

**“Critical Analysis of HR Policies
being implemented in
Pharmaceutical Industries with
reference to MIDC Kurkumbh for the
period 2005 - 2010”**

A Thesis submitted to
Tilak Maharashtra Vidyapeeth, Pune
For the Degree in **Doctor of Philosophy (Ph. D.)**
Under the Faculty of Management

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DECEMBER 2012

DECLARATION

I hereby declare that the thesis entitled "**Critical Analysis of HR Policies being Implemented in Pharmaceutical Industries with reference to MIDC Kurkumbh for the period 2005 - 2010**" completed and written by me has not previously formed the basis for the award of any degree or other similar title upon me of this or any other university or examining body.

I further declare that such material as has been obtained from other sources has been duly acknowledged in the thesis.

Place: Pune

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CERTIFICATE

This is to certify that the thesis entitled "**Critical Analysis of HR Policies being Implemented in Pharmaceutical Industries with reference to MIDC Kurkumbh for the period 2005 - 2010**" which is being submitted herewith for the award of the Degree of Vidyavachaspati Ph. D. in Management Faculty of Tilak Maharashtra University, Pune is the result of original research work completed by **Shri Sudhakar J. Bokephode** under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any degree or similar title of this or any other university or examining body upon him.

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INDEX

Chapter No.	Details	Page No.
I	INTRODUCTION	1 - 52
1.1	History of Modern Industry	1
1.2	India's Industrial Policy Since 1956	3
	• Industrial Policy Resolution - 1956	4
	• Industrial Policy Measures in the 1960s and 1970s	5
	• The Industrial Policy Statement 1973	7
	• The Industrial Policy Statement 1977	7
	• The Industrial Policy Statement 1980	8
	• Industrial Policy Measures during the 1980s	9
	• The Industrial Policy Statement 1991	10
	• Industrial Policy Measures since 1991	12
1.3	Indian Pharma Industry - An Overview	18
	• Current Scenario	19
	• Diagnostics Outsourcing / Clinical Trials	20
	• Generics	20
	• R & D	21
	• Demand	21
1.4	Major Pharmaceutical Companies	22
	• Trends	23
	• Major Recent M & As	23
1.5	Government Initiatives	25
1.6	Definition of Human Resource Management	26

Chapter No.	Details	Page No.
1.7	History of Human Resource Management	27
	• Industrial Welfare	29
	• Recruitment and Selection	29
	• Legislation	31
	• Flexibility and Diversity	31
	• New tools of Motivation	31
	• Information Technology	32
1.8	The Importance of Human Resources Management in Modern Organizations	33
1.9	Objectives of HR	34
1.10	Importance of Human Resource Management	35
	• Social Importance	36
	• National Importance	36
1.11	Functions of Human Resource Management	36
1.12	Role of HR in the Globalization	41
1.13	Competencies for a HR Manager	43
1.14	Hurdles faced by The HR in India	44
	• Developing Leadership Skills	45
	• Managing Change	46
	• Developing Work Ethics	46
	• Retaining Talent	47
	• Managing Fast Changing Technological Trends	47
	• Developing Accountability	48
	• Stress Management	48

Chapter No.	Details	Page No.
	<ul style="list-style-type: none"> • Managing Inter-functional Conflict • Managing Workplace Diversity 	<p>49</p> <p>50</p>
1.15	Human Resource Managers : Their Role in a Changing Environment	50
II	RESEARCH METHODOLOGY	53 - 73
2.1	Significance of the Topic	53
2.2	The Genesis of HRM / Defining HRM	56
2.3	"HARD" and "SOFT" HRM	57
2.4	HRM as a Resource-based Dimension of Management	57
	<ul style="list-style-type: none"> • Compensation • Benefits • Safety • Liability • Training and Development • Employee Satisfaction • Recruitment & Selection • Compliance • The Evolving Business Paradigm • Strategic Management and HRM 	<p>58</p> <p>59</p> <p>59</p> <p>60</p> <p>60</p> <p>61</p> <p>61</p> <p>62</p> <p>62</p> <p>63</p>
2.5	Importance of HRM for Organizational Success	63
2.6	Objectives of the Study	64
2.7	Hypothesis	65
2.8	Research Methodology	66
	<ul style="list-style-type: none"> • Techniques Used 	<p>67</p>

Chapter No.	Details	Page No.
	• Primary Data	67
	• Questionnaire	67
	• Sampling Procedure	68
	• Data Analysis	69
	• Secondary Data	69
2.9	Scope and Limitations	70
2.10	Chapter Scheme of the Study	70
III	REVIEW OF RELATED LITERATURE	74 - 124
3.1	Introduction	74
3.2	HR Planning	75
3.3	The Indian Authors	79
3.4	Foreign Authors	86
3.5	Conclusion	123
IV	PROFILE OF KURKUMBH INDUSTRIAL ESTATE	125 - 132
4.1	Introduction	125
4.2	Kurkumbh MIDC	127
4.3	Location Map of MIDC at Kurkumbh	128
V	RECRUITMENT AND SELECTION OF EMPLOYEES	133 - 161
5.1	Introduction	133
5.2	Significance of Recruitment and Selection Process	140
5.3	The General Recruitment Process	142
5.4	Objectives of Recruitment	143
5.5	Recruitment	144
5.6	Sources of Recruitment	145

Chapter No.	Details	Page No.
	5.7 Selection Process	146
	5.8 HR Policies and Procedure	148
	5.9 Recruitment Checklist	148
	5.10 Explanation of Recruitment Process	149
	5.11 Criteria for Recruiting Employees	152
	5.12 Recruitment Process	154
 VI	 HUMAN RESOURCE MANAGEMENT AND TRAINING OF EMPLOYEES IN PHARMACEUTICAL INDUSTRY	 162 - 201
	6.1 Introduction	162
	6.2 Management of Employees / Trainees	162
	6.3 Challenges before Pharma Business	167
	6.4 Research and Public Relation	168
	6.5 Drug Distribution and Brand Management	169
	• Prospects and Problems and Business Expansion in Pharmaceutical Business	174
	6.6 Role of Managerial Level Staff in Pharma Industry	176
	6.7 Effective Sales Person	185
	6.8 A Typical Training Agenda	187
	6.9 Marketing Oriented Approach	195
	6.10 Management Related Marketing	196
	6.11 Expectations from Pharma Business	198
	6.12 Mergers & Acquisitions Trend in India	199
 VII	 DATA ANALYSIS AND INTERPRETATION	 202 - 233

Chapter No.	Details	Page No.
VIII	OBSERVATIONS, SUGGESTIONS AND CONCLUSION	234 - 268
	8.1 Observations	234
	8.2 Suggestions	246
	8.3 Recommendations	251
	8.4 Conclusion	264
	BIBLIOGRAPHY	269 - 270
	ANNEXURE	271 - 274

CHAPTER – I

INTRODUCTION

1.1 HISTORY OF MODERN INDUSTRY

India's modern industry started developing by the end of 18th Century. It started with tea plantations and textile industry which began by 1872. In the two decades jute and cotton textile industry progressed rapidly.

The industrial scene gradually changed because of the policies adopted by the British Rulers. Because of the British rule there was a spread of education particularly in English and this helped the young Indians to go to Britain and get exposed to the industrial environment as well as training thereat. During this period the Indians acquired the technical knowledge to develop the industrial sector. They also get themselves acquainted with the management techniques followed by the Britishers.

In the early phase of British rule East India Company had a monopoly and by the end of 1833 this monopoly was abolished and it paved the way for number of British merchants to come to India. Along with them they brought the capital which was scarce in India as well as technology which was the main requirement for the industrial development. Particularly these British merchants were responsible for the development of large industries in India. Gradually the infrastructure development was started say building of roads, emergence of Railways which also boosted the industrial development. Particularly cotton textile industry had a boon during this period. After the

World War First there was a impetus to the steel and iron industry which are core to the industrialization of any country.

During the second and third decade of the 20th century there was speedy development of the industrial activity in India in which number of industries grew, production improved as well as it had given boost to the employment generation. However, the industrial activity continued to be developed in certain pockets like Mumbai, Kolkata, Chennai and Ahmedabad. For the first three centres it was mainly because of the port facility as the British Merchants were interested in exporting the Indian goods which included raw material, half finished and semi finished goods. These goods were being further processed in U.K. and part of it after finishing, were re-imported to India.

The production was dominated by the transport equipment, chemicals, textile cloth, diesel engines; pump sets etc. which had a great demand. The number of industries also grew at a rapid speed. This had a favourable impact on the employment generation and gradually the migration from rural and semi urban area to metropolitan cities started. Some of the then urban centres like Pune, Ichalkaranji, Ludhiana, Surat, Coimbatore started developing the industrial units.

After India's independence in 1947 the Govt. of India realizing the need for development of heavy basics industries like steel, coal, cement etc. gave importance for the establishment of these Industries. Thrust was given to use of local raw material. The Government of India initiated several steps to strengthen the industrial development. It enacted various laws to

safeguard the interests of the employees and the workers. It provided suitable legislation support for the establishment of Employees State Insurance, introduction of the provident fund. The government provided several incentives for promotion of the industries in private sector and where the industry required high component of capital it also offered to financial support for the establishment of large scale industries. In the first ever 1948 resolution the Govt. of India laid down the industrial policy and outlined the sectors where private sector industries can grow and sectors where the public sector will figure. Particularly in the area of defense supplies, the government reserved it for public sector. During this period there was all-round progress on the industrial front i.e. production recorded increase, employment generation also showed substantial increase.

1.2 INDIA'S INDUSTRY POLICY SINCE 1956

By this time India's economy was growing but not at the expected speed. It was realized that for faster economic growth there should be faster industrial growth which will provide adequate space for the economic development. India had adapted strategy of seeking development through Five Year Plans (F.Y.P.) since 1951 and naturally the focus of these plans was on industrial development all through the successive F. Y. Ps. There was inadequacy of legal framework for the development of the industrial sector. Govt. of India accorded required priority and passed several laws which enabled the industrial development. To have a systematic and scientific approach to the planning the Govt. of India constituted the Planning

Commission in 1950. In the year 1951, the Govt. of India passed the first ever The Industrial (Department and Regulation) Act, 1951 which authorized the Govt. of India to regulate the development of the industries. More particularly it introduced the licensing of industries so as to achieve the development in the identified sector. It was in the year 1956 the Govt. of India pronounced its first ever comprehensive Industrial Policy Resolution which explained the strategies the govt. wants to adopt on this industrial front.

1956 Industrial Policy Resolution: In order to achieve long term higher economic growth thrust /focus was given to the development of heavy basic industries. This policy was based on the suggestions for faster economic growth offered by Mr. Mahalnobis- a noted economist. The resolution widened the scope of public sector. In order to achieve socialistic pattern of society the resolution highlighted the need for the government participation in the industrial activities, particularly industries where higher capital outlay is required. Industries which are of strategic importance like the defense requirement were reserved for the public sector.

This 1956 Industrial Policy Resolution categorized the industries into three kinds:

Solely owned Govt. industries: Like the arms and ammunition factories, railway coaches and engines, transport and steel industries. Those were initially 17 in number. These industries details were included in the schedule A of the said resolution.

- 1) These industries were included in the schedule B. Those were 12 in number. These industries were to be State Owned

progressively and at the same time the private sector was also allowed to play a supplemental role in these industries.

- 2) This third category was solely open for the private sector investment and development of industry. However, there was one proviso that if needed the govt. may also participate in establishment of these industries. That is to say this third category was also kept open for the government sector.

The resolution also provided flexibility in the industrial policy for effecting changes / modifications in the larger national interest.

Historically there is no uniform economic development all over India. There is regional imbalance in the economic development. There are some states which have made rapid economic development but some states in the North Eastern Region are under developed. Therefore the government's industrial policy was based on the ideology to remove / lessen the regional economic imbalance. The government also highlighted the need for widening the industrial base. It also focused the importance of the small and cottage industries. This dispersal was also required to achieve the fair distribution of income. The govt.'s main objective was based on achieving the self sufficiency.

Industrial Policy during 1960s and 1970s

In the year 1964 the Govt. appointed Monopolies Inquiry Commission (MIC) to review various aspects pertaining to concentration of economic power and operations of industrial licensing under the IDR Act, 1951. This

commission in its report revealed that the industrial licensing policy has created a situation wherein the large industrial houses have concentration in getting these licenses as a result of which there has been monopoly of these industrial houses.

In the year 1967, the govt. appointed another committee titled Industrial Licensing Policy Inquiry Committee which was headed by Mr.Dutt . This committee recommended that there is need to reorient the industrial licensing policy. It defined the large business houses as those with assets of ore than Rs.350 million. This committee further recommended that the large business houses may be given licenses only in respect of core and heavy investment sector. In 1969, the monopolies and restrictive Trade Practices (MRTP) Act was introduced to enable the Government to effectively control concentration of economic power. The MRTP Act, 1969 defined large business houses as those with assets of Rs. 200 million and above. Large industries were designated as MRTP companies and were eligible to participate in industries that were not reserved for the Government or the Small scale sector. This was with a view to ensure that the economic power is not concentrated in handful of industrialists.

1970 Industrial Policy

This policy categorized the industries in four categories.

Category I: 'Core Sector' comprising of basic, critical and strategic industries.

Category II: "Heavy Investment Sector" it included projects involving investment of more than Rs.50 million.

Category III: It included projects in the 'Middle Sector' consisted of projects with investment in the range of Rs.10 million to Rs.50 million.

Category IV: 'Del-licensed Sector', in which investment was less than Rs.10 million and was exempted from licensing requirements.

The Industrial Policy Statement – 1973

In order to have a balanced spread of industrial activity and to avoid concentration of the industrial activity in the large industrial houses, this policy statement gave thrust to small and medium entrepreneurs over the large houses and foreign companies in setting up of new capacity particularly in the production of mass consumption goods. New undertakings of up to Rs.10 million by way of fixed assets were exempted from licensing requirements for substantial expansion of assets.

The Industrial Policy Statement -1977

This Statement emphasized decentralization of industrial sector with increased role for small scale, tiny and cottage industries. It also provided for close interaction between industrial and agricultural sectors. As the power is the vital requirement of the industrial activity top most priority has been accorded to power generation and transmission. This statement enlarged the list of items reserved for small scale industries. The list was stepped up from 180 items to 500 items. For the first time, within the small scale sector, a tiny

unit was defined as a unit with investment in machinery and equipment up to Rs.0.1 million and situated in towns or villages with a population of less than 50,000 (as per 1971 census).

Basic goods, capital goods, high technology industries important for development of small scale and agriculture sectors were clearly delineated for large scale sector. It was also stated that foreign companies that diluted their foreign equity up to 40 per cent under Foreign Exchange Regulation Act (FERA) 1973 were to be treated at par with the Indian companies.

The Policy Statement of 1977 also issued a list of industries where no foreign collaboration of financial or technical nature was allowed as indigenous technology was already available.

Fully owned foreign companies were allowed only in highly export oriented sectors or sophisticated technology areas. For all approved foreign investments, companies were completely free to repatriate capital and remit profits, dividends, royalties, etc. Further, in order to ensure balanced regional development, it was decided not to issue fresh licenses for setting up new industrial units within certain limits of large metropolitan cities (more than 1 million population) and urban areas (more than 0.5 million population).

Industrial Policy Statement -1980

This policy statement focused its attention on promotion of competition in the domestic market, technological up-gradation and modernization of industries. Following socio economic objectives were spelt out in clear terms in this statement.

- i) Optimum utilization of installed capacity,
- ii) Higher productivity,
- iii) Higher employment levels,
- iv) Removal of regional disparities,
- v) Strengthening of agricultural base,
- vi) Promotion of export oriented industries and
- vii) Consumer protection against high prices and poor quality.

The statement also announced steps to revive the efficiency of public sector undertakings. It recommended development of the management cadres in functional fields like operations, finance, marketing, information system etc. The policy recommended the stepping up capacity upto to five per cent per annum.

Special incentives were granted to industrial units which were engaged in industrial processes and technologies aiming at optimum utilization of energy and the exploitation of alternative sources of energy. In order to boost the development of small scale industries, the investment limit was raised to Rs.2 million in small scale units and Rs.2.5 million in ancillary units. In the case of tiny units, investment limit was raised to Rs.0.2 million.

Industrial Policy Measures during the 1980s

The first three decades industrial development policy enabled development of basic industries and building up of a broad based infrastructure in the country. The Seventh Five Year Plan (1985-1990), recognized the need for consolidation of these strengths and initiating policy

measures to prepare the Indian industry to respond effectively to emerging challenges.

A number of measures were initiated towards technological and managerial modernization to improve productivity, quality and to reduce cost of production.

The public sector was freed from a number of constraints and was provided with greater autonomy. There was some progress in the process of deregulation during the 1980s. In 1988, all industries, excepting 26 industries specified in the negative list, were exempted from licensing. The exemption was, however, subject to investment and locational limitations.

The automotive industry, cement, cotton spinning, food processing and polyester filament yarn industries witnessed modernization and expanded scales of production during the 1980s. With a view to promote industrialization of backward areas in the country, the Government of India announced in June, 1988 the Growth Centre Scheme under which 71 Growth Centers were proposed to be set up throughout the country. Growth centers were to be endowed with basic infrastructure facilities such as power, water, telecommunications and banking to enable them to attract industries.

Industrial Policy Statement- 1991

The Industrial Policy Statement of 1991 stated that "the Government will continue to pursue a sound policy framework encompassing encouragement of entrepreneurship, development of indigenous technology

through investment in research and development, bringing in new technology, dismantling of the regulatory system, development of the capital markets and increased competitiveness for the benefit of common man".

It further added that "the spread of industrialization to backward areas of the country will be actively promoted through appropriate incentives, institutions and infrastructure investments".

This policy aimed at achieving the objective of sustained growth in productivity, increase gainful employment and achieve optimal utilization of human resources to face the international competition and to achieve a key position in the global industrial scenario. The principle objective of this policy statement to relieve the industrial organizations from the bureaucratic controls.

In respect of 18 industries the licensing was compulsory. These include, coal, and lignite, distillation and brewing of alcoholic drinks, cigars and cigarettes, drugs and pharmaceuticals, white goods, hazardous chemicals. The policy of reservation granted to small scale sector was continued. There was liberalization in respect of norms for setting up industries in cities with more than one million population.

The rate of growth of internal savings in India is quite low. As a result there is difficulty in capital formation. Therefore Indian govt. had to open its doors for Foreign Direct Investment in the industrial as well as infrastructural development sector. The inflow of FDI also paves the way for arrival of latest technology in India.

India is a developing country and as stated earlier there is need to step up the productivity. There is need for the introduction of technology up-gradation in Indian industries. Therefore, the Government provided automatic approval for technological agreements related to high priority industries and eased procedures for hiring of foreign technical expertise.

The public sector undertakings were overstaffed and this was required to be reduced to reasonable level. The productivity was low, technological up-gradation was required to be introduced and the rate of return was also required to be stepped up. Hence the Govt. initiated steps for restructuring the boards of Public Sector Undertakings. Gradually professionalism was to be introduced to make the PSUs competitive globally. So also there were number of large sick industrial public sector undertakings incurring continued losses. The government had to take review of these sick units and for this purpose of the Govt. established Board of Industrial and Financial Reconstruction (BIFR). Those non viable public sector industrial units were allowed to be closed down. In respect of certain public sector undertakings in order to reduce the staff attractive voluntary retirement schemes were introduced and the organizations got rid off the excess staff. The government accorded free hand to the Boards of P.S.U.s and this greater autonomy helped to these boards to make the organizations healthy.

Industrial Policy Measures Since 1991

After 1991 the government of India adopted policy of globalization, liberalization and privatization. This policy shift needed several steps to

introduce several measures and procedural simplifications to the industrial policy. Since this period there is review of these policies on an on going basis. The entire approach of the govt. was to reduce the controls imposed through the medium of licensing and various approvals. The number of industries requiring licensing has been reduced to only six. The new policy reserved only 3 industries for the public sector. Following are the few other initiatives taken by the Govt. of India so far as industrial sector is concerned.

- ❖ As stated earlier the government opened its doors for the entry of Foreign Direct Investment. The approach of the government towards FDI became quite liberal and transparent. In the year 2004 the Govt. introduced the Special Economic Zones (SEZ) wherein even 100% FDI has been allowed. In respect of banking sector FDI upto 74% have been allowed. In oil exploration and petroleum product marketing, natural gas and LNG pipelines, FDI upto 100% is allowed. In 2005 the govt. allowed 100% FDI in printing of scientific and technical magazines, periodicals and journals. In 2009 the telecom sector was liberally opened for FDI upto 74%.

- ❖ After the globalization there is free flow of imported goods in the Indian market. The government had to rethink on the reservation for the small scale sector and the government had to switch over to de-reservation of the items of manufacture to

the small scale sector. From 821 items reserved for small scale sector the government has brought down this number to 506 during March 1999 to April 2005. This list was further brought down to only 108 items reserved for small scale sector. The investment limit in plant and machinery of small scale units has been raised by the Government from time to time. To enable some of the small scale units to achieve required economies of scale, a differential investment limit has been adopted for them since October 2001. Presently, there are 41 reserved items which are allowed investment limit up to Rs.50 million instead of present limit of Rs.10 million applicable for other small scale units.

- ❖ In order to enable the small scale industrial sector to have access to capital market and to encourage the technology up-gradation and to resort to modernization, the government allowed the industrial undertakings to participate upto 24% of the total share holding in the small scale industrial sector.
- ❖ In the year 2003 the Govt. of India constituted Competition Commission of India so as to prevent practices having adverse impact on competition in market.

- ❖ The Govt. of India was very much concerned about the regional imbalance of the economic development in the country. Since very beginning conscious efforts are being made to reduce the gap of development in these underdeveloped regions. More particularly the North East region was having lopsided industrial development. Therefore, govt. announced a policy in 1997 which provided incentives and concessions for promotion of industrialization in the North Eastern Industrial Policy. These concessions include income tax exemption for initial 10 years period, development of industrial infrastructure, and various subsidies on investments made. This policy benefited the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram and Nagaland and Tripura.

- ❖ The government started disinvestment process of Public Sector Undertakings by issuing part of its holding in the PSUs thereby partially achieving privatization. Upto December PSUs have been divested to an extent of Rs.478 billion.

- ❖ In regard to some of the specific industries like Electricity generation, govt. initiated special steps. In 2003, it de-licensed the power generation and permit captive power plants for which Electricity Act was enacted. The government facilitated increased private sector participation in key infrastructure

sectors such as, telecommunication, roads and ports. Foreign equity participation up to 100 per cent has been allowed in construction and maintenance of roads and bridges.

- ❖ MRTTP provisions have been relaxed to encourage private sector financing by large firms in the highway sector. Evidently, in the process of evolution of industrial policy in India, the Government's intervention has been extensive.
- ❖ In order to promote these industries the Government not only levied high tariffs and imposed import restrictions, but also subsidized the nationalized firms, directed investment funds to them, and controlled both land use and many prices.

The unemployment situation in India is also a causing concern for couple of years. There are limitations so far as employment generation in Agricultural sector. In the industrial sector the large scale industries have preferred modernization and therefore the automation of the manufacturing process has resulted in to low generation of jobs. However, the small scale industrial sector has been successful in creating new jobs in a big way compared to the large scale industries. In order to face the global competition the Indian manufacturers have to concentrate on ensuring the lost cost of production and at the same time to ensure high quality of the product which will withstand the competition from the imported goods/articles. Therefore, it

is expected that the small scale industrial sector also takes note of this and try to introduce modernization and be capable of meeting the competition.

Looking back to the industrial policy resolutions between 1948 to 1956 it has been observed that the thrust was on achieving self sufficiency in industrial production. This basic strategy guided industrialization until the mid-1980s. Till the onset of reform process in 1991, industrial licensing played a crucial role in channeling investments, controlling entry and expansion of capacity in the Indian industrial sector.

During this period the Indian industries received government support by protecting the domestic industries from the foreign industries. By imposing higher tariffs and quantitative controls government extended cover to the domestic industries. During this period the industries failed to give proper attention to the quality of the production as well as the cost of production. There was very little investment on Research and Development, use of technology etc.

With the adoption of the globalization, liberalization and privatization the Indian industries have in real sense came out of this protection and has now becoming more quality conscious, technology oriented as well as giving tough competition to the imported goods and services. It is worth while to note at this stage that some of the industrial houses like Tatas, Kalyani's have made inroads in the foreign market and have established their manufacturing plants in the European countries. They have acquired renowned manufacturing companies from the West and have established good market share in the globalized competitive scenario. Now Indian manufacturing

companies are participating in the mergers and acquisition bids of the foreign manufacturing companies and are in number of cases are successful.

Thus it can be seen that there is very good potential for the Indian industrial sector. The only requirement for this is to ensure quality production, cost reduction as well as improving the products on an ongoing basis. There is a bright future for the Indian industries.

1.3 INDIAN PHARMA INDUSTRY – AN OVERVIEW

Over the past few decades the Indian Pharmaceutical industry has improved considerably. This was possible because of the presence of the multi national pharmaceutical companies like Glaxo, Smith Cline and French, Abbot, Raptacos, Nicholas, etc. These multi national pharmaceutical giants have a well developed Research and Development Wing which concentrates on the product development, and also on cost cutting, improving the quality of their product on an ongoing basis. As they had no financial constraints they were able to introduce improved infrastructure, and technology. Of late, as a pressure from the globalization, there are number of acquisitions and mergers in the pharmaceutical companies. No doubt the approach and the attitude of the Indian pharma sector towards the business have also undergone a sea change and they are well prepared to face the global competition on this front.

The Indian pharma industry at present produces huge amount of drug which are required for various streams. This could be achieved because of the availability of the skilled technical and scientific man power.

Because of the population growth over the past few decades, the Indian pharmaceutical industry has a tremendous market. Because of the various steps taken there is increase in the economic conditions of the people and they can afford to buy good quality medicines. The over all health care sector is improving fast. There is good penetration of the pharma products in the length and breadth of India. There is a greater awareness even among the rural public about the health care and their disposable income has also improved to go for it.

Today the Indian pharma industry is growing at about 8 to 9 percent annually. The Pharmaceutical industry in India meets around 70% of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals and injectables. There are approximately 250 large units and about 8000 Small Scale Units, which form the core of the pharmaceutical industry in India (including 5 Central Public Sector Units).¹

Current Scenario

India's pharmaceutical market grew at 15.7 per cent during December 2011. In terms of pharma products by volume India ranks the third in the world. According to McKinsey, the Pharmaceutical Market is ranked 14th in the world. By 2015 it is expected to reach top 10 in the world.

The Indian pharmaceuticals market will grow to US\$55 billion in 2020; and if aggressive growth strategies are implemented, it has further potential

¹ "A Brief Report Pharmaceutical Industry in India," published in January 2011.

to reach US\$70 billion by 2020. While, Market Research firm Cygnus' report forecasts that the Indian bulk drug industry will expand at an annual growth rate of 21 percent to reach \$16.91 billion by 2014. The report also noted that India ranks third in terms of volume among the top 15 drug manufacturing countries. Further it has been predicted that Healthcare grew from 4 per cent of average household income in 1995 to 7 per cent in 2005 and is expected to grow to 13 per cent by 2025. ²

Diagnostics Outsourcing / Clinical Trials

According to the estimates, the Indian diagnostics and labs test services, in view of its growth potential, is expected to reach Rs159.89 billion by FY2013. The Indian market for both therapeutic and diagnostic antibodies is expected to grow rapidly in the coming years. Further, more than 60% of the total antibodies market is currently dominated by diagnostic antibodies.

Some of the major Indian pharmaceutical firms, including Sun Pharma, Cadilla Healthcare and Piramal Life Sciences, had applied for conducting clinical trials on at least 12 new drugs in 2010, indicating a growing interest in new drug discovery research.

Generics

India tops the world in exporting generic medicines. The Indian generic drug market is to grow at a CAGR of around 17 per cent between 2010-11 and 2012-13.

² McKinsey & Company's report, "India Pharma 2020: Propelling access and acceptance, realizing true potential,"

Research & Development

Compared to the multi national pharma companies, the Indian pharma companies have less investment in Research and Development. However, of late, it has been observed that after the globalization, the domestic companies investment in R & D is rapidly increasing and is paying good dividend to them. However, compared to multi national companies it will continue to be low at any point of time because of the financial position of these multi national companies. R&D intensity for the pharmaceuticals sector was much higher than that for other sectors.

Demand

As stated earlier there is a bright potential for the pharma industries products. India has a vast population growth and still it has not reached a developed stage. There are number of villages where there is no potable drinking water is available. Hygienic conditions in the rural areas are poor. Epidemics are often seen in the rural area. The seasonal variations in the climate also gives rise to several physical disorders. All these lead to a ever growing demand for the pharmaceutical products. The demand is significant. Low disposable income, chronic lifestyle related diseases, are also some of the causes for frequent health problems.

According to CARE research demand triggers for the growth are:

- Between 2010 and 2015 patent drugs worth US\$171 bn are estimated to go off-patent leading to a huge surge in generic products.

- High margin pharma export business is expected to grow at a higher rate than domestic market given increased in outsourcing activities.
- Increased M&A activities is set to consolidate the market which widens geographic reach, strengthens distribution network and venture into new therapeutic segments.

There are currently approximately 175 United States Food and Drug Administration and nearly 90 United Kingdom – Medicines I and Healthcare – Regulated Agency, approved pharma manufacturing plants in India which can supply high quality pharma products globally.

With the increasing awareness about the health care in the rural areas and penetration of the drugs there at a vast potential for the pharma product is there and this will constantly keep growing.

Bio-pharmaceuticals is another potential high growth segment for Indian pharma growing at double digit driven by the vaccines market.

1.4 MAJOR PHARMACEUTICAL COMPANIES

Indian pharmaceutical companies are not only meeting the domestic demand but also exporting it to over 220 companies. The export destinations are US, Kenya, Malaysia, Nigeria, Russian, Singapore, South Africa, Ukraine, Vietnam. At present the biggest export earnings come from United States (approximately 22%).

For most of the pharma companies, domestic business contributes in the range of 20-50% of the overall revenue.

Table 1.1 : Leading Indian Players by Sales

Company	Sales in US \$ Mn	Year End
Cipla	6,368.06	March 2011
Ranbaxy Lab	5,687.33	December 2010
Dr Reddy's Labs	5,285.80	March 2011
Sun Pharma	1,985.78	March 2011
Lupin Ltd	4,527.12	March 2011
Aurobindo Pharma	4,229.99	March 2011
Piramal Health	1,619.74	March 2011
Cadila Health	2,213.70	March 2011
Matrix Labs	1,894.30	March 2010
Wockhardt	651.72	December 2011

Source : Pharma Industry Annual Reports, 2010-11

Trends

Keeping in view the vast potential offered by the Indian pharma market the multi national pharma companies have increased their field force over the past few years. Indian companies are also entering into strategic tie-ups with MNCs to strengthen their product range. The focus of all the pharma companies is on the rural market. In order to meet the global demand and competition there are number of acquisitions and mergers in the fastest growing Indian pharma market. Following are the few examples of Mergers and Acquisitions:

Major Recent M & As

- **Sun-Merck JV** : Sun and Merck have formed JV to develop, manufacture and commercialize new combinations and formulations

of innovative, branded generics in the Emerging Markets. Under the JV, Sitagliptin and Sitagliptin+Metformin have already been commercialized in the Indian markets.

- **Lupin-Lilly JV** : They entered into collaboration to promote and distribute Lilly's Huminsulin range of products in India and Nepal.
- **Cadila_Bayer JV**: The venture will sell brands from both companies in Indian markets.
- **Biocon-Pfizer JV** : This collaboration will give Pfizer exclusive rights to commercialize Biocon products globally including co-exclusive rights with Biocon in Germany, India and Malaysia.
- **Universal Medicines – Aventis** : Aventis has acquired Universal Medicines for over US\$ 100mn.

Basing on the changing macro factors and economic growth Emkay Research has expected the growth estimates of the pharma companies to decrease. It cut down the domestic growth estimates for Cadila, Cipla, Dr. Reddy, IPCA, Torrent and Unichem for FY12 and FY 13 by 2% to 5% and retained the growth estimates for Lupin, Ranbaxy, Sun, GSK and Pfizer.

Table 1.2: Indian Pharma – Domestic Growth Expectations

Company	FY12 Domestic Growth	Earlier growth estimates
Cadila	12%	15%
Cipla	10%	15%
Dr. Reddy's	10%	15%
Glenmark	16%	16%
IPCA	10%	17%
Lupin	19%	19%
Ranbaxy	12%	12%
Sun Pharma	15%	18%
Torrent	12%	12%
Unichem	5%	9%
GSK	13%	13%
Pfizer	14%	14%

Source: Emkay Research

1.5 GOVERNMENT INITIATIVES

The government of India has taken various initiatives to improve the health conditions in the rural areas by providing pure drinking water, construction of toilet blocks, creation of general awareness amongst the rural public about the health consciousness. These initiatives have met with a great success. It has opened number of primary health centres in number of villages. Govt. of India has also permitted 100% Foreign Direct Investment in the health and medical services in automatic route.

The National Rural Health Mission (NHRM) had allocated US\$ 10.15 billion for the up gradation and capacity enhancement of healthcare facilities.

The government has made heavy investment to modernize the medical facilities and in that construction of hospitals has been given a lion share.

Apart from the All India Institute of Medical Sciences (AIMS) there are 13 government medical colleges are getting required funds to modernize their organizations.

FDI inflow in medical and surgical appliances stood at US\$ 472.6 million during the same period. And the drugs and pharmaceuticals sector has attracted FDI worth US\$ 5.0 billion between April 2000 and November 2011.

1.6 DEFINITION OF HUMAN RESOURCE MANAGEMENT

Various management specialists have given definition of Human Resource Management in various ways. A few widely accepted definitions are quoted here below.

"The Process of analyzing and managing organizations human resources needs to ensure satisfaction of its strategic objectives"

- Management – Hellriegel/Slocum

"The policies and practices involved in carrying out the 'people' or human resources aspects of a management position, including recruiting, screening, training and appraising."

- Human resource management –Gray Dessler

Business approach for the definition of human resource management as follows.

"A model of personnel management that focuses on the individual rather than taking a collective approach. Responsibility for human resource management is often devolved to line management. It is characterized by an emphasis on strategic integration, employee commitment, workforce flexibility, and quality of goods and services."

Also, it has defined as "All methods and functions concerning the mobilization and development of personnel as human resources, with the objective of efficiency and greater productivity in a company, government administration, or other organization."

1.7 HISTORY OF HUMAN RESOURCE MANAGEMENT

Employees are the biggest resources to any organization. Satisfied employee is an asset to the organization. Although the term Human Resource Management has been relatively of recent origin, the major functions of the department were in the past performed by the Administrative / Personnel Department. However with the usage of the terminology Human Resources Management the scope of the erstwhile Admin. and Personnel has been fairly widened.

Human Resource Management is the organizational function that deals with issues related to people such as compensation, organization development, employee motivation, communication and training. Human Resource Management is concerned with the acquisition, retention, utilization, compensation and labour welfare of human resource.

