A Study of HR Practices and Their Impact on Employees Job Satisfaction and Organizational Commitment in Pharmaceuticals Industries

1Ruchi Goyal, 2Dr. Madhu Shrivastava
1Research Scholar, Suresh Gyan Vihar University, Jaipur.
Email: ruchiadi@rediffmail.com
2Professor & Principal Subodh College, Jaipur
Email: madhuanand2607@gmail.com

Abstract: This paper investigates the influence of human resource practices on the employee job satisfaction and organizational commitment of the pharmaceutical companies in India. The world of human resource management is changing more rapidly than we can imagine. Recognizing these challenges of the organization has created the need for fundamental advances in human resource management. This paper also suggests certain possible solution to the above said problem.

Key words: Human resource practices, employee job satisfaction, organizational commitment, Pharmaceutical Industry, HR challenges.

I. INTRODUCTION
“The Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this sub-continent.” Richard Gerster

The Indian Pharmaceutical industry has made a mark on the global pharmaceutical scene with its low cost of production, scientific manpower, renowned for being innovative, and low research and development cost. The industry is reported to be growing at 8 to 9 per cent annually. Best HR Practices enable the company to effect radical improvements, not just incremental ones.

The quest for Best HR Practices is important for corporate India today precisely because it offers a way to vault into the global league. ‘Good HR practices do make a difference on many counts. They enhance internal capabilities of an organization to deal with current or future challenges to be faced by an organization. The process of globalization has put heavy pressure on Pharmaceutical industry to be competitive. The impact of these pressures is all pervasive and long term survival of business is dependent on its ability to improve continuously. Organizations have to gear up with new and innovative HR Practices to survive and flourish in today’s hyper competitive business environment. In this scenario, HR is expected to play a vital role in helping organizations to overcome these challenges.

II. REVIEW LITERATURE
A. RECENT STUDIES IN HR PRACTICES IN GLOBAL CONTEXT
Hanif Khaki (2006) is of the views that, today’s businessman have understood the value of hiring professionals with experience working in HR. The companies have learned the importance of good relations with their workforce. The company which does not realizes the importance of its human resource cannot progress. The employee also likes an organization which cares for them and rewards their services accordingly. Likewise, health benefits are probably the second most important factor, besides financial benefits which is always welcomed by the employee. The HR department is generally very open for such aspects in the workspace.

Sheth Hiral (2005) did a global IBM study on human capital that provided a deep insight into the issues related to HR practices. He observed that the human resource team is more active and takes care of employee needs in an emerging or upcoming market than in a maturing or developing market. According to the study, the build strategy is a better option in the long term, than buy talent strategy. However a balance between the two is the best approach. It was found in the study that companies that invested in building talent, has higher profits per employee as compared to organizations who buy talent.

B. RECENT STUDIES IN HR PRACTICES IN INDIAN CONTEXT
Suman Shikha (2006) studied the knowledge athletes in organizations. Successful companies effectively manage their human resources to create and market new products and services. Human resource management strategies have the potential to fuel innovation and creativity in the organization. The four dimensions in which the HRM strategies that can

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push innovation and creativity are: human resource planning, Performance appraisal, Reward system & motivator. The motive is to maximize productivity and minimize turnover. The challenge lies in balancing team rewards with individual rewards. Managing employees’ careers to provide them a well-rounded professional experience. Innovation has as much to do with the environment that is created as the creative types that are employed to support the R&D activities of the organizations.

Chabria Vishal (2006) observed in his study that the fringe benefit tax (FBT) has been a bone of contention ever since it was included in 2005-2006 fiscal year’s budget. His study affirms that FBT is here to stay. The reason is that tax had made the exchequer richer by few thousands crores in the very first year of imposition. Today FBT has been softened in the following areas, superannuating fund, airlines and shipping industries, transport expenses under sales and promotion publicity head.

C. HR PRACTICES AND JOB SATISFACTION – RECENT STUDIES

Ramesh T (2005) studied the changes occurring in the field of human resource management in today’s era. In his study, he observed that HR functions are concerned with a variety of activities that significantly influence almost all areas of an organization. The success of an organization depends on a large extent on the existence of a favorable HRD climate a combination of various factors such as openness, team spirit, trust, autonomy, cooperation, integrity, recognition, participation, fair compensation, counseling, problem solving, valuing the assets, and respect for the individual. It is the human intellect, human energy and human inventiveness, which accomplish excellence for the firm. If a company wishes to make purposeful trade-off, it must create radical decentralization and give autonomy to the employees. A good HR leader can always turn the worst to the best because he/she can really get the employees to work and motivate them to perform better.

Berry Mike (2005) studied that average levels of job satisfaction among women workers has been falling for 15 years, despite greater equality in the workplace and flexible working laws. Research based on about 25,000 British women employees examined that women workers used to have significantly higher levels of job satisfaction than men in the UK, but now they have almost the same level as male workers. The results seem to be a sign of growing pressures on women in the workplace, as women compete increasingly with men for better jobs. The study shows satisfaction among women, who work part-time, has fallen more dramatically than among the full-timers.

