timely solution of grievances	31	19	62	38

Remuneration & benefits		Agree	Disagree	Agree (%)	Disagree (%)
1	The organization does not discriminate in terms of salaries with the employees working at the same level	19	31	38	62
2	Organization motivate employees through adequate incentives	36	14	72	28
3	The organization provides post-retirement benefits	12	38	24	76
4	The organization motivates employees through the performance-linked reward system	31	19	62	38
5	The organization provides foreign trips on-target completion	31	19	62	38

Work Stress		Agree	Disagree	Agree (%)	Disagree (%)
1	There is excessive stress of target completion	46	4	92	8
2	The organization often provides fluctuation in targets	22	28	44	54
3	The organization provides unnecessary paperwork	45	5	90	10
4	The organization faces large competition from existing pharmaceutical firms	44	6	88	12

Relations with superior		Agree	Disagree	Agree (%)	Disagree (%)
1	Superiors review the performance consistently	38	12	76	24
2	Superiors recognize the efforts and provide timely feedback	22	28	44	56
3	Superiors can be approached easily for any issue	40	10	80	20
4	Immediate superior shares good compatibility	34	16	68	36

V. FINDINGS

1. It has been found that 84% of respondents feel that the organization's policies are employee-centric but 16% do not think so.

VI. CAUSES

2. It has been found that 76% of respondents feel motivated by the organization's efforts while 24% of respondents feel that organizations are not much concerned about their motivation.
3. It has been found that only 24% of respondents feel secured about their job while 76% feel they are insecure about their job
4. It has been found that 82% of respondents were not satisfied with their working hours while 18% were satisfied with the working hours provided by their organization
5. It has been found that 62% of respondents feel that they are getting timely resolution of their grievances while 38% do not feel so.
6. It has been found that 62% of respondents feel that organization discriminate in salaries with employees working at the same level doing the similar job 38% of respondents do not have the same views
7. 7.72% of respondents feel that they are getting adequate incentives while 28% feel they are not getting.
8. 8.76% of respondents are getting post retirements benefits while 24% of respondents are not getting the benefits from their respective organizations
9. 9.62% respondents feel that they are getting performance-linked rewards but 38% of respondents are not in a favor
10. 10.62% of employees are getting foreign trips on target completion while 38% are not getting
11. 11.92% of respondents feel highly stressed by their job while 8% do not feel so
12. 12.44% of respondents feel that their targets are fluctuating ones while 54% feel their targets are stable
13. 13.76% of respondents feel that their performance is consistently reviewed by their superiors 24% of respondents do not agree
14. 14.44% of respondents feel superiors are providing timely feedback 56% of respondents do not agree
15. 15.68% of respondents share compatibility with superiors while 26% of respondents are less compatible with their immediate superior.

Knowledge-based industries are growing at a faster speed. It can also be seen in the pharmaceutical sector but this industry is facing a high rate of attrition

particularly in the field of pharmaceutical marketing rather than technical and R&D field of the same industry. Many sales representatives leave the company in a short period .this can be seen among freshers and medium level managers. The demand for qualified and experienced medical professionals is increasing day by day. Educational institutions and the market is not able to supply the required manpower. The result is large attrition of field force switching from one company to another. The money factor is the primary cause of this high attrition

Pharmaceutical companies are facing strong competition and have changed their survival strategy to competitive strategy as a result there are huge pressures on the shoulder of medical representatives for higher secondary sales achievement constantly. This makes the people leave organization frequently.

Similarly poor management is also one of the key factors responsible for leaving the organizations. Poor management includes unsupportive superiors, improper career plan, unhealthy relation between the boss and subordinates, lack of motivation. Psychological relationships or proper understanding between leaders and employees is very important for employee engagement in a particular organization. Thus the Organization culture also acts significantly in sticking with Pharmaceutical sales representatives in the same company in the long period.

There are certain other factors also responsible for high attrition such as a wrong selection of candidates, lack of interest in jobs, migration to different areas, personal problems, and others.

VII. RETENTION STRATEGIES FOR PHARMACEUTICAL EMPLOYEES

To retain the employees and reduce turnover, a proactive approach is critical. Following retention strategies and tools will help the organizations:

a) Right selection. An employee will become satisfied with his job if he is provided with a job fit with his skills and qualifications. It will also increase employee loyalty with the company for an extended time. By far, this is to be the biggest predictor of future employee retention.

- b) Communication: Communication is most important in the workplace. Communicate any new company policies or initiatives to all employees to be sure that everyone is on the same page.
- c) Employee involvement in decisions: team members should be included in the decisions influencing their respective departments or work area. This will increase employee commitment towards work and new ideas will be generated for the organization's productivity.
- d) Knowledge sharing with team members: team members should share their knowledge and experience whenever they learn something valuable from attending any conference or training programs. This will result in an increasing rate of information retention at the proper time.
- e) Immediate feedback: company should shorten the feedback cycle, Employees should be provided with immediate feedback about their performance. It will increase their performance level and reinforce positive behavior.
- f) Work-life balance: it is the balance between one's career and the demands of personal life. Employers who are committed to providing environments that support work-life balance for their employees can save on costs, experience fewer cases of absenteeism, and enjoy a more loyal and productive workforce
- g) Provide opportunities for growth and development: better opportunities should be provided to employees so that they do not feel bored in their current role. To meet the competition they must be provided with new skills and training programs .these activities should be designed after the need assessment.
- h) Motivate team members for hard work and let them know they are appreciated: this is most important affecting employee retention. Everyone, across all levels of an organization, wants to know that their efforts are appreciated and recognized. Continuous appreciation should be provided for their efforts.
- i) No role ambiguity: employees should be clear about the expectations organizations have from them. They should be clear about their duties and responsibilities.

- j) Quality of supervision and mentorship: Supervisors should set clear performance goals, provide timely feedback, fulfill their words and promises, and create an environment where the employees can prosper. Failure by supervisors and management to provide this can cause an employee to start looking for greener pastures.
- k) Performance-based bonus: employees will feel highly motivated if they are provided with a performance-based bonus. It will increase their commitment to their work. It doesn't add extra pressure on the company's budget. It can be arranged by cutting a part of the salary hikes.
- l) Fun and laughter at the workplace: The presence of humor in a workplace enables the employees to work with interest and enthusiasm that reduce the work pressure and attrition levels. For every company, the workforce is an intellectual capital which is the source of its competitive advantage and helps achieve the bottom line. Hence, retaining a well-trained, skilled, and contented workforce can lead a company to dizzy heights while the lack of it can hamper its growth badly.

CONCLUSION

Pharmaceutical sales representatives are the most valuable asset for the pharmaceutical industry. They are the ones who make a continuous effort for the sales achievement of their products. Pharmaceutical industries invest a high amount of money in their recruitment and training. Thus it is required that the pharmaceutical industry should retain its valuable assets. Thus attrition is a serious issue and puts pharmaceutical industries in a huge pressure to retain the employees. The human resource management team plays a pivotal role in retaining employees in the pharmaceutical industry. Their role starts right from the selection of right candidates through stringent recruitment procedures, proper training to the employees, and taking some retention policies. Similarly conducive working environment, favorable organizational policies to increase the confidence, self-esteem, and morale of the medical representatives. reward and recognition of outstanding performers can reduce the higher attrition rate in the field of pharmaceutical industries.

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