In good old days the Administration Dept. / Personnel Relations Dept. were looking after only the recruitment, promotions, transfers, wage bill management, retirement benefit, industrial relations etc. However, in the changed scenario the Human Resources Management encompasses strategic decisions like H. R. Planning, defining the roles of various functionaries, selection, their induction, orientation, training, deciding the compensations, motivation, updating the staff on various vital issues, attending to the health care needs of the staff etc. This H. R. department plays a key role in the overall business of the organization. Human Resources Department is the most appropriate name. The department provides the required man power which is fully motivated and puts in full potential to translate the organizational goals. The HR to day has a welfare approach to human relations. It creates an atmosphere in the organization which is conducive for healthy relations amongst the various functionaries. It develops healthy work culture in the organization. It takes care of the employees requirements even going beyond the office set up, only with a view to ensure that the employee concerned will not have to divert his attention. The department will take every care of the employee about housing, payment of insurance, health care, schooling of the children, travel arrangements etc. The HR department will also ensure that the attrition rate of the organization is low. It also defines the career path of each employee and will provide adequate training to bring the full potential of the employee concerned.

In the mean time there was emergence of the labour unions which had gathered strong foothold all over the world. The maintenance of cordial

industrial relations was essential. And hence the employees' grievances redressal was also a priority. The bargaining power of the employees and workers had gained strength. The managements also formed industry level association and tried tackle this labour problem at a higher platform. The role of maintaining smooth industrial relations and ensuring that the employees offer his/her full potential to the organization was a task assigned to the HR department. Since the HR Management is getting due importance in the overall management of the organization they are very well equipped to handle the labour relations efficiently and effectively.

The HR concept in the present form was introduced in the U. S. A. At that time the focus of HR was on employees' welfare. It was an approach to help the immigrants in adjusting the social and organizational culture in the United States. It also had a thrust on the training input which focused on achieving higher productivity.

Industrial Welfare

In the initial stage the first focus of the Human Resources Management on the industrial welfare. Initially there were male factory inspectors. In 1878 the hours of work for children and women were finalized and were accepted by the industries all over.

Recruitment and Selection

With the advent of the rapid industrial growth there was need to recruit and select the human resource in the organization to meet the

growing demand for human resource. Therefore, selection of the appropriate staff / labour became the key role of the HR Department. Over the years this task has been improved to a great extent. Now instead of having traditional approach for recruitment now because of the usage of the scientific process the recruitment of appropriate staff has become a challenging task for the HR department. Newer techniques like aptitude test, test of reasoning, Group Discussion, psychological tests and negotiation with the individual for compensation aspects have been introduced. Now instead of releasing paper advertisement for recruitment there is an approach of conducting the recruitment exercise at the professional colleges' campuses or through the placement bureaus which provide suitable candidates as per the prescribed requirement of the respective companies. This approach has been in use in almost all the large companies. The staff so selected through all the procedure definitely a better choice. Not only that the work of the HR department ceases on recruitment but it starts once the staff joins the organization. The moment the staff joins the duties he/she is subjected to induction training wherein he/she is exposed to the organization culture and the policies, practices and procedures relating to his area of work. The training input has also been enriched by addition to various new courses like leadership development, stress management, customer relations etc. The whole exercise of the training is aimed at bringing out the hidden talent of the employee and to shape his personality to accept the newer challenges. Now with the advent of the computerization and information technology now the recruitment interviews are on line exercise. CVs / biodata is sent by mail, time

for on line interview is fixed and the interview is put through. All this reduces time as well as costs. The rule of the hour is that one must be computer savvy to lead a trouble free life in the new environment.

Legislation

Over the years there are number of labour legislations have been enacted so as to protect the rights of the employees and employers. The HR department is also addressing to the compliance of the various labour relations concerned with it.

Flexibility

Because of the advent of information technology now new concepts are being introduced e.g. work from home facility. In respect of certain employees the managements of some companies are allowing the staff to work from home. This flexibility in their working hours and the place of work also facilitates the employees to do justice on both the domestic and office front. Flexible working hours are also introduced in some companies. In the back offices the workers are allowed to work with flexible working hours.

New tools of motivation

The HR department has become a super specialization in the organization. Newer and newer tools are found out to ensure that the moral and motivation of the staff is always at high level. E. g. now the employee's insurance also covers the family insurance including the parents, employees

are given special recognition awards which may include overseas tour also. In some organizations there are regular Yoga classes, well equipped gymnasium, well furnished retiring rooms and canteens. Every efforts is being made by the HR department to maintain the highly motivated staff at all levels upon which the success of the organization depends.

Information Technology

Following are some of the IT systems which help the HR department to function efficiently and effectively.

- ❖ Systems for e-recruitment;
- ❖ On-line short-listing of applicants;
- ❖ Developing training strategies on-line;
- ❖ Psychometric training;
- ❖ Payroll systems;
- ❖ Employment data;
- ❖ Recruitment administration;
- ❖ References;
- ❖ Pre-employment health checks.

These systems enable the HR department to conduct the operations of the department smoothly.

1.8 THE IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN MODERN ORGANIZATIONS

As has been stated earlier the success of the organization is not solely dependent on the market realities and ever lasting competitive advantages. Successful companies are those which accept the concept of satisfied employee is an asset to the organization. The healthy management approach to the human resources development brings greater success to the organizations.

The employees individually and through team efforts contribute to a great extent to the success of the organization and it is in this context the HR department plays a pivotal role for maintaining cordial relations amongst the employees. Today's organizations not only map their goals but also plan the career path of its employees. Of late in some organizations there is a greater attrition rate. In the IT sector in the initially this attrition rate was quite high and over the years it has been stabilized to a lower level. In real sense the HR department is the link between the employees and the organization. HRM is very crucial for the whole function of an organization because it assists the organization to create loyal employees, who are ready to offer their best.

Now the middle level employees are also made a party to decision making which adds the sense belonging to the organization. The communication both vertical and horizontal has been attended to professionally so as to enable the employees to keep well informed of the latest happenings in the organization.

The main goals / responsibilities of HRM are:

- ❖ To retain low employee turnover rate by inspiring people to work for the company
- ❖ To attract new employees
- ❖ To contribute to employee development

The HR department also faces several challenges in accomplishing their tasks which is of varied nature. The department is put on constant vigil. Without human efforts no organization can achieve results. Human resource become unending source of ability, power, skill, efficiency, knowledge, creativity for accomplishment of organizational objectives and also play crucial role in management process.

1.9 OBJECTIVES OF H. R.

- ❖ Increase morale and good human relation within the organization.
- ❖ Maintain the quality of work life.
- ❖ Maintain policy and behavior in an organization.
- ❖ Increase job satisfaction so that organizational goals achieve economically.
- ❖ To achieve organizational goals provides well-trained and well motivated employee.
- ❖ Promote effective utilization of human resources that is the primary goals of Human Resource Management.

All these objectives help to achieve individual, organizational, social goals.

1.10 IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

The importance of human resource management as has been in the earlier paragraphs is vital to every organization for its achievement of set goals. This importance can be categorized on four fronts:

1. Motivating and retaining the required talent by effective human resource policies such as human resource planning, recruitment, selection, placement, orientation, compensation and promotion etc.
2. Proper utilization of the available human resources.
3. Developing the necessary skills through training and development, performance appraisal etc among the employees.
4. Establish the willing co-operation of employees through motivation and participation.

Effective and efficient human resource management bring out the full potential of the employee as well as build a team spirit in the organization. It improves the quality of work life and organizational culture. It creates a better and healthy work environment. This is achieved through establishing inter personal relationship amongst various groups in the organization, providing each and every employee growth opportunity, and ensuring proper distribution of work.

Social Importance

Well managed Human Resource management improves the dignity of labour in the organization which is very vital to the society of which the organization is a part of it.

- a) Providing better employment that fulfils the social and psychological satisfaction to people.
- b) Maintaining a balance between the available jobs and job seekers.

National Importance

With the proper allocation of work, healthy inter personal relationship enables the organization to utilization of full potential of the employee and at the same the use of natural, physical and financial resources in a better manner. In a way this is serving a national cause for sustainable development.

1.11 FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

Human Resource Management function mainly goes through by 2 things: By Whom i.e. Human Resource Department or Human Resource Manager.

Human Resource Department mainly concerned with the structure and staffing of the department for the purpose of executing human resource function where as policy is a document, approaches, and methodology to utilize the human resource. The management of Human Resources consists of

several interrelated functions. These functions are common to all organizations. It is mainly divided into two categories:

a) Managerial Function

Managing people is the important aspect of every manager so like other managers; a human resource manager performs the various functions such as:

- ❖ **Planning & Budgeting:** The HR Manager has to undertake planning of all the aspects of the department's functions like recruitment, promotions, placement, compensation, setting of goals and this planning has to be undertaken keeping the overall goals set out by the management for the organization.

- ❖ **Organizing** – Under this head the HR Manager has to organize the work schedules and ensure proper utilization of the staff at all levels.

- ❖ **Staffing** – The HR Manager has to pay attention to proper staffing in a sense right person for the right job and that there is no mismatch whatsoever. This work involves good communication both formal and informal and counselling wherever and whenever needed.

- ❖ **Directing** – This work involves providing guidance at all levels, providing leadership, supervising and effective use of communication channels.
- ❖ **Co-coordinating** – The HR Manager has to ensure that there is proper coordination among the various individuals, groups and departments. In the absence of proper coordination there will be adverse impact on the achievement of corporate goals.
- ❖ **Controlling** – The HR Manager has to be at times depending upon the situation, take corrective action irrespective of the persons involved. In the absence of control the organization will land in a mess.

b) Operating Functions

These functions are concerned with specific activities of procurement, developing, compensating & maintaining an efficient work force.

c) Procurement function

Concern with the right kind and right number of people required to accomplish the organizational objectives. It consists of the following activities-

- ❖ **Job Analysis** - Job analysis identifies the nature of job and what type of people required performing this job effectively. Job description and job specification are prepared with the help of information provided by job analysis.
- ❖ **Recruitment** - Recruitment is the process of identifying prospective employees, stimulating, encouraging them to apply for a particular job or jobs in an organization.
- ❖ **Selection** - Selection is the process of examining the applicants with regard to their suitability for the given job and choosing the best from the suitable candidates.

Human Resource Planning

Human resource planning is the process of estimating the present and future manpower requirements of the organization.

- ❖ **Placement** -The selected candidates are assigned to a specific job known as placement.
- ❖ **Orientation/Induction** - Orientation is the process of introducing new employees to an organization that includes introducing new employee to an existing employee, in their specific jobs and departments.

e) Development Function

Human Resource Development is the process of improving the knowledge, skill, and values of employees so that they can perform the present and future job more effectively. The activities are as such-

- ❖ **Performance Appraisal** - Performance Appraisal is a systematic evaluation of present potential capabilities of personnel. It is a process of collecting, analyzing and evaluating data relative to job behavior and results of individuals.
- ❖ **Training** - Training is an organized procedure for improving the knowledge and skill of the employees for doing a particular job or for a definite purpose. Through training people learn and acquire new skills and job knowledge.
- ❖ **Career Planning and Development** - Career planning and development involve the planning for the career of employees and implementing these plans. It is only possible through promotions and transfers.

f) Compensation Functions

Provides appropriate remuneration to employees for their contribution to achieve organizational objectives. It consists of the following activities-

- ❖ **Job Evaluation** - Job evaluation is a process of determining the relative worth of a job.
- ❖ **Salary Administration** - Salary Administration is to determine the salary structure for various jobs in the organization.

g) Maintenance Function

Maintenance function is concerned with promoting the physical and mental health of employees by providing various facilities and social security.

1.12 ROLE OF HR IN THE GLOBALIZATION

Now when the Government of India adopted the policy of globalization, liberalization and privatization the role of HR has undergone a drastic change. Now the HR Manager has to take into account the whole globe as his canvas. There are Indian IT and Automobile companies who are recruiting personnel from all over the world. And it is in this context the HR Manager has to acquire the knowledge of HR practices world over. Even it starts from usage of language in different countries, prevailing systems and procedures, labour laws in different countries, and acclimatizing the newly recruited overseas staff to the Indian conditions. Vice versa after the globalization there are number of Indian companies which have established their manufacturing units in various countries and they also post Indian staff to man the various operations overseas. In that context also the HR Manager has to ensure that the staff deputed outside India has proper knowledge of their place of posting, the work culture thereat, mannerism, use of language and safety

measures to be taken etc. In the absence of thorough knowledge about these aspects there is likelihood of difficulty in retaining good quality employees in the organization. The HR manager has to acquaint himself the business terminologies used in various countries so as to ensure that there is a proper communication. It is a difficult task to understand the culture of the country of origin of the overseas employee and deal with him suitably. It requires tremendous skill to achieve perfection in such situations. Every type of organization has different set of HR practices. E.g. HR practices in IT industry differ from that of HR in automobile sector or insurance and banking sector. Therefore, the HR manager has to study thoroughly the industry in which he is working and develop his own skills to tackle the situations therein. In relation to training needs he has to identify the training needs of an individual and then arrange suitable training module and at the same time he has to ensure that there is no mismatching of the training and actual utilization of the employee concerned. If it is not achieved then the whole exercise turns out to be futile and is burden some to the organization.

Now every organization has become a dynamic organization. Day in and day out there are constant changes and for achieving success one has to be alert in keeping himself updated on all fronts. More particularly after the globalization this aspect has assumed greater importance.

The HR manager has also to assess the performance appraisal of every employee at a pre determined periodical interval. He has to devise a scientific approach like self appraisal, peer review of the self appraisal and direct

interaction with the concerned employee. This is a difficult task and the HR manager has to ensure that this vital task is attended rationally.

1.13 COMPETENCIES FOR A HR MANAGER

With a view to performance effectively along with the changing times, the HR professionals should cultivate the following qualities, attributes in them. Only then they will be successful in their assigned task.

- ❖ Flexibility
- ❖ Team work
- ❖ Communication
- ❖ Decisiveness
- ❖ Leadership
- ❖ Strategic planning
- ❖ Network building
- ❖ Client service orientation
- ❖ Organizational awareness
- ❖ Self confidence
- ❖ Sharing of expertise
- ❖ Global and cultural understanding
- ❖ Multiple language competencies

Apart from the above qualities and attributes the HR personnel should possess communication skills, and ability to comprehend statistical data relating to their sphere of activity. It has become all the while necessary that

the top management should be able to measure their performance in quantitative terms. Therefore, setting up of department's objectives and goals and periodical self appraisal vis-à-vis the performance should be undertaken.

The HR Manager should be able to pin point on the basis of the results shown by the organization and what is the HR contribution to it. He should be thorough in obtaining proper data, comprehend it and work out the analysis using various statistical tools.

Over the past two decades, and advancement of technology, and globalization, the HR manager throughout the world are required to be on their toes and are required to keep themselves upto date with the changes that are coming very fast. The success of the HR Manager largely depends on the alertness and quick responses that he will be able to give in a given situation.

1.14 HURDLES FACED BY THE HR IN INDIA³

The history of Human Resource Management goes back to the world famous Kautilya's Arthshastra. During the 4th century B.C. there were simple but logical procedures and the workforce was divided into four categories called 'Shrenis'. Currently, India occupies a strategic place in the new globalized order and the complexity of the HR management has grown substantially. Globally it has been perceived that India has a pool of highly skilled, low cost, knowledgeable and low cost employees.

³ http://www.chillibreeze.com/articles_various/hurdles-faced-by-hr-1211.asp

The entire thrust of the Human Resource Management is directed to accomplish the mission and the goals set out by the organization. The HR Managers in India is faced with several challenges as the time changes. A few major challenges faced by the HR Managers in India are enumerated hereunder.

Managing Globalization

In order to perform well the HR manager is expected to study the workforce before effecting any changes in the systems and procedures. He has to be constantly bear in mind that any change in the systems and procedures will have multiple effects on the employees and each one may have his individual perception. Despite this he has to achieve the set goals by the organization. There should be voluntary and whole heartedly acceptance of the changed systems and procedures by the workforce at his command. In the today's world because of the knowledgeable workers the rationale of any change in the systems and procedures need to be explained to them in order to muster their whole hearted participation in its implementation.

i) Developing Leadership Skills

Merely having knowledge, experience and expertise is not enough it is all the while essential for the HR to inculcate amongst the staff of the organization the team spirit as well as leadership qualities to face the challenges that are changing with the time.

ii) Managing Change

Usually for any change in the existing systems and procedures there is always resistance from the staff. Therefore while introducing the changed systems and procedures in any organization care needs to be taken and it should be skillfully implemented. For this purpose taking those who are to be affected by the proposed changes should be involved in the implementation of the change with logical reasoning and clarifying all the doubts put forth by the employees concerned. If the change is convinced to them the implementation will be smooth.

iii) Developing Work Ethics

The most crucial task the HR Manager has to address is relating to the development of core values amongst the work force and loyalty to the organization. This is by no means an easy task. More particularly when we witness that there is a deterioration of the value system all over the world. Through a well designed training programme the HR Manager should imbibe in the work force qualities like team building, charity, empathy, loyalty, ethics which will be adding to their own personality and will project better image of the organization that they work in.

iv) Retaining Talent

Because of the globalization there is a faster growth in all the sphere and new job opportunities are coming up very fast. As a result of this situation there is the most difficult task that the HR Manager has to attend is to retain the highly talented employee in whose building and shaping up the organization has heavily invested remains with the organization and does not leave the organization for better prospects. Therefore, through constant rapport with such employees of high value need to be taken proper care of. Hence the prime task the HR Manager should address himself lies in ensuring low attrition rate in the organization and the talented staff is retained in the organization.

v) Managing Fast Changing Technological Trends

Today's world is very dynamic. Day in and day out there are continuous changes in the environment and the HR manager has to maintain the space to follow the changes and grasp it and develop his strategies to combat with the changes. Technology is putting forth challenges before the HR Manager and there is a need to be well equipped to face these changes.

vi) Developing Accountability

In today's world most of the staff is highly educated and they are having very good awareness about the management principles. One of the important management principles is the authority and responsibility should go hand in hand. When the organization puts in its investment in the form of training and development and the staff is shouldering responsibilities naturally there has to be clear cut defined accountability of the staff at all levels. Hence the HR Manager has to develop proper accountability system in the organization. In the absence of it there will be chaos. This is needed to ensure that there is no flaws in the final product that the organization delivers. Proper accountability system is in place ensures that there are no rejection, customers' complaints etc.

vii) Stress Management

In today's dynamic world every body whether in the workplace or at home the dynamism has added stress to the individuals. As a result of this stress and tensions not only there is impact on mindset of the employees but also there is physical impact on the health of the employee. Therefore, the HR Manager will have to ensure that in the training input there should be well designed programme on Stress Management. Numbers of organizations are conducting training sessions on Meditation or depute the staff to various Vipashyana courses. One more aspect is very important

which relates to the stress and tension is the job guarantee. Unlike in the past there is no guarantee of the job security. Over the years the trade union organizations are becoming weaker and the employees are entering into individual contracts. Therefore sacking the employees has become very easy. Therefore, there should be an environment in the organization which assures everybody that if the performance is well there should be no fear of job security. A peaceful atmosphere leads to better performance. This is particularly being witnessed in the IT professionals. Their work time is not certain, they have the shift duties and because of the mergers and acquisition there is always hanging sword on everybody's head.

viii) Managing Inter functional conflict

In today's dynamic world there are frequent changes in the organizations. Every organization has its own culture built over a period of time. Whenever there is any change there will be repercussions on the employees. In the process groups are formed within the organization and therefore it is the duty of the HR Manager that in such process that the conflict if any arises is settled amicably and immediately.

ix) Managing Workplace Diversity

With the growing organization number of situations arise wherein the HR Manager has to adjust to the new situation. He has to manage a diverse work force. The work force come from various ethnic group and has different identity, cultures are different and to fit them in the organizational culture is a gigantic task.

The above list is not exhaustive but illustrative. There are several factors like retrenchment, downsizing, outsourcing of work, managing knowledge workers, financial constraints etc. wherein the HR Manager has to take into account various factors while discharging his duties.

1.15 HUMAN RESOURCE MANAGERS: THEIR ROLE IN A CHANGING ENVIRONMENT

In times to come the role of HR will undergo a sea change and to meet the challenges of tomorrow the Manager HR will have to keep himself prepared to face these challenges. He will have develop above detailed competencies.

The working class will be getting higher flexibility in days ahead as they will be working in altogether a new type of office namely virtual office where there will be flexible working hours. There is likely to be a shift from working hours to output and the results achieved. Now through the use of satellites physical movement for the purpose of conferences / seminars will be restricted. Now the conferences will be on VIDEO conferencing. Lot of time

and energy and costs are saved in this process. It is likely there will be a change in the outlook of the HR functioning. It is expected that there will be decentralized HR office.

HR managers will have to accommodate employees in their virtual work locations and find ways to manage corporate culture, socialization and employee orientation. In order to obtain and maintain a competent workforce, they must act as organizational performance experts and shape employees behavior without face to face meetings.

There will be substantial growth in the Global Business and it is forecasted that the trend will continue during the ensuing few years. This growth of business will be mainly in the small and medium enterprises. There will be super specialization in HR functioning.

The strategy for recruitment to meet the global business servicing the recruitment will be under pressure.

The HR Managers of tomorrow will have to be multi lingual in order to perform well. There will be recruitment of foreign nationals in the Indian firms/companies and the HR Manager will have to acquaint himself the foreign language of those foreign nationals. This smoothens the interaction amongst the HR Manager and the staff. In most of the organizations those who are conversant with English will be put to advantages.

Organization must take into account cultural differences that shape managerial attitudes, when developing multinational management programs.

For e.g., British managers value individual achievement and autonomy, whereas French managers appreciate competent supervision, fringe benefits,

security and comfortable conditions, while Indian managers give more importance of their culture and tradition.

HR Managers are expected to get themselves acquainted with the cultures of the employees from where they come. With the global development the competition will be fierce and the diverse workforce is conducive to attracting and retaining a strong client base.

HR managers must therefore be familiar with and understand other cultural norms to promote organization diversity. An organization that recognizes and promotes cultural diversity will benefit because it will be employing the market that it serves. With increasing globalization and competition within the market, a diverse workforce is conducive to attracting and retaining a strong client base. It is therefore, expected that there will be adequate training input to ensure that the varied cultural differences will not at all work in the Indian context.

CHAPTER – II

RESEARCH METHODOLOGY

2.1 SIGNIFICANCE OF THE TOPIC

History of Human Resource Management

Although the terminology used i.e. Human Resource Management is of recent origin the duties that are attached to the HR Department of today were being performed to some extent by the Administration Dept. or by Personnel Dept. However the importance that has been accorded to the Human Resources Management to day was not given any time before. The earlier departments either Admin. or Personnel Dept. used to take care of recruitment, transfers, promotions, pay bill management, leave sanction etc.

The concept of HR is a fairly old concept. It's importance of to day as a separate management branch is of recent origin. The terminology was first used in the United States. The functions attached to the H. R. department to day are widened and its place in the overall management has also stands elevated. The department is concerned with all the activities that are undertaken by the enterprise.

The Chinese are considered to the pioneer in using the employee screen techniques way back in 115 B.C.

After the industrial revolution, US economy was transformed from agriculture base to industry base. The industries required well structured relationships. As the industries grew they required man power to turn out the production. Once the men are recruited then the need was felt to decide their

compensation, leaves, promotions, transfers etc. And to look after this task the need for a separate department was felt. The department was known by various names like Personnel Relations, Industrial Relations etc. However, taking into account the current duties that the department performs the name Human Resources Development is most appropriate.

As the size of the industries grew naturally the number of employees recruited also grew, and industries number of units of the same industry at different locations came up and the need for various hierarchical positions was felt, some times when the trained/skilled man power was not available then the newly recruited staff was required to be imparted training, gradually the job security figured and thus the need for having a separate specialized department was felt by the industries.

After the industrial revolution in United States there were similar industrial revolutions in other countries and then those countries also started following the foot prints of the United States industrial management, with little bit of adjustments depending upon the country's requirements. In the early period the approach of the industrialists was that of social welfare. In the United States there were some immigrants and they needed some special assistance in adjusting to the changed environment in US atmosphere. Therefore the Admin. / Personnel Dept. were assigned this task. There were language problems, housing problems and medical care of these immigrants.

With the increase in the number of employees in various categories and when the industrial owners started squeezing the employees for their own interest, the labour unions were established to protect the interest of the

employees. This was in late 1790s. The labour unions movement expanded rapidly. This gave rise to the specialization in dealing with the employees unions and again the duties were entrusted to the Admin. / Personnel Dept. In some industries this department was also called as Industrial Relations Dept. Apart from the wages the employees started demand fair deal in getting medical aid, educational and other fringe benefits.

B. F. Goodrich Company is regarded as the pioneers in making out a separate corporate employee department to look after the concerns of all employees. This was some time in 1900. This department was also entrusted with the duty of handling employees grievances and other employee related functions. National Labour Relations Act was passed in 1935 in the United States. Gradually there was a shift in the approach from workers' efficiency to efficiency through work satisfaction. This development came by about 1940s.

During 1960 and 1970 there were several acts like Equal Pay Act of 1963, the Civil Rights Act of 1964, The Employee Retirement Income Security Act of 1974 and the Occupational Safety and Health Act of 1970 in the USA. There upon the HR department got lot of importance to avoid legal cases.

Thus by the year of 1970s the Human Resources Development was recognized all over the world. All big and medium industries have constituted such a department for their recruitment, employee relations, record keeping, wage bill management. Since 1980 onwards the importance of the department further got boosted and the activities undertaken by the department were widened. Labour training, compliance all laws related to

labour have been brought under this department. The H R Manager became the key person in the organization.

Now the HR Department assumed the same importance as the other departments like marketing, finance and procurement etc. were having. With the advancement of education, technology, and added functions of the department, the place in the organization stands elevated.

2.2 THE GENESIS OF HRM /DEFINING HRM

In the beginning of HRM was having welfare approach. This was being achieved through employee opinion surveys, and the idea of trade unionism and collective bargaining was favoured. Gradually long term employment, provision of care coverage, pension to the workers etc. By this time the production was increased and that the competition also increased to a great extent. As the number of employees increased and the complexities increased the UK Government changed its approach from Industrial relations to Human Resources Development.

According to Bratton and Gold (2003) HRM is "a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical in achieving competitive advantage". Achieving this was through a distinct set of employment policies, practices or programs which Purcell (1999) has qualified as HRM "bundles".

2.3 "HARD" AND "SOFT" HRM

Hard HRM encompasses aspects like employment relations, emphasis on employee's compliance, productivity, manager's task and the development of the organization. Whereas Soft HRM covers flexibility, negotiation, performance, quality, recognition of environments and rights in employment relations. It is more strategic and long term.

There was debate on Human Relations and Human Resource Management for quite some time. The terms are differentiated in terms of psychological contract, locus of control, employee relations, organization principles and policy goals. According to Guest human relations favoured contracts, collective behaviour and low trust while HRM advocated reciprocal commitment. It considered organic nature of institutions, flexibility and decentralized administration. The policy goals of HRM were adaptive work force.

2.4 HRM AS A RESOURCE-BASED DIMENSION OF MANAGEMENT

This Resource Based Dimension of Management focuses on the importance of the employees. In this case the management considers satisfied employee is an asset. Amount spent on development of the employee through various stages of training is considered as an investment and not as a revenue expenditure. The management expects good return in the form of higher productivity, quality production, and improved profitability.

In Japanese HRM long term employment leads to higher employee commitment.

The whole thrust of the Human Resource Management is on ideas and techniques to develop and enhance worker motivation, productivity and their performance. Thus the HRM emphasizes:

- ❖ the need to search for new ways of working
- ❖ the central role of managers in promoting change
- ❖ the treatment of workers as individuals rather than part of a collective workforce
- ❖ the encouragement of workers to consider management as 'partners' rather than as opponents - 'us and us', rather than 'us and them'

By constantly adopting various techniques like training, using motivational tools etc, the HRM improves the quality of Human Resources in the organization which ultimately leads to the organizational success and in achieving the goals set out. The HRM sharpens the individual skills in the desired areas and develops the overall personality of the employee.

Compensation

One of the tasks of HRM is to develop a realistic compensation package for each individual according to the level and participation and decision making and the responsibilities shouldered. This is a specialized job and one must have a broad idea of the industry level compensations in vogue. Naturally the experienced and skilled employees stand to get better

compensation in comparison with the beginners or less skilled. The compensation depends upon industry's capacity to pay, compensation structure in other similar organizations and the responsibilities that are being shouldered. This is a very specialized job which needs negotiation skills and thorough understanding of the organization and its revenues.

Benefits

The success of any management depends on how much cost conscious it is. Particularly when there is fierce competition every effort is required to be made to contain the costs including wage costs as well as other fringe benefits that are accorded to the employees. Now world over instead of engaging a regular employee the jobs are given on outsourcing basis. This releases the pressure of giving fringe benefits, provident fund, pension etc. No leave substitute is required. No long term commitment by the management. Hence, outsourcing has gained lot of importance in the present industrial scenario. Instead of giving individual benefits, group benefits are preferred which nourishes the team work. While there is a bargaining on this count HRM has to keep his eyes and ears open so as to ensure that the competent and talented employees do not leave the organization which is very costly in the long run.

Safety

In order to ensure that there are no accidents or situations where in the very safety of the employee is not in danger, the employer is a duty

bound to take effective steps. The work place safety laws and its compliance has assumed greater importance in all the countries. The employers are bound not only to provide safety at the work place but also ensure that the rules framed under the laws are meticulously followed by the workers. After all it is in the interest of both the employees and the employers. In large sized companies in developed countries there are specialists in this specific area also who ensure the safety aspect from both the sides.

Liability

There are employee relations specialists in large sized organization's HRM department to take care of the aspect that the management is not exposed to any liability related to allegations of unfair employment practices. They take care that such issues are not cropped up and even if there is any issue they immediately take action and try to resolve such issues. These are mainly related to legal compliance required by the organization.

Training and Development

HR is also entrusted with the responsibility of developing the human resources through proper training. Therefore, the HR should institutionalized systems that identify the training needs, the trainers, the training inputs and the placement of the trained employees. Usually when the employee joins any organization he is given induction training, and later on after lapse of certain period orientation training is also provided. During the course of annual performance appraisal the training needs for grooming the employee for

higher position are identified and according the training schedules are drawn. The HR department also has to ensure that there is no mismatch of the training and the job entrusted. This is required to be ensured as if there is mismatch then the investment made in the training will be a futile one. Now a day the training goes beyond the operational parts. New dimensions like Stress Management, Leadership Development, Yoga, Gymnasium etc. are also required to be attended to by the HRM dept.

Employee Satisfaction

The performance of the employee excels when the employees are satisfied. Studies have revealed that the rate of rejection of a product is more where there is discontentment amongst the workers. Therefore although this is a difficult task the HR manager by using various techniques tries his best to ensure that the overall employees' satisfaction is achieved. It is a skillful job. This can be achieved through strengthening the employer and employee relations.

Recruitment & Selection

Over the years every job in the HR department has become a specialization. There are various stages involved like screening the CVs, and scheduling the interviews, followed by group discussions etc. Now a day the recruitment is made through campus interviews. As the technology is advanced now the selection is also made by using newer techniques. Now on line CVs are flashed and appointments are fixed for online interviews, video

conferences are held for negotiation of compensation and fringe benefits etc. This is a specialized job. Selection of the staff has a long bearing on the development of human resource.

Compliance

Currently there are number of legal formalities relating to the staff of the industries are required to be fulfilled. It may be employees state insurance, provident fund, minimum wages act, payment of bonus act, etc. Lots of returns and statements are required to be filed with various departments. This is a tedious job and the HR department over the years develops an employee to comply with these requirements. If there is failure to adhere to the time frame for the compliance heavy penalties are prescribed. Hence this needs to be carefully handled.

The Evolving Business Paradigm

In the current business situation greater attention is paid to the human resources in the organizations. It is a fact that gradually the movement is towards economy based services. It is of most importance to the organizations particularly the service organizations to ensure that their employees are fully motivated and they offer their best potential to the organization. Even in the manufacturing sector there is dire need to utilize the available human resources fully. There is shift in pattern of approach in favour of human resources.

Strategic Management and HRM

In the changed circumstances it is essential that the organizational goals are required to be aligned with the HRM strategy. This is needed to ensure that the HR policy and the organizational go hand in hand. Today the HRM manager is being taken seriously and gets due importance like marketing and production functions in the organization.

2.5 IMPORTANCE OF HRM FOR ORGANIZATIONAL SUCCESS

The practice of HRM must be viewed through the prism of overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. For instance, if the training needs of the employees are simply met with perfunctory trainings on omnibus topics, the firm stands to lose not only from the time that the employees spend in training but also a loss of direction. Hence, the organization that takes its HRM policies seriously will ensure that training is based on focused and topical methods.

Human Resource Management plays a very important role in the success of an organization. Organizational policies, culture, compensation and benefits and employee relations control the motivation level of employees and help in retaining valuable employees. Human Resources may set strategies

and develop policies, standards, systems, and processes. The following are typical tasks of HR organizations:

- ❖ Recruitment, selection, and on boarding (resourcing)
- ❖ Organizational design and development
- ❖ Business transformation and change management
- ❖ Performance, conduct and behavior management
- ❖ Industrial and employee relations
- ❖ Human resources (workforce) analysis and workforce personnel data management Compensation, rewards, and benefits management
- ❖ Training and development (learning management)
- ❖ Implementation of such policies, processes or standards may be directly managed by the HR function itself. So the conclusion is here, a HR success is directly proportional to the success of the organization.

2.6 OBJECTIVES OF THE STUDY

Keeping in view the importance of the human resources development in the current industrial scenario the research considered it appropriate to study this aspect keeping the following objectives before him:

1. To study the various recruitment and training policies towards regular and contractual employees.
2. To analyze the motivational policies towards the regular and contractual employees.

3. To critically evaluate performance appraisal in the context of application of HR policies.
4. To provide suggestions for the problems of industrial sector in the modern era.

The researcher has undertaken the study by means of formulating the objectives as mentioned on page no. 75 may please be noted.

2.7 HYPOTHESIS

The researcher was for quite some time was keeping constant touch with the various developments that were occurring in the HR field particularly in the Indian Pharma Industry. So the researcher was having basic exposure to the subject under study. While undertaking this study he had the following hypotheses to work on:

- H₁ HR policies undertake the responsibilities of training and development policies.
- H₂ Recruitment and selection of employees in this modern age has a scientific base.
- H₃ The change in the 21st Century has brought in many newer techniques which are very effective in increasing the efficiency of the employees.
- H₄ Motivational polices in this age have resulted in better performance.

The researcher has formulated four hypotheses which provide the relation of H R Policies, its implementation with other aspects and H R function of the organization.

H₁ It gives the information related to HR policies and the training and development policies of the organization and its importance.

H₂ The selection and recruitment of employees and its relation with scientific methods in modern age is the second aspect of the hypothesis.

H₃ The new techniques in the H R policies which provide the base for the increase in efficiency has been formulated as H₃.

H₄ The relationship of motivational policies with that of performance has been studied under Hypothesis 4.