D. HR PRACTICES AND ORGANISTIONAL COMMITMENT – RECENT STUDIES

Nunes Joseph C. and Xavier Drèze (2006) are of the opinion that employee loyalty programs, when designed and executed well, are ingenious marketing tools. Making sure that a company’s loyalty program will carry its weight and begins with clarifying what the program is expected to do. Perhaps more than anything, a successful program depends on competent and consistent execution. Even with all of this, true loyalty might be too much to expect, but companies will likely have longer-term relationships with happier employees.

And that, sounds like the best kind of competitive advantage.

Vanitha, V, et al.(2006) analyze the organizational commitment and stress among the information technology (IT) professionals. Some of the demographic variables and sex differences between the male and female IT professionals on organizational commitment and stress were also examined. An Analysis of Variance (ANOVA) test was used to analyze the data, which consisted of 76 IT professionals. Results, based on the study of various variables, revealed that there was no significant difference between the male and female IT professionals.

Kassahun Tilaye (2005) As per his findings, there is a significant difference in perceptions of Indian employees towards the level of their commitment to their organization. The difference is reflected in such a way that an overwhelming majority of employees had moderately high level of commitment, the second majority of them had a high level of commitment, while a very small number of them believed that they had only low level of commitment to their organizations goal or objectives. His study also attempted to examine the extent of association between organizational commitment, and both personal characteristics and organizational practices as viewed by the subjects of his study. The results of the data analyses revealed that out of ten independent variables considered for his study, nine of them established direct association while one of them (viz. education) established an inverse relationship with organizational commitment. His study asserted that the contribution of personal characteristics to a total variation in organizational commitment is very minimal (almost negligible). This gives an interesting clue to managers and personnel officers that commitment can be engendered through pro-employee management practices, such as providing a great deal of liberty (freedom) to employees to decide on their work, a high level of managerial support accorded to employees even to the extent of going out of its way to share personal problems of employees, ensuring
fairness of work-related outcomes both content-wise and procedurally, and so forth.

III THE PRESENT STUDY
A study was conducted for measuring the appropriateness of prevalent HR Practices, and its impact on employee job satisfaction and organizational commitment in pharmaceutical companies in and around Jaipur area. This study concentrated on the Pharmaceutical Industry of Jaipur area in Northern India. Six Pharmaceutical units were selected from Jaipur area. The Pharmaceutical units were:

1. AMOL PHARMACEUTICALS Pvt. Ltd
2. Allied Chemicals & Pharmaceuticals Pvt. Ltd.
4. Kay sons Pharmaceutical, Jaipur
5. Vinaya Manu trade, Jaipur
6. SBL Pvt. Ltd.

184 managerial level employees were interviewed out of a list of 285 names obtained from the HR department. For the purpose of this research, both primary and secondary data has been collected to present a comprehensive overview of the Pharmaceutical industry in this region.

A. What are HR Practices?
‘Any practice that deals with enhancing competencies, commitment and culture building can be considered an HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things.

The thirteen variables relating to Human Resource Practices which were studied are as under

- HR Planning
- Recruitment & Selection
- Recruitment & Selection
- Induction
- Training & Development
- Performance Appraisal
- Career Planning
- Fringe Benefits
- Reward & Recognition
- Welfare Activities as per Statutory Requirement
- Safety, Health and Environment Policy
- Suggestions Scheme
- Promotion & Transfers
- Exit Policy

B. What is Job Satisfaction?
For an individual, Job Satisfaction would mean that something within him reacts favorably to the job and its environment. We can also say that it is a sense of personal growth most often measured by the extent of new challenges and learning situations experienced.

In this study the Job Satisfaction factors were clubbed as: Promotions, Favoritism, General Supervision, supervisor, skills required, job security, salary, Welfare Facilities, Advancement in the Job.

C. What is Organizational Commitment?
Organizational Commitment, or Employee Loyalty, is the degree to which an employee identifies with the organization and wants to continue actively participating in it. It often reflects the employee’s belief in the mission and goals of the firm, willingness to expend effort in their accomplishment, and intentions to continue working there. The scale used for the purpose of measuring the responses of the managerial employees for Organizational Commitment was the one developed by Meyer and Allen in 1997. The scale had three measures named as Affective Commitment, Normative Commitment and Continuance Commitment.

To study the appropriateness of the HR Practices, an attempt was made to identify those HR Practices that are prevalent in these six Pharmaceutical units. Overall, a positive overview was observed in case of these HR Practices. These thirteen practices were clubbed under five main factors by performing factor analysis of different statements of HR practices in the questionnaire. The five factors that were obtained from this factor analysis were Procurement and Development, Employee Benefits, Employee Schemes, Promotions and Transfers, and Exit Policy.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Procurement &amp; Development</th>
<th>Employee Benefits</th>
<th>Employee Schemes</th>
<th>Promotions &amp; Transfers</th>
<th>Exit Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>2.2536</td>
<td>2.2125</td>
<td>2.326</td>
<td>2.4</td>
<td>2.43</td>
</tr>
<tr>
<td>APS</td>
<td>2.2076</td>
<td>2.2266667</td>
<td>2.4</td>
<td>2.88</td>
<td>2.53</td>
</tr>
<tr>
<td>DDP</td>
<td>2.2424</td>
<td>2.3033333</td>
<td>2.3186667</td>
<td>2.61</td>
<td>2.25</td>
</tr>
<tr>
<td>KP</td>
<td>2.1492</td>
<td>2.1</td>
<td>2.2313333</td>
<td>2.9</td>
<td>2.67</td>
</tr>
<tr>
<td>VM</td>
<td>2.1144</td>
<td>2.0458333</td>
<td>2.2</td>
<td>2.95</td>
<td>2.55</td>
</tr>
<tr>
<td>SBL</td>
<td>2.2728</td>
<td>2.1766667</td>
<td>2.3293333</td>
<td>2.18</td>
<td>2.65</td>
</tr>
<tr>
<td>Total</td>
<td>2.2116</td>
<td>2.1908333</td>
<td>2.3073333</td>
<td>2.65</td>
<td>2.48</td>
</tr>
</tbody>
</table>

Table 1.

From the Analysis of Variance (ANOVA), the researcher drew the inference that the perceived appropriateness of the factors like Procurement & Development; Employee Benefits; Employee Schemes; Promotions & Transfers except Exit Policy is also significantly different in all the six pharmaceutical units under study i.e. the level of perceived
appropriateness of prevalent HR practices undertaken vary significantly from one unit to the other.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRP1</td>
<td>Between Groups</td>
<td>315.488</td>
<td>5</td>
<td>63.098</td>
<td>3.130</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>3588.245</td>
<td>178</td>
<td>20.159</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3903.734</td>
<td>183</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>177.742</td>
<td>5</td>
<td>35.548</td>
<td>4.778</td>
</tr>
</tbody>
</table>

Table 2

The ten variables of Job Satisfaction were clubbed under five factors, namely, Team Working and Supportive Culture, Working Conditions, Quality of Work Life, Supervisory Style and Skill Enhancement using factor analysis. From the above analysis, it may be concluded that the factors Supervisory Style and Skill Enhancement are important factors leading towards Job Satisfaction of the employees. However, Quality of Work Life and Working Conditions in the organizations provides the employees with a high team spirit at work, good advancement and better prospects in their career. The average of the factors of Job Satisfaction in all the six units under study showed that the level of Job Satisfaction was varying in the units under study.

<table>
<thead>
<tr>
<th></th>
<th>Team working &amp; Supportive Cult.</th>
<th>Working Conditions</th>
<th>Quality of Work Life</th>
<th>Supervisory Style</th>
<th>Skill Enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>2.4475</td>
<td>2.35</td>
<td>2</td>
<td>2.15</td>
<td>2.235</td>
</tr>
<tr>
<td>APS</td>
<td>2.2425</td>
<td>1.815</td>
<td>2.34</td>
<td>2</td>
<td>2.08</td>
</tr>
<tr>
<td>DDP</td>
<td>2.3275</td>
<td>2.165</td>
<td>2.03</td>
<td>2.33</td>
<td>2.54</td>
</tr>
<tr>
<td>KP</td>
<td>2.1575</td>
<td>2.235</td>
<td>1.63</td>
<td>1.5</td>
<td>2.135</td>
</tr>
<tr>
<td>VM</td>
<td>1.965</td>
<td>2.115</td>
<td>1.41</td>
<td>1.27</td>
<td>2.07</td>
</tr>
<tr>
<td>SBL</td>
<td>2.44</td>
<td>2.355</td>
<td>2.06</td>
<td>1.65</td>
<td>2.265</td>
</tr>
</tbody>
</table>

Table 3

To test the significance of the difference among the sample means, Analysis of Variance (ANOVA) was done. This was done for testing the significance of the difference between two variables. The analysis was done individually for the five factors and it was observed that all the five factors showed probability less than 0.05. Hence, at the 5% level of significance these factors were significantly different for all the six Pharmaceutical units i.e. AC, ACP, DDP, KP, VM and SBL under study.

<table>
<thead>
<tr>
<th></th>
<th>Between Groups</th>
<th>71.773</th>
<th>5</th>
<th>14.355</th>
<th>4.999</th>
<th>.000</th>
</tr>
</thead>
<tbody>
<tr>
<td>JS1</td>
<td>Within Groups</td>
<td>511.096</td>
<td>178</td>
<td>2.871</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>582.870</td>
<td>183</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>25.550</td>
<td>5</td>
<td>5.110</td>
<td>3.030</td>
<td>.012</td>
</tr>
<tr>
<td>JS2</td>
<td>Within Groups</td>
<td>300.190</td>
<td>178</td>
<td>1.686</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>325.739</td>
<td>183</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>14.925</td>
<td>5</td>
<td>2.985</td>
<td>3.654</td>
<td>.004</td>
</tr>
<tr>
<td>JS3</td>
<td>Within Groups</td>
<td>145.417</td>
<td>178</td>
<td>.817</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>160.342</td>
<td>183</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4

The correlation between appropriateness of factors of HR practices as perceived by the managerial employees and the factors of Job Satisfaction was calculated to determine the
linear relationship between them. The result showed a positive correlation between them. The inference drawn from the correlation analysis was that HR Practices, if perceived appropriate, increase the level of Job Satisfaction of the employees. Multiple regression analysis was also performed to find out the relationship among various variables under appropriateness of the prevalent HR Practices and Job Satisfaction. It was observed that the factors of HR Practices having maximum impact on the level of Job Satisfaction among employees were Procurement & Development and Employee Benefits. Therefore, a positive change in these factors can lead to higher Job Satisfaction. The researcher concluded from the overall analysis that the HR practices positively impact the level of Job Satisfaction of the managerial employees at all the six Pharmaceutical units under study.