All these hypotheses are stated and verified by the researcher. The separate note has been written in the Chapter No. VI as testing of hypotheses. However, being a research subject related to the social sciences the study is more focused on H R Policies taking into consideration statistical evidences and primary source of data collection.

2.8 RESEARCH METHODOLOGY

Universe

For the purpose of this the researcher has chose the Pharmaceutical Industries located at MIDC at Kurkumbh Tal. Daund, Dist. Pune. The very purpose of selecting this universe was that this MIDC at Kurkumbh has been

specifically accommodating the Pharmaceutical and chemical industries as the climate, availability of other natural resources required for it, its importance from the point of view of pollution control, location on the Pune Solapur National High way and proximity to the district head quarter i.e. Pune. There are number of pharmaceutical industries both in large scale and medium scale operations. So the universe offers an opportunity to study both the segments of the pharma industry.

Techniques used

The researcher has used both primary and secondary data for the purpose of this study.

Primary Data

The primary data about the various current HR practices in the identified area have been study with the use of primary data collected from the selected pharmaceutical industries in the Kurkumbh MIDC area.

Questionnaire

For the purpose of obtaining the primary data a well thought questionnaire was designed covering all the aspects under study and the same was administered and the responses have been obtained. In addition to the questionnaire the researcher felt it appropriate to have meaningful interaction with the heads of the HR departments of the identified Pharmaceutical industries in Kurkumbh which provided a very good

opportunity to know about certain issues which normally are not responded to the point in the questionnaire.

Sampling Procedure

For identification of the sample for the study the researcher obtained information about the pharmaceutical industries located in the identified area. Then with a view to have wider coverage and a cross section of the industries randomly identified pharmaceutical industries comprising of large scale as well as from Small and Medium Enterprise sector. There are 28 pharma companies at Kurkumbh in the said industrial estate. The rest are chemical and food processing industries. The sample comprises giant pharma industries like Alkem Pharma Ltd., Cipla Ltd. Glenmark Pharma Pvt. Ltd. etc. and Clean Science Pvt. Ltd. J. P. Laboratories Ltd. Vinamax Organics Pvt.Ltd. etc. from the SME sector. The list of the identified industries is given hereunder:

Table 2.1 : Pharma Companies Covered by the Study

Sr. No.	Name of the Company
Large Scale	
1	Cipla Pharama Pvt. Ltd.
2	Emcure Pharama Pvt. Ltd.
3	Glanemark Pharma Ltd.
4	Marksons Pharma Ltd.
Small & Medium Enterprises (SMEs)	
1	Alkem Pharma Pvt. Ltd.
2	Alkyl Amines Ltd.
3	J. P. Laboratories Ltd.
4	Meditab Pvt. Ltd.
5	Vena Max Organics Pvt. Ltd.
6	Sohan Health Care Pvt. Ltd.
7	Clean Science Pvt. Ltd.

Thus the researcher has ensured that the sample selected is exceeding the 15% of the universe chosen for the study and hence the observations and findings can well be said to be generalized. (The actual sample size is 39.28% of the universe.

Data Analysis

The collected primary data was analyzed using various techniques such as personal interview administering pre-designed questionnaires, interaction with company authorities, general observations etc.

Mostly tabular analysis was done to find out the impact of use of modern Human Resources Development practices followed by these industries. The information about how the recruitment of staff is made as well as training needs of the staff are fulfilled, how the performance appraisal takes place and whether there is a career path planning, what are the motivational tools used by these companies and its impact on the productivity of the staff has also been studied to enable the researcher to ensure validation of the hypotheses. Further percentage of various types as well as various types of graphs have been taken and used for comparison.

Secondary Data

The secondary data and information relating to the study has been collected from both published and unpublished material. The information and data has been collected from various sources such as annual reports, books,

journals, newspapers, articles, periodicals etc. and the personal interaction with the HR heads of the respective pharma industries as stated earlier.

2.9 SCOPE AND LIMITATIONS

In view of the fact that there are both large and SME sector pharma industries in the study area the HR practices followed are voluminous. In today's world the HR practices are continuously changing and new techniques are being used to achieve higher productivity. Therefore, there is plenty of scope for any researcher to undertake further studies. At the same time the volume of work, man power required, and the time at the disposal of the researcher poses limitations. The observations and the suggestions cannot be uniformly applied as the sample selected is not homogeneous. So also the observations and suggestions are also having relevance of the environment prevailing at a particular spot say Kurkumbh. The same environment may not be available at all the places uniformly and hence to that extent these limitations are also there.

2.10 CHAPTER SCHEME OF THE STUDY

The present study has been divided into seven chapters:

Chapter I : INTRODUCTION

This chapter covers the introduction of the research topic, evolution of modern industry, industry policy adopted by the Govt. of India from time to time, over view of Pharmaceutical industry, leading players in the market, definitions of human resources management, history of human resource

management, importance of human resources management in the modern organizations, objectives of HR, functions of human resources management, hurdles faced by the HR in India, HR Managers and their role in the changing environment.

Chapter II: RESEARCH METHODOLOGY

In this chapter the researcher has defined his universe of the research, significance of the HR, Objectives of this study, hypotheses, research methodology used, which covers primary and secondary data collection, framing the questionnaire, analytical techniques used, data analysis, scope and limitations of the study which enables the reader to understand the observations and suggestions in right perspective.

Chapter III: REVIEW OF LITERATURE

In this chapter the researcher has taken a brief review of the various related literature on the research topic. Lot of literature is available both from overseas and Indian authors. However, due to radical change in the overseas business environment the illustrations given by the foreign authors do not have exact relevance with the Indian context. In the Indian literature there are handful of books which refer the case studies on the subject. However, the available books have been reviewed by the researcher to get himself acquainted with the current level of research on the subject which provides some direction to this research.

Chapter IV - PROFILE OF THE STUDY AREA

In this chapter the researcher has briefly outlined the study area of this research. This provides an insight to the reader about the environment at the study area. Map of the study area has also been incorporated to give exact idea of its location.

Chapter V - RECRUITMENT AND SELECTION OF EMPLOYEES

In this chapter the researcher has covered the recruitment and selection process adapted in the pharma sector in India. The role and strategies followed by the HR department have also been brought out in this chapter. The researcher has described in greater details the recruitment and selection process followed by the pharma sector industries.

Chapter VI - HUMAN RESOURCE MANAGEMENT AND TRAINING OF EMPLOYEES IN PHARMACEUTICAL INDUSTRY

In this chapter the author has covered the management of employees, motivation, challenges faced by the HR department, research and public relations, drug distribution and brand management, role of managerial staff in the pharma sector, attributes of successful sales personnel, etc. The researcher has also explained the need for a regular training to the staff at all levels and has given in details various steps that are taken in the Training Section of the HR Dept.

Chapter VII – ANALYSIS AND INTERPRETATION OF THE DATA

In this chapter the data collected has been presented and analyzed with the help of the tables and the ratio analysis and the comments on the presented are also given.

Chapter VIII – OBSERVATIONS, SUGGESTION & CONCLUSION

This is the last chapter of this thesis which brings out the various observations the researcher has made on the analysis of the data. The researcher has also offered a few suggestions which may go a long way in the improvement of the HR functions at the pharma industry as well as improvement in the productivity of the overall workers. In the concluding paragraphs the researcher has also covered the validation of the hypotheses as well as further scope for the study in this area.

CHAPTER - III

REVIEW OF RELATED LITERATURE

3.1 INTRODUCTION

Globalization represents the structural making of the world characterized by the free flow of technology and human resources across national boundaries new boundaries as well as the spread of information technology and mass media presenting an ever changing and competitive business environment. Since the human factor is the key in the new era of globalization, the primary objective is to present conceptual framework for effective management of human resources as a response to the growing interaction of globalization and business performance.

That in order to manage employees for competitive edge in a period of globalization human resources personnel must possess competitiveness relevant for implementing such strategic HRM policies and practices.

The potential impact of globalization on the work patterns of particular groups in society is well recognized, particularly from the point of poorer economies. These issues are also tied up with the debate about the implications of globalization for the distribution of income. At first sight, one of the benefits of globalization appears to be greater equality, as demand is transferred from the higher to the lower income countries. However, the evidence to date suggests that this might not be the case either within counties or across countries.

There is ample literature available related to the topic of this research. As the process of dealing with the human resource with a new outlook started in the western countries the books authored by the foreign authors are in good number while relatively the Indian literature is limited. Now after practicing the newly generated concept of HRM for a considerable time, Indian authors are coming out with their books on the topic.

The following discussion in nut shell brings about the key concepts and the various stages in HR management.

3.2 HR PLANNING

Role of Human Resource Development Manager

The role of manager of HRD (human resource development) consists of five separate but overlapping components referred to as sub-roles. Each is vital to the development of an efficient and properly managed HRD department. They include: (1) evaluator of the HRD program's impacts and effects on organizational efficiency, (2) management of the organizational learning system, (3) strategist responsible for long-term planning and integrating of HRD into the organization, and (4) marketing specialist responsible for the advancement of HRD within the organization through well defined and effective networks.

Key Components of Human Resource Development

There are three fundamental component areas of human resource development (HRD): individual development (personal), career development

(professional), and organizational development. The importance of each component will vary from organization to organization according to the complexity of the operation, the criticality of human resources to organizational efficiency, and the organization's commitment to improved human resources.

HR Policy and Manual

HR policies vary considerably from one organization to another, depending on the age of the organization, its size, the nature of the workforce and the position regarding union recognition, but here are the main policy areas.

HRM Audit

The HRMA (Human Resource Management Audit) uses this framework to try to answer such questions as: Are the mission and strategy of the human resource organization designed to match the business strategy of the organization? Does the design of the human resource organization enhance its ability to accomplish its strategy? Are the kinds of people who run the human resource function good choices for the ongoing tasks?

Job Analysis

Job analysis is the process of determining the nature or content of a job by collecting and organizing information relevant to the job. A complete

job analysis contains information relating to the following five factors, plus any others deemed appropriate to fully describe the nature of the job.

The Role of HRM in Knowledge Management

There are several roles that can be played by HR in developing knowledge management system. First, HR should help the organization articulate the purpose of the knowledge management system. Investing in a knowledge management initiative without a clear sense of purpose is like investing in an expensive camera that has far more capabilities than you need to take good pictures of family and friends.

Work Measurement Methods

The purpose of work measurement is to determine the time it ought to take to do a job. There are four main systems of work measurement. First, and most used, is time study. The second system, work sampling, is a statistical procedure for measuring work and requires an understanding of the techniques of statistics and probability.

Position Analysis Questionnaire (PAQ)

This is one of the most sophisticated and yet easily administered techniques to analyze job. The PAQ analyzes jobs in terms of 187 job elements. These elements are of a worker-oriented nature, meaning that they characterize or imply the human behaviors that are involved in various jobs.

Writing Job Description

Most widely used job description formats contain the following five sections: (1) job identification; (2) job summary or purpose; (3) job duties and responsibilities; (4) accountabilities; and (5) job specifications. The most important thing to remember is that all job descriptions within an organization should follow the same format.

Work Study and Employee Productivity

Work study is the systematic examination of the methods of carrying on activities so as to improve the effective use of resources and to set up standards of performance for the activities being carried out. Work study then aims at examining the way an activity is being carried out, simplifying or modifying the method of operation to reduce unnecessary or excess work, or the wasteful use of resources, and setting up a time standard for performing that activity.

Characteristics of Effective HRD Managers

Nadler and Wiggs (1986) identified nine characteristics of effective HRD (human resource development) managers. Each is viewed as essential to the development of a comprehensive and competent HRD program. First, HRD managers must have the ability to plan HRD activities that foster training, development, and education. These activities should be targeted at the needs of employees, supervisors, line managers, customers, and non employees of the organization.

Job Time Study

Time study is a work measurement technique for recording the times of performing a certain specific job or its elements carried out under specified conditions, and for analyzing the data so as to obtain the time necessary for an operator to carry it out at a defined rate of performance.

3.3 THE INDIAN AUTHORS

The following are the reviews of the Indian authors on the Human Resource Management. The researcher has also studied a few books relating to the Indian pharmaceutical industry as the research topic has its relevance with the pharmaceutical industries.

B. V. S. Prasad – “Indian Pharmaceutical Going Global”

Indian pharmaceutical companies are going global and emerging as Multi National Companies. Even though Indian pharmaceutical started to internationalize in the 1960s, it gained momentum only in the 90s. And the trend continues to increase in the current decade. Initially Indian companies targeted emerging nations to globalize and now they are focusing both on developed and developing countries.

There are huge opportunities available for Indian companies to tap worldwide due to the increase in population and disease. As the developing countries embrace globalization and urbanization, the lifestyle of people in there is undergoing major changes and it causes many diseases that are similar to those of the developed world. Hence, tremendous opportunities

exist for Indian companies in developed markets like the US, Europe and Japan as well as developing markets like Brazil, Russia, India, China, South Africa and Mexico. Most of the pharmaceutical major's blockbuster drugs will go off patent in the coming years. This also spells out great opportunities especially for generic drug manufacturers.

In order to tap these opportunities, Indian companies are going global through exports, Joint ventures, Merges and Acquisitions and Greenfield Investments. Indian Companies are also engaging in Contract Research and Manufacturing Services. On the other hand, Indian companies are also out-licensing their products to global pharmaceutical firms. This book gives insights into the various strategies followed by Indian companies to go global, various markets tapped by them and their experiences in globalization.

This book edited by B.V.S. Prasad has been divided in three sections. The first section deals with Growth Trends, the second section deals with expansion Global Footprint, and the third section deals with the corporate experiences. The first section traces the evolution of Indian pharmaceutical industry, its growth over the years and its globalization. The Patent Act, 1970 played a significant role in promoting the pharmaceutical industry in India. This section also contains an article titled "Mergers and Acquisitions Trends in the Pharmaceutical Sector" authored by Shivaji Shukla. Besides consolidation in the domestic industry and investments by the US and European firms, the spate of mergers and acquisitions by Indian companies has ushered in an era of the Indian Pharmaceutical MNC.

Dr. Nidhi Shah: In her book titled "Human Resource Development in Healthcare – a comparative study of hospitals in India and USEA , has lucidly articulated easily implementable recommendations for much needed improvements in the quality of healthcare with a human touch both for healthcare providers as well as healthcare recipients. She has identified gaps that, if addressed, may improve the quality of healthcare provided in the US and abroad. The comparison outlined highlights the importance of human resources development regardless of where care is being provided in the world. Her findings rightly suggest curriculum and culture have to be changed if the quality of healthcare and patient satisfaction is to be improved.

Dr. Shah has rightly pointed out that Total Quality Management will help in strengthening motivational environment. Higher the motivation, greater would be the commitment towards quality. She has pointed out imaginative attention is called for to combine use of professional techniques with attitudinal orientation and persuasive approach.

Dr. Shah has rightly observed that there is no increased awareness that healthcare is a service sector which requires a human orientation to be developed and sustained both at primary health centres in rural areas, as well as nursing homes and hospitals in urban areas. The need for synchronization of the professional approach of healthcare providers and the humanitarian interests of the healthcare recipients is being increasingly felt. Growing international cooperation in the healthcare sector at governmental and non-governmental levels has also accorded primacy to its human resource perspective.

Rabi N. Misra: "Human Resource Management after Globalization" (2009). Human Resource Management (HRM) is a management function that helps managers to recruit, select, train and develop members for an organization. HRM is concerned with the people's dimension in organization. It plays an important source or asset to be used for the benefit of the organization, employees and the society. It is emerging as a distinct philosophy of management aiming at policies that promote mutuality – mutual goals, mutual respect, mutual rewards and mutual responsibilities. It cannot be treated in isolation. It is being integrated into the overall strategic management of business in present era.

After globalization, business organizations have realized that the need of the hour is to have skilled , well-trained and highly motivated staff to help with the growth of the organization. Each business organization invests time and money for the welfare and benefit of the employees, because they see merit in such activities. In present business scenario HRM has looked as a safety cap, which would involve smoothening of relations between management and workers. For the growth and development of any business organization HRM is very essential and need due consideration. This book is a collection of papers contributed by the eminent authorities on the subject.

The paper by Miss Ipsita Kar and Dr. R. N. Misra, titled as "Human Resource Management After Globalization: Competency Mapping" deals with scope and objectives of the HRM in the changed scenario. High performance culture is considered significant in the present scenario. Strategic HRM has been defined as, "The linking of HR with strategic goals and objectives in

order to improve business performance and develop an organizational culture that fosters innovation and flexibility". Strategic HR is all about facilitating and enhancing organizational goals. Towards this end, HR should:

- ❖ Harness its knowledge of the company's internal strengths and weaknesses to supply competitive intelligence for planning purposes;
- ❖ Identify business needs and step up to the strategy table with new ideas;
- ❖ Apply cutting edge thinking to engage company executives in thought provoking questions;
- ❖ Activate resources that support the chosen business strategy and implement it effectively.
- ❖ Ensure that the work force is engaged, excited energized as well as capable of responding to organizational objectives in an efficient manner;
- ❖ Stir people to action and develop the next-generation leaders from the rank-and-file.
- ❖ Leverage individual talent and collective competencies to invent sustainable and distinct competitive advantage.

The authors have also discussed about the components of competency in details. The components are:

- ❖ Knowledge
- ❖ Skills
- ❖ Attitudes
- ❖ Motives and Traits

❖ Self Concept

The paper also highlights as to how these are identified, who can do it, etc. and offer some tips on how to do it. The authors pointed out that competency mapping is essentially an in house job.

Roopesh Kumar Misra and Rabi N. Misra: In their paper titled "HRM Practices After Globalization" The objective of this paper is to present a conceptual framework for strategic management of human resources as a response to the growing interaction of globalization and business performance. While discussing HRM issues and challenges global markets the authors observe that 21st century, globalization poses distinctive HRM challenges to business especially those operating across national boundaries as multinational or global enterprises. Global business is characterized by the free flow of human and financial resources especially in the developed economies of European Union, North American Free Trade Agreement, other regional groupings such as the Association of South East Asian Nations, etc. These developments are opening up new markets in a way that has never been seen before. Number of factors that affect HRM in global markets are identified: 1) Culture 2) Economic System 3) Political System – the legal frame work and 4) Human capital, 5) Social environment and various factors.

In the case of developing countries, globalization poses distinct challenges to governments, the private sector and organized labour. These challenges, which must be addressed through a strategic approach to human resource management include:

- 1) Partnership in economic recovery especially in South East Asia.
- 2) Dealing with the 'big boys', the fund managers
- 3) Concerns over possibility of fraud in E-commerce
- 4) Implementing prescriptions for recovery and growth taking in to consideration the development agenda and unique circumstances of individual country.

It has been observed that by and large organizations have achieved relatively low levels of effectiveness in implementing Strategic Human Resource Management practices. As governments and corporate bodies brace up for the new millennium characterized by an ever increasing global challenge, developing countries have no choice but to develop and continuously upgrade the human resource and business competencies of their workforce. In the case of developing countries, distinct competencies are important to deal with not only the HR issues but also other including partnerships in economic recovery especially in South East Asia.

Babilata Shroff, paper titled "Globalization and Management of Human Resources in Rural Orissa". She has discussed about globalization and the changing business environment in the introduction. She has observed that in the context of globalization the Human Resource Manager has to take decision on local conditions with a global vision. Though the pace of adjustment of the urban / industrialized and developed manpower is easier and quicker, it is not impossible for the rural unorganized mass. A practical and result oriented skill utilization effort of the manager could work as a

precious tool for their survival and growth. It is needed to collectively map the human resource requirements and put forth efforts for streamlining the management system so that skills, knowledge, employability and enterprise evolve for the benefit of the country. Globalization has changed the business environment, people live to work harder, longer and there is more pressure to perform. The Globalization demands from the HRM to work in multiple skills, technologies, domain and platforms.

3.4 FOREIGN AUTHORS

Gary Dessler, (2002), the book titled "**Human Resource Management**" 7th Edition is a very popular book on the subject. The book has been divided in 18 chapters. The chapters cover introduction, EEO, job analysis, recruitment and placement, testing, interviewing, training, development, quality and productivity, appraising, careers, pay, incentives, benefits, labour, guaranteed Fair Treatment, Safety and international HR. Below is the gist of a few chapters which have got bearing on the current research.

There are basic functions all managers perform: planning, organizing, staffing, leading, and controlling. These represent what is often called the management process. Staffing, personnel management or human resource management is the function focused on in this book. It includes activities like recruiting, selecting, training, compensating, appraising and developing. HR management is very much a part of every line manager's responsibilities. These HR responsibilities include placing the right person in the right job,

orienting training, and compensating to improve his or her job performance. The HR manager and his or her department carry out three main functions. First, the manager exerts line authority in his or her unit and implied authority elsewhere in the organization. He or she exerts a coordinative function to ensure that the organization's HR objectives and policies are coordinated and implemented. And he or she provides various staff services to line management, for example the HR manager or department assists in the hiring, training, evaluating, rewarding, promoting and disciplining of employees at all levels. Changes in the environment of HR management are requiring HR to play a more major role in organizations. These trends include growing work force diversity, rapid technological change, globalization and changes in the nature of work such as the movement toward a service society and a growing emphasis on education and human capital.

Trends like globalization and technological innovation are changing the way firms are managed. For example, the traditional pyramid shaped organization is giving way to new organizational forms, employees are being empowered to make more decisions; flatter organizations are the norm; work is increasingly organized around teams and processes; the bases of power are changing, managers in the future will not "manage" and managers today must build commitment. Changes like these mean that organizations must depend more on self-disciplined and highly committed employees.

The chapter on recruitment and placement focuses on several basic types of interviews, factors and problems undermining the usefulness of an interview. The five steps in the interview include: plan, establish rapport,

question the candidate, close the interview, and review the data. Guidelines for interviews include: use a structured guide, know the requirements of the job, focus on traits you can more accurately evaluate (like motivation), let the interviewee do most of the talking, delay your decision until after the interview and remember the EEOC requirement. The steps in a structured or situational interview are: job analysis, evaluate the job duty information, develop interview questions with critical incidents, develop benchmark answers, appoint an interview committee and implement. As an interviewee, keep in mind that interviewers tend to make premature decisions and let unfavourable information predominate; your appearance and enthusiasm are important; you should get the interviewer to talk; it is important to prepare before walking in – get to know the job and the problems the interviewer wants solved; and you should stress your enthusiasm and motivation to work, and how your accomplishments match your interviewer's needs.

In the chapter on Training and Development the author has focused on technical skills training for new employees and for present employees whose performance is deficient. For either, uncovering training requirements begins with analyzing the cause of the problem and determining the training that may be needed. Remember to ask whether it is a training problem or amore deep rooted problem like poor selection or low wages. The training process consists of five steps: need analysis, instructional design, validation, implementation, evaluation. Some principles o learning theory include: make the material meaningful by providing a bird's eye view and familiar examples, organizing the material, splitting into meaningful chunks, and using familiar

terms and visual aids, make provision for transfer of training and try to motivate your trainee. Job instruction training is useful for training on jobs that consist of a logical sequence of steps. Vestibule training combines the advantages of on and off the job training. On the job training is a third basic training technique. It might take the form of the understudy method, job rotation, or special assignments and committees. In any case, it should have four steps; preparing the learner, presenting the operation, doing performance tryouts and following up. Other training methods include audiovisual techniques, lectures and computer assisted instruction. In gauging the effectiveness of a training program there are four categories of outcomes you can measure: reaction, learning, behaviour and results. In some cases where training seems to have failed, it may be because training was not the appropriate solution.

In the chapter on the Managing Quality and Productivity the author has in brief discussed about flexi-time, quality circle etc. Flexi-time is a plan whereby employees' flexible workers are built around a core of midday hours, such as 11 A.M. to 2 p.m. It seems to improve employee attitudes and morale, increase production, and decrease tardiness, however. Unavailability of key people at certain times and the difficulty of scheduling activities like meetings can be problems. Flexi-time and other flexible work arrangements are aimed in part at tapping employees' needs to be treated as responsible human beings and to that extent they boost quality of work life.

A quality circle is a group of five to ten specially trained employees who meet for an hour once a week for the purpose of spotting and solving

problems in the work area. Steps to establishing a quality circle program include planning, training, initiating and operating. Problems to be aware of include: poor attitudes such as, "This is just another program," and "Management pays no attention to our ideas". Agendas outside the circle's expertise; problems that are too difficult to handle, scheduling problems; and fear of interference from the union.

Self-directed teams carry out interdependent tasks and use consensus decision making to choose the other team members, solve job-related problems, design their own jobs, schedule their own break times, and do much of their own work planning and review. At firms like Saturn, such teams contribute to building commitment by enriching and empowering employees' jobs.

Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. HR contributes to reengineering processes by its effect on: building commitment to reengineering; team building; changing the nature or work, empowering jobs;; moving from training to education, and shifting focus from activities to results.

Samuel T. Hunter, Liliya Cushenbery, Tamara Friedrich: Book titled, "**Hiring an innovative workforce - A necessary yet uniquely challenging endeavor**". To increase innovative performance in work settings, most scholars agree that organizations need both an environment

that is supportive of creativity as well as employees with high levels of creative potential. Substantial research effort has been aimed at understanding work contexts that facilitate creative thinking, yet less is known regarding how to most effectively recruit and hire creative talent. To fill this knowledge gap and guide future research efforts, the book discusses the most predictive of creative potential as well as the means and methods for assessing this potential. In addition, the book also explores the challenges to quantifying successful innovation, proposing that creative achievement represents a unique and specialized form of organizational performance. Supplementing this discussion the book provide recommendations for obtaining high-quality, substantive criterion data. The book concludes with a brief discussion on recruitment and long-term selection strategies for innovation.

John M Ivancevich, (2011) book titled **"Human Resource Management"**. This is the 10th edition of this book and the book is very much useful as a text book for the management students. The book has been divided in 17 chapters which comprehensively all aspects of HRM including the latest developments in HR.

HRM is a function that plays a vital role in the success of organizations. HRM is viewed as relevant to managers in every unit, project or team. The focal point of HRM is people; people are the lifeblood of organizations. Without them, there is no need for computer systems, compensation plans, mission statements, programs, strategic planning or procedures. Because HRM

activities involve people, the activities must be finely tuned, properly implemented, and continuously monitored to achieve desired outcomes. The uniqueness of HRM lies in its emphasis on people in work settings and its concern for the well-being and comfort of the human resources in an organization. HRM is action oriented, individual oriented, globally oriented, and future oriented. It focuses on satisfying the needs of individuals at work. HRM is a necessary function. Effectively performed, it can make the crucial difference between successful and unsuccessful organizations. One of the challenges faced in HRM is that many decisions require input from both operating managers and HR specialists. This dual purpose can lead to conflict, or it can result in more effective HRM decisions.

A sound HRM program can contribute to organizational end results such as socially responsible and ethical behaviour and high-quality, competitive products and services. Understanding the characteristics and composition of the labour force is important when designing an HRM program. HRM has become strategic area and is now recognized as important in creating and implementing the overall strategies of a firm. Specific strategies, challenges facing both HRM and the firm include global competition, productivity and quality, workforce diversity, and the caliber of the workforce. Organizational factors – including goals, organization culture, the nature of the task, the makeup of the work group and the leader's style and experience – must be taken into account to maximize the effectiveness of HRM. An attitude is a characteristic and usually long-lasting way of thinking,

feeling and behaving. A preference is a type of attitude that evaluates an object, idea or person in a positive or negative way.

Chapter 4 has discussed the critical issues faced by organizations that conduct international business. Global human resource management is an important component of an organization's success in a global market place. For an organization to become a successful international enterprise, it must be sure that its HRM policies can accommodate a culturally diverse workforce.

Chapter 8 has explained what is involved in making effective selection decisions. The basic objective of selection is to obtain the employees who are most likely to meet the organization's standards of performance and who will be satisfied and developed on the job. Selection is influenced by environmental characteristics: whether the organization is public or private, labour market conditions and the selection ratio, union requirements, and legal restrictions on selection. Reasonable criteria for the choice must be set prior to selection. The best way to identify these criteria is through thorough job analysis.

Chapter 9 explains formal performance valuation of employees is the HRM process by which the organization determines how effectively the employee is performing the job. It takes place primarily for white collar, professional, technical and managerial employees. It rarely is done for part time employees, and only for about half of all blue-collar employees. Although the data are not entirely clear and criticisms in some cases are warranted, it appears that, if properly done, performance evaluations and feedback can be useful for most organizations and most employees. The purposes that a

formal performance evaluation can serve include: a) development, b) reward, c) human resource planning and d) validation. Performance evaluation interviews that involve feeding back evaluation information can be effective if the evaluation information is meaningful, clear and helpful. On the other hand, feeding back information can be quite stressful if the evaluation is considered unfair, inaccurate, and poorly designed. Selecting the best evaluation approach for the employees and managers to use is an important decision.

Compensation is the HRM function that deals with every type of reward that individuals receive in exchange for performing organizational tasks – wages, salaries, bonuses, commissions, benefits and non financial rewards like praise. The objective of the compensation function is to create a system of rewards that is equitable to the employer and employee alike. Compensation should be adequate, equitable, cost-effective, secure, incentive – providing, and acceptable to the employee. There is early evidence linking pay and productivity from the time of the Code of Hammurabi in the 18th century B.C. However, high performance requires more than understanding the relationship among pay, motivation, satisfaction and productivity.

Chapter 13 deals with training and development. The author states that the principal purposes of orientation are:

- a. To reduce start-up costs of a new employee.
- b. To reduce the fear and anxiety of the new employee.
- c. To reduce turnover
- d. To save time for supervisors and co-workers

- e. To develop realistic job expectations, positive attitudes toward the employer, and job satisfaction.

Training is a form of education to which the following learning principles can be applied:

- a. Trainee must be motivated to learn.
- b. Trainee must be able to learn.
- c. Learning must be reinforced.
- d. Training must provide for practice of the material.
- e. Material presented must be meaningful.
- f. Material taught must transfer to the job

Management development is the process by which managers gain the experience, skills and attitudes to become or remain successful leaders in their organization. Management and professional development is designed to reduce obsolescence and to increase employees' satisfaction and productivity.

Chapter 15 discusses labour relations and collective bargaining. A labour union (employees association) is an organization of employees formed to advance, through collective action its members' interests in regard to wages and working conditions. Labour relations are the continuous relationship between a defined group of employees (represented by a union or association) and management (one or more employers). This relationship includes the negotiation of a written contract concerning pay, hours, and other terms and conditions of employment, as well as interpretation and administration of this contract over its period of coverage.

Particularly the last chapter that is the 17th Chapter of the book on Managing Employee Discipline is the most crucial task that the HR department has to address more seriously.

Some of the most difficult human resource management problems involve handling difficult or ineffective employees. Most deviant or difficult employees' problems probably have multiple causes. Some of these are:

- a. problems of intelligence and job knowledge
- b. Motivational problems.
- c. Emotional problems
- d. Physical problems
- e. Family problems
- f. Problems caused by the work group
- g. Problems originating in company policies
- h. Problems stemming from society and its values
- i. Problems from the work context (for example, economic forces) and the work itself

Categories of employees that cause discipline problems include:

- a. Ineffective employees.
- b. Alcoholic and drug-abusing employees
- c. Participants in theft, crime and illegal acts
- d. Rule violators

The discipline process involves the following:

- a. The employer establishes rules and goals.
- b. These rules and goals are communicated to employees

- c. Employees' behaviour is modified, punished and so on.
- d. Depending on the behaviour, its severity and the number of offenses, an employee may be terminated.

Discipline is an area in which help is needed from many areas: supervisors, HRM, the work group, arbitrators and top management. Each has a crucial role to play if the discipline system is to be effective.

Mirza S Saiyadain, (2010), book titled, "**Human Resources Management**"- The expression, Human resource Management (HRM) is a relatively recent title for all aspects of managing people in an organization. It represents a broad based understanding of the problems of people and their management in view of the development of behavioural science knowledge. The first chapter deals with evolution of HRM and HRM functions, emerging HRM functions and their impact on the organization and its workforce, human resource information system and its place in the HRM.

Human resource planning is discussed in chapter 3 of the book. It deals with need for HR planning exercise in an organization, the process involved in human resource planning, job analysis, job description and job satisfaction, different methods of forecasting, knowing sources of supply of Human resources.

Various agencies in recruitment, the methods for screening, comprehensive understanding of the different methods of selection, about taking selection decisions, when multiple methods of selection are used, and the current issues in recruitment and selection are discussed in chapter 4. In

today's highly complex and competitive situation, choice of right personnel has far-reaching implication for an organization's functioning. Employees well –selected and well-placed would not only contribute to the efficient running of the organization but offer significant potential for future replacement. Hence, building and maintaining an effective human organization becomes the most important management function.

Group Discussion: Another frequently used technique for the selection of supervisory and management staff and particularly for management trainees in India is known as group discussion. Before the individual, face-to-face, interview takes place a group of applicants ranging from six to ten are either provided a company situation or a topic on which they are allowed some time, to discuss among themselves. The discussion is preceded by a preparation time which provides an opportunity to the applicants to think of the subject matter and evolve a strategy of making their contribution.

Group discussions are generally unstructured. There are no predetermined expectations of who will perform what role. What is seen is how the group takes its shape, what is this shape and who has contributed most to this .Depending upon the job expectation a variety of things could be examined. Generally, the quality of content, its delivery, time management, interpersonal competence, and behaviour in the group are assessed. The assessment is done by more than one person who is also members of the interview panel. These assessments are done independently.

Chapter 6 is on work motivation. It deals with what is meant by motivation and why people work, some major theories of motivation and the

related Indian research as well as the role played by money as a motivator has also been discussed in this chapter.

One more important topic discussed in this book is relating to perception and communication. This topic clarifies reasons for distortions in perception, the power of expectation, different directions of communications, how do the people in organizations communicate with each other, what are the causes of problems in communication, and how to overcome with these barriers in communications.

The most useful aspect of this book is it starts with a case study which is based on the Indian situation and gradually introduces to the topic under discussion on scrutinizing the case. This helps the reader to easily understand the point that has been made out. The book is very much useful not only to the management trainees but also to the practicing managers.

K. Aswathappa, (2011), "Human Resource Management".

This is the sixth edition of the book. Indian industry is waking up to the challenges thrown in by market economy. To survive in this highly competitive scenario, managers are being pressurized to improve quality, increase productivity, cut down waste and eliminate inefficiency. The collective efforts of the employer and the employee assume relevance in this context. And this is where human resource management can play a crucial role. The book helps the reader to understand human resource in its proper perspective. The book has been divided in 6 sections: namely, 1) Nature of human resource management, (2) Employee hiring, (3) Employee and

executive remuneration, (4) Employee motivation, (5) Employee maintenance, (6) Industrial relations. The book has ample illustrations, examples and anecdotes drawn from the contemporary business world.

Human resource Management is a management function that helps managers plan, recruit, select, train, develop, remunerate and maintain members for an organization. HRM is the latest nomenclature used to denote personnel management (PM). HRM has four objectives, namely (i) social, (ii) organizational, (iii) functional and (iv) personal. An organization must have set policies, definite procedures and well-defined principles relating to its personnel. These contribute to the effectiveness, continuity and stability of the organization. HRM offers several career opportunities to the aspirants.