To study the impact of perceived appropriateness of HR Practices on Organizational Commitment of the managerial employees, a scale developed by Allen & Meyer (1997) was used. The measures developed to describe Organizational Commitment of the employees were Affective, Normative and Continuance Commitment.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Affective Commitment</th>
<th>Normative Commitment</th>
<th>Continuance Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>2.42</td>
<td>2.05</td>
<td>2.0933333333</td>
</tr>
<tr>
<td>APS</td>
<td>2.1875</td>
<td>2.02</td>
<td>2.186666667</td>
</tr>
<tr>
<td>DDP</td>
<td>2.375</td>
<td>2.0933333333</td>
<td>2.103333333</td>
</tr>
<tr>
<td>KP</td>
<td>2.9233333333</td>
<td>1.956666667</td>
<td>1.91</td>
</tr>
<tr>
<td>VM</td>
<td>2.035</td>
<td>1.756666667</td>
<td>1.893333333</td>
</tr>
<tr>
<td>SBL</td>
<td>2.25</td>
<td>2.156666667</td>
<td>2.116666667</td>
</tr>
<tr>
<td>Total</td>
<td>2.2725</td>
<td>2.0133333333</td>
<td>2.06</td>
</tr>
</tbody>
</table>

Table 5

Thus it was then tested for the significance of the difference among the sample means using Analysis of Variance (ANOVA). The observation was that the level of Organizational Commitment in all the six pharmaceutical units under study was significantly different. The correlation analysis between appropriateness of HR Practices and Organizational Commitment was performed to determine the degree of linear relationship between them. It was inferred that there is significant positive correlation between them, hence it may be concluded that the HR Practices, if perceived appropriate, increase the level of Organizational Commitment of the employees.

<table>
<thead>
<tr>
<th>OC1</th>
<th>Between Groups 49.438 5 9.888 3.628 .004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Groups</td>
<td>485.170 178 2.726</td>
</tr>
</tbody>
</table>

Table 6

The findings of Multiple Regression Analysis helped in finding the most potent predictors, their hierarchical order, individual positive and negative contributions and Multiple Regression. It was observed that Procurement & Development factor of HR Practices had the most impact on Organizational Commitment. Thus, the researcher concludes from the overall analysis that HR Practices has a positive impact on Organizational Commitment of managerial employees at all the six Pharmaceutical units understudy.

IV. RECOMMENDATIONS FOR IMPROVING HR PRACTICE IN PHARMACEUTICAL UNITS UNDERSTUDY

1. A well-structured Career Planning system should be incorporated through HR Practices, which gives clarity of career progression to the employees in their organizations.
2. The employees in these selected Pharma units should also be given motivation through rewards and recognition.
3. There was a deep observation regarding the Welfare Activities undertaken by the six pharma units under study, it was analysed that the Welfare Activities as per statutory requirements mentioned in The Factories Act, 1948; The Industrial Disputes Act, 1947; The Mines Act, 1952; The Plantation Labour Act, 1951, and some other acts were perceived to be significantly undertaken by these organisations as they are mandatory.
4. Setting up of HPWS - it is a set of HR policies and practices that maximize the competencies, commitment, and abilities of the firm’s employees.
5. Develop a very clear Exit Policy in which rules and regulations of Exit Interviews must be specifically laid down.
6. Organizations can also provide welfare facilities either internally by means of a counseling service or externally through an agency which runs Employee Assistance Programmes (EAPs).
7. Practices such as the Mentor/Buddy Programmes must be encouraged and adopted in better spirit as
they lead to a better superior – subordinate relationship.

8. For the Training and Development of the employees, HR managers must plan out specific stress management workshops.

V. RECOMMENDATIONS FOR IMPROVING JOB SATISFACTION LEVELS OF THE EMPLOYEES
1. Adopting a 3-tier management system for employees.
2. Learning Environment & on the Job Learning
3. RECOGNITION should be given to the employee.
4. A good well planned REWARD SYSTEM
5. THE FUN FACTOR- A BIG ELEMENT OF YOUR BUSINESS STRATEGY
6. Introduce various types of WELFARE SCHEMES AND FACILITIES
7. Adopting a good Supervisory style and skill enhancement plans.
8. WORK MODULE may also be adopted for employees.
9. Various APPROACHES TO IMPROVE QWL may be taken up by the organizations.
10. For CARRER DEVELOPMENT of employee’s career stages model may be adopted.

VI. RECOMMENDATIONS FOR IMPROVING ORGANISATIONAL COMMITMENT IN THE PHARMACEUTICAL UNITS UNDERSTUDY:
1. It is strongly recommends that the pharma Industry should embrace a paradigm shift from Performance Appraisal to Performance Management Systems.
2. a climate of trust by being honest to people, treating them fairly and helping in their skill development must be developed through a process of regular consultation and participation.

VII. SCOPE FOR FURTHER RESEARCH
While conducting the present study certain aspects could not be dealt with, due to constraints of time and cost. Also, through this research work areas can be identified for further research.
1. The present study evaluates the impact of HR practices on Job Satisfaction and Commitment levels for employees in the pharmaceutical sector in one states. A comparative study including more states may be undertaken.
2. Compensation strategies and its comparative analysis may be performed for various companies in different states.
3. Studies similar in nature and scope to the present one can be carried out in other industrial sectors also.
4. In depth focused studies on further strengthening Organisational Commitment will be an excellent learning for the top management of various companies.
5. It was also felt that a need exists to study the ways in which companies provide motivation through innovative recognition methods.
6. In order to gain a competitive advantage in the pharma industry in the post economic reform scenario these HR practices can be further, independently studied in the global context to understand their individual impact on employee’s Job Satisfaction and Organizational Commitment.
7. Further the impact of these HR practices may be studied on the employee productivity and motivation level.
8. This topic may further be studied through a different angle of managing diversity in organization and the changing HR practices with special emphasis on the recent mergers and acquisition.
9. A comparative study of the traditional HR practices and future trends may be studied with their impact on organization commitment of the employees.
10. An in depth study of job satisfaction and its impact on organizational growth may be studied.

VIII. CONCLUSION
The focus of this research work is to understand the impact of HR Practices on Job Satisfaction and Organizational Commitment in selected Pharmaceutical units. The analysis reveals how appropriate HR Practices of an organization can improve the job satisfaction level of the employee and strengthen his Commitment towards his organization in the pharmaceutical units under study.

IX. REFERENCES
H.R. Practices: Impact on Organizational Commitment

*Ruchi Goyal, **Dr. Madhu Shrivastava
*Assistant Professor, Suresh Gyan Vihar University, Email: ruchiadi@rediffmail.com
**Associate Professor, St. Wilfred’s School of Management, Email: madhuanand2907@yahoo.com

Abstract: People in the organization have been increasingly recognized as a key source for value creation. This paper proposes and recognizes the impact of how good human resource practices may enable to retain not only ordinary employees but also top performers through their positive impact on organization commitment which is a strong predictor of employee turnover. It also ponders on the basic concept of organization commitment, its development, components and importance.

Key Words: HR, Organization Commitment

INTRODUCTION

Recognizing the impact of the retention of the top performers on organizational performance, human resource management literature has recently agreed that it is necessary to understand: how human resource practices influence the retention of high performing valuable employees besides addressing their effects on organizational commitment and overall retention.

We can conceptualize Human Resource Practices in various ways, labeling a different combination of human resource practices as high commitment, high performance or high involvement human resource practices. Organizational commitment refers to “a strong belief in and acceptance of the organization’s goals and values, a willingness to exert considerable effort on behalf of the organization and a definite desire to maintain organizational membership” (porter et al. 1974. p.604).

This paper analysis that how human resource practices may help organization to retain not only top performers whose cooperation is indispensable for an organizational success in knowledge - based economy. This provides a fresh insight for the strategic human resource management literature by suggesting that human resource practices may influence organizational performance by reducing dysfunctional turnover and overall workforce turnover. Organization need to adopt good human resource practices which allows organizations to develop skillful, motivated and committed employees, who can ultimately create superior value for organization. In particular, the positive impact of good human resource practices on employee organizational commitment and turnover has been a central premise in empirical studies in HRM literature. Good human resource practices generally constitute the following common practices:

a. HR Planning
b. Recruitment & Selection
c. Induction
d. Training & Development
e. Performance Appraisal
f. Career Planning
g. Fringe Benefits
h. Reward & Recognition
i. Welfare Activities as per Statutory Requirement
j. Welfare Activities beyond Statutory Requirement
k. Safety, Health and Environment Policy
l. Suggestions Scheme
m. Promotion & Transfers
n. Exit Policy

Building upon social exchange theory it is argued that employee tend to regard an organization as a person and form a global belief regarding how this personified organization recognizes their contribution and cares for their well-being.

If employee perceives that their organization is supportive, they tend to reciprocate supportiveness with increased organization commitment. This organization support is strongly influenced by organization practices and policies such as pay, job enrichment and participation, which signal the degree to which organization value and commitment to their employees.