The environment of HRM comprises both external as well as internal forces which have their impact on the practitioners of the profession. The external environment includes political-legal, economic, technological and cultural factors. The internal environment consists of unions, organizational culture and conflict, and professionalism. The study of the environment enables HR experts to become proactive in their approach to personnel aspects.

Human resource Planning (HRP) refers to the estimation of the number and the type of people needed during the ensuing period. HRP is significant as it helps determine future personnel needs; ensures protection to worker sections; acts as a basis for other personnel functions; help overcome resistance to change; and so on. HRP is influenced by several factors, such as

the type and strategy of organization, environmental uncertainties; time horizons; type and quality of information; and type of jobs being filled.

Job analysis is the process of collecting job-related data. The data, thus collected, will be useful for preparing job description and job specification. Job description lists job title, duties, machines and equipment involved, working conditions surrounding a job and the like. Job specification lists the human qualities and qualification necessary to do the job. Job design affects employee productivity, motivation and satisfaction. Hence, care must be exercised in designing jobs. Organizational, environmental and behavioural factors affect job design. Work simplification, job rotation, job enlargement, job enrichment, autonomous group working, and high performance work design are the popular techniques of job design.

Recruitment is the process of searching for and obtaining applications so as to build a pool of job seekers from when the right people for the right jobs may be selected. The purpose of recruitment is to build a pool of applicants. Recruitment represents the first contact a company makes with potential employees. Recruitment done well will result in better selection. Both external as well as internal factors would govern the recruitment, process. Demand and supply of specific skills, unemployment rate, labour market conditions, legal and political considerations and the company's image are the external factors. Among the internal factors are recruiting policy of the organization, decision to have temporary and part time employees, HRP, size of the organization, cost of recruitment and growth and expansion phase.

The philosophy of attracting as many applicants as possible for given jobs guided recruitment activities in the past. These days, the emphasis is on matching the needs of the firm to the needs of the applicants. This would minimize employee turnover and enhance satisfaction. elastic job preview and job compatibility questionnaire help achieve this.

Selection refers to the process of picking the right candidates from the pool of applications. Selection is significant as it has its impact on work performance and employee cost. Selection is generally done by the HR department often in consultation with the line managers. Selection is an eight step process, commencing from preliminary interview and ending with evaluation and control.

Training and development activities are designed, considerable costs notwithstanding, to impart specific skills, abilities and knowledge to employees. Distinction is often made between training and education, and between the two and development. Training refers to imparting specific skills. Education is the process of theoretical learning in classrooms. Development refers to learning opportunities designed to help employees grow and evolve a vision about the future. All the three form a part of training and development – only target groups of employees differ. Training is confined to shop-floor workers and development is meant for executives. Education, of course, is needed for all employees, irrespective of their hierarchy.

Skills, education, development, ethics, attitudinal changes and decision-making skills go into any programme of training and development. A programme of raining and development is important as it lends stability and

flexibility to an organization, besides contributing to its capacity to grow. Accident, scrap, and damage to machinery and equipment can be avoided or minimized, thanks to the programme. Further more, future needs of employees will be taken care by training and development.

Performance appraisal refers to the assessment of an employee's actual performance, behaviour on jobs and his or her potential for future performance. Appraisal has several objectives but the main purposes are to assess training needs, to effect promotions and to give pay increases.

Employee remuneration has different connotations for different people. For an employee it means status and standard of living, for the employer it adds to the cost; and to the HRM administration of remuneration is an important activity. Remuneration comprises both financial as well as non-financial benefit. External and internal factors have an impact on an employee's pay package. Factors external to an organization include, labour market, going rate, cost of living, labour unions, labour laws, society and the economy. Internal environment, on the other hand, internal factors, include the company's ability to pay, job evaluation and performance appraisal, and the worker himself/herself. Employees are paid incentives in addition to wages and salaries. Incentives are linked to performance. This leads to better motivation among employees. Reduced cost, reduced supervision, reduced scrap and the lie are the other benefits of incentives. Quality of the products is likely to decline. Introduction of an incentive scheme is difficult, too. Jalousies creep in among workers. Problems associated with incentive schemes may be overcome and the plans may be made to serve their

purpose, provided several safeguards are taken. Consultation and cooperation of workers are only examples of such pre-requisites.

Fringe refers to all those monetary benefits that the employees receive in addition to direct remuneration. Fringe benefits are popular because they enhance employees' earnings, help attract and retain competent personnel, reduce fatigue, minimize overtime costs and discourage labour unrest.

Motivation in simple terms may be understood as the set of forces that cause people to behave in certain ways. Motivated employees are always looking for better ways to do a job. A motivated employee, generally, quality oriented. Highly motivated workers are more productive than apathetic workers. Motivation is an important concept that has been receiving considerable attention from academicians, researchers and practicing HR managers. In its essence, motivation comprises important elements such as the need or content, search and choice of strategies, goal – directed behaviour, social comparison of rewards, reinforcement and performance satisfaction. Several approaches to motivation are available.

Gary Dessler & Biju Varkkey (2011) "Human Resource Management"

All managers should understand the importance of human resource management. Doing so helps managers avoid problems like hiring the wrong person for the job. And more important, it can help ensure that managers get results through people. Today, with employers competing in a challenging

new environment, employers expect and demand more from their HR managers.

Strategic planning is important to all managers. The management planning process includes setting an objective, making forecasts, determining what your alternatives are, evaluating your alternatives, and implementing and evaluation your plan. All managers need to be familiar with the basis of job analysis. Job analysis is the procedure through which you determine the duties of the department's positions and the characteristics of the people to hire for them.

The recruitment and selection process entails five main steps,: decide what positions to fill; build a pool of candidates for these jobs; have candidates complete application forms; use selection tools and decide to whom to make an offer, in part by having the supervisor and others interview the candidates. Recruitment and selection starts with personnel planning and forecasting. All managers need to understand with why effective recruiting is important. Filling open position with internal sources of candidates has several advantages. Understanding how to recruit a more diverse workforce is important. The recruitment process invariably includes developing and using application forms to collect essential background information about the applicant.

Careful employee selection is important for several reasons. Your own performance always depends on your subordinates; it is closely to recruit and hire employees; and mismanaging the hiring process has various legal implications including equal employment, negligent hiring and defamation.

A selection interview is a selection procedure designed to predict future job performance based on applicants' oral responses to oral inquiry, and several basic types of interviews are discussed in the book. Steps in conducting an effective interview include making sure you know the job, structuring the interview, getting organized, asking questions, taking brief unobtrusive notes during the interview, and reviewing the interview.

Getting your new employee on bound and up to speed begins with orienting and training him or her. Employee orientation means providing new employees with the information they need to function, and helping them start being emotionally attached to the firm. Before training employees, it's necessary to analyze their training needs and design the training program.

Before appraising performance, managers should understand certain basic concepts in performance management and appraisal. Performance appraisal involves setting work standards, assessing the employee's actual performance relative to those standards, and providing feedback to the employee. Managers should appraise employees based on the criteria previously assigned, and the actual standards should be specific, measurable, attainable, relevant and timely. Talent management is the automated process of planning, recruiting, developing, managing and compensating employees throughout the organization.

Each aspect of HR has been discussed in greater detail in the respective chapters. The discussion is more or less centered keeping in view the American work environment. Currently due to globalization and as number of American companies have made inroads in India, the Indian

firms/companies are also emulating the American culture. Specific examples in the Indian contexts would have enriched the book for the Indian readers.

Wayne F. Cascio, Ranjeet Nambudiri, (2010), "Managing Human Resources"

HR measurement is valuable to the extent that it improves vital decisions about talent and how it is organized. To have genuine strategic impact, HR measures must be embedded within logical frameworks that drive sound strategic decisions about talent. Talent refers to the potential and realized capacities of individuals and groups and how they are organized, including those within the organization and those who might join the organization.

On recruitment, the author says that, the recruitment is a form of business contest and it is fiercely competitive. It begins with a clear statement of objectives, based on the number and types of knowledge, skills, abilities and other characteristics that an organization needs to achieve its strategic business objectives. Recruitment objectives are also based on a consideration of the gender and ethnic group representation of the workforce, relative to that of the surrounding factor force. Finally, a recruitment policy must spell out clearly an organization's intention to evaluate and screen candidates without regard to factors such as race, gender, age or disability. The actual process of recruitment begins with a specification of workforce requirements – numbers, skills mix, levels and the time frame within which such needs must be met.

Recruitment may involve internal or external labour markets, or both. Internal recruitment often relies on succession plans, job posting, employee referrals or temporary worker pools. Many external recruitment sources are also available. In managing and controlling recruitment operations, considering a hiring management system that calculates the cost of operations, analyzes the performance of each source, and estimates payoffs of successful recruitment efforts, because the number of hires who actually perform their jobs successfully determines recruitment success.

In staffing an organization or an organizational unit, it is important to consider its developmental stage – embryonic, high growth, mature or aging – in order to align staffing decisions with business strategy. It is also important to communicate an organization's culture, because research shows that applicants will consider this information to choose among jobs if it is available to them. To use selection techniques meaningfully, however, it is necessary to specify the kinds of competencies that are necessary for success.

In the context of managerial selection, numerous techniques are available, but the research literature indicates that the most effective ones have been mental ability tests, personality and interest inventories, peer assessments, personal history data and situational tests. Projective techniques and group discussion, the in-basket, and business simulations, lies at the heart of the assessment-center method. Key advantages of the method are its high validity, fair evaluation of each candidate's ability, and flexibility of form and content. Other features include the use of multiple assessment

techniques, assessor training and pooled assessor judgments in rating each candidate's behaviour.

On performance management the author states that the performance management requires willingness and a commitment to focus on improving performance at the level of the individual or team every day. Like a compass, an ongoing performance management system provides instantaneous, real time information that describes the difference between the current and the desired course. To practice sound performance management, managers must do the same thing – provide timely feedback about performance, while constantly focusing everyone's attention on the ultimate objective.

At a general level, the broad process of performance management requires that you do three things well: define performance (through goals, measure, and assessments), facilitate performance (by identifying obstacles to good performance and providing resources to accomplish objectives), and encourage performance (by providing timely rewards that people care about in a sufficient amount, and fairly).

Performance appraisal is necessary, but not sufficient, part of the performance-management process. It serves two major purposes in organizations (1) to improve the job performance of employees, and (2) to provide information to employees and managers for use in making decisions.

Performance appraisal is done once or twice a year in most organizations, but research indicates that this is far too infrequent. It should happen upon the completion of projects or upon achievement of important

milestones. The specific rating method used depends on the purpose for which the appraisal is intended.

A career is a sequence of positions occupied by a person during the course of a lifetime. Career planning is important because the consequences of career success or failure are closely linked to an individual's self-concept and identity, as well as with career and life satisfaction.

Generally speaking, pay systems are designed to attract, retain, and motivate employees, achieve internal, external, and individual equity, and maintain a balance in relationships between direct and indirect forms of compensation and between the pay rates of supervisory and nonsupervisory employees.

About incentive the author say that in terms of incentive plans, the most effective ones are simple, specific, attainable, and measurable. Consider merit pay, for example. Merit pay works best when these guidelines are followed: (1) Establish high standards of performance; (2) develop sound performance management systems; (3) train supervisors in the mechanics of performance appraisal and in the art of giving constructive feedback; (4) the rewards closely to performance; and (5) provide a wide range of possible pay increases.

On the whole the discussion in this book was in the context of environment that prevailed in the USA. The illustrations and case studies in Indian context would have been more useful for understanding the text.

Arun Monappa, (2011), Book titled, "Managing Human Resources"

In recent times, particularly with liberalization of the Indian economy and its gradual and halting integration with the world economy, the Human Resources (HR) function in India has got the important that it has in the developed world, in particular. Perhaps, due to the abundant manpower available and relatively low cost, this did not merit undue consideration earlier. But now it is realized that with equal opportunities to acquire technology, finance, systems, the cutting edge of an organization will be its Human Resources. That is the difference between one company and another in the marketplace, other things being equal, will be the quality, skill, attitudes and commitment of the HR, which will either see the company achieve good results – profits – or decline – losses.

One of the aims of the HR strategy is to achieve a close match between corporate business objectives and the objectives of the HR function. The corporate strategy is to be linked with the HRM strategy to check the HR implications of strategic planning. The need for personnel to be motivated or reoriented according to this integrated approach has to be given emphatic thought.

Diversity in the composition of the workforce, is the result of both constitutional provisions, and the political circumstances based on socio-anthropological compulsions. Management of these diverse groups has resulted in the cropping up of HR issues, related to manpower planning, selection and appraisal. In a developing country with teeming unemployment,

if opportunities get reduced due to the quota system, those left out have to compete in a very narrow segment creating emotional stress and strain. There are also issues of integration of such a diverse group with sometimes strong feelings towards each other.

The book has given several case studies which are useful in understanding the subject already dealt in this book.

Raymond A Noe, Amitabh Deo Kodwani (2008), book titled, "Employee Training and Development",

Traditionally, training and development was not viewed as an activity that could help companies create "value" and successfully deal with competitive challenges. Today, the view has changed. Companies that use innovative training and development practices are likely to report better financial performance than their competitors that do not. Training and development also helps a company to meet competitive challenges.

Customers are demanding high-quality products and services. As a result, employees must understand how to monitor and improve the quality of goods and services. Training and development plays a key role in helping companies meet these challenges. To do so, companies need to train employees to work with persons from different cultures.

The role of training has broadened beyond training program design. Effective instructional training remains important, but training managers, human resource experts, and trainers are increasingly being asked to create systems to motivate employees to learn, create knowledge and share that

knowledge with other employees in the company. Training has moved from an emphasis on a one time event to the creation of conditions for learning that can occur through collaboration, online learning, traditional classroom training, or a combination of methods. There is increased recognition that learning occurs outside the boundaries of a formal training course.

Companies want a work force that is motivated and productive, has up-to-date skills, and can quickly learn new skills to meet changing customer needs. Employees want to develop skills that not only are useful for their current jobs but also are congruent with their personal interests and values. Employees are interested in developing skills that can help them remain employable with either their current employer or a future one.

Chapter 1 introduces the reader to the role of training and development in companies. Chapter 2 discusses how training practices and the organization of the training function can support business goals. Because companies are interested in reducing costs, the amount of resources allocated to training is likely to be determined by how much training and development activities help the company reach business goals. Topics related to determining programs are covered in Chapter 2 to 6. Chapter 3 discusses how to identify when training is appropriate. Chapter 4 addresses the learning process and characteristics of a learning environment, and it provides practical suggestions for designing training to ensure that learning occurs. Chapter 5 emphasizes what should be done in the design of training and the work environment to ensure that training is used on the job. Chapter 6 discusses how to evaluate training programs. Chapter 7 discusses

presentational methods, hand-on methods. Chapter 8 introduces the new technologies being used in training. These technology-based training methods include Web-based instruction, distance learning, e-learning, iPods, and simulations and blended learning. Chapter 7 & 8 both conclude by comparing training methods on the basis of costs, benefits and learning characteristics.

As the author has rich experience in training and development the book is enriched with illustrations which has made the book invaluable one.

J. S. Chandan, (2010), book titled, **“Management Theory and Practice”**.

This is a book which exclusively and extensively covers the area of management. The book has been organized in accordance with the traditional functional approach and combines all the concepts of management theory and practice with balanced coverage of various approaches to the subject matter. The material has been presented in a clear, unambiguous and well-structured manner. The concepts are made up-to-date and the most recent thinking on the managerial issues and approaches.

The part II Section (C) dealt with the Staffing function: The Management of Human Resources. There are a number of factors that contribute towards the success of an enterprise. These factors include capital, equipment, man power etc. While all the factors are important, the human factor is the most significant one, since it is the people who have to use all other resources. Without the productive efforts of its workers, the materials and resources would be of no use.

Staffing is the traditional management function of attraction and selection of the best people and putting them on jobs where their talents and skills can be best utilized, and retention of these people through incentives, job training and job enrichment programs, in order to achieve both individual and organizational objectives. This emphasizes managing human and not material or financial resources.

Human resources planning is important in providing the following direct benefits to the organization.

1. It improves the utilization of human resources by helping the management forecast the recruitment needs in terms of both number as well as the types of skills required and develop ways to avoid or correct problems before they become serious and disrupt operations.
2. It helps focus the recruitment efforts on the most likely sources of supply.
3. It makes provisions for replacement or back-up staff from either inside or outside the organization whenever the need arises either on temporary or permanent basis.

Retention: The hiring process and the training process are very costly. It requires a lot of time, effort and money during the process of selecting the right person who would be most suited to the job. It would be even more costly if the right person once hired, leaves the organization because the work environment was not such where his potential would be

most utilized and recognized. It is necessary to create a working environment which will be conducive to maintaining the work force and keeping them in high morale. The employees should be fairly paid for their work and a conceptual environment created in which the employees feel a sense of belonging with the company. The following are the functions which are involved in retention of work force:

1. Compensation administration.
2. Labour relations
3. Auxiliary employee services: Like recreational facilities, food services, company newspaper, athletic facilities for the employees etc.

Managerial Development: In the words of David W. Ewing, "The managerial personnel must realize that they will not survive unless they keep pace with modern management education, research theory, principles and practices." ¹ The management development effort is undertaken to satisfy a number of organizational objectives.

1. To ensure that managers at all levels of the organizations are able to perform their jobs effectively.
2. To avoid managerial obsolescence.
3. To provide for managerial promotion to higher level ranks.
4. To provide opportunity for managers to seek new challenges and new venues for personal growth and internal satisfaction.

¹ Ewing, David W., "The Knowledge of an Executive." The Educational Development Series I,p.181

Directing & Leading Function: Directing and leading comprise the managerial function of guiding, overseeing and leading people. Direction is concerned with directing the human efforts towards organizational goal achievement. Since the purpose of directing is to make effective use of employees, it is usually initiated by the higher echelons of management.

Leadership is an integral part of management and plays a vital role in managerial operations. If there is any single factor that differentiates between successful and unsuccessful organizations, it could be considered as dynamic and effective leadership. The book has discussed various traits of leadership traits and theories.

The book has also a chapter which deals with the motivation comprehensively. Right from the concept of motivation, the author has given significance of motivation, various theories on motivation and impact of motivation on the work culture in an organization.

Communication: It is a process of passing information and understanding from one person to another. It means transmitting and sharing of ideas, opinions, facts and information in a manner that is perceived and understood by the receivers of the communication. Effective communication is very essential for management to successfully perform its functions. It is an essential ingredient in management-employee relations.

Lin Gensing Pophal: The HR: Human Resources Management for Business.

Many businesses understand the need for good HR management. After all, hiring, keeping and managing employees are a mission-critical activity that affects a business's ability to succeed.

However, a gap often exists between understanding the importance of HR management, and the ability to effectively manage different HR issues. For business owners and managers who find themselves facing this gap. The HR Book is an excellent resource.

The first part of the HR Book tackles the hiring process. Employers learn how to create a job ad, reach potential hires, review applications, prepare for and conduct interviews, check references, select the final candidate and make a job offer.

The book then addresses issues affecting hired staff. Topics include: intellectual property rights, contracts, company policies, issues related to pay and work hours, benefits, employee absenteeism, performance evaluation and dealing with employee problems. Each subject is touched on briefly, with a comprehensive overview of HR issues being the final result.

One of the most useful aspects of this book is that each section is based on legal HR issues. From the hiring process forward, each section includes information on Canadian and U.S. legal guidelines, helping employers manage their employees – legally. For example, in one section, the author outlines prohibited areas of pre-employment questioning. In another, the need to have employees sign an acknowledgement stating they have read the employee handbook is explained.

Another useful aspect of this book is the various templates included, such as the letter confirming employment, personnel record, non-disclosure and non-competition covenant, disciplinary warning letter and dismissal letter.

The HR Book addressed both Canadian and U.S. employers, where different laws affect employers depending on their location. Due to these variations, each sample contract should have included information on which local and regional laws that were taken into account when each sample contract had been drafted. This would have helped employers understand whether they could use the templates in their location.

Overall, the HR Book is an excellent resource that is designed to help employers hire and manage their employees.

As stated hereinabove the book is best suited for the Canadian and US employees and the employers as the labour laws in those countries vastly differ from those prevailing in India. However, it exposes the reader to the labour laws environment and the approach of the managements.

1. Hunjra, A. I., Chani, M. I., Aslam, S., Azam, M., & Rehman, K. U. (2010), in their study measured the effect of human resource management practices like autonomy, leadership behaviour and team work on job satisfaction with a sample of 295 employees working in different banks of Rawalpindi, Islamabad and Lahore. The finding was found that employees weigh more to leadership behaviour and team work environment, than autonomy, to enhance their job satisfaction. So the management should focus on leadership behaviour to their employees and should provide them with a

good team work environment which will enhance their level of job satisfaction. This will also reduce absenteeism and turnover. The empirical analysis of this study suggests that male employees should be prioritized while formulating human resource strategies as compared to female employees. The human resource strategies should not be devised on gender discrimination basis but include both categories that is male and female.

2. Vanar, V. M. (2012), in his study investigated the relationship between employees' satisfaction and industrial relations in selected industrial units of Ahmedabad and Anand districts. It was found that inadequate welfare measures and absence of motivation are the root problems for indiscipline, and so employers should urgently frame such effective employee's welfare policy which motivates them to work efficiently without creating troubles in the organization. It was also found that job satisfaction is important because the committed and engaged employees create satisfied work group which leads to pleasant industrial relations. It also came to know that employers should take suggestions from employees while making any policy which affects the industrial relations of the organization.

3. Parvin, M. M., & Kabir, M. M. (2011), in their study examined the major factors contributing to job satisfaction in pharmaceuticals companies selected for the study. The findings indicated that specially in pharmaceuticals companies money is a good motivator. Salary, efficiency in work, and co-worker relations are also the important factors in giving maximum satisfaction

to the employees. A good work environment and good work conditions such as cleanliness, lighting, noise and furniture arrangements also play a significant role. Moreover, fair competitive environment like fair treatment, fair compensation, and fair work hours will improve the job attitudes and the employees will be willing to put more hard work and will give good results to the organization. Security of job is also an important aspect especially for male employees as compared to female employees.

4. Akanbi, F. K., & Ojokuku, R. M. (2012), in their study evaluated the effect of participation of workers in training programmes on their job performance with a sample of 127 respondents of administrative staff in Ladoke Akintola University of Technology, Nigeria. This study highlighted that training is a very significant factor that must be introduced in the work schedule. Participation in training and development programme was discovered to have strong effect on the job performance of the administrative staff and the types of training offered to the staff were also relevant to job needs. It was found from the study that the implication of this would increase job performance and thus making it possible to achieve the overall organizational goal of the university setting.

5. Chaddha, V., & Pandey, R. (2011), in their research investigated the impact of work environment on employees' efficiency with a sample of 62 respondents. It was found that good working environment encourages

creativity among the employees and more job involvement. It came to know that some external work environment including infrastructure facilities are correlated with the productivity of the employee. Along with that internal work environment especially job related pressures have their negative impact on employee productivity such as workers relationship with management, co-workers, fringe benefits and workers place of residence. Moreover, it was also observed that physical facilities and psychological factors directly bears on employees productivity, and so the organization should focus more on creating conducive working environment by reducing employees stress, boredom and unhappiness.

6. Ojo, O. (2009), in his study examined the impact of corporate culture on employee job performance as well as on organizational productivity by selecting Nigerian banking industry with a sample population of 78 employees. It came into light that corporate culture is an important ingredient to foster satisfaction among the employees. It also enhances the productivity of the organization. It was found that there is a positive relationship between organizational culture and job satisfaction of employees. And therefore organizations should try to redevelop such culture which can make positive impact on employee's behavior which ultimately increases their job performances and organizational productivity.

3.5 CONCLUSION

On going through the various books, journals, reports it has been observed that the whole concept of human relation management plays a key role in the success of any enterprise. Particularly after the liberalization and globalization the role of HR has assumed greater importance as the competition amongst the various market players has become stiff. It is a specialized field for which there are n' number of books is available. However, the books covering case studies in the Indian context are comparatively limited. However, whatever reading material was available has proved to be very useful in understanding the concept and utility of the HR in the modern industry, particularly there are number MNCs with origin abroad.

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CHAPTER – IV

PROFILE OF

KURKUMBH INDUSTRIAL ESTATE

4.1 INTRODUCTION

After the formation of Maharashtra State on May 1, 1960, the Government of Maharashtra constituted a "Board of Industrial Development" (BID) on October 1, 1960, under the Chairmanship of Shri. S. G. Barve, I.C.S. The various committees recommendations received in the industries department were taken up for implementation and as per the Borkar Committees recommendations; development of Ulhas Valley Water Supply was entrusted to the Board of Industrial Development (BID).

The BID framed the legislation and it was introduced before the state legislation and passed in the form of "Maharashtra Industrial Act" which gave birth to MIDC, as a separate corporation on August 1, 1962. The BID were the first personnel strength of MIDC.

A small ceremony at Wagle Estate Thane, under the Chairmanship of the Chief Minister Shri Y.B. Chavan, marked the birthday of MIDC on August 1, 1962. The Board of Industrial Development during its existence between October 1, 1960 to August 1, 1962, has done enough spade work to identify the locations for setting up industrial areas in different parts of the state. Thus, right in the first year of establishment MIDC has come up with 14

industrial areas, to initiate action for infrastructure and help entrepreneurs set up the industrial units in those areas.

The key historical policy decisions taken by MIDC certainly changed the social economic scenario of the state as its activities spread in the interior. The important policy decision of setting up "independent filtered /potable water supply system of adequate capacity" as essential infrastructure for industrial development was the most intelligent step taken by MIDC right in the beginning. It stabilized the population base near the industrial areas. The strategically wise decision taken simultaneously to provide water supply to nearby domestic population from the capabilities created by MIDC of their own water supply system resulted in a phenomenal urban growth in the nearby small towns and villages. The growth of Kalyan complex and Pimpri-Chinchwad are results of this key policy decision taken by MIDC.

For a planned development of industrial units comprehensive fundamental infrastructure i.e. electricity, developed roads, water facility, street lights, common facility centre providing banking, post, transport, telephone exchange etc. are provided by the MIDC .

MIDC has developed specialized parks based on sectors such as:

- Automobiles and Auto Components
- Biotechnology
- Consumer Durables
- Chemicals
- Engineering
- Electronics Hardware

- Information Technology
- Petrochemicals
- Pharmaceuticals
- Transportation
- Textile
- Wine

Achievements

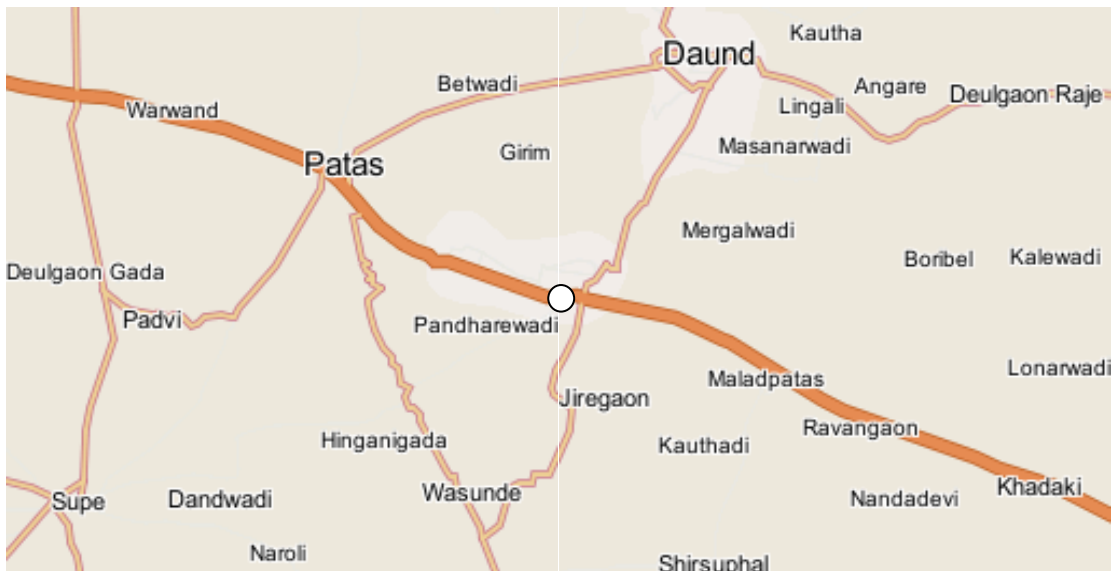
- Built 225 industrial complexes with 1,300,000 acres (5,300 km²) of land
- Developed specialized parks for different industrial sectors, including IT, BT, wine (grape processing) Park, Silver Zone, gems and jewellery, textiles, leather, chemical industry, electronics, food processing, floriculture etc.
- Elaborate network of industrial & domestic water supply, total quantity supplied 1285 MLD

4.2 KURKUMB MIDC

Kurkumbh is located in Daund Taluka of Pune District at a latitude 18.10683 and Longitude: of 75.77747, on Pune Sholapur National High Way No. 9. It is 75 Kms away from Pune and 10 kms. away from Daund Railway Junction. The nearest air port for this location is at Pune.

4.3 LOCATION MAP OF MIDC AT KURKUMBH MARKED BY CIRCLE

Fig. 4.1 : Location Map of Kurkumbh MIDC



Source : Kurkumbh MIDC Bulletin

Keeping in tune with its avowed policy of reaching out to the potential centres for industrial development, in the year 1991 Maharashtra Industrial Development Corporation (MIDC) acquired 483.29 Hectares of land at Kurkumbh for the development of industrial estate. As the location is most convenient because of proximity to Pune and Daund Railway Junction, there is a great demand for the developed industrial plots in this MIDC. In order to give boost to the industrialization this location has been classified under 'C' category which envisages speedy development and providing incentives for the new industrial units coming up in this MIDC. The land acquired by the

MIDC has been divided in 181 plots of which 150 plots have been fully developed and are under industrial usage. Currently 80 industrial projects are functioning and progressing of which 15 are large scale industrial units. 60% of the plots are reserved for the engineering industries. 252 plots have been plotted and 213 plots are already handed over to the entrepreneurs seeking to develop industrial activity. Asphaltting of the internal roads to the tune of 23.06 Kms., has been completed and the remaining work is being developed gradually. All the streets are illuminated by 492 H.P.S.U. lamps.

The industrial units in MIDC Kurkumbh have provided regular employment opportunity directly and indirectly to a large number of youths of this locality. Climatically also the location is well suited for the development of industries. Its temperature is max. 40 to 42⁰ C and the humidity is 51.1 in the morning and 46.13 in the evening.

So far as water requirement of the industrial area as well as for the human population of this area main lake has been taken up at Varvand near Kurkumbh, MIDC wherein water is made available through canal on Khadkwasala dam. For this purpose MIDC has laid down pipe line of 700 CM dia and 11.5 Kms. length from Varvand. The water supply is regular. Currently for this MIDC a water supply of 12 T.M.C. water is available for the MIDC. Currently 9 T.M.C. water is being used by the MIDC.

Power is the fundamental requirement of any industrial organization. Maharashtra State Electricity Distribution Co. has made arrangement to provide requisite power through a separate tower line from Lonikand.

One of the key requirements in the MIDC area is the availability of the Fire Fighting Station within the MIDC complex. In the year 1993 on a plot of 4800 sq. ft. construction of Fire Fighting Station of 543 sq. ft. is completed and w.e.f. 21st July 2008 a full fledged fire fighting station has been put into operation.

In order to maintain the ecological balance, the MIDC has planted and grown over 20000 trees on both the sides of the streets and in its area which certainly helps in bringing down the pollution level.

In order to have speedy telecommunication the MIDC had in the beginning reserved 56 land lines under Own Your Telephone scheme and those were released as per the demand. Now there is a full fledged Telephone exchange with a capacity of 400 lines.

The MIDC has in the year 1993 constructed a Common Facility Centre on a plot of 10,000 sq. ft. with built up area of 908 sq. In the said CFC, State Bank of India has a branch office, Post office, Photo copying shop, a few shop units, a small auditorium, guest house, MIDC's Regional Office and the office of the Kurkumbh Environment Protection Coop. Society Ltd.'s office is housed.

In this MIDC there are engineering industries as well as chemical and pharmaceutical industries. There are both large scale and small scale industries in this MIDC area. Keeping in view the location of the MIDC, the total environment, this MIDC has ear marked some plots specifically for the chemical and pharmaceutical industries as a result of which good number of renowned industries have their plants located in this MIDC. The names of the

major Chemical and Pharmaceutical industries have been furnished hereunder:

Table 4.1 : Names of the chemical and pharmaceutical industries in the study area

Large Scale Chemical Industries	Large Scale Pharmaceutical Industries
1. Pearl Engineering Polymers Ltd.	1. Cipla Ltd.
2. Reliance Industries Ltd.	2. Alkyl Amines Ltd.
3. P. Laboratories	4. Emcure Pharma Ltd.
	5. Marksons Pharma

Source : Kurkumbh MIDC Bulletin

Apart from these large scale industries there are number of small scale industries which are flourishing in this MIDC.

Because of the industrial waste from chemical and pharmaceutical industries there is a threat to environment because of the pollution level. For establishing such chemical and pharmaceutical industries there is need to have a separate plant to dispose of the industrial waste scientifically. The water waste which is treated is given for irrigating the agricultural lands nearby. Therefore, these industries are required to seek approval from the Pollution Control Board as well as from the Head Office of the MIDC.

Due to the location of this MIDC industrial estate, number of large and small scale industrial units have been established in it, which provide permanent job opportunity to the unemployed youths from Daund, Patas, Varvand and the other villages in surrounding area of Kurkumbh. Actually the MIDC is situated in the command area of Pandharewadi Grampanchayat. Because of the location of MIDC in this Grampanchayat area the local body also gets sizable income by way taxes from the MIDC.

As there is no residential accommodation available for the work force, the MIDC has developed residential flats on Kurkumbh Daund Road, on a plot of 9 hectare plot. This facilitates the workers to stay near their work place. As the local workers have got gainful employment the social impact of it can be visually seen in the gradual improvement in their lifestyle. Maharashtra State Road Transport Corporation has made provision of ST Buses to Kurkumbh from Daund and the nearby villages which facilitate the workers and the staff. This MIDC has given boost to the development of trade at Kurkumbh.

CHAPTER – V

RECRUITMENT AND SELECTION OF EMPLOYEES

5.1 INTRODUCTION

Indian pharmaceutical industry is witnessing high attrition rate over the past few years. This is mainly attributed to the inflow of multinational pharma companies as a result of the Indian economic reforms since 1991 when it adopted the policy of globalization, liberalization and privatization. Since there were number of job opportunities are available the experienced staff from the domestic pharma sector started switching their jobs. This created the chain of attrition in the pharma sector. Currently the attrition rate is at estimated at 35 per cent. The reasons for such a heavy attrition rate are detailed in the subsequent paras:

Controlling Attrition

In an ideal work environment, the employees put in hard work, have high regard for the work place, offer full potential and contribute to the productivity. But in the reality such situations are rare. There are instances where the employees leave the organization on paltry issues or for paltry gain. Therefore this is a challenge being faced by the Indian pharma industry.