The review of literature emanates the fact that HR practices have undergone a tremendous change over a period of time. Having gone through various studies, it is evident that HR practices have strong bearing upon the workforce in Pharmaceutical industry. These HR practices vary in range from HR Planning to Recruitment and Selection, Training and Development, Welfare Activities, Exit Interviews and so on. In this competitive age, these HR practices can help in building core competence in the employees, which enables them to give efficient and effective output. To cater to the challenging day-to-day demands of the organizations and the employees, these HR practices are made accustomed for given situations. The Pharmaceutical units are exploring various alternative HR Practices for efficiency.
and flexibility of the employees at their workplace. It is suggested that human resources of organization are valuable where they enable an industry to enact strategies that improve efficiencies and effectiveness, exploit market opportunities and/or neutralize potential traits.

Both job satisfaction and organizational commitment are positively related with job performance. According to Greene (1972) many researchers have found out the relationship between job satisfaction and job performance low or unrelated, on the other hand it has been stated by Angle and Perry (1981), that there is a positive and significant relationship between organizational commitment and job performance. When the value of these two correlations is compared it is seen that organizational commitment is a better predictor of job performance rather than job satisfaction.

As a result, organizational commitment and job performance are inversely related with turnover. The relation that exists between them is a positive one and it goes as follows: As organizational commitment increases, job turnover decreases which means that the average times span that an employee stays on the job increases. Hence, the employees become accustomed to the organizational culture, customers, suppliers and, in general, the way...

Employee Commitment:
The concept of employment commitment lies at the heart of any analysis of Human Resource Management. Indeed, the rationale for introducing Human resource Management policies is to increase levels of commitment so positive outcomes can ensue. Such is the importance of this construct. The literature defines commitment as an employee’s level of attachment to some aspect of work. Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviours of employees in an organization. Though this study specifically addresses commitment to the organization, or organizational commitment, it also considers work and career commitment towards clarifying the conceptual meaning. Organizational Commitment: These are an employee’s loyalty towards the organization and an employee’s intention to stay with the organization. Loyalty is an effective response to, and identification with, an organization, based on a sense of duty and responsibility.

One may use Herscovitch and Meyer’s definition: ‘the degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed’. Loyalty is argued to be an important intervening variable between the structural conditions of work, and the values, and expectations, of employees, and their decision to stay, or leave.

Positive and rewarding features of work are expected to increase loyalty, which, in turn, will reduce the likelihood of leaving. Loyalty becomes stabilized with tenure, which partly explains the negative relationship typically found between tenure and turnover. This form of commitment as the employee’s expected likelihood of remaining employed in the same organization. As with loyalty, intent to stay stabilizes with tenure, and helps explain the negative tenure and turnover relationship. Theoretically, it is viewed as an intervening response to structural conditions of work, as well as conditions of work elsewhere, or to not working at all.

Career Commitment:
Career commitment refers to identification with, and involvement in, one’s occupation. Much literature refers to similar or related concepts: occupational commitment, professional commitment, career salience, the cosmopolitan/local distinction and professionalism. Common to all these is the critical notion of being committed to one’s career, or occupation, rather than to the organization which employs one.

Work Commitment:
Work commitment refers neither to the organization nor to one’s career, but to employment itself persons committed to work hard a strong sense of duty towards their work, and place intrinsic value on work as a central life interest. This form of commitment relates terms like work motivation, job involvement, work as a central life interest and work involvement. Although work commitment is expected to be related to organizational commitment and career commitment, literature shows it to be empirically distinct from these two forms of commitment. The issue of organizational commitment within the private sector, has, generally, received significant research focus over the past 25 years. This review further describes the past development of organizational commitment, and its relevance in the future.

Development of Organizational Commitment: Two major theoretical approaches emerge from previous research on commitment:

Firstly, commitment is viewed as an attitude of attachment to the organization, which leads to particular job-related behaviours. The committed employee, for example, is less often absent, and is less likely to leave the organization voluntarily, than are less committed employees.

Secondly, one line of research in organizations focuses on the implications of certain types of behaviours on subsequent attitudes. A typical finding is that employees who freely choose to behave in a certain way, and who find their decision difficult to change, become committed to the chosen behaviour and develop attitudes consistent with their choice.
One approach emphasizes the influence of commitment attitudes on behaviours, whereas the other emphasizes. Although the ‘commitment attitude behaviour’ and ‘committing behaviour attitude’ approaches emerge from different theoretical orientations, and have generated separate research traditions, understanding the commitment process is facilitated by viewing these two approaches as, inherently, inter-related.

It is equally reasonable to assume that
(a) Commitment attitudes lead to committing behaviours that subsequently reinforce and strengthen attitudes;
(b) Committing behaviours lead to commitment attitudes and subsequent committing behaviours.

The important issue is not whether the commitment process begins with either attitude or behaviour. Rather, it is important to recognize the development of commitment may involve the subtle interplay of attitudes and behaviours over a period of time. The process through with commitment is developed may involve self-reinforcing cycles of attitudes and behaviours that evolve on the job, and over time, strengthen employee commitment to the organization.

The components of commitment are:
1. Affective Commitment: The individual’s affective or emotional attachment to the organization. (i.e. individuals stay with organization because they want to.).

2. Continuaence Commitment: The perceived costs associated with leaving the organization (i.e. the individual stays with the organization because they need to)

3. Normative Commitment: An individual’s felt obligation to remain with the organization (i.e., the individual stays with the organization because they feel they caught to do so).