For quite some time the Indian pharma industry was striving for survival. However, during the post reforms period the industry is rapidly growing and adopting competitive strategy. This has resulted in the constant demand for the best and the brightest employees which paves the way for attrition.

The reasons for high attrition rate are numerous. However, at the end of the analysis the final outcome is the compensation issue and the fringe benefits.

Needless to say that this is because the compensation packages in the pharma sector are growing with leaps and bounds. There is a competition amongst the pharma companies to grab talented qualified employees at any cost and therefore compensation are getting fat and higher designations are also being offered. Naturally this results to concern for the employee relations.

A Critical Issue

When there was boom in the Information Technology and Business Process Outsourcing industry this industry also faced similar high attrition rate. However, because of the recession world over, the industry is witnessing stability. This was followed by the growth in the Pharma sector and the same problem of attrition has cropped therein. Retention of the employees has a problem before Indian pharma industry.

As has been seen earlier human resources is the vital assets of any company. The companies invest sizable amount in their recruitment,

selection, training, when the employee all of a sudden leaves the organization all the expenditure incurred on these aspects turns waste. And the same process is required to be started again.

Compared to the attrition rate in the global pharma industry of 10-12 per cent the Indian pharma industry's attrition rate is any time much higher at 30 to 35 per cent. The further analysis of the attrition rate has revealed that the main area of the problem lies in marketing and Research and Development departments.

Major reasons for high attrition rate, stated by employees during the survey are:

1. Low compensation plan. In a survey 61% attributed this reason.
2. Inefficient management.
3. Feeling of insecurity of the job.
4. Lack of motivation.

Job Lacking Opportunity for Future Advancement

Apart from the financial loss in the event of the employee leaving the job, there is a greater risk involved in if the employee joins the competitor of the company. He may leak the strategies and this will have adverse impact on the business levels.

A vacuum is created when a trained and experienced leave the organization. There is a loss of skills which have been developed over the years in addition to the relationship and it is not easy to easily fill up the vacancy so caused. The gravity increases when an employee at fairly senior

level which is a decision making authority leaves the organization. This is because there is scarcity of the senior level personnel. In such a situation the company's business gets hampered.

Each and every industry undergoes this situation of attrition however the degree varies from industry to industry. The pharma companies have been established long ago and they have their own culture and work practices. Employee turnover in the Indian pharma context is not a new phenomenon, and the industry is used to it. However, the problem of attrition became serious when the rate of attrition increased after globalization. Number of multinational pharma companies preferred to have their research and development activity to locate in India where the talent is in abundance and the cost of its procurement is also relatively low.

However the HR professionals do not subscribe the view that people leave the organization for monetary benefits. They also put forth various other factors such as the working conditions, composition of teams, for not liking the work itself, and in few cases for family reasons.

Organizational culture is also an aspect which induces the employees to leave or to join the organization. The superior and the subordinate relationship often is the cause for leaving the organization. Therefore interpersonal relationship at all levels should be cordial. If the boss is inefficient he creates hurdles in the committed employees work and such an attitude leaves no other option before the committed employee but to leave the organization.

Many a times talented employees who are career oriented leave the job as there is no opportunity for further development and securing higher positions in the organization. Therefore, the HR should take care that there is a reasonable career path planning and that it should be made known to the employees. Therefore, the HR department should also be on it's toes to understand the real causes for attrition and should take care of removal of these causes to the extent possible.

Here it is worth while to mention that in some advanced organization there is system of conducting Exit Interview by the higher bosses. As the employee is leaving the organization, he is very frank in clarifying the reasons as to why he is leaving. Therefore the need of the hour to contain the attrition rate, the senior management should have a rational view of the points raised in the exit interview and should try to plug the deficiencies witnessed.

Naturally each employees has some aspirations from the organization. He expects that the organization will provide reasonable growth opportunity. He expects that the organization cherishes certain values of mutual trust, respect and maintains transparency in its dealings with the employees, flexibility in compensation etc. If he is satisfied he prefers to stay in the organization.

The achievers in various sub segment of the organization prove to be the role models for the other employees. Good organization take interest in the overall development of the employee and provide required opportunities for the same.

Self-esteem, confidence, high morale and motivation are the outcome of good organization behaviour. In such a situation the employees prefer to stay in the organization as they are sure that their future is safe in the organization.

Needless to say that the attrition rate depends on the demand and supply of the human resources as in other industry. There are two types of demands – one is of fresh graduates and the other is that of experienced and skilled personnel. The supply of the fresher is generally of high order as there are number of educational institutions in the country. The problem is in the area of getting experienced and skilled personnel. There are two different views on the recruitment of the experienced employees. Some companies prefer to recruit the fresher as they view that the fresher can be moulded according to the company's policy. The experienced employees are bit reluctant to come out of the old company's practices and procedures and it is difficult to convince him. There is a saying that a pre convinced man cannot be convinced. However, small organization always prefer experienced personnel as they have their limitations in investing in the training and developing skills.

Currently there is a scarcity of experienced and skilled in the pharma industry. The compensation package is usually decided on the basis of industry's capacity to pay, experience, qualification, and compensation structure in the similar size of organization, value addition that the employee offers and the intensity of the need of the company.

According to the HR expert offering fabulous compensation is not a good strategy. They prefer recognition of the work put in by the incumbent in a position weighs more for retention. The organization for this purpose identifies such positions and the persons and should constantly nourish their recognition needs to retain them in the organization. Good opportunities should be provided to them to retain their interest in the organization.

HR's Role and Strategies

As the gravity of the attrition rate has increased the HR people are very well concerned about it and are trying to introduce various ways for recruiting talented employee who will offer job commitment and add to the value of the company's products.

Some experts are of the considered view that usually talented people have a tendency to switch on the job quite frequently. They do this because they want to climb the management hierarchy very fast. Of course, in the process they do get good monetary compensation but not much of job satisfaction. Usually continuing with one organization pays in the long run.

The efficiency of the HR depends on creation of good work culture and formulating different strategies for this purpose. The focus of the HR should always be on a fair combination of growth, learning opportunity and attention to the personal needs of the employees. The HR should develop feed back system through which they can get the information about the personal needs of the employees. All this will have to be done to ensure that they can maintain consistency in the performance and high motivational levels.

In order to retain the talented and dedicated staff in the organization the pharma employers should seriously consider all the above aspects for long term benefits.

After dealing with the burning problem of the pharma sector let us discuss the issue of recruitment and selection. If this is tackled properly it helps to reduce attrition.

5.2 SIGNIFICANCE OF RECRUITMENT & SELECTION PROCESS

Recruitment and selection are the processes through which the employable job seekers for an organization are put through by the HR department.

Every organization has a well documented employment and recruitment and hiring policies.

Importance of Recruitment is given below

- ❖ In order to have better scope for selection encourage more and more number of candidates to apply.
- ❖ Instead of selecting just the required numbers create a pool of talented candidates for selection of the best among the lot.
- ❖ Undertake job analysis, decide in consultation with the planning department as to what is the current requirement and the future requirement of employees.

- ❖ Through the recruitment process link with the employers and the pool of job candidates can be established at a minimum cost.
- ❖ Screen the CVs of the application and apply the process of elimination who are not eligible as per the policy so that success rate of selection process increases.
- ❖ Keep the short listed persons list alive for a short period until the recruited and selected candidates settle in the organization.
- ❖ Adhere to the government laws regarding the composition of the workforce. E.g. recruitment of local applicants / ratio of SC and ST quota etc.
- ❖ From uncalled application received in the normal course please keep identifying and preparing list of potential job applicants who will be appropriate per your requirement.
- ❖ Keep constantly refining the recruitment techniques for all types of job applicants.

Factors Governing Recruitment

External Factors

- ❖ Unemployment situation.
- ❖ Supply and demand
- ❖ Situation of the labour market
- ❖ Local candidates

- ❖ Image of the organization

Internal Factors

- ❖ Recruitment and selection policies of the organization.
- ❖ Balancing act for the permanent and temporary staff.
- ❖ Local recruitment is advantages to a certain extent as they know the local language as well as environment better.
- ❖ Quantum of recruitment.
- ❖ Costing of the recruitment exercise.

5.3 THE GENERAL RECRUITMENT PROCESS

Following are the stages in the recruitment process sequentially.

- ❖ Identifying the vacancies
- ❖ Prepare job profile and job card
- ❖ Release of advertisement in the news paper.
- ❖ Process the responses received.
- ❖ Short list those who fulfill the eligibility criteria.
- ❖ Conduct the test as per the policy
- ❖ Declare the results and short list the successful candidates
- ❖ Call for the interviews / group discussion
- ❖ Complete the selection process on merit.
- ❖ Convey the decision to the selected candidate

Recruitment and selection are the most crucial tasks to be achieved by the HR Department. Recruitment refers to searching and appointing a prospective candidate for the organization. This whole exercise requires a good time and therefore this should be planned in advance and some waiting list of all the categories be maintained to meet urgent requirement.

According to Edwin B. Flippo¹

“**Recruitment** is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization”.

“A process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applications from which new employees are selected”.²

‘Recruitment is the activity that links the employers and the job seekers’.³

5.4 OBJECTIVES OF RECRUITMENT

- 1) To acquire, retain and develop the best talent and skills for the organization.
- 2) Assess the manpower present and future manpower requirement jointly with the planning department of the organization.

¹ <http://www.slideshare.net/VarunMahadev/module-3-recruitment>

² B. K. Aswathappa, , Human Resources & Personnel Management , page 132

³ <http://bkproductions.fr.yuku.com/topic/199>

- 3) Procure the requisite number of employees with the desired qualification, experience and skills to achieve the organization's objectives and goals.
- 4) Constitute a pool of candidates with requisite skills, qualifications and experience so that right man can be selected for the right job and on urgent basis.
- 5) Solicit adequate candidates for proper selection of the right kind of employees.
- 6) Performs the role of a link between the job seekers and the employers.
- 7) Infusion of fresh blood at all levels improves the health of the organization.
- 8) Be in constant search for the requisite specialized skills required by the organization.
- 9) Think of inducting direct recruits for giving new perspective to the organization.

5.5 RECRUITMENT

The organization has two options for recruitment – internal and external. The internal recruitment refers to transfer from one place to the other or from elevating the employee to the required position through a well defined process of selection. The external sources include placement bureaus, campus selection and also from the open labour market.

5.6 SOURCES OF RECRUITMENT

As stated above there are two sources of recruitment which are described in details over here.

INTERNAL SOURCES

- ❖ Transfers
- ❖ Promotions
- ❖ Upgrading
- ❖ Demotion
- ❖ Retrenched employees
- ❖ Compassionate ground

EXTERNAL SOURCES

- ❖ Release of press advt.
- ❖ Campus interviews.
- ❖ Placement bureaus
- ❖ Employment Exchanges
- ❖ Labour contractors
- ❖ Uncalled for applications received.
- ❖ Employees referrals
- ❖ Recruitment at factory gate

Why does organization prefer internal sources?

- ❖ It is a tool for motivating the internal employees.

- ❖ Suitability can be ascertained in a better way.
- ❖ Providing opportunity for advancement creates a better work environment.
- ❖ Can be recruited at a minimum cost.
- ❖ Savings on induction and orientation training.

5.7 SELECTION PROCESS

Through the process of selection the HR department can identify whether the applicant fulfills the qualification and meets the specific job requirements.

The process starts with initial scrutiny, written test, group discussion and finally employment decision. Needless to say while deciding on the vacancies and the job requirement the technical and professional dimensions are also borne in mind. Selection of the candidate is the top most challenge to the organization.

According to Dale Yoder - "Selection is the process in which candidates for employment are divided into 2 classes - those who are to be offered employment and those who are not."⁴

1) Pre Interview Screening

Usually this is the starting point of the selection process. In this process those ineligible candidates are kept out.

⁴ <http://www.contentwriter.in/articles/hr/selection-process.htm>

2) Preliminary Interview

Candidates who are successful in the first screening they are put to preliminary interview in which personal and professional details are obtained.

3) Final Interview

In the final interview the applicant is thoroughly grilled and his acceptability to the organization is assessed.

4) Medical Examination

Once the candidate is selected he is put through medical test so as to ensure that the candidate is physically fit and has no serious ailment.

5) Checking References

Usually the candidates are asked to provide two references knowing the candidate (no relatives) to enable the organization to check their credentials on behaviour, skills, integrity etc.

6) Job Offer

A candidate who complete these steps and come out successfully for a job is given a job offer.

7) Induction Programme

The newly joined candidates are subjected to induction training in which the candidate is introduced to the organization, understanding the job and the systems and procedure involved in a particular job. This enables the new entrant in the organization to perform better.

5.8 HR POLICIES AND PROCEDURE

HR department deals with the management of the human resources of the organization. Its prime concern is to ensure that proper atmosphere is created to ensure harmonious working relations among all the employees. Its role include planning, directing, developing and utilization of the available human resource in the best interest of the organization. This department formulates the policies which relevant to their areas of work say recruitment, selection, promotion, transfer, career path planning, compensation packages, giving fringe benefits, and wage bill administration, training, etc. Barring few exceptions the department also deals with Industrial relations also. All that is needed to achieve the corporate goal whatever support is required from the human resources of the organization is enlisted by the HR department.

5.9 RECRUITMENT CHECKLIST

- ❖ Confirmation that the vacancy has been approved by the competent authority.

- ❖ Updating the job description
- ❖ Conditions of employment and the number of vacancies
- ❖ Preparation of candidate's specification.
- ❖ Receipt of the manpower requirement.
- ❖ Release of advertisement in the paper / referring the placement bureaus / informing the concern institution for campus placement.
- ❖ Arrangements for personal interview.

5.10 EXPLANATION OF RECRUITMENT PROCESS

Steps in Recruitment process are as follows

1. Requirement Gathering

Obtaining the job description from the concerned dept. usually the HR Department issues prescribed form to the concerned dept. for filling it and returning to it. Job description covers criteria as qualification, professional experience requirement, designation and the time of requirement.

2. Analysis of the Requirement

In order to recruit the right person for the right job there should the requirement should be clearly spelt out. This helps the HR department to find out the right man to match the requirement of the concerned department.

3. **Sourcing of CVs**

Screen the applications received to find out the relevant profile for the job. This can be done through the following ways:

In order to find the relevant profile for the job, it is very essential to search the CVs. This can be done in following ways:

- ❖ Casual application from local places.
- ❖ Contacts through the present employees.
- ❖ Data bank
- ❖ Portals, such as Naukri.com
- ❖ Former employee
- ❖ Campus interview.

4. **Screening of CVs**

At this stage the job requirement given by the department and the available human resource through CVs are matched.

Following details are carefully scrutinized:

- ❖ Date of birth
- ❖ Highest qualification
- ❖ Experience
- ❖ Skills
- ❖ Expected salary, etc.

5. **Arranging the test and the interview**

After the screening the list of eligible candidates is prepared and they are informed about the written test and group discussion procedures of the organization. When the papers are assessed the candidates are short listed for interview. The date, time, venue and the interview is finalized and the prospective candidates are informed of the interview details.

6. **At the time of interview**

Candidates are given personal data form for filling before the interview. It covers detailed information about the candidate. The resumes / CVs together with the data form are handed over to the interview panel. Then preliminary interview is conducted and from amongst short listed candidates final interview is also conducted.

7. **Medical Checkup**

Selected candidates are sent to medical checkup with pre medical checkup form. The main objective of this test is to detect whether the applicant is physically fit to perform work or not and to protect the employer from worker compensation claims.

8. Reference Check

In order to ascertain the credentials of the prospective new entrant in the organization usually companies solicit from the candidate two references with their name, address, telephone numbers etc for cross checking about the candidates behaviour, integrity, honesty etc.

6. Documentation

After the reference check if finally selected the candidate is called for documentation and then formal offer letter is given.

7. Induction Programme:

The newly inducted employees are put through formal induction training programme during which he is introduced to the organization, work culture, job duties etc.

5.11 CRITERIA FOR RECRUITING EMPLOYEES

A CHECK LIST

1. Age

Usually the age group selected is between 21- 25.

2. Education

It depends according to the job requirement. This is prescribed in the recruitment policy.

3. Experience

Usually companies prefer to induct fresh candidates so that they can be moulded according to the companies work culture and systems and procedures. However, in certain cases the job requirement is for experienced people. In such cases earlier job reliving letter is checked along with the track record in that company is also verified.

4. Appearance

Of course any one will prefer a pleasing personality. However, the maturity should be reflected in applying this yardstick.

5. Manners

Rating is also given to the candidate's manners and etiquettes as he /she represents the organization in a sophisticated highly educated class.

6. Voice and Expression

There should be clarity of voice, modulation and grammar

7. Reactions

Alertness, quickness of response.

8. Drive/Initiative

Ability to stimulate, enthuse others and self-assurance.

9. Intelligence

Comprehension, reasoning ability, keenness and smartness is expected of him/ her.

10. Interest

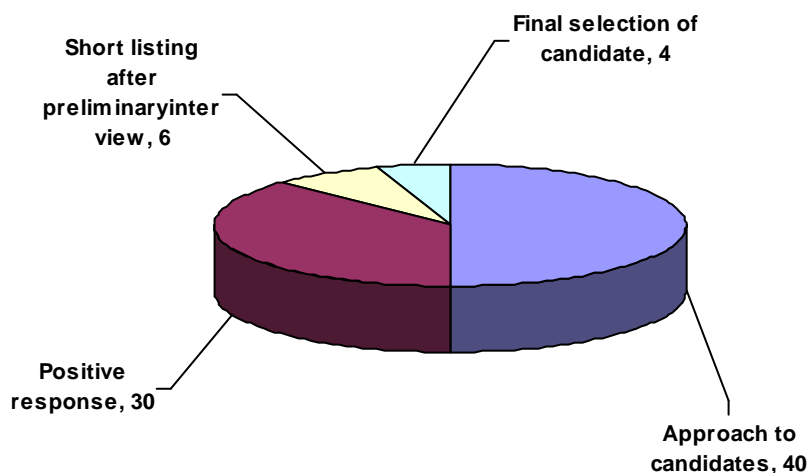
Sincerity of ambitions and personal goals, interest in other people.

5.12 RECRUITMENT PROCESS

Table 5.1: Process of selecting the candidates

Recruitment Process	No. of Candidates
Approach to candidates	40
Positive response	30
Short listing after preliminary interview	06
Final selection of candidate	04

Fig. 5.1 : Recruitment Process

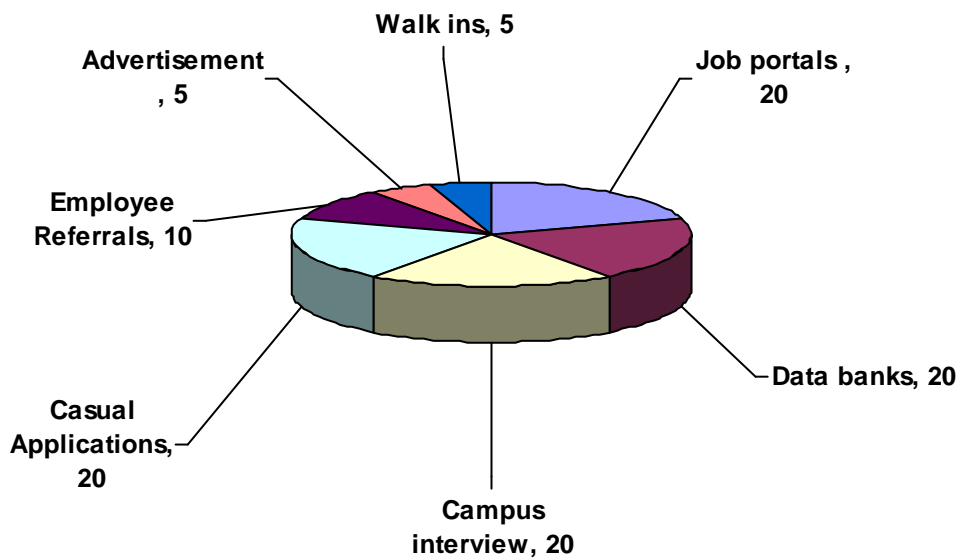


The above graph no. 1 represent the number of candidates gets selected after the final interview. This graph is taken to show the number of approaches to candidate is much more than the candidates who actually get selected after the final interview.

Table No 5.2: . SOURCES OF RECRUITMENT

Sources	% of Recruitment
Job Portals	20
Data Banks	20
Campus Interview	20
Casual Applications	20
Employee Referrals	10
Advertisement	5
Walk ins	5

Fig. 5.2 : Sources of Recruitment



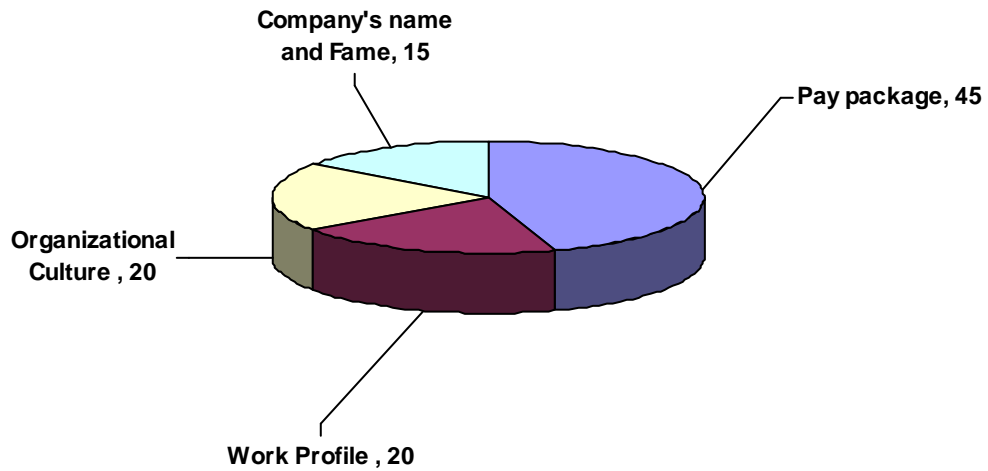
The graph represents the sources of recruitment. The percentage of usage of all sources is not same, the company is using job portals as 20% which is major source of recruitment, 20% data is from data banks, 20% from campus interview, 20% from Casual application, 10% from employee referrals, 5% from advertisement and 5% from walk ins.

Table 5.3: A survey of factors affecting the recruitment policy of the company

Sr. No.	Preference given by the employee	Percentage
1	Pay Package	45
2	Work Profile	20
3	Organizational Culture	20
4	Company's name and Fame	15

Source: Filed Survey Data & Organizations' Bulletins

Fig. 5.3 : Factor Affecting Recruitment Policy



According to this survey, 45% employee says about pay package, 20% work profile, 20% organizational control, and 15% company's name and fame.

The selection and recruitment of sales personnel is a critical aspect in Pharma industries because it has to face many challenges existing in the market. The selection of right person for the right job is the basic need of the Pharma industry. The employer has to consider following challenges before pharma marketing. This is because before selection he has to study the challenges and select the team which can meet out these challenges.

Recruitment Process Outsourcing (RPO)

This sort of recruitment is usually adopted by the Business Process Outsourcing Organizations wherein the employers outsource the jobs and reduces his long term commitment of staff costs. Recruitment Process

Organizations keep ready the pool of different type of personnel usually required by the BPOs. They should not be looked at similar to the Placement Bureaus which have been seen on the Indian recruitment horizon. The engagement of RPO relieves the already heavily burdened HR department to attend to other major tasks. The routine activities are handled by the RPOs.

Untapped Opportunities

In fact, in India where the pharma industry which is a major industry ranking 4th in the world the organization of RPO is not being used as it should be. In India the concept is in the initial stage. The companies after the globalization are expecting highly qualified and with increased efficiency staff for which they prefer either placement bureau or campus selections.

Many times pharma companies have their own internal recruitments. The capabilities of external recruitment firm are also sometimes a point of concern for pharma companies, as pharma recruitment calls for a basic understanding of the pharma industry as well.

India is a major pharma player in the world. In India there are more than 20,000 registered pharma companies. Because of availability large number of highly qualified and industrious youths and their exposure to English which is used world over, and relatively low cost number of overseas companies are looking at India a fertile land for housing their production as well as research and development activities. Over and above this there is a tremendous large size domestic market for pharma industries.

The services of RPO are beneficial to the new entrants in the pharma industry.

Indian pharma companies would definitely like to go global. In this scenario RPOs can play a great role. Pharma companies require a specific talent pool, so quality of hiring services is very important. There are many pharma companies in India so the competition for the talent is also very intense. So they need a specialist help to attract right kind of talent. If pharma companies tap such RPOs, then it will really help them.

By 2012 many drugs are going off patent and this scenario is expected to bring a revolution in the Indian pharma industry as experts predict the sale of generic drugs will go up by a few billion dollars. This business expansion should translate into a good business opportunity for RPOs as well.

The researcher has given some emphasis on marketing function in management. The purpose of business is to develop the employee in all functions of management that is to make them useful for the organization. Accordingly HR Dept. of all organizations have to plan for selection and recruitment of sales personnel, motivational concepts for sales personnel, salary and wage calculations, performance appraisal, training and development are the areas which are equally important for marketing dept. to be organized by H.R. Dept. Thus within marketing department there is a scope for H R functions. Marketing Dept. fetches the revenue for the organization hence it is a life line for any organization. But it will efficiently function only when the H R related functions are carried out effectively within the organization for the smooth working of marketing department. In light of

this explanation the researcher thought it better to analyze the HR related matter in the marketing function of Pharma industry (Page 189. 6.7) has been studied in order to bring out the target attainment through consistent efforts have been studied by the researcher which is in fact related to H R policies but affected on marketing strategies. Now in the era of interdisciplinary studies one cannot ignore the interdependence of the functions of management.

On page No. 192 it has been clearly stated that the recruitment of first line manager is a two stage process vis-à-vis screening interview with H R and second assessment centre. Thus the recruitment process has been dealt with. The qualities, requirement of abilities, administration knowledge, leadership qualities, risk taking abilities, performance management is discussed in the research work. This function of recruitment which is a part of H R Management is having direct impact on marketing function. So, the discussion related to HR function in marketing is carried out.

Secondly, pharma business has a very peculiar characteristic. It is related to life science, so persons in office and persons on field must have a better coordination. Accordingly, HR function in relation to the marketing has been studied in moderate detail.

There are some pharma and chemical industries in Kurkumbh area which have production and marketing departments in the same area. E.g. J.P. Laboratories, Pearl Co. Ltd. Some have the marketing headquarters at Mumbai. The study reveals the fact that it has been essential to study the H R

Policies in detail and not only that its relevance to the other managerial functions.

The study has been undertaken for the study of H R Policies of selected pharma companies located at industrial area of Kurkumbh. Accordingly three chemical industries and five pharma industries are selected for the said study. H R policies related to these industries are studied in detail. Data analysis and interpretation shows the working in selected areas. The selection and training of employees, motivational concepts, performance appraisal, and such other areas are the real thrust area of the study. This is related to the pharma companies in the Kurkumbh area.

HUMAN RESOURCE MANAGEMENT AND TRAINING OF EMPLOYEES IN PHARMACEUTICAL INDUSTRY

6.1 INTRODUCTION

Like any other business the prime objective of marketing management is to earn profits through satisfying customer needs and wants. Marketing Manager therefore, first study and understand the real needs of the market, wants, belief and customer's attitude towards the product.

Very recently India has started implementing product patent regime. Naturally this change also brought number of changes in the pharmaceutical market. The space of introduction of new formulations has been slowed down. Marketing has assumed greatest importance and will continue to be so in times to come. The success of the marketing will lie on the proper understanding about the expectations of the consumers.

6.2 MANAGEMENT OF EMPLOYEES / TRAINEES

Management of the employees is the task to be accomplished by the Human Resources Management, including the staff of the marketing dept. Marketing department generates the cash income therefore needs to be managed very carefully.

Loyal employees' team is the biggest asset of any organization. Following key elements properly administered lead to cultivation of loyalty of the employees by motivating them:

Following are certain core elements to cultivate loyal employees by motivating them:

- ❖ There should be vision and proper career path planning
- ❖ Promote culture wherein every employee feels valued and respected.
- ❖ Create an environment and work culture where every employee will feel comfortable with his and his family future is secured.
- ❖ A sound system of rewards and recognition may be developed.

Each of these elements is dealt in detail as follows:

❖ **Create a vision and a clear career path**

In any organization whenever any new employee joins he/she should be properly introduced to the organization through an orientation course. The new incumbent should have clear idea of the career path available for him. He should be briefed as what competencies he needs to develop to tread that career path. There should be a team of talented youths who can take up higher responsibilities in times to come. The new incumbent should be groomed keeping in view his strengths and how the organization can best be benefited with his performance.

❖ **Foster a culture where every employee feels respected and valued**

The HR people should believe that every one in the organization has something inherent talent in him with which the organization can derive certain benefit irrespective of his age, experience. The need is to recognize the hidden talent. The employee should be encouraged to participate in discussions, decision making at his level within the organizational structure. Periodical team meetings can best be used for grooming the staff.

One more aspect is also very important that is of trust. Trust begets trust. Trust the employee that he will do his job well. You should encourage them to take decisions within their sphere of authority.

Work Place

❖ **Encourage a workplace where employees can feel free to create a future for themselves and their families**

Create an atmosphere in the organization where the employee will feel comfortable and develops feeling that this is the organization where I can make my career. Create an environment where the employee will explore his strengths and passion. There should be performance reviews by the superiors in which case there will be interaction with the employee. His views about his training needs, exposure required may be taken note of.

Motivation

The organization should develop a sound motivation system where the employee will be confident that there is a good scheme of recognition and rewards and then he will get fully motivated to put in concentrated efforts to accomplish the task assigned to him.

Develop a system of rewards and recognition to keep your employees motivated.

The HR department should in the first identify the recognition needs and then formulate motivation schemes. In fact financial conditions of the organization do not come in the way of formulating such motivation schemes. Even appreciation letter or appreciation in the meetings may motivate the employee. Giving a memento in appreciation of his services may also motivate the employee as he can display the memento at home. His family may also take pride in it. For any suggestion, or developing any new system if an employee is to rewarded take into account the cost benefit of the suggestion and reward him suitably.

In a marketing organization in order to ensure that the field staff achieve the sales target set out for them there should be some attractive prizes which motivate the sales staff. In multinational and some domestic large size companies such prizes include foreign tour along with family, presentation of a car or a consumer durable etc. These are the schemes for individuals. Companies also announce group schemes or schemes for the geographical divisions the company

has. There are schemes for the distributors and doctors as well in pharma sector.

In the pharma sector the medical representatives are well organized. The industrial relations are satisfactory.

Although the medical representatives are well organized the overall industrial relations in the pharma industry are satisfactory.

Table 6.1: Perception of employees about Management’s Approach to the trade

	Positive	With reservation	Negative	Total No. of respondents
Employees	82	589	42	713
Percentage	11.50%	82.60	5.90	100%

Source: Filed Survey Data & Organizations’ Bulletins

From the above presentation it will be seen that 11.50% of the employees feel that the managements approach towards the trade union is positive. Merely 82.60% MRs have reservations and 5.90% of the Employees feel that the management’s approach is negative.

Following are some of the reactions from Pharma industry side:

1. India’s Rs 50,000 crore pharmaceutical industry employs around five million people, of which two million are sales representatives. The Indian Drug Manufacturers’ Association (IDMA), Organization of Pharmaceutical Producers of India (OPPI), and Indian Pharmaceutical Alliance (IPA) plan to ask the government to exclude sales representatives from the purview of labour laws.

6.3 CHALLENGES BEFORE PHARMA BUSINESS

To day the pharma industries are facing new challenges. After adoption of the globalization numbers of multinational pharma companies are entering into the Indian pharma market and thereby there is a stiff competition in the market. These foreign companies have a wide range of products. They have innovative marketing strategies that helps them to have good market share. Besides because of their sound financial position they are heavily investing in the research and development and are introducing newer and newer products.

The challenges faced by the Indian pharma sector industries are listed herein below:

Following are some of the challenges which pharma companies are facing in the market.

1. Because of the arrival of new companies there is rise in attrition rate of sales personnel. The challenge is to retain the committed employee.
2. Paucity of wide range of products compared to the multi national companies.
3. Dearth of competent medical representatives for clinical effectiveness.
4. Need for gaining customer's confidence.
5. Payments of distributors / stockiest
6. Adherence to the Government regulations

It merits mention that in making this particular recommendation, MCI has done away with the blanket ban on gifts imposed last month when the regulations were first issued. The recommendations also address other grey areas including sponsorship of travel and lodging of medical practitioners participating in a conference, the issue of monetary grants and the question of clinical research funding.

The monetary limits and the punitive clauses for infringing any of these regulations are similar to those defined for gifts.

The modifications come in the wake of popular demand for a review of some of the clauses in the regulations. Ever since the regulations have been issued it has been felt by doctors and Industry alike that some of the clauses in the regulations leave a lot of room for ambiguity. The argument is that if the involved parties are not clear on the regulations, they won't even realize if and when they have infringed them. To set the record straight and to facilitate a strict implementation of the guidelines, MCI has been mulling an amendment in the regulations for quite sometime now. It is expected that MCI will come out with the amended version of the regulations in a few days.

6.4 RESEARCH AND PUBLIC RELATION

The pharma companies carry out market research for any particular product at the national level. For this purpose these companies engage professional in this line who calls on the doctors, distributors, and hospital administrators for collecting the data from various places. The data is then analyzed and conclusions are drawn. The conclusions are pilot tasted and

based on the results those are commercially adopted. The market surveys help the companies to organize their product promotions. These companies promote their brand medicines through mix of advertising, personal selling and by public relations.

6.5 DRUG DISTRIBUTION AND BRAND MANAGEMENT

Usually the marketing chain for the pharmaceutical products is depot/ Carrying & Forwarding (C & F) Agents, Stockiest and the retailer chemist. Stockiest are spread in all the districts. There is one C & F agency is for the state. Retailers at all the towns and villages and they buy their requirements daily/weekly basis. Patients procure their requirements from the retailers.

The traditional model of pharmaceutical marketing has undergone a sea change. Companies have moved on from being primarily sales-oriented to now realizing the significance of services marketing with the focus on cross selling.

Apart from the marketing channels stated above, pharma companies also carry out direct sales to the doctors. Some companies have gone still ahead and they entertain the direct patients where in drugs are required in bulk.

The marketing team comprises of the Marketing Executives, Area /Zonal Business Managers who coordinate the marketing efforts of the sales teams in their respective markets.