Affective Commitment refers to the employee’s emotional attachment to, identification with, and involvement in, the organization [based on positive feelings, or emotions, toward the organization]. The antecedents for affective commitment include perceived job characteristics [task autonomy, task significance, task identity, skill variety and supervisory feedback], organizational dependability [extent to which employees feel the organization can be counted on to look after their interests], and perceived participatory management [extent to which employees feel they can influence decisions on the work environment and other issues of concern to them].

In addition, age and organizational tenure are considered to be positively associated with affective commitment. It is hypothesized that employees with low affective commitment will choose to leave and organization, while employees with a high affective commitment will stay for longer periods, as they believe in the organization and its mission.

Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organization [due to the high cost of leaving]. Potential antecedents of continuance commitment include age, tenure, career satisfaction and intent to leave. Age and tenure can function as predictors of continuance commitment, primarily because of their roles as surrogate measures of investment in the organization.

Tenure can be indicative of non-transferable investments [close working relationship with co–workers, retirement investments, career investments and skills unique to the particular organization]. Age can also be negatively related to the number of available alternative job opportunities. Career satisfaction provides a more direct measure of career-related investments, which could be at risk if the individual leaves the organization. In general, whatever employees perceive as sunk cost, resulting from leaving the organization, are the antecedents of continuance commitment.

Normative commitment refers to an employee’s feeling of obligation to remain with the organization [based on the employee having internalized the values and goals of the organization]. The potential antecedents for normative commitment include co–worker commitment [including affective and normative dimensions, as well as commitment behaviours]; organizational dependability and perceived participatory management are expected to instil a sense of moral obligation to reciprocate to the organization.

Importance of organization commitment:
Organizational Commitment is an attitudinal or emotive dimension of work motivation, manifesting its form in members’ behaviour. Organizational Commitment is a subset of employee commitment, which is comprised of work Commitment, Career Commitment & Organizational Commitment. There Components of organizational commitment have been identified in the literatures which are affective Continuance & normative commitment. As a combination of both attitudinal & behavioural approaches, organizational commitment is defined as employee’s acceptances, involvement & dedication towards achieving organizations goals.

Organizational Commitment is highly valuable. Organizational commitment is vital for productivity, quality & good performance of an organization. Numerous empirical evidence regarding job commitment & its relationship with job satisfaction has been offered. These findings reveal that the level of job commitment can also be influenced by various factors such as demography, pay, co–workers, work supervision, company’s background & employee’s job–satisfaction level.
In the last decade there has been a steady interest in studying organizational commitment of employees. Organizational commitment refers to “The relative strength of an individual’s identification with and involvement in a particular Organization. “(Mowday Etal 1979, P. 226.) Strongly committed employees are more likely to remain with the organization than are those with weak commitment. Commitment may even be a better predictor of turnover than job satisfaction because it is influenced less by day to day happenings than is job satisfaction (Porter et al – 1974)

CONCLUSION
Our understanding of human resource practices and organizational commitment has increased both conceptually, and, more practically, in terms of the positive consequences for organizations of having committed employees. Finding the relationship between human resource management practices, employee commitment and the financial performance of firms has important implications for improved integration of research across several business school disciplines.

Evidence clarifies that investment in employees can have positive financial consequences for firms and their shareholders, and may help broaden their narrow view of the world. From the literature review on organizational commitment, it has been identified that employee perception is the foundation of employee motivation, leading to higher organization commitment, and that employee perception forms the antecedent of organizational commitment.

Organization need to adopt good human resource practices which allows organizations to develop skillful, motivated and committed employees, who can ultimately create superior value for organization. In particular, the positive impact of good human resource practices on employee organizational commitment and turnover has been a central premise in empirical studies in HRM literature.

Positive employee perception leads to improved employee motivation, which in turn, leads to higher organizational commitment. As upbringing, race and religion are key factors influencing employee perception, a clear understanding of the meaning of organizational commitment among all persons concerned, such as researchers, respondents, practitioners and academicians is vital.

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The Challenging HR environment & the changing
HR Practices in Indian Pharmaceutical industry

Ruchi Goyal, Dr. Madhu Shrivastava
Assistant Professor, Suresh Gyan Vihar University, Jaipur. Email: ruchidi@rediffmail.com
Professor, St. Wilfred Management School, Jaipur. Email: madhuanand2607@gmail.com

Abstract:  This paper investigates the influence of human resource management (HRM) practices on the individual performance and organizational outcome of the pharmaceutical companies in India. The world of human resource management is changing more rapidly than we can imagine. Constant environmental changes mean that human resource managers face constant challenges. Recognizing these challenges and with the objective of the organization have created the need for fundamental advances in human resource management. This paper also suggests certain possible solution to the above said problem.

Key words: Human resource practices, Pharmaceutical Industry, HR challenges.