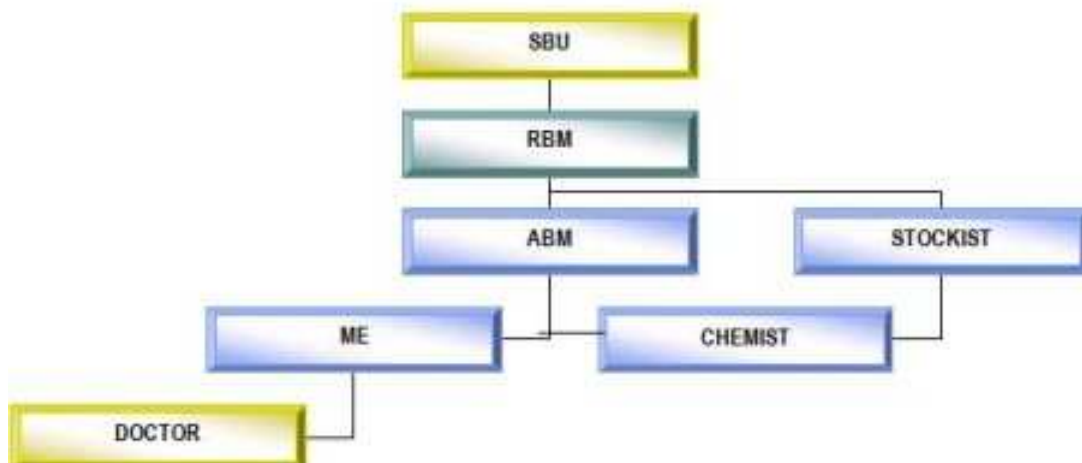
Customer focus through marketing strategy

The diagram given below shows the strategy of capturing business. The doctor prescribes the medicines to the patients and the patients buys his requirements from the medical retailers. The retailer purchases the stocks from the stockiest who in turn get the supplies from the C & F Agents. In some companies there are wholesalers and semi wholesalers.

The doctors are the focal point around which the whole marketing system moves. In view of this the companies are required to maintain good rapport with the doctors who prescribe their products. In multi national companies there is a separate department called Customer Relations Dept.

The doctor is thus a centre point around which all sales of the company hang. If he decides not to patronize its products, the company has no option but to knock on the door of another doctor, and another doctor, and so on. Therefore, it becomes necessary to promote and maintain strong relations with the medical profession. This establishes the rationale of a separate and full-fledged CRD.

Fig. 6.1 : Distribution Channels



SBU = Special Business Unit

RBM – Regional Business Manager

ABM = Area Business Manager

ME = Marketing Executive

At times it so happens that the drugs prescribed by the doctors are not available with the medical retailers. This is the reflection of the poor marketing exercise. In some companies less importance is given to the marketing function and of course they pay the price of it. The marketing functionaries detailed above are usually loyal to the pharmaceutical companies.

There are some companies who directly deal with the stockiest by passing the C & F agencies. There are some special products which the companies deliver directly to the doctors.

The success of the marketing organization mainly depends on the pricing of the product and the efficiency of the marketing personnel. Indian companies develop their product range which also include the products which are being manufactured by other companies. Therefore in the market we see that number of products is there which meet the same requirements. In old days there were production ceilings were placed by the Govt. But now these ceilings are removed. Pricing is also subject to approval from Drug Price Control Order for essential drugs. After pursuing the economic reforms since 1991 there is decontrol of prices are being decided by the market forces. Pricing of products is a serious issue and should not be taken lightly. Because

of the vast population India offers sizable potential for the pharma industry. Besides the in hygienic conditions in the rural areas are prone to contagious diseases. Even a single market player because of his wrong pricing policy disturbs the whole market.

Branding in Pharmaceutical Business

In the pharmaceutical industry branding of the product is the vital issue. Product managers have now evolved as brand managers. They are now understanding the dynamics of brand equity. There are no bench marks or best practices in brand management. The brand managers in pharma sector face with several challenges.

- A) In the Pharma industry the type of product decides the branding. There are two types of drugs. One is called over the counter drugs which are available to the customers without the doctor's prescription. The other one is drugs which require specifically the prescription from a doctor.

- B) Through the product name now the pharma companies can communicate their promise, an essence and aspirations and ensure brand loyalty.

Compared to the other business the branding of products in pharmaceutical industry is still to be matured. Years together

the pharmaceutical industries were pushing their products through doctors via sales representatives and the company was not much interested in branding their product. Integrated brand strategies were unknown. Pharmaceutical branding is very much important to bring about awareness amongst the potential customers and earning higher profits. The brand name immediately catches and highlights the products to the customers.

Getting right name to the pharmaceutical product needs heavy spending and more resources. It is a specialized job and not like any other product like electronic goods. Various aspects have to be borne in while deciding the name. The company should also take care of translating the name of their product in English when they are present in the international market. The name should not give a wrong signal when translated in the English language.

- D) Logo Designing of the pharmaceutical product is an important aspect of branding. It should have a fine tuning with the target market. Illustrative log design can create greater impact on the consumers.

Next in turn comes the packaging. Packing of pills, and other products should have some differentiation from other similar products so that they can be easily identified on the shelf.

Matters which ordinarily look of minor importance but really speaking they matter much. For instance, shape of the pill – it should be easy to swallow, colour – it should be attractive. Psychologically red is not a desirable colour and hence usually avoided.

Branding is dependant heavily on the marketing and promotion material like brochures, leaflets. Pharma products for the children should have bright colours and cut out and packaging to appeal them.

a. Prospects and problems of business expansion in pharmaceutical business

Formulating a marketing communication strategy decides the promotion of the organization, the initiative required to be taken, the wide range of products through different media – print as well as electronic media, advertising campaigns, and now with the advent of information technology search engine optimization. Objectives should be clear so that the performance can be measured there against.

1. The marketing strategy should be such that the target market gets impetus in evoking a desired set of responses and it should click in it's purchase. Communication should be perfect and it should take into account the relationship between a business and its market.

2. There are eleven different communication tools available to the marketer: personal selling, advertising, sales promotion, direct marketing, public relation, sponsorship, exhibitions, merchandising, the internet, word of mouth and corporate identity.
3. The composition of the communication tools should be such that it projects unified message consistently reinforced.
4. Unlike other sales promotion, the pharmaceutical industries promotion of the products is now governed by the rules and regulations and hence those should be strictly followed.
5. The main thrust of the business communication in pharmaceutical is to make a ever lasting impression on the potential customer. In the current fierce competition amongst the pharma companies, many companies have achieved commendable success.
6. Pharmaceutical industries are successful in implementing number of strategies to the targeted customers. However, the challenge before them to day is tackling opportunities for increasing profitability.
7. The pharmaceutical industry is the world's largest industry so far as revenues are concerned. However, recently there is a change which gives rise to the challenges that place new demands on payers, providers and manufacturers.
8. Customers demands are at times quite unusual. Now customers demand same choice and convenience which is available in product

in other category of product. Currently the pharma industry is poised to take a quantum jump in the ensuing five year's period.

9. Top Indian Companies like Ranbaxy, Dr. Reddy's , CIPLA Lupin Laboratories, Sun Pharma and Zydus Cadila have already established their presence.
10. Top Indian Companies like Ranbaxy, Dr. Reddy's , CIPLA Lupin Laboratories, Sun Pharma and Zydus Cadila have already established their presence.

6.7 ROLE OF MANAGERIAL LEVEL STAFF IN PHARMA INDUSTRY

a) Becoming a First Line Manager

In most of the pharmaceutical companies the development of representatives has become a regular phenomena and very documentation has been available. Usually in house training is given. Product training, marketing skills, are being taught. Training is not a one time exercise. It is a continuous process. The training is imparted by the trained teams who have achieved success in the marketing area.

The role of the first line manager in a pharmaceutical industry is a critical one. Development of line managers is a challenge to the trainers.

Development of marketing sales managers was on adhoc basis in the past. The responsibility of development of the new manager is the responsibility of the first line manager as it is like that the new manager may take over from the front line manager.

Because of the competitive sophisticated pharmaceutical industry, presence of multi national companies, a large team of front line managers is needed. For over a decade in the large pharma companies a large number of people are involved in developing front line managers. Some of the companies have engaged dedicated management trainers and faculty. Some of the trainees are also deputed to the professional training institutions. Today companies are spending heavily in terms of time, money and efforts in the development of front line managers. This speaks of the importance of the front line manager.

In order to successfully accomplish assigned role as a manager, he should carefully study the job description and the skills required to be developed to perform the role efficiently. They should draw on the experience of the front line manager.

b) Learning through Experiences

It is said that the experience is the best teacher. Marketing management is not an exception to it. The new managers should learn how to delegate and get the things done through the others with the same amount of efficiency. Delegation is a difficult task and one should develop the skill through experience.

Sales Manager identify sales force with a brilliant track record in the sales choose them and develop them for developing their career. It is all the important to have a dedicated and well experienced sales team as they are the real drivers of growth. Therefore their skill development is a supreme

priority. The organization should always have well developed growth plans and those should be periodically reviewed by the senior management. This review exercise provides an opportunity to take corrective action if at all required.

To day there are professional training institutes with number of training courses, specially designed training modules for short duration courses etc. We know that the personality development is a continuous phenomenon and therefore the aims of these training institutes are to constantly improve upon the skills and to sharpen these skills. Training is the requirement of not only the front line managers but also at the various hierarchical levels.

During the last decade there has been tremendous improvement and sophistication has been developed in the pharma sector for the selection of the front line managers. As the front line managers play a critical role in the marketing area, the companies have made this selection has been made rigorous.

Usually the selection of the front line managers is carried out in two phases. In the first phase the screening interview is with the Human Resources Department and in the second phase the screening is done by the assessment centre. In this second phase there are well developed models and the candidate's competency is examined over here. He is put through team exercise, business exercise etc, His communication skills are also tested here. Some companies also test the numerical ability and reasoning ability.

From whichever angle you look at it, securing a front line manager's position in a pharma industry is by no means an easy task. Lot of preparation is required to be put in. It will be better if one undergoes a structured personality development programme for preparing for this position. In order to move upward to the management level one has to prove his commitment and dedication.

c) Link to Strategy

This position of the front line manager offers an opportunity to contribute to the revenues and to maximize profitability through the marketing and sales programs.

d) Key Accountability's

Sales and Expenses

- ❖ Achievement of sales targets segment wise.
- ❖ Consequently achievement of market share target
- ❖ Achievement of specific objectives for pre-market products
- ❖ Ensure that you work within the budget allotted.

e) Territory Business Planning

Formulate and execute territory business plan.

Plan and execute Continuing Health Education

Achieve reach and frequency objectives

Ensure that follow up of specific action points.

f) Product and Therapeutic Knowledge

Obtain comprehensive product knowledge and also that of the competitor's products and strategies.

To obtain and maintain comprehensive product knowledge, knowledge about therapeutic market and competitors strategies.

g) Selling/Communication Skills

- ❖ Use appropriate selling material.
- ❖ Apply effective selling communication skills and make it a hot call.
- ❖ Develop advocates in the medical community who are willing to canvas the company's products.
- ❖ Ensure that you bring the customer's issues to the concerned departments in the organization. In deserving cases ensure proper follow up action.

h) Administration

- ❖ Accomplish the administration responsibilities within the time frame work given by the office. Sending reports, expenses statement etc. should be attended on time.

i) Skills and Experience

- ❖ A science degree or post graduation or B. Pharm / M. Pharm.
- ❖ Experience in a pharma sector is preferred.

- ❖ Now a day computer knowledge is an added advantage rather it is a pre-requisite.
- ❖ As the job involves extensive touring must have a valid driving license.
- ❖ He should have fluency in oral, written English and the regional language.

j) Key competencies required to be successful in this role

Organizational strategy

- ❖ A network of influential customers be developed.
- ❖ Influence the customer thinking process.
- ❖ Inculcate listening and understanding the customer.
- ❖ Sincerely represent the customer's issues within the organization.
- ❖ Accord high priority to meet the customer satisfaction.

k) Organizational Knowledge

- ❖ Get yourself acquainted with the company's business plan and the strategic direction.
- ❖ Develop understanding and ability to apply product knowledge.
- ❖ Keep yourself updated on the current developments and trends in critical care.
- ❖ Constantly endeavour to develop superior selling skills.
- ❖ Be upto date with the required computer application skills.

- ❖ Be innovative in developing cost effective education programs in achieving business goals.

l) Interpersonal

- ❖ Development effective working relationships with a cross section of the society.
- ❖ Look for win-win solutions
- ❖ Respect the team players and sales professionals
- ❖ Have cordial relations with the people and respect them
- ❖ Aim at arriving at a consensus within the team / group.
- ❖ Extend voluntary support to achieve team priorities.

m) Leadership

- ❖ Work without supervision
- ❖ Think positively and strategically.
- ❖ Have self direction
- ❖ Explore market opportunities
- ❖ Understand the market threats and deal with them suitably.

n) Communication

- ❖ Taylor your communication keeping in view the audience, timely, and effectively.
- ❖ Express your ideas and opinions constructively and without any reservations.

- ❖ Develop listening habit and obtain feed back of the communication.
- ❖ While you are under pressure behave logically and with clarity.

o) Risk taking and innovative thinking

- ❖ Take decisions based on the factual information and logically.
- ❖ Understand the impact of decisions.

Change Management

- ❖ Be confident and handle the change.
- ❖ Develop attitude to adjust to multiple demands, shifting priorities.

p) Performance Management

- ❖ Ensure comprehensiveness of the plan to achieve the set goals.
- ❖ Ensure proper allocation of resources and priorities.
- ❖ Develop efficient work procedure to meet objectives.
- ❖ Experience is the best teacher. Endeavour self development.

q) Profile of a Employee

Only the successful marketing can ensure survival of the company. The medical representatives, who attend to the marketing of the products, boost the sales. The position enjoys good remuneration as well as incentives and glamour also.

The medical representatives are expected proper record of the samples distributed. If he enjoys any authority, he may also allow some concessions, credit facility to the customers. He books orders and forwards it to the company. He is expected to report his daily contacts to his superior. Now a day this is being done through E-mail. In the case of large size companies the Medical Representatives are also provided with the lap tops which facilitate easy communication. The area manager allocates the work to the Medical Representatives under his jurisdiction. Medical representatives are allotted overall and product wise sales target. Their performance is reviewed at a specified period.

Although preference is given to those who have science or pharmacy degree, any other degree holders with a passion for selling and one who can deliver the goods are also considered for appointment as a Medical Representative. Usually marketing experience is expected. The vacancies are filled up through news paper advt. or even on the recommendations of the senior medical representatives from the company.

A successful employee should have:

1. Communication skills.
2. Command over spoken and written English and local language;
3. Should be a self starter and motivated to achieve the targets.
4. Hard working and career conscious.
5. He should offer mobility to the organization and should be prepared for extensive traveling.
6. Be energetic and result-oriented;

7. He should have attractive personality and should be able to analyze ability.
8. He should have self confidence.

The job is quite lucrative but demanding and the aptitude of a person counts a lot in this career.

Upon selection the Medical Representatives are given extensive skill development training. The duration varies from company to company. Training includes various aspects like anatomy, physiology, salesmanship, profile of Indian doctors etc. On the job training is also given when the fresher is asked to work with the senior medical representative.

6.7 EFFECTIVE SALES-PERSON

For reaching the top in the sales dept. following drives/motives are of great importance.

1. Need for Status

Self consciousness about the individual status needs.

2. Need for Respect

Treatment with respect and recognition of their knowledge/ authority.

3. Need for Routine

Passion for routine is an expectation. Usually expect no disturbance.

Sale people do not shun routine or hate to be disciplined as is properly believed. Most top performers like routine and hate having it disturbed.

4. Need for Control

Top performers do not care for what the people say.

5. Need for Achievement

Apart from monetary benefit which every one expects, top sales performers establish self imposed higher targets for excitement of achievement.

6. Need for Stimulation

Top sales performers are usually quiet and do not get disturbed. They have passion for challenges.

7. Need for Honesty

They are honest and expect the same attribute from others. They have full faith in the product they sell.

A promising career can be made by a good sales performer. His performance is assessed on the basis of consistency in achieving the sales target. Following promotional opportunities are available to him.

- (i) Area Manager
- (ii) Regional/ Zonal Manager
- (iii) Divisional Sales Manager/Divisional Controller
- (iv) Dy. Marketing/Dy. Sales Manager
- (v) Marketing/Sales Manager

Promotions to the next higher positions are purely on merit. Those having a degree in Pharmacy can also be promoted on the manufacturing side as

- (i) Product Manager,

- (ii) Group Product Manager,
- (iii) Marketing Manager. A Medical Representative who has a flair for marketing and can show extra-ordinary results can rise to the highest position of Marketing Manager.

The specialized skills are required for the development of sales personnel in Pharma industry accordingly it is necessary to arrange for the training of sales personnel.

6.8 A TYPICAL TRAINING AGENDA

Day -1

09.00 am – 09:15	Welcome address by the CEO/ H R Head
9.15 am. – 11:30	Human physiology – Introduction to all systems in the human body by a medical practitioner.
11.30 a.m. – 11.45 a.m.	Tea break
11.45 a.m. – 01.00 p.m.	Details about a particular system
02.00 p.m.	01.00 p.m. – Introduction to the product and abilities of the company.
02.00 p.m.-02. 45 p.m.	Lunch Break
02.45 p.m. – 04.45 p.m.	Mode of action of the product, salient features of the product vis-à-vis important competitors' products – by product / Marketing Manager concerned. Market share vis-à-vis competitor's products, Selection of right customers for the

product, marketing strategy being followed for the product, Detailing, story demonstration and practice by all.

04.00 p.m. – 04.15 p.m. Tea break

4.15 p.m. – 06.00 p.m. Question and answer session by product / manager concerned clarification on doubts, if any, raised by the audience – interactive session.

06.00 p.m. – 10.00 p.m. Reading/practicing by participants in their respective rooms.

10.00 p.m. – 10.45 p.m. Dinner

Day -2

09.00 a.m. – 09.30 a.m. Written test on the system and product taught on Day-1 supervision by Training Manager.

The welcome address by the CEO should include the importance of training in inculcating good fundamentals and product knowledge in all medical representatives. This will help them perform better in the field and face customers with confidence.

Lodging and Venue Arrangements

Usually the participants of a training programme are lodged in a good hotel. This helps the participations to know each other and during the spare time the participants informally discusses issues which could not be raised during the session. The normal holidays are used for training programmes.

The Training Manager should also accompany the medical representatives while they are making regular calls just to get feel of the field level experience. This should be done at various regions so that regional specialties can be understood. Such visits can be used for developing case studies or role play material. Such a training material adds to the value of the training as it is based on the real life situation. The Training Managers may also screen ideal videos if any available. Training manager should make use of the advanced technology while imparting training.

Preparation of report is a skillful exercise and it should be authentic, realistic and proper presentation of factual market information. The reports are useful in order to collect information and managerial decisions. Taking into consideration span of control it can be said that area manager has to monitor around 5 to 6 medical representatives working at various places in specific areas. Accordingly it is must to collect information and regular monitoring of field activities and working of medical representatives as per the approved monthly tour plan. Reports facilitate the proper control over the sales staff which basically serves two purposes:

- 1) Reports make the working of sales personnel in desired direction.
- 2) Reports are used by the top management for review, planning, controlling and coordinating the working of sales personnel.

These reports are specimen reports however; some small changes are affected by the pharma companies as per their requirements. E.g. Report of sales team is as under:

Table 6.2: Report of a Sales Team

Area Manager		Medical Representative	
1.	Standard tour programme & fare chart of team members.	1.	Standard monthly work plan
2.	Important doctors - self visit dates	2.	Standard tour plan and area coverage
3.	Missed doctor call report – Month wise	3.	Doctor call list
4.	Team members work analysis	4.	Product wise prescriber’s list
5.	Team members sales analysis	5.	Chemists list
6.	Team members major product analysis	6.	Sales review and work review
7.	Daily Field work report	7.	Primary sales comparative chart
8.	Monthly barometer	8.	Secondary sales tracker
		9.	Daily call report
		10.	Missed doctor calls summary-month wise
		11.	Personal order booking details

Source: Filed Survey Data & Organizations’ Bulletins

Table 6.3: Specimen of Standard Tour Programme

Name: _____					H.Q. _____		
Date	Working Town	H.Q./ Ex. H.Q. / O.S.	Distance (Kms.)	Mode of Transport	Fare Rs.	No. of	
						Doctors	Chemists

Source: Filed Survey Data & Organizations’ Bulletins

The field level functionary – Medical Representative – prepares his tour programme and gets it approved from his superior – Area Sales Manager or so. This helps the superior to monitor the tour programme. There are set norms for carrying out specific number of calls on the doctors and distributors.

Table 6.4: Important Doctors - Self Visit Dates

Name: _____

H.Q. _____

Sr. No.	Doctor's Name	Town	Specialt	Dates of visits by self												
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar	

Source: Filed Survey Data & Organizations' Bulletins

The above report gives at a glance a picture of the manager's visit to the doctors for each month in the financial year. This helps the senior managers to track the missed important doctor calls which might affect on the prescriptions and thus the business of the company.

Table 6.5: Team Members Work Analysis

Name _____

H.Q. _____

Particulars	Dates of visits by self											
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar
Days in field												
Holidays												
Leave												
Meeting days												
Total												
No. of Doctors visited												
No. of Chemists visited												
Call ave. Drs/Chem.												
Personal Order Booking Rs.												

Particulars	Dates of visits by self											
	Apr	Ma	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No. of Doctors missed												
Target Rs.												
Primary Sale Rs.												
% achievement to target												
Samples quantity allocated												
Brand reminders												
Expenses Rs.												

Source: Filed Survey Data & Organizations' Bulletins

The above team members work analysis gives an insight to the Sr. Field Managers as regards the customer coverage, month wise sales performance in the respective headquarters as well as brief details of sales promotional activities implemented in the market place.

Table 6.6: Team Member's Sales Analysis

Month	Medical Representative Name_____ H.Q._____						Value in Rs. lakhs	
	Target	Primary	Secondary	Last Year Performance	% Achievement	% Growth		
April								
May								
June								
Cumulative								
July								
August								
September								
Cumulative								
October								
November								
December								
Cumulative								
January								
February								
March								
Cumulative								
Year to date cumulative								

Source: Filed Survey Data & Organizations' Bulletins

This is the most important report as it speaks about month wise, head quarter wise targets, its achievement in terms of primary and secondary sales, the percentage target achievement and the growth in sales vis a vis last year. In this, primary sales refers to the sales registered at the stockiest place whereas the secondary sales refers to the sales registered at the Chemists counters which in true sense gives the information about the prescription generation for the specific product of the company. Ideally the primary and secondary needs to be close to each other which suggest that the demand and supply goes hand in hand. If primary sales are significantly more than the secondary sales which shows that there is heavy inventory at the stockiest place and commensurately the demand is lacking. If the secondary sales are significantly more than the primary sales which shows there is a great demand but the availability of the respective product is not commensurate.

Table 6.7: Daily Field work report

Date _____ Place _____ Worked with Medical Representative _____

Contact Point ____ Time met at Contact point ____ a.m. Work finished at ____ p.m.

Morning	Code No.	Name of Doctor	Medical representative last visit date	Name of Chemist	Personal Order booking (POB) Rs.
1				1	
2					
3				2	
4					
5				3	
Evening					
6				4	
7					
8				5	
9					
10					

Source: Filed Survey Data & Organizations' Bulletins

The above report gives the idea about medical representative daily working pattern. Different companies have different policies in terms of total number of doctors and chemists to be met on a day to day basis. The report is an exemplary which shows that medical representative has to do 10 doctor's calls and five chemists' calls on a working day.

Table 6.8: Monthly Barometer

Name of Manager _____ Month: _____

Weekly report sent on (Date)					Monthly report sent on (Date)	Next month tour programme sent to HO/ZBM on (Date)	Leave record of team sent to HR dept. on (Date)
Week 1	Week 2	Week 3	Week 4	Week 5			

Source: Filed Survey Data & Organizations' Bulletins

Table 6.8: Monthly Barometer

Name of Manager _____ Month: _____

Weekly report sent on (Date)					Monthly report sent on (Date)	Next month tour programme sent to HO/ZBM on (Date)	Leave record of team sent to HR dept. on (Date)
Week 1	Week 2	Week 3	Week 4	Week 5			

Source: Filed Survey Data & Organizations' Bulletins

The above report gives the details about the administrative work which a field manager has to do it for his team mates and keep the senior manager and the HRD at Head office. This is essential in order to monitor the timely feed back which needs to be sent by the respective sales personnel.

6.9 MARKETING ORIENTED APPROACH

In spite of the fact that there is a stiff competition in the global pharmaceutical market, conflicts will arise in customer conversion in pharmaceuticals. In a free market place where competition is predominant customer will hold the key position.

In spite of the brand reputation in pharma market, the doctor who prescribes the medicine is the king pin. Based on the quality of medicine, availability of supply, safety ,the service and the relations of the MR with the doctor , these factors weigh more in writing a prescription by the doctor.

The success of the pharma industry is dependent on the revenue generation, profitability, products success, return on investment, profit generated and number of units sold.

Importance of marketing

In the changed market scenario in the pharmaceutical industry the marketing function has become an organizational process and no more it is a function of only marketing dept.

In the 21st Century both management science and marketing science are of paramount importance. It involves planning, formulation of strategies, communication, advertising, promotion, etc.

In fact competition in marketing is a healthy sign. It is only because of the competition the products will be penetrated in the rural area too. Competition keeps everyone on their toes and efficiency and effectiveness can be achieved.

6.10 MANAGEMENT RELATED TO MARKETING

Knowledge management: Key to organizational success

The field level functionaries of the pharma industry should always be remained updated on the happenings in the market and they should be watchful to grab any opportunity they see and also keep themselves ready to handle complex situations in the market.

A pharma company usually has a human resource base of moderate size say between 500 to 1000. Now a days because of the technology up-gradation there is thrust on the automatic plants which require less manpower. The major portion of the staff is in the field. This situation poses in establishing ethical values.

It is the specialty of the pharma sector that the market is indirect selling as it has to be routed through the doctors who are well qualified and they will not prescribe it unless and until they are satisfied about its qualities.

Since the majority of the staff is working in the field and away from company headquarter there is a need to have proper control systems to exercise over the staff. Of course the information technology of today has made it bit easier and communication is fast. This situation also warrants free flow of information and the market people should constantly give feed back to the managers in the head quarter to decide, modify their policies.

With the advent of the information technology newer techniques can be employed for speedy information transmission. Even video conferencing can also be undertaken at periodical interval where the views can be exchanged and policies decided. The industry has very well qualified staff so the computer awareness is not a problem. Most of the field level staff are computer savvy.

The essence of the communication in the pharma sector is the speed, accuracy, clarity and cost effectiveness which will lead to the success of the organization. This should be the target of any pharma sector industry.

The knowledge about functions of field force will through light on the needs of this force.

The MRs are the ambassadors of the company who generate demand for the company's products. This demand can be fulfilled only by maintaining sufficient stock with the stockiest/ retailer.

The role played by the front line managers is very crucial. They set the ball rolling through the medical representatives. They also ensure availability of the stocks with the stockiest.

The middle order management performs a dual role. They work with the medical representatives and the front line managers. Their role is to motivate the field level staff and to ensure that they achieve the sales targets set out for them and achieve excellence on the sales front. They are also responsible for revenue generation and profit earning.

The overall business management in the corporate office is rested with the senior management which include Sales Executives, Marketing executives, Product executive. They are accountable for the targeted sales and the profits of the company.

Conventional processes & limitations

In the absence of the information technology in the past all the functions which the computer handles today were being attended to manually and therefore there were limitation on all fronts like time management, manpower requirement, involving high costs etc. However, with the introduction of information technology these things are now eased and the time factor is almost eliminated. Video conferencing device has eliminated huge costs arranging conferences.

6.11 EXPECTATIONS FROM PHARMA BUSINESS

The pharma business in India is in transformation stage. Field level staff is now being trained to use latest technology to meet the competitors' challenges. The prompt usage of the inflow of the information for the advantage of the company has become the key to success of the

organization. With the development of the health care industry the staff is meeting with the new skills required. The major challenge before the sale personnel in the field is the availability of the doctors for presenting the information on the new product. Now many companies are placing this information on their web sites or mailing the literature to the doctors as they can see it as per their convenience and continue to recommend their products. However, in this type of communication the personal touch which is also of vital importance is getting lost.

6.12 MERGERS & ACQUISITIONS TREND IN INDIA

Mergers and Acquisitions (M&A) interest in India is currently very high in the pharma industry. The Indian companies excel as far as the back end of the pharmaceutical value chain is concerned i.e. manufacturing APIs and formulations. Over the past few years the Indian pharmaceutical companies have also stepped up their efforts in product development for the global generic market and this is viable with the DMF filings at the US FDA.

In 2007 a French Company Negma Laboratories acquired Wockhardt's business. Daiichi Sankyo acquired Ranbaxy Laboratories in June 2008. US-pharma major Abbott today (22-05-2010) announced to acquire Piramal Healthcare

Table 6.9: Acquisitions by Indian Companies

Announce date	Target	Acquirer	Deal Value (\$ mn)	Target Country
Feb.06	Betapharm	Dr. Reddy's	570	Germany
Dec.-05	Bouwer Bartlet	Glenmark	NA	South Africa
Dc.-05	Able Labs	Sun Pharma	23	US
Nov. -05	Nihon Pharma	Ranbaxy	NA	Japan
Nov. -05	Roche's API Facility in Mexico	Dr. Reddy's	58.97	Mexico
Oct.-05	Avecia	Nicholas Piramal	17.1	UK., Canada
Oct.-05	Servycal SA	NA	NA	South Africa
Oct.05	Target Researct	Jubilant Organosys	33.5	NA
Sept.-05	Explora Labs SA	Matrix Labs	NA	Switzerland
Sept.05	Valeant Mfg.	Sun Pharma	NA	US
July -05	Trinity Labs Inc.	Jubilant Organosys	12.3	US
June -05	Heumann Pharma Gambh & Co. Gen.	Torrent	NA	Germany
June -05	Dec Pharma NV	MatrixLabs	26.3	Belgium
June – 05	Genetic Product Portfolio	Ranbaxy	NA	Spain
June 05	Biopharma	Strides Arcolab	1	Latin America
Mar-05	Uno-Ciclo Harmonal Brand	Glenmark	4.6	Brazil
Feb.-05	Strides Latina	Strides Arcolab	6	Brazil
Feb. -05	Mchem Phama Group	Matrix Labs	NA	China
Dec.-04	Rhodia's Anesthetics Business	Nicolas Piramal	14	
June -04	Psi Supply NV	Jubilant Organosys	NA	Belgium
May -04	Trigenesis Therapeutics Inc.	Dr. Reddy's	11	US
April. 04	Laboratories Klinger Do Bras	Glenmark	5.2	Brazil
Dec.03	RPG Aventis Sa	Ranbaxy	0.4	France
July. 03	Alpharma Sas	Cadila Healthcare	6.2	France
Jul. 03	CP Pharmaceuticals	Wockhardt	17.7	UK

Source: Filed Survey Data & Organizations' Bulletins

The spree of acquisitions has made the world turn and look at the Indian pharma sector as a force to reckon with. The Indian pharma majors have been actively finding ways to meet the global challenges by way of acquisitions. The price pressures and shrinking margins apart from the legal hassles in certain markets have been compensated by entry into other countries especially European which have many fast growing open economies like Ireland.

CHAPTER – VII

DATA ANALYSIS AND INTERPRETATION

As stated earlier that primary data was collected from the personnel working in HR Dept. In addition to the questionnaire the researcher had interaction with the various managers and the senior officials at the corporate level from which relevant information has been obtained and assessed.

Industry level Salary and Perks

The gross salary package for a NEW hr TRAINEE range from Rs.1.2 lakh to Rs.2.5 lakhs per annum depending on the company profile, seniority. Front line managers like Asst. managers get a gross package of around Rs.2.5 to Rs.3.5 lakhs per annum. The Senior Managers get around Rs. 4 lakhs. It differs to a great extent in Indian Companies as well as in MNCs.

Many companies have Performance related incentives in the form of overtime pay at double rate.

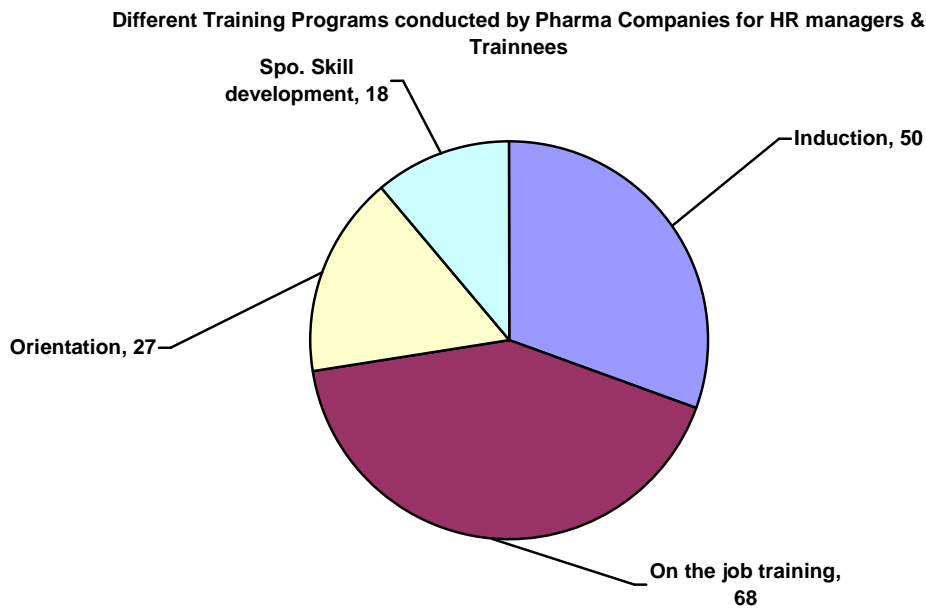
These all are motivational methods which helps them to achieve their set targets.

Table No. 7.1: Different training programmes conducted by pharma companies for HR Managers/Trainees.

	Induction/ Basic Training	On the job training	Orientation/ Refresher Training	Special skill development Training	Total no. of respondents
HRE Trainee	50	68	27	18	163
	30.67%	41.71%	16.57%	11.05%	100%

Source: Filed survey data

Figure No. 7.1



Different Pharma companies have different Training policies to train the field force-

1. Few companies, after the selection, put the Trainees on the job for few months to get the initial field exposure. During this period, on the job, field training is given by their immediate seniors for few days. After completion of may be 3 Or 6 months, they are called for Full fledged training at the Company training centers or Head Office & training of 1 week or 2 weeks or upto 1 month is given depending upon the company, their nature of products etc.
2. Few companies, immediately on their selections of sales personnel, puts them under training for few weeks & then sends them to the job. The

Refresher training programmes are also kept regularly for the Trainee and Senior HR Managers who have spent couple of years in the company.

Following is the selection process of HR Personnel

Eligibility Criteria

Candidate should be having post graduation in Personnel Management

Age : 25 of below

Experience:

1 to 3 years or Fresh for trainee position

Should have good communication skill.

Eligible candidates are put through the following process for their selection:

1. First written test:
 - a) Aptitude and
 - b) Knowledge test
2. After passing written test, personal interviews are kept.
3. HR interview
4. Medical fitness test

Motivational tools used in Pharma Industry

Following motivational tools:

- 1) Lucrative incentive scheme which is either in cash or kind or may be both.

- Foreign tours confined to the Asian countries.
- 2) New Year as well as gifts on various festivals.
 - 3) Yearly increment.
 - 4) Promotion to the higher grade.
 - 6) Internal Club Membership.
 - 7) Merit Certificate

Training policy in multi national companies:

Broadly speaking the below detailed training programmes are conducted for the MRs.

Programme duration 10 to 30 days.

One month’s class room training.

3 to 6 days field induction by the immediate senior.

After one / two year’s refreshers training programme.

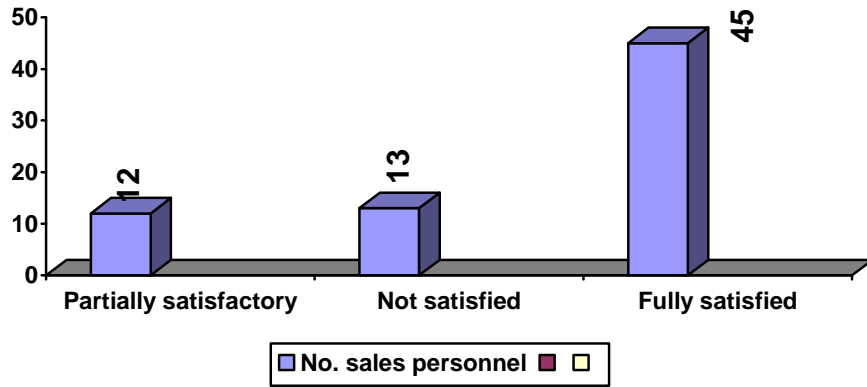
In Piramal Health Care : Impact Training programme and CYPLA – Face the Glass

Table No. 7.2: Level of satisfaction of sales personnel about incentives offered by the Pharma companies

Partially satisfactory	Not satisfied	Fully satisfied	Total No. of respondents
12	13	43	68
17.64%	19.12%	63.24%	100%

Source: Filed survey data

Figure No. 7.2
Level of satisfaction of sales personnel about incentives offered by the Pharma companies



From the perusal of the above data it can be seen that 43 i.e. 63.24% employees are fully satisfied with the incentive schemes offered by the company. Hardly 13 employees accounting for 19.12% only have expressed their dissatisfaction about the incentive schemes. This percentage is negligible and can be ignored.

Each company has its own incentive scheme for the field level personnel. It is based on the performance. In almost all the companies there is average monthly pay package ranges between Rs.15000 to 20000/ plus incentives. Incentives are almost equally sizable. E. g. (1) Incentive in Glaxo Rs.2,00 lakh per annum for MRs. Starting salary package around Rs.2.00 lakhs. Glaxo Smith Kline: MRs are allowed two wheeler upto 75 Kms. for which they get reimbursement of petrol expenses at pre-decided rate above that they get actual bus /train fare.

Application of Placement and Training:

The human resource and its implementation by the Industrial organization is most important concept. One of the important concepts being placement and the Training of the employees. The overall development of human being depends upon the environment being provided to them on one hand and providing them the proper training on the other. The 1st step is related to induction i.e. proper placement of the employee, as is said by George Terry, "No square hole in round sphere, No round hole ins square shape proper man at proper place". The efficiency largely depends upon the proper selection of the employees. Especially for the organization like Pharma industry, where the organization is related to the Health Care industry the proper employee should be inducted and there should be the provision of the proper training programme. Accordingly it was studied that the selection and training concept in the pharma industry are studied. The following observations were noticed.

The induction programme or selection of the employee is a major step in appointment of the new employee. There are various companies working in the study area and the following observations were made:

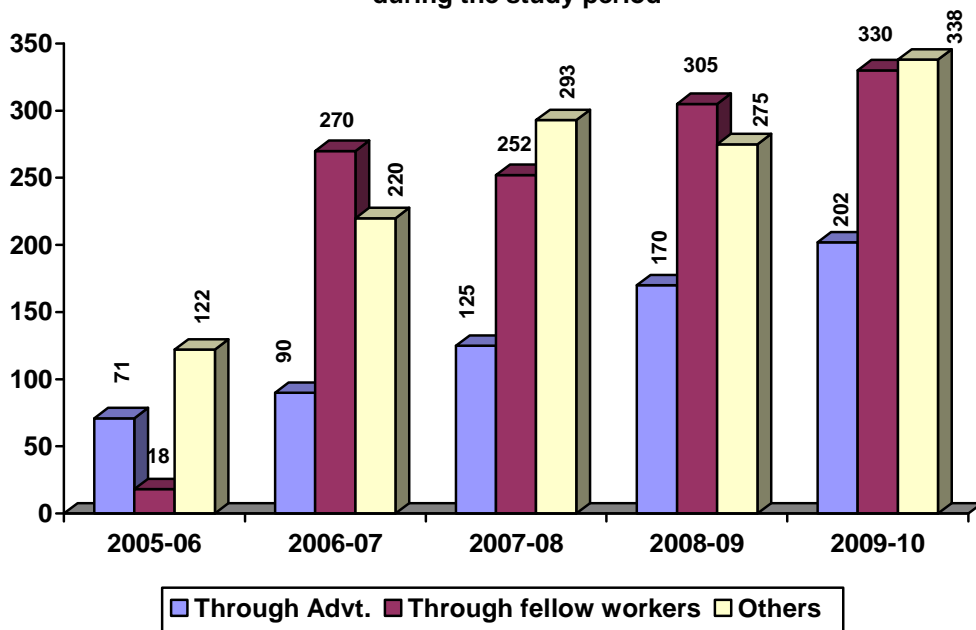
Table No. 7.3: Selection of the Employees and the Agency by the Pharma industry in the study area during the study period

Year	Employees appointed	Through Advertisement	Through Fellow workers	Others
2005-06	373	071	180	122
2006-07	580	090	270	220
2007-08	670	125	252	293
2008-09	750	170	305	275
2009-10	870	202	330	338

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.3

Modes of recruitment by the Pharma industry in the study area during the study period



The above table and graph reveal the fact that of the total selection the major source of selection is through advertisement adopted as the secondary source of selecting the employees, however the major source is introduction by the fellow workers of the organizations. Transfers, By the direct approach of the employees, also play an important role in the selection process of the employees. The major selection process is being carried out by all concerned organization appropriately by appointed requisite number of the employees. The qualification is major criteria for the selection of the employees. Being specialized organization engaged in Health Care Industry it is necessary to appoint the well qualified and the deserving candidates. The qualification required is Pharmacy or Science graduate. The technically qualified candidates such as mechanical Engineer, either a degree or diploma holder is recruited for the purpose of the maintenance of the machineries. But it can be noted that the scientific method is being carried out for selection of the employee.

2) The selection process of the employee is carried out through definite process such as (a) Written examination (b) Personal Interview (c) Medical check up (d) Recruitment. This process is being followed by the major organization but many a times the organizations adopt the brochure as is suggested by the top management and the requirement of the organization of the total 28 organizations working in the study area; the following methods are being followed:

Table No. 7.4: Methods of Selection followed by the Pharma industries in the study area

Total no. of organizations	All four steps followed	Only Personal Interview	Steps b,c,d
28	13	11	04

Source: Source: Filed survey data & organizations' bulletins

Thus more thrust is being placed on personal interview. For the employees who are inducted as fresh candidates all four steps are followed. The personal interview is conducted for the experienced candidates, which are coming in the organization for better career growth. And some of the organization they adopt only b, c, and d steps in selection process. The Medical fitness certificate is obtained by the employee; from the qualified medical practitioner is also compulsory for almost all employees.

Some organizations follow the technique of aptitude test in written examination to decide the better allocation of the job. Accordingly the role placed by the HR Manager In the appointment of the employees is very essential. The organization has its own selection process.

The personal interview is being conducted by technical in charge, followed by the HR dept. to decide the terms and conditions of the working of the employee. The organization follows the norms laid down by the HR dept. strictly. This provides the strong base for selection process.

Thus being the specialized organization working in Health Care organization, it needs to select the employees properly through various screening test, all organization do work in desired direction in the study area.

2. Selection and the placement of the employees is the first step towards the induction of employees in the organization after which the organization plans to conduct their training. There are various training programmes organized by the organization. Pharma people need extensive training to gain the requisite skill and knowledge of the pharma product which is being produced by the organization. Training is essential for the additional inputs to selected employees. The training can be conducted by the requisition as per the following types:

- a) In house training.
- b) In house training with external consultants
- c) Training by external agencies
- d) On the job training
- e) Sending abroad for training.

When the question was asked to employees regarding types of the training, out of 28 organizations working in Kurkumbh Industrial Estate the following findings were noted.

Table No.7.5: Types of training

Sr. No.	Types of Training	No. of employees	No. of Organization.
1	In house Training	173	28
2	In house training with external consultants	05	01
3	Training by external agencies	-	-
4	On the job training	173	28
5	Sending abroad for training	02	01

Source: Source: Filed survey data & organizations' bulletins

The above table explains that almost all organizations do follow the method of the on the job training extensively. They also adopt the in house training programme, however, for the very special reason and knowledge external consultants are hired to provide the requisite training to the employee. The employees are classified according to their nature and area of specialization. In classification is also being made on the basis of length of service. The extensive training is being carried out for the employees which are newly recruited. The regular training programmes are being conducted to update the skill of the extensive employees. The new invention and change in the organizational policies make essential the redesigning of the training programme. The purpose of the training is defined by the employees as follow:

- a) Introduction to the organization.
- b) Teach business ethics and sense of mission.
- c) Reflection of the ideas and objectives of the organization. `
- d) Initiate specific job training.
- e) The purpose of he training is classified in above mentioned 4 categories.

Table 7.6: Purpose of training

Sr. No.	Purpose of the training	New recruited employees
1	Introduction to the organization	98
2	Teach business ethics and Mission	23
3	Reflection of the ideas	32
4	Specific Job training	20
	Total	173

Source: Source: Filed survey data & organizations' bulletins

So majority of the employees feel that they get the knowledge of organization because of training. The ethics being known because of training is observed by 15% employees. 20% of the employees are of the opinion that they can get ideas and objectives of the organization because of their training programme and approximately 12% employees are of the opinion that specific job training is being offered to them. However, this was the opinion of the newly inducted employees in the organization, where introduction to organization is the prime importance than any other objectives. After completing 1st training programme the employees are being given specific job training.

The new entrants are offered formal and informal type of training programme. For formal type of training programme, it is essential to conduct the classroom method, seminar and conferences, so that they can be well acquainted with the organizational goals and objectives. The number of days of the training programmes largely depends on the nature of the training. Initially the employees are appointed as a trainee only. So their entire tenure is related to training programme. The training is the learning process.

Pharma industry follows extensive training programme because of the very nature of the pharma business which is altogether different. The companies working in Kurkumbh Industrial Area such as CIPLA Ltd. E-MCURE, GLENMARK, they provide rigorous training to their employees of different departments. This is being offered to them through the senior officials in the organization. The pharma group of 8 to 10 employees which are newly appointed as trainee. Even

groups have senior employees as a group, as a team leader. And after a specific period there is a test conducted for these employees which provide feed back regarding their acquaintance with the organization.

**Table No. 7.7: Training as a part of the Job.
(Method adopted by the organization)**

Sr. No.	Name of the Company and No. of Employees	Lecture / Seminar	On the Job Training	Deputed to parent organization
1	CIPLA 68	14	52	02
2	Emcure -39	12	26	01
3	Glenmark -28	07	21	0
4	Marlspms-12	02	10	0
5	Medi_____ - 24	04	19	01
6	Alkem -28	03	22	01
7	JP Lab -22	02	20	0
8	Soham healthcare – 26	02	22	02
9	Vinamax -11	01	10	0
10	Clean science -18	02	15	01
11	Alkyl Amines Ltd. -28	03	22	03

Source: Source: Filed survey data & organizations' bulletins

The above table and graph shows that the training programme is being designed by the organizations contain major source/method as on the job training method, which is being followed by lecture/seminar and conference method. But whenever it is essential to depute the employees to gain additional and specialized knowledge they are deputed to the head charter by the organization for a short period.

This explains that the policies implemented by the pharma industries relating to the professional and working ethics traditional but are modified to suit the need of the days. The company like CIPLA Remedies do specialize modern techniques like video conferencing for which they have made arrangements of virtual class rooms in their organization that facilitate the organization to conduct training on the specialized subjects at various centres for different employees at the same time. This has made the introduction of modernization in the training function of HR department. However, the job of training is assigned to the organization depending on their skills and specification.

To conclude it can be noted that the training programme has definite purpose. It is desired in order to create effectiveness and develop better skills and proficiency in employees, it has definite period of time to conduct the training programme. The training methods are designed to suit the need of the organization. The training being a continuous process made employee benefit in their job. Almost all organization are working in the area under study have well designed and planned training programme.

Performance Appraisal System in the organizations

The study was conducted in relation to performance appraisal system in the area under the study. The companies do follow the system of performance appraisal as per their need and nature of the organization.

The performance appraisal is being carried out periodically. In order to take some managerial decisions like transfers, promotions, demotions (rarely), deputation, handing over the responsibilities, delegation of authority and such type of other decisions. The continuous appraisal system is being followed by the organizations. In order to make employee aware of his shortcomings and at the same time to provide incentives and rewards or recognition for their special achievements. Performance of employees largely depends upon the working environment and culture. Motivation policies of the organization, job allotment, decentralization of authority and responsibility. Normally the allotment of the job depends on one's ability, skill, knowledge, experience and liking. This also further lead to the better performance and increase in the efficiency. The 360% appraisal system is normally followed by all organizations. This denotes that the employee should have better relations with almost all concerns. Organizational behaviour largely depends upon the human relations. Employee must keep better human relations in order to promote the image of the organization. The company policy regarding the appraisal is being stated in the Manual in writing. The formal appraisal system like merit rating or anchor chart valuation method is being followed / adopted by the organizations. The organizations follow the performance appraisal system under the guidance of immediate supervisor. The next level supervisor, committee specially appointed for the said purpose. The qualitative and quantitative aspects of traits are being examined by the evaluator

in case of performance appraisal. The different methods are being followed as per the categories and job of each employee.

1. The company follows formal appraisal system like merit rating or anchor chart. Of the total organizations under study 72% of the organizations follow the Anchor Chart system and 28% of the organizations follow the merit rating system.

Table No. 7.8: The Administration of performance appraisal system-

No. of organizations	Immediate Supervisor	Next level supervisor	HR Dept.	Committee
11	07	02	01	01

Source: Source: Filed survey data & organizations' bulletins

The major work of appraisal being carried out by the immediate supervisor in most of the organizations. Next level supervisor do conduct such appraisal in 02 organizations and HR dept and Committee conduct appraisal in one unit each. This depends upon the organizational set up where there is a continuous appraisal system, immediate supervisor undertake the responsibility of the appraisal. And the job with multi relations the responsibility rests with the next supervisors. Depending on the reports normally, HR dept conduct such work and in special occasions the work is being entrusted to the committee.

2. The Nature of appraisal system

The nature of appraisal system in 11 organizations under study can be revealed as follows:

Table No. 7.9: Nature of appraisal systems followed

No. of organizations	Confidential appraisal system	Open appraisal system	Semi Confidential
11	06	03	02

Source: Source: Filed survey data & organizations' bulletins

The organizations normally follow the system of confidential appraisal method and the results are known to the employee only when there are certain grievances or serious objections. Open appraisal system is used in 03 organizations where employees can have his own achievements / results available and can understand the system. Semi confidential system is followed in 2 organizations especially this lead to the openness wherever necessary and confidentiality wherever necessary.

3. When the question was asked to the employees relating provision of self appraisal as an opportunity to the employees to explain their achievements or shortcomings. 68% employees replied that they were provided the opportunity of self appraisal system and 32% replied that such provision was absent.

4. Depending upon the appraisal report the action is being taken by the superior authorities. These actions are Annual increments, promotions, transfers, promotions. The action time is immediate in serious matters and at the time of Annual increments, promotion in the routine matter. The following table shows

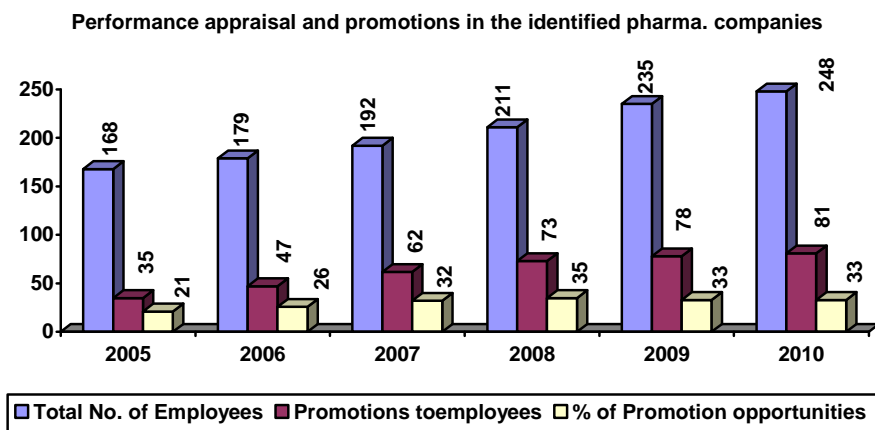
the promotional policies of the employee during last five years for the employees of the organization under the study area.

Table 7.10: Performance appraisal and promotions

Year	Total no. of employees	Promotions to employees	% of Promotion opportunities
2005	168	35	20.83
2006	179	47	26.25
2007	192	62	32.29
2008	211	73	34.60
2009	235	78	33.19
2010	248	81	32.66

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.4



The promotions are largely depending upon performance and availability of upper positions. The promotions are being followed by the transfers. Some employees prefer to remain at the same place and they decline the promotion. They are normally not allowed to do so. But then by and large promotions policies reflect the performance of the employees of the organizations. The HR policies regarding promotion help promotion of advancement of career to the employees which creates healthy working environment. Normally promotion depends upon merit and seniority plus special achievements by the employees.

Motivation policies: (Motivation a concept of HR Policies)

The main objective of working of any organization is to increase the efficiency of its employees. This is to attain the desired goal in minimum possible efforts and minimum possible costs. So the organization adopt the motivational policies for the working of the employees. Provision of better working environment, good salary and perks with better fringe benefits, education and health amenities to its employees and this will result in increase in efficiency of the organization as a whole.

The management is always a team effort and the game of individual. All should work under one roof to attain common goal. Motivation provides working environment and better managerial policies relating to the career advancement of the individual. The positive type of motivation provide the feeling of own ness

in the mind of employees and the negative motivation provide threat regarding authorities which ultimately results in more employee turnover.

“Motivation is the concept of making employee resourceful, useful to the organization. Almost all organizations carry some sort of the policies useful for the employees. This provides them more financial benefits other than salary. Increase the status and prestige of the employee, they provide importance of employees to the organization.

So the study is carried out in accordance with the motivation policies of the organization under the study and their impact on the efficiency and working of the employee. The efforts of the motivation policy can be studied through change in the percentage of labour/employee turnover, new induction of employees, the ranking of the organization. This has to be studied and viewed as a managerial policy of the organization. Motivation makes possible the growth and progress of the employee.

The organization which is pharma based require special attention. Accordingly the employees being of immense importance to organization it requires proper motivation for these employees. No organization under study in general and CIPLA Ltd. and the Emcure Ltd. in particular provide following types of motivation policies to the organizational staff or employees.

a) Monetary incentive (other than salary):

The employees are paid in addition to their salary the perquisites such as Health insurance, reimbursement of the medical expenditure, leave encashment, scholarship for child education to general staff for executive staff they do provide car or car allowance, quarter, or residence for the staff, electricity bill, traveling allowances and such other perquisites as per the rules are offered to the employees. Out of the 11 organization under study 08 organizations provide the quarter facility to their staff members near the factory area itself. Recognition of the employee is one of the criteria for the developmental policy to its staff members. The organization provides better medical facility and group insurance schemes to its employees. Accordingly the role of the organization is creating better development policy. The monetary and non-monetary incentives are provided by almost all organizations. The motivational policies can be explained as follows:

Leave encashment policy:

Table No. 7.11: Details of leave encashment availed by the employees during the study period

Year	Amount expended (Rs. in lakhs)	No. of beneficiaries
2005	15.75	435
2006	18.85	630
2007	23.75	738
2008	26.80	867
2009	27.10	992
2010	28.90	1052

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.5

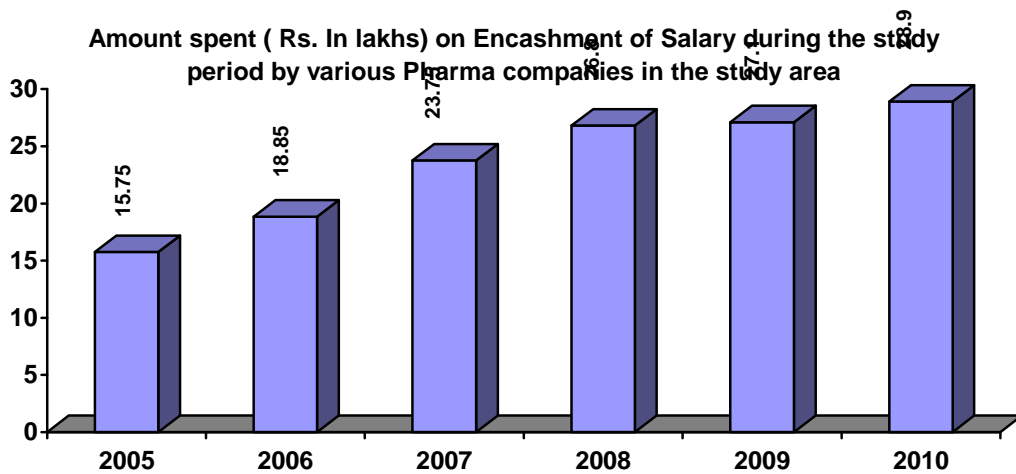
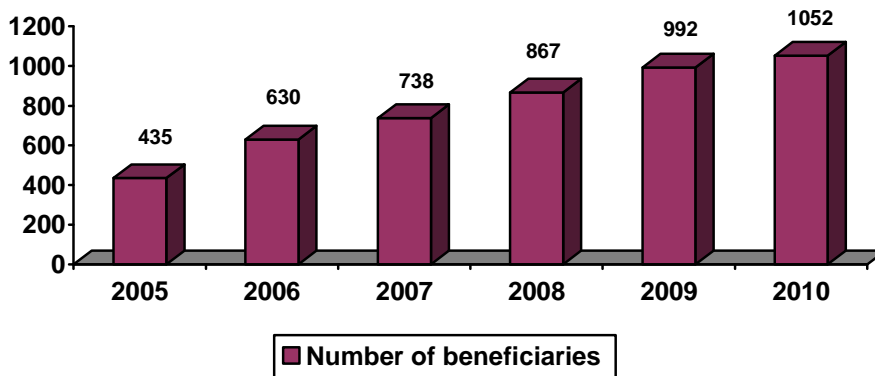


Figure No. 7.6

Number of employees benefitted by Leave Encashment during the study period by various Pharma companies in the study area



This table and graph reveal the fact that the organization provide the cash for leave not availed. This also helps to remain present on the job for maximum working days. This in turn increases overall efficiency of the organization. The basic reason of absenteeism and tardiness is routine and boring nature of job. So the job should be rotated and be created as an interesting job. In addition they should be given additional incentives for the leave which is not availed. All eleven organizations under study do provide this type of facility.

Table No. 7.12: Medical reimbursement, Education and Medical Allowances to employees.

Year	Amount spent (Rs. in lakhs)	No. of beneficiaries
2005	5.68	435
2006	6.62	630
2007	7.82	738
2008	8.90	862
2009	9.12	992
2010	10.24	1052

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.7

Amount spent (Rs. In lakhs) on Medical reimbursement, education and medical allowances during the study period by various Pharma companies in the study area

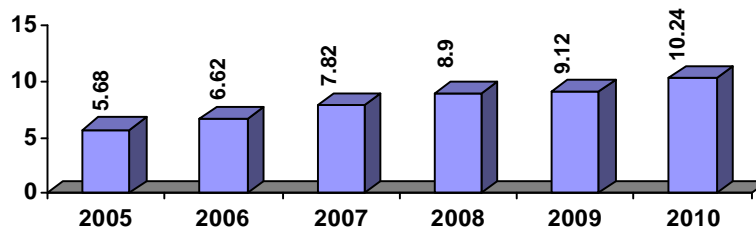
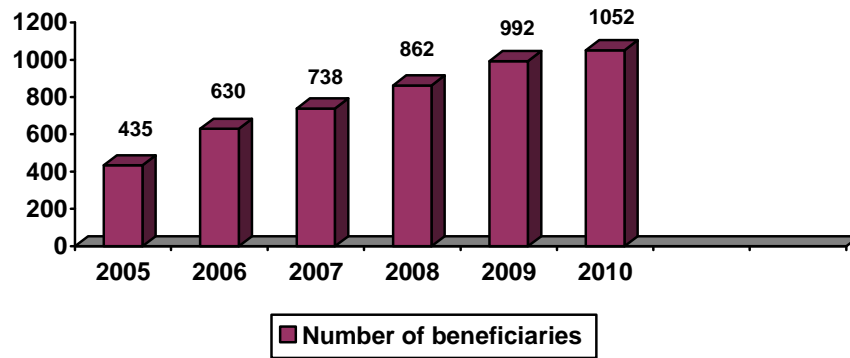


Figure No. 7.8

Number of employees benefitted by Leave Encashment during the study period by various Pharma companies in the study area



The employees are provided better medical facility, educational allowances and medical allowances. The medical reimbursement is actual expenditure on health or hospitalization being borne by organization. Medical allowance is a part of payment which is paid to employee irrespective of the fact that it is expended or not. The organizations provide this type of benefit in cash. The total employees include the number of staff including workers and officer employees. The total expenditure made by the organization during one year is approximately 5% of their total salary expenditure of the year. This reveals that fact that the organizations take due care of the health and education of the employees and their dependents. The total expenditure is constantly increasing along with the number of employees, in almost all the organizations.

3. Car, Petrol, Traveling, Allowance to the employees:

The executive cadre staff which is a policy maker is provided with car facility. However, the number of such employees as compared to overall number of employees is less but they are provided with such facility. The Middle level Management cadre is provided with the petrol allowance and the employees in large number are provided with the traveling allowance by the organization. The expenses made by the organization on this head are as follows:

Table 7.13: Amount spent on Car, Petrol and Traveling allowances of all cadre employees by the pharma industries in the study area during the study period.

Year	Amount spent Rs. In lakhs	Category wise employees covered			Total employees benefited
		Executives	Middle Level Management	General	
2005	8.67	32	85	318	435
2006	9.93	51	113	466	630
2007	10.11	64	158	516	738
2008	12.14	79	196	585	862
2009	13.32	93	223	676	992
2010	14.48	112	243	697	1052

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.9

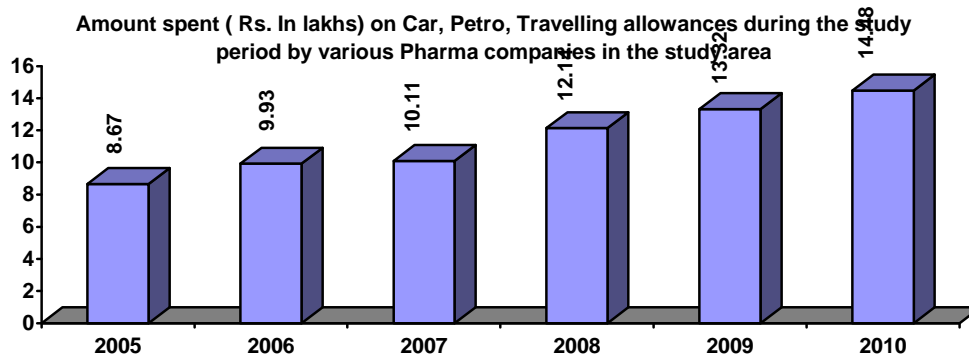
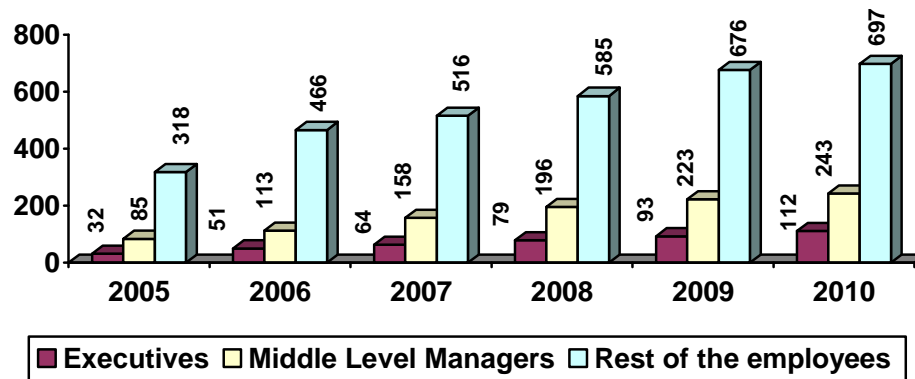


Figure No. 7.10

Number of employees benefitted by Car, Petrol reimbursement, Travelling allowance during the study period by various Pharma companies in the study area



The above table shows expenditure on the head of Petrol allowance, car and traveling allowance. The total expenses on the car provided by organization are for executive level which approximately to around 10% of the employees. The petrol allowance is being provided to nearly around 20% of the employees and major amount is being paid to the General category employees as the traveling allowance. This makes possible the working of the employees, more

comfortable which facilitate very easy movement from and to the residence of the employees. However, the traveling time is not counted in the total working hours of the employees. The employee has to spend minimum 1/2 to 45 minutes in traveling in the industrial centre at Daund. This is much more in the cities like Pune, Mumbai and Thane. So the thinking of decentralization of the industries is but necessary. The organizations are a part of salary does provide this facility after traveling to its employees which is a better motivational factor for the employees working in the area under study.

Thus from the above table and graph it can be said that the expenses being made on employees for the various motivational monetary concepts. These can be summarized as follows.

Table 7.14: Expenses on various motivational schemes

Rs. In lakhs					
Year	No. of employees	Leave encashment	Education & medical	Car, Petrol & T.A.	Total
2005	435	15.75	5.68	8.67	30.10
2006	630	18.85	6.62	9.93	35.40
2007	738	23.75	7.82	10.11	41.68
2008	862	26.80	8.90	12.14	47.84
2009	992	27.10	9.12	13.52	49.54
2010	1052	28.90	10.24	14.48	53.62

Source: Source: Filed survey data & organizations' bulletins

From the above table it can be clearly stated that the organizations under study are planning their schemes. They are spending on leave encashment, education and medical care, traveling expenses. This suggests that the

importance is being given to the better facilities to the employees, during the year. This reduces the employee turnover, reduces the cost of training, provide better working environment. The results can be verified from the following data.

Table No. 7.15 Movement of the employees in Pharma industries in the study area during the study period.

Year	No. of employees at the beginning	Employees newly recruited	Employees Retired	Employees left the organization	Employees at the end of the year
2005	457	20	22	20	435
2006	648	31	25	24	630
2007	752	42	30	26	738
2008	890	41	39	30	862
2009	1011	57	40	36	992
2010	1072	61	45	36	1052

Source: Source: Filed survey data & organizations' bulletins

The above data reveal the fact that the employees left the organization on their own is 4.59% in 2005, 3.80% in 2006, 3.52% in 2007, 3.48% in 2008, 3.62% in 2009 and 3.42% in the year 2010, which is approximately equal in all types and decreasing slightly in the years of 2008, 09, and 2010.

Thus the employee turnover is not a considerable or a serious problem. This indicates that the organizations have better policies for their employees. This also indicates the fact that organizations are taking due care of the employees.

Apart from above motivation schemes the organizations provide activity based bonus (production linked bones) to its workers, group insurance schemes, following the norms laid down by the government and health ministry. The proper implementation of the motivation policy helps progress and prosperity of the employees and the organization as well.

The pharma industries working in Kurkumbh Industrial area are adopting some other schemes as incentives to its employees. These schemes are helpful to search the talent in the employees. And provide platform for their own development and improvement. Emcure organizes the cricket tournament for its employees and other organizations in the area under study. CIPLA Ltd. conduct health camps, series of lectures for updating the employees. All companies do participate in medical fare organized by the Doctors club in the nearby areas. This provides the exposure to its employees to interact with the local talent.

Some of the employees are given opportunity to go abroad for further education and training. This also helps in keeping their knowledge updated. The existence of quality circle, employees club adds to the recreation facility. In addition for the regular employees/workers there is facility of the subsidized food and tea, lunch. The organizations arrange the regular medical checkup camps for their employees. The local doctors are appointed for the medical check up and almost all organizations do have the small dispensary in the premises of the organization as a part of provision of medical check up regularly.

Recognition and Rewards for Special Achievements of the Employees

The organizations under the study arrange for the various ceremonies for recognition and rewards of its employees for their special achievements. The Glenmark organizes the employee Appreciation Week, CIPLA, Emure organize employee meet for appreciation of their employees. The company also organizes the annual Award Ceremony In the initial part of the career the monetary gain can be said to be the motivation factors, however in the later part of the career, the recognition, status and position in the company can be said to be the motivating factor. Accordingly all companies under the study do organize such functions at the place of their work or at special destinations.

Such Recognition is in all functional areas of the management such as marketing, finance, HR and production. The profit depends upon the market share and expansion of market. The companies also make special arrangements for the purpose of the expansion of the markets in and outside India. HR policies play major role in the expansion of the business. The all functional areas are looking towards the HR functions in management.

Recognition and Rewards bring the confidence in the mind of the employees. It also helps the organizations to bring team spirit and provide the example before the other fellow employees. Glenmark had organized the national sales conference for the purpose of evaluation of the achievement of the sales planning, training and imparting knowledge of a new product to the team at Hotel Chopok at Mountain range of Stovak (Eastern Europe). Thus the

motivational aspect related to recognition and reward is being followed and observed by almost all organizations under the study area.

The organizations under the study area also provide the Memento, cash prize, certificates to the employees for their special achievements. Sometimes there is an arrangement of tour and trips for the employees at the various places.

Table No. 7.16: Expenses incurred by the Pharma industry in the study area and during the study period on the Recognitions and Rewards

Year	Total No. of employees	No. of employees benefited	Amount spent in Rs. (lakhs)
2005	326	27	12.50
2006	450	33	13.71
2007	571	41	14.29
2008	673	52	15.85
2009	710	76	16.78
2010	743	89	17.49

Source: Source: Filed survey data & organizations' bulletins

Figure No. 7.11



The above able and graph shows that the number of employees from marketing, production, finance and HR are continuously increasing and also the expenditure made on such ceremonies is also showing substantial increase. The above expenditure includes the cost of ceremony, tours arranged, cash prizes, certificates and cost of memento presented to the employees. It also includes the cost of employee special increments. This exhibit the fact that motivational concept in relation to recognition and reward has been duly accounted by all the organizations under the study area.

Taking into consideration the nature of the pharma industry, it requires special skills. Accordingly during the course of employment, if the special achievement is being made in relation to qualification there is a reward for the same. Attainment of target, special skills, qualifications attained by the employees, the Research and Development are the various areas which are being recognized by the organizations at large. Hence the organizations do consider the motivational aspect positively.

CHAPTER – VIII

OBSERVATIONS, SUGGESTIONS AND CONCLUSION

As per the study relating to pharmaceutical business, the researcher has observed various aspects which are to be taken into consideration by almost all pharmaceutical industries. At the same time the problems faced by the pharmaceutical industries in HR have also been noted down and accordingly some suggestions are given in this chapter.

8.1 OBSERVATIONS

Recruitment and Selection Process

1. Taking into account the dominance of the local political parties, instead of giving weightage to the skill of an individual management has to make a compromise in selecting the employees. Needless to say this has its impact on the production.
2. Success of the policy depends more on its appropriate implementation by suitably using various tools and techniques like 360⁰, Balance Score Card etc. Based on this a proper assessment / performance evaluation of the employees can be made.
3. Taking into account the chemical Zone status of Kurkumbh many problems related to social responsibility of the organizations do emerge which includes water pollution, air pollution etc. Naturally there is a

strong resistance from the local residents which may adversely hamper the recruitment, selection or promotion policies of the companies.

4. Pharma industry being a key industry requires specially trained / qualified staff even in the routine jobs. Although there is a large number of a chemical and pharmaceutical industry in Kurkumbh, there is a dearth of the qualified pharma and science graduates which worsens the situations related to recruitment of employees. This results into competition amongst the organization to have employees from other than this area.
5. It is necessary to have on job training for the employees, especially in chemical as well as pharma sector as it is considered as specialized job which includes a continuous processing of work. However, in the survey area it is found that due to lack of trained faculty or trainers management is compelled to take decision to send their employees to their Head Quarter in Mumbai and Pune which results into additional cost to the company.
6. The wage policy related to contractual labour is defective.
7. There are various rules and regulations imposed by Govt. of India which are to be seriously followed by the Companies. It is expected that top management should take a lead in performing their role in this

area. However, many a times it is observed that, HR department is being held responsible for their implementation.

India's Pharmaceutical Industry in Reorientation Process

The pharmaceutical industry is growing at a very fast rate through the world. It is not restricted with only a few countries like China, India etc. but all other countries as well. The growth in India is attributed to the following reasons:

- ❖ India has abundant qualified staff and compared to the other parts of the world the Indian staff is available at relatively lower costs. Therefore, India is becoming a prime location to house the Research and Development departments of the multinational companies. It is also worth noting that the average life span of the Indian population is growing fast which gives boost to the pharma demand. So also the recent development has increased the middle class percentage of the population and their life style has also undergone change. They afford to spend reasonably on the medicines.
- ❖ The qualified staff, available at low costs, and investment in production and research in India, it is becoming a prime location of pharmaceutical industry. The reason for high growth lies in the population growth of India and China. Besides of the availability of advanced medical care the life span of human being is also increasing at a faster rate. Because of the increase in older people the demand

for medical treatment. There is a sizable growth in the middle class with higher disposable income greater amount is being spent on health care products. The patent laws are becoming serious and therefore the pharma companies are concentrating on the research and development and using the product range for the developing their market share.

1. Changing Market Oriented Educational Structure

Over the years there is a sizable growth of higher education and more particularly the professional courses in India. The pharma industry requires highly skilled and well educated employees. There is a competition in the pharma sector also. There is growth in the number of pharmaceutical colleges and every year number of pharmacists is being introduced in the market. Recently a new course called M.B.A. in Pharmaceutical Management has been started by renowned institutions. This clearly indicates the demand of the pharma industry. Newer sales techniques are being introduced and for that purpose training programmes with a focus on developing marketing skills in a changed environment. Even new techniques are being followed in the pharma industry.

2. Changing Organization Structure

Much depends on the organizational structure of pharma business or the organization as a whole. The Organization structure varies as per the size of the business, capital investment, management thinking & such other business & non business factors.

3. Factors responsible for Complexity of Pharma Marketing Job

Past few decades have witnessed continuous development of science and technology. The complexity of marketing job has also increased. There is change in the socio economic conditions of the people. Brand development of the products is picking fast. The loyalty of the customers towards branded products is gradually declining. Because of the heavy costs of branded medicine now the people are turning to generic medicines and new medical shops exclusively dealing in generic medicines are currently being opened in the cities. This situation forces a challenge to both the management and the sales staff.

The management of the sales staff i.e. better training facilities, development of opportunities, incentives in the new forms are required to be provided to the sales staff. Thus HR is also related to marketing functions. It is the responsibility of the marketing personnel to develop brand building and at the same time increase the customers' brand loyalty. There is a greater need to heavily invest in Research and Development. The two vital functions of management i.e. Human Resources Development as well as Marketing functions should work together to achieve corporate goals set out.

4. Communication in Pharma Business

Like in any other business there is need to have proper coordination amongst the HR functionaries and the Finance Department. This can be achieved through a proper communication system in the organization. For the marketing people they should have thorough knowledge of English language, and as they are marketing in rural area they should also have knowledge of local language which will enable to book good number of orders. Modern tools are used for good communication, especially when such a vast competition is existing in pharma industry in India.

There are various institutions, private organizations, who are designing the course of communication studies. The top management in marketing should take the responsibility of extending the training facilities nowadays, seminars, conferences, exhibitions, and Continuing Medical Education (CMEs) programmes help for the development of the communication skills in this modern age.

5. Continuous Appraisal System

In order to ensure that the staff puts in all their potential in marketing, the pharma industry has introduced a continuous appraisal system. Still there is a scope for further going ahead. So far as the marketing staff is concerned their performance is usually judged on the basis of the achievement of the sales target given to them. Besides this the pharma

management should also create an environment where the employee will have opportunity for self development. This is highly essential to ensure that the attrition rate is small.

6. Changing Economic Policies since 1991

India has adopted liberalization policies even the foreign companies are entering into the Indian market & more so, after Jan.2005, when India adopted GATT & TRIPS. This led to increased challenges before pharma field personnel.

7. Rural Market in India

Although there is a consistent migration of the rural population to urban and metro areas still over 70% of the India's population resides in rural areas. To tap the every growing rural market special efforts are required to be put in and new schemes should be introduced in marketing segment.

8. Work Culture

For achievement of sales targets there has to be a team spirit in the organization. Each functionary's roles need to be properly defined. The HR department has a difficult task to perform in achieving nourishment of team spirit in the organization. Through this team building exercise the HR department should enlist commitment of the staff towards the organizational goals. This will also require good communication system in the organization. Every development in the organization which has

bearing on the organization's performance which needs to be shared with all the employees. Thus awareness can be created. Major staff of the pharmaceutical is well educated white collard employee and dealing with them requires skill and sophistication. To ensure proper work culture in the organization is also a part of the HR functions. The HR head should provide a well groomed leadership with vision.

9. Pharmaceuticals Price Regulation in India

Prior to 1962, there was no price control in Indian pharmaceutical sector. There was a domination of multinational corporations (MNCs) on overall pharma market, price of medicines were high. First Price regulation in Medicines was introduced in 1962. In 1970, the Drug Prices Control Order (DPCO), issued under the Essential Commodities Act, 1955. In the same year, Indian Patents Act (IPA) was enacted. DPCO was revised in 1979, 1987 and 1995 as per pharma policy of the Government. This scenario is changing in the passage of time which is explained as under.

It was a practice that the prices of pharma products were governed by National Pharma Pricing Authority (NPPA) of India. However, in changing scenario, government has realized the need of market regulation rather than regulatory framework. Accordingly, the products under the control of NPPA have been consistently reduced which can be shown by the following table. The decisions pertaining to pricing was one of the major weakness which is been discussed in the earlier

part of this study, the same weakness is now tried to overcome by the introduction of new policies.

Number of Drugs Under DPCO	
<u>YEAR</u>	<u>No. of Drugs</u>
1979	347
1987	142
1995	74
2008	74

Source: NPPA

The above table shows the impact of DPCO, in Indian Pharma Market on the total formulation packs available-

9. The Perspective of Pharma Business

Over the years there are number of pharma companies have arrived on the Indian pharma horizon. This has certainly led to the fierce competition in not only achieving better sales but also to retain the existing sales positions. The marketing scenario differs from country to country. The medical insurance is also gradually expanding in the Indian rural market. This makes the middle class families to take advantage of the best medical treatment.

Domestic companies with International research and development or marketing ties are likely to succeed. In long term, as companies' established major presence in other parts of wider health care pharmaceuticals chain, there is likely to emergence of a new set of competitors -- the integrated health care firms -- that will have

significantly greater power than pure pharmaceutical companies. Quality of product will increase as a result of consolidation. However, declining global price realization from the product going off patent will likely put pressure on prices of generics in India. With a wider product availability, and opening of insurance sector, the penetration of drugs and per capita expenditure of health care is likely to increase. As health care market develops the standard of health care in India are also likely to evolve and approach the level set by more advanced western countries.

11. Outsourcing

The success of any organization depends upon how the company makes good use of Men, Money, Material and Machinery. In this the main challenge comes from Men and they will be deciding the future of Pharma sector. The following trends are being witnessed in the pharma industry so far as recruitment of sales personnel is concerned.

Like in any other manufacturing and service industry pharma sector is also resorting to outsourcing of jobs. These outsourcing agencies undertake initial screening of the candidates according to the needs of the organization. The outsourcing companies are developing a pool of such man power which has a continuous demand.

Advantages of Outsourcing are

- ❖ The selection, recruitment, training is a time consuming process and requires advanced planning. Company need not plan for human resources much in advance.
- ❖ Value creation, operational flexibility and competitive advantage.
- ❖ By developing a sound outsource the management of the pharma industry can get itself relieved for concentrating on other vital areas like strategic planning, marketing and procurement of raw materials etc.
- ❖ By resorting to outsourcing the company can save on staff costs. There is no need to give a long term, commitment, No terminal benefits are required to be paid. The company need not pay bonus, fringe benefits and terminal benefits etc.
- ❖ Company can save a lot of its resources and time.

Poaching / Raiding

To day, in all the organization the trend is that instead of developing talent thrust is given on buying talent. Some companies are on the look out of competent personnel from same or similar industries and induce them to join their organization offering better compensation and fringe benefits. This is an unethical practice which all agrees but under one pretext or the other they follow the same. In fact such a step weakens the organization.

E-Recruitment

With the technological advancement in the recent period the tools for recruitment have also undergone a sea change. Now the old system of releasing an advertisement in the news paper calling applications for a particular post has gone by. Now there are number of avenues for recruitment like campus recruitment, recruitment through journals of the trade i.e.in the instant case pharma company's journals and the web sites of MNCs as well as large sized Indian companies. The job seekers send their applications or curriculum vitae i.e. CV through e mail using the internet. Alternatively job seekers place their CV's in worldwide web, which can be drawn by prospective employees depending upon their requirements.

To conclude the findings, it is essential to look at the pharmaceutical business with a modern and scientific outlook. It requires the new strategies for development of the market and adoption of business ethics in pharmaceutical marketing. These strategies are essential to face the new challenges that are being faced by pharmaceutical business which are listed as follows:

There can be several challenges for pharmaceutical business with global channels opening up from all directions. It has become an art of its own kind. Some of the important challenges can be listed out as follows:

1. Increased competition.
2. Dissimilar customer perception.
3. Quality of employees

4. Job turnover and Recruitment process of employees.
5. High training and re-training costs of employees.

8.2 SUGGESTIONS

1. Introduction of TQM in Pharmaceutical Business

Total Quality Management concept in "Pharmaceutical Business" will help survive pharmaceutical companies in today's competition. In these days of competition, one of the major ways to overcome competition is through delivering consistently higher-quality services than offered by the competitors. The pharmaceutical firms have to audit service performance, introduce techniques like Total Quality management (TQM) and evolve mechanism for full efficiency.

2. Survival of the Fittest

In today's world the quality of the product and service should be of high order. The prices should be competitive as the buzz word is survival of the fittest. For sustainable development and maintaining market position it is essential.

3. Innovative HR Concepts

The approach to the implementation of the HRD policies need to be scientific and the new dimensions to it are required to be understood in true spirit. There should be a continuous process of adopting innovative techniques. Concepts like Total Quality Management, developing sound work

culture, building knowledge development should be the main focus of change. There should be objectivity in analyzing the HRD in pharmaceutical industry.

4. Change in Attitude is Essential

Implications of the present research study stem from the knowledge generated in regard to the identified HRD factors in pharmaceutical companies and their dimensions. Inadequacies and weaknesses brought out would seem to require appropriate corrective action and attitudinal change, both at the macro level of the government, and at the micro level of pharmaceutical companies.

5. Extensive Importance should be given to R & D

After the globalization number of multi national pharmaceutical companies have come to India. Because of the qualitative and low cost man power these companies are heavily investing in Research & Development. Because the number of players in the market has increased there is a stiff competition and hence product development has assumed greater importance. The aim of the R & D has to be on newer products at lower costs.

Now because of the changes in the environment, there are number of new diseases like swine flue, dengue etc. The R & D efforts should be continuously directed to find out medicines to fight these diseases. R&D in Marketing is to search newer techniques, application of market surveys in order to understand the need of the customers & to sustain the competition

in the market place. Thus, marketing people are responsible making the organization updated in terms of latest molecules, technology, strategies, competition, customer preference etc.

R&D in HR is also equally important because by the introduction of advanced HR techniques, the organization can attract best talents; motivate the people to attend the desired goals. Production based, target based incentives will alone not serve the purpose, the advanced technologies such as continuous Performance appraisal, Result based remuneration, regular Training & Development programmes, better working environment, participation in decision making & scope for informal organization, with motivational factors will be useful for the development of the people, so there is a scope in R&D in HR functions also. Especially the manpower turnover in Pharma business should be minimum to ensure the organization against brain drain. This is the area where HR should go for introspection.

R&D in Production is an important as here we make the anticipated changes. These changes are in consideration of 2 factors-

- a) The Production process should be effective
- b) The economy in Production should be maintained.

There is a scope, nowadays to provide for modern scientific tools for briefing the customers, in less time, more effectively.

Thus R&D plays role in all important functions of management such as Marketing, HR & Production & all these functions are inter-related & have their own reflections into the market.

6. Need of Long term HR Policies for Empowerment

Long-term strategy for globalization is necessary for a developing country like India not just for survival, but to become a major player. Given its endowments, human as well as natural, India has the potential (Prahalad,1993).In this new climate, there is growing awareness for not only more rational management of human resources, but also their development & grooming in order to bring out the best in them.

There is visible change in the priorities of the development and growth. The focus today is the human being occupying the center stage. They should be assisted with added advanced technology. The systems are very well settled and the developing countries need to copy those systems. This will certainly improve their efficiency, quality of products and productivity and on the whole the performance will reach to a new height.

7. The Linkage of Marketing, Health, Environment and Socio Economic Improvements and H. R. Policies

There is a need to establish proper linkage between marketing, health, environment and socio-economic improvements. The targets of these programmes to improve the health care facilities in the rural areas. It should be ensured that the health care facilities are spread through out the length

and breadth of India and that there should be no regional imbalance whatsoever.

8. Hiring of Recruitment Process Outsourcing (RPO)

Now the Indian companies have developed potential and capabilities for its expansion globally. Now the pharma sector companies desirous of global expansion do not depend on the in house development but they outsource recruitment processes. This is relatively cheaper as the outsourcing agencies acquired professional skills in this field.

Indian pharmaceutical industry should bear in mind that there is going to be competition in times to come. They should realize that there is a considerable gestation period when any new person is inducted in the organization. The Indian pharma industry should prepare its mindset to have longer gestation period.

The patent regime in the Indian pharma sector the whole pharma industry is undergoing a sea change. The thrust of these companies is to provide the life savings drugs in the market at relatively cheaper rates. Only Research and Development can strengthen the industry's position in this regard. At the same time there are mergers and acquisitions to establish higher market shares in pharma sector industries. The challenges are much more and the multi national companies, domestic companies and the government are seized with this problem and there is a need to have partnerships of all the three stated earlier.

8.3 RECOMMENDATIONS

A) Pharmaceutical business -emerging trends

In the overseas market there is a system of contract sales force which attends to the marketing activity. In India, as yet there is no introduction of this system. But it is very likely in order competing with multi national companies in pharma sector in the immediate future India will also follow the suit of these overseas manufacturers. Under this system a lot of savings are achieved as the overheads are less. The revenue will increase without increasing the head count and consequently there will be no long term liability with the organization.

The marketing mechanism of contract sales in the international pharmaceutical market has come to stay for more than two decades. Earlier to that on the lines of the Indian pharma companies marketing efforts they too had the same system of in house development of marketing /sales teams, infrastructure to support promotional activities and product launches.

The Contract Sales Organizations (CSO) came upon the marketing scene some 25 years back. Initially doubts were expressed about their capabilities as the concept was new. However, smart companies welcomed this move and by deploying specialized persons in the marketing field the results will be better, they preferred to hire their services and entered into contracts. Now the Contract Sales Organizations are well established and the initial doubts about their capabilities do not exist.

Benefits of Contract Sales Organization (CSO)

1. Needless to say that by outsourcing services in the sales area the companies are achieving savings on the staff cost as there is no long term commitment. It minimized the overheads.
2. The CSOs have developed specialization in introducing new products as it involves minutely detailed activities. After some time the product gets stabilized and the marketing stress gets released.
3. In the event of mergers and acquisition contract sales teams can be used as a safety net.
4. In times of financial uncertainty, when headcount freezes can be imposed, contract sales are a means of increasing resources without increasing permanent staff levels.
5. Using a contract sales force can be a strategic weapon to give the pharma company a competitive advantage. For e.g. if an established brand is under threat from a competitor launch the company may wish to deploy a larger sales force in key areas to fight off the competition, CSO can provide this extra force for them speedily and efficiently.

When to use Contract Sales Organization

1. Times of uncertainty
2. As part of strategic campaign
3. To support product launches
4. To build teams without risk
5. When pharma company has lack of experience or skill set

6. Need to balance existing product portfolio & also at the same time getting into newer therapeutic areas
7. Control of costs.

Use of the Internet to Maximize the Effectiveness of Pharmaceutical Business

Traditionally, pharma marketers in India have focused their attention on target doctors thru face to face detailing by their field force. But in today's scenario, getting doctor's time is becoming difficult. Many top opinion makers (doctors) in metro & semi metro towns are even not able to meet Medical representatives for months together. Internet is opening up new channels for communication. Using it on large scale can help pharma marketer to supplement the field force efforts plus tapping the top doctors, who are not able to meet medical representatives.

Big pharma companies can use the internet as a lead generation channel while the middle level companies can use it to expand their reach; the small companies can use the internet as a virtual sales force.(Source: Pharmaceutical Marketing-Emerging Trends)

Contract Business

Aftermath of GATT has forced the Indian pharma companies to intentionally think differently and achieve creativity to overcome the business limitations and opportunities. To achieve success in the business the services and operational excellence are the pre-requisite.

The outsourcing activity has become the integral part of the Indian pharma sector. This is because of the environment created by the market forces. Outsourcing is not restricted to recruitment process alone. It also encompasses the operating areas like contract manufacturing, marketing, etc.

In this evolving domestic scenario contract marketing offers plenty of opportunity due to:

1. Swelling up of product mix of national and International companies because of mergers and acquisitions.
2. Large portfolio of various molecules with little marketing advantage and multiple brands of Indian Companies for the same therapy.
3. Shift of MNCs from off patented product mix to their pipeline products.
4. Increasing cost of operations due to own marketing and sales force.
5. Limitation of market and customer reach.
6. Lack of local business expertise and experience in the local markets.
7. Leveraging this emerging opportunity will leave the companies to focus on their competence while en-cashing the expertise and efficiency of partners network, thereby reducing costs and risk exposure.

The benefits of the Contract Business can be stated as follows

1. Expansion of customer coverage.
2. Extension of therapeutic coverage.
3. Exploration of new markets

4. Increase in market presence
5. Improvement in marketing effectiveness.
6. Substantial growth with little risk.
7. Traditional business expansion requires own requires investment, whereas contract marketing investment comes from individual parties.
8. Risks are spread across the contract-marketing entrepreneurs.
9. Contract marketing allows investing in the proven experience, expertise and methods of the contract marketers
10. It leaves the company to focus on core competencies.
11. Speed and flexibility.
12. Familiarity with market and local business conditions

Indian Pharmaceutical Sector: Future Scenario

The dream of Indian pharmaceutical companies for marking their presence globally and competing with the pharmaceutical companies from the developed countries like Europe, Japan, and United States is now coming true.

The newly introduced patent laws have forced the multinational pharmaceutical companies to look out for the potential centres from when they can conduct their Research and Development activities. India having the large potential of the educated employees and their availability at relative cheaper costs has been looked upon as a potential centre. There is vast potential for pharma sector in India because of its population base.

The Indian companies are using the revenue generated from generic drug sales to promote drug discovery projects and new delivery technologies. Contract research in India is also growing at the rate of 20-25% per year. India is holding a major share in world's contract research business activity and it continues to expand its presence.

By revising its R & D policies the government is trying to boost R & D in domestic pharmaceutical industry. It is giving tax exemption for a period of ten years and relieving customs and excise duties of all the drugs and material imported or exported for clinical trials to promote innovative R & D.

The future of Indian pharmaceutical sector is very bright because of the following factors:

- ❖ Clinical trials in India cost US \$ 25 million each, whereas in US they cost between US \$ 300 o 350 million each.
- ❖ Indian pharmaceutical companies are spending 30 – 50% less on custom synthesis services as compared to its global costs.

Ranbaxy was the India's No.1 pharmaceutical company and was having an ambitious plan for being a global player. However, recently a Japanese company named Daiichi Sankyo has bought the founder's stake (35%) at a fabulous price. The markets are now hopeful of such offers to other companies too. This has created caution in the market. The stocks of other pharmaceutical company's have registered good growth.

The pharmaceutical companies were forced to look at R & D, something they had long neglected. R & D in pharmaceuticals is particularly difficult for two reasons – development costs. If a best seller drug is developed, the organization can make billions. If nothing is developed or what is developed is not approved by the regulator, the organization may suffer heavy losses. In such a situation, the big players started looking at acquisition of companies that had a decent track record in R & D as the only way out of a possible crisis.

It is worthwhile to state there that many small laboratories have achieved great success. Proprietary drug development is a big challenge. It requires major attitudinal changes. The acquisition of small laboratories has not made any impact on this score.

Fragmentation of the industry is yet another problem in the pharmaceutical industry. There are number of small entities which roll out about 20000 drugs in single and combination form. As against this World Health Organization has recommended only 200 drugs that are vital for nations well being.

It will not be proper that there is only bright side of the Pharmaceutical industry. There is dark side also. The following are the points which are of concern to the industry:

- ❖ As a result of the globalization and the entry of multinational pharmaceutical companies the very existence of the small pharma companies is in danger. Unless until they strengthen their position either by amalgamating or infusing additional capital or by collaborating with large sized companies they are feared to be wiped out.
- ❖ Many of Indian pharma companies are family owned business having control over the companies. E.g. Alembic Ltd. owned by Mr. Chirayu Amin. Similarly Ranbaxi is also owned by a family. Recently a Japanese company named Daiichi bought the total family holding in Ranbaxi at a fabulous price and took over the control of the company. Similar ventures may come up in the future.
- ❖ As stated earlier there are number of small industrial organization in the pharma sector. This will be taken as opportunities by the multinational and in times to come there will be mergers and takeovers and the scenario will be changed. These big units will have to follow dual pricing policy – one for the domestic customers and the other one for the global market.
- ❖ The Indian Govt. will also have a re-look at its present policy on taxation and incentives. R & D in pharma sector requires huge investment and unless there are some positive incentives and tax benefits the small pharma units will not be able to invest in R & D.
- ❖ As has been stated earlier India has a sizable pool of highly qualified and skilled man power having good exposure to English language.

Besides this Indian human resources are cheaper than their counter parts overseas. The multi national cannot ignore this positive aspect to establish their R & D wings in India.

- ❖ The knowledge potential India had could not be ignored either, as the nation had huge trained manpower resources.
- ❖ By 2015 it is estimated that India will be in top 5 of the countries in pharma sector.
- ❖ Today Indian pharma sector is not only meeting the domestic requirement but also exporting it to number of countries. This is possible because of the quality as well as cost factor is in India's favour. Indian pharmaceuticals are in good demand world over.
- ❖ India is the biggest clinical trial market in the world. There is tremendous potential for the Indian pharma products.
- ❖ Because of number of reasons the small pharma companies are categorized as sick industrial units. The Govt. of India as well as The Govt. of Maharashtra are giving some sops to these industries for their re-habilitation and infusing required funds.

Testing of the Hypotheses

H₁ HR policies undertake the responsibilities of training and development policies.

Training and development is the concept related to development of human resource. However, in organizations like pharma the specialized training is essential. Accordingly, the organizations under study have made

substantial provision for training and development programs. It was observed that extensive training is given to newly recruited employees and the training to the experienced personnel is offered for updating their knowledge in their respective area. Cipla, Emcure like large organizations have their own training programs in campus as well as at their head quarters, specially in Mumbai. The small organizations sometimes, hire the services of experts in HR field for training their employees. Thus the HR policies relating to the training and development have been properly executed. However, the modernization in this area is needed because of changing times. The virtual class rooms, audio visual aids, and employee exchange programs will help updating the programs of training and developments. The newly recruited employees initially are appointed as a trainee and as per their performance appraisal they are confirmed in the services or terminated from the job. But, the ratio of termination is very less which indicates that the training and development program is properly organized and making the employees suitable for the organization. Some of the organizations are conducting time bound training programs and the developmental opportunities such as promotion to the higher grade and posts are made available to the deserving candidates. So, the hypothesis No. 1 is positively proved.

H₂ Recruitment and selection of employees in this modern age has a scientific base.

F.W. Taylor, the father of scientific management has introduced certain principles in upgrading the HR and production policies. In his theory, he has

clearly stated that all functions relating to management should have scientific base. Taking this as a part of consideration, recruitment and selection of employees should be based on certain scientific principles. This helps in increasing efficiency and good quality work.

In recruitment and selection procedure the employees are judged depending on the job requirement, their liking, skills, knowledge and experience. This is judged by means of the written test conducted in all organizations under study. Especially this provides the knowledge regarding the aptitude of the candidates. This is followed by a personal interview, where the knowledge and communication skill of the candidate is tested. And in the process, after satisfying the medical fitness he/she is appointed as a trainee or a probationer. This provides the scientific base for selection procedure. What is basically needed is screening of the candidate which is done on this basis without any injustice to the deserving candidate. This is the age where merit and seniority can only be the criterion for making the requirement appointments. This is a professional management where selectors have the thinking of scientific knowledge, psychological knowledge, knowledge about the job specifications. Thus, all organizations under study follow scientific principles for selection. So hypothesis No2 has been fully substantiated.

H₃ The change in the 21st Century has brought in many newer techniques which are very effective in increasing the efficiency of the employees.

The efficiency of the employees largely depend upon following three factors:

- a) The job satisfaction experienced by the employee.
- b) Working conditions offered to the employees.
- c) The compensation offered to the employees.

HR department has to frame the policies related to upliftment of these three factors. Job satisfaction is related to the nature of work, whether it is complex or simple. Mostly, if there is a good supervision, better communication and coordination facilities and the skilled and well learned employee will be more satisfied. HR departments under study area have framed policies related to better span of control for good supervision, the simplicity of work by providing work manual and better communication and coordination facilities through the modern techniques like E-mail, and personal discussions through regular departmental meetings. The care of employees' problems is duly taken by organization to increase their interest in the job.

In almost organizations under study the working conditions are of very high standard and there is a provision for regular improvements in the working conditions. Because, they are pharma industries they are to follow the norms laid down by the government and the concerned departments relating to air, water, and hygienic conditions which provide good working conditions for the employees.

The compensation offered to the employees under the study area is in line with the other organization of the similar nature. The housing facility is provided to employees by the organization like Cipla, Emcure, Marksons, Glenmark in the vicinity of their manufacturing units. At the same time, medical aid, pick and drop facility is also provided at the subsidized rates. These organizations also provide canteen facility for the employees in the premises as a part of compensation. So, the annual income of the employee is satisfactory and there is a regular increment given to the employees. The organizations also provide for incentives such as over time wages, production incentive, and marketing target achievement incentives, which are linked to the efficiency of the employees. Thus, the hypothesis no. 3 is positively tested.

H₄ Motivational policies in this age have resulted in better performance.

Motivation is the function in HR Management which brings best out of the employee. The motivational policies in all organizations under study are properly formulated. These include, recognitions and rewards for deserving candidates, some organizations celebrate the annual meet where the prize distribution ceremonies are conducted to offer prizes to the deserving employees. The incentives are provided to efficient employees where additional payment is also made for more than the standard efficiency. Housing facility, medical facility, education of the children of the employees, foreign tours deserving outstanding employees are some of the motivational tools deployed by the HR Department.

8.4 CONCLUSION

To conclude for better HR management in all organizations and especially pharma organization following Best practices should be followed:

1. Safe, Healthy and Happy Workplace

Creating a safe, healthy and happy workplace will ensure that your employees feel homely and stay with your organization for a very long time. Capture their pulse through employee surveys.

2. Open Book Management Style

The information about contracts, sales, new clients, management philosophy, company policies amongst the employees indicates openness of the management. This transparency creates confidence in the employees and their enthusiasm increases. This transparent management process develops participating culture which is helpful in achieving greater results.

3. Performance Linked Bonuses

Bonus is a tool which can be operated to achieve higher productivity and at the same time greater revenue. Needless the higher revenue has its impact on the profitability. When the bonus is linked with the performance a clear message goes to the employees and everyone strive hard to put in his best.

4. 360 Degree Performance Management Feedback System

This is a new system wherein everyone in the organization irrespective of his position gives feedback. Working hard is a gone concept. Working smartly is a buzz word in productivity. Every person in the team is responsible for giving relevant, positive and constructive feedback. This system is useful in locating the potential leaders for higher level positions in the enterprise.

5. Fair Evaluation System for Employees

Performance evaluation system has a direct bearing and linkage with that of the corporate goals and priorities. There should be proper and definite reporting relationship. In number of organization the employee is asked to give his self assessment of his performance in a structured form. Then the performance is evaluated by his immediate boss and then the executive to whom the boss of the employee is reporting further reviews the performance and finalize it. The performance is judged as against the target set out and the actual performance, his individual as well as the team's contribution to the corporate goal is taken into account. The performance appraisal also focuses light on the strong areas and the weak areas of the individual employee. So far as weak areas are concerned the concerned employee is sent for formal training in the weak areas and an opportunity is provided to

him for improving upon these weak areas. The system if properly administered there is very good responses from the employees. They accept the system of appraisal as it is a fair one.

6. Knowledge Sharing

The HR department should ensure that every employee is having upto date knowledge. If an employee is deputed for the training then there should be proper arrangements for the employee to get himself updated of the knowledge and the changes the systems if any during his absence from the work place.

7. Highlight Performers

Those who perform exceedingly well their profiles be made available on the web site through company internet, highlight these achievement by putting boards etc. This will provide encouragement to the others. It will foster competitive spirit amongst the employees.

8. Open House Discussions and Feedback Mechanism

Establish open house discussions and proper feed back mechanism. There should be a mechanism to collect the ideas of the employees about the improvements in the working of the organization. All that wisdom is not centered at the top. Everybody has some imagination and his ideas if properly nourished and developed it may result into a pilot proposal for testing. The proposal be tested about its cost

benefit analysis and if finally the idea is approved the same can be implemented. There should be proper reward system for the staff suggesting the idea.

9. Reward Ceremonies

As a part of regular motivational program there should be a proper reward system in place and that the rewards be presented in ceremonies where the recipient's colleagues are present. This way his recognition motives can be satisfied and in turn his performance still gets better. If possible, the family members of the award receiving employees be also invited for such functions which will have greater impact.

10. Delight Employees with the Unexpected

Not all the time reward is expected. Usually rewards be given as a surprise so there is a thrill in receiving it. A certificate of merit be also given so that the employee can display at his residence as a pride.

In conclusion, the practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully. And this does not bode well for the success of the organization.

Indian pharmaceutical companies are growing strong and going global. In the past the Indian pharma market was dominated by MNCs. Today Indian pharma companies are dominating the domestic market and are poised to have their presence in the global market.

The government of India has also played a positive role in ensuring the Indian pharmaceutical industry prospers. The policies of the Govt. of India are conducive to achieve better performance.

Today, Indian pharma companies are going global through exports, joint ventures, mergers & acquisitions, and out-licensing. The Indian pharmaceutical industry prefers the acquisition strategy to enter the global market. In the initial stage the Indian pharma industry is targeting the underdeveloped markets and gradually they will enter into the U.S. Japan and European market.

Human Resource Development and Marketing is a dynamic concept and there are constant changes in the approach are seen. The technological advancement has also added a new dimension to this position. Entry of multinational pharma industries in the Indian market has changed the current canvas of the industry.

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Questionnaire for HR head of the Pharma Companies
 (Please put ✓ mark where the boxes are provided)

Name of the Pharma Company: _____
 Name of the HR Head: _____
 Qualifications: _____ Serving with this organization since _____
 Location of the Unit: _____
 Principle Products: _____

Company's last year's market share: _____%
 Details of year wise and Category wise Human Resource deployed:

Category	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Executive Cadre						
Officers						
Marketing Field staff						
Admin. & Office Staff						
Regular Workers						
Casual workers						
Total						

When the human resource planning exercise is conducted?
 Do you prepare a perspective plan for HR? Yes No
 What are your HR objectives: _____

How the performance appraisal exercise takes place? _____

Does your organization has HR audit and Research wing? Yes No

How do you assess its usefulness: _____

Does your organization work out Effectiveness ratios? Yes No

If yes, what are the following current ratios:

Sales Per worker

1. **Effectiveness ratios:** Ratio of number of employees to total output in general. Sales in Rupees per employee for the whole company or by organizational unit (business).

2. **Accident Ratios:** Frequency of accident rate for the organization as a whole or by unit. Number of lost-time accidents. Compensation paid for accidents per 1,000 hours

3. **Organizational Labour Relations Ratios.** Number of grievances filed. Number of arbitration awards lost.

4. **Employment Ratios** Vacations granted as a percentage of employees eligible. Sick-leave days granted as a percentage of labour-days worked. Maternity leaves granted per 100 employees. Educational leaves granted per 100 employees. Personal leaves granted per 100 employees.

What are the motivational devices used in the organization: _____

How the training needs of the staff are identified and addressed? _____

What is your organization's recruitment strategy? How the recruitment takes place? Is there career path planning program? _____

What is the extent of local employment? (if a radius of 15 Kms. from the location of the unit) _____

Is there a recognized Trade Union in your organization? Yes No.

How do you rate the industrial relations?

Excellent Good Fair

What is the attrition rate in your organization?

Category	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Executive Cadre						
Officers						
Marketing Field staff						
Admin. & Office Staff						
Regular Workers						
Casual workers						
Total						

Do you have a system of taking exit interview of the employees leaving the organization? Yes No

If yes, how the feed back is used? _____

According to you what are the unique HR practices that your company follows?

Date:

Signature