1. INTRODUCTION

“The Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this sub-continent.” Richard Gerster

The Indian Pharmaceutical industry has made a mark on the global pharmaceutical scene with its low cost of production, scientific manpower, renowned for being innovative, and low research and development cost. The industry is reported to be growing at 8n to 9 per cent annually. Best HR Practices enable the company to effect radical improvements, not just incremental ones. The quest for Best HR Practices is important for corporate India today precisely because it offers a way to vault into the global league. ‘Good HR practices do make a difference on many counts. They enhance internal capabilities of an organization to deal with current or future challenges to be faced by an organization.

1.1 HR Practices include:
- HR Planning
- Recruitment & Selection
- Training & Development
- Performance Appraisal
- Reward & Recognition
- Safety, Health and Environment Policy
- Promotions & Transfers
- Exit Policy

The process of globalization has put heavy pressure on Pharmaceutical industry to be competitive. The impact of these pressures is all pervasive and long term survival of business is dependent on its ability to improve continuously. Organizations have to gear up with new and innovative HR Practices to survive and flourish in today’s hyper competitive business environment. In this scenario, HR is expected to play a vital role in helping organizations to overcome these challenges.

2. CHALLENGES OF TODAY’S HR ENVIRONMENT

The pharmaceutical industry is recognized as one of the fastest growing industries today. It is a rapidly evolving industry where much advancement has taken place over the years. Moreover, in the near future, this industry will continue to evolve with new life-saving drugs and technologies being launched into the market. Considering this rapid pace of development, HR departments in pharma companies face the challenge of supplying different skill sets as per the requirements of the industry. Following are the challenges faced by the Pharma companies today which lead to the change in the HR practices:

2.1 From Restricted Markets to Globalization. Our old local regional vision is giving way to a new global economic order and business vision. The new demand is think globally and acts locally. We are also used to dealing with restricted or concentrated markets. We need to become accustomed to dealing with business from a new global perspective. Information and knowledge have replaced manufacturing as the source of most new jobs.

2.2 From Bureaucracy to Adhocracy. Rigid departmentalization is being replaced by flexible organizational structure - business units and profit centers that change rapidly. We are used to working in mechanical, bureaucratic, vertical and pyramidal organizations. We need to become accustomed to working in growing organizations and change as if they were alive.

2.3 From Stability to Change. Static, permanent organizations designed for a stable and predictable world are giving way to flexible, adaptive organizations more suited for a new world of change and transformation. Emphasis on permanence, tradition and the past is giving way to creativity and innovation in the search for new solutions, new processes, and new products and services.
2.4 From Command to Orientation. The traditional hierarchical notion of authority based on vertical imposition of orders and instructions is giving place to democratic leadership based on the organization's mission and vision. Blind, reactive obedience is giving place to spontaneous, proactive collaboration, and employee commitment. We need to get used to working with democratic, inspirational leadership.

2.5 From Muscular to Mental Work. Repetitive physical labor that doesn't add value is increasingly being replaced by mental creativity. Routine and monotony are giving way to innovation and a break with tradition. We are used to dealing with physical, manual labor; we need to become accustomed to dealing with mental, creative, and innovative work.

2.6 From Solitary to Collective Activity. Teamwork is supplanting individual activity. The old emphasis on individual efficiency is being replaced by group synergy. It's a matter of multiplying efforts, rather than simply adding them. We are used to individualized, isolated work; we need to change to high-performance teamwork.

2.7 From Specialization to Multitasking. The traditional division of labor with its consequent fragmentation of activity is evolving toward more varied and integrated work. We are used to dealing with division of labor and task specialization. We need to become accustomed to working in teams and with holistic organizations.

2.8 From Full-Time to Part-Time Work. Work carried out with total and exclusive dedication to a single company is coming to an end. It is being replaced by work carried out at any time, and at any place, to the extent that workers are becoming suppliers for various activities and various companies at the same time.

2.9 From Followers of Orders to Entrepreneurs. Rather than being conservative bureaucrats, workers are becoming innovative and creative. We are used to working by following rules and regulations, external controls and standards; now we need to become goal-oriented and mission driven.

2.10 From Human Resources to Business Partners. In the past, human resources were considered passive agents of the company. Employees are considered active and proactive agents of the business they manage together. People are human beings with minds, talent, motivation, and the proactive capacity for decision-making. They can no longer be considered only as objects.

2.11 From Agents to Leaders. Now we need to become accustomed to working with leaders who move, motivate & stimulate work-to-ead who communicate & can visionaries.

2.12 From Financial to Intellectual Capital. Emphasis on money as the most important organizational resource is shifting to knowledge as the unlimited and fundamental input for business success. Traditional accounting, centered as it is on physical assets convertible into financial currency, is being questioned for not involving such intangible aspects as internal systems, customers, and intellectual capital.

3. IMPLICATION FOR PHARMA COMPANIES: THE CHANGING HR PRACTICES

With the changing times the importance of HR department have also gone through various changes. Moreover, the HR department in Pharma companies has undergone a significant change. Earlier, HR departments in pharma companies were involved in the process of finding the right candidates, recruiting them and retaining them. But today, recruitment firms having strong scientific expertise have emerged, helping HR departments perform their functions even better. Recent years have also witnessed the birth of new forms of pharmaceutical business models in the market and have noticed a change in the nature of work & expectations of the workers. This has stimulated the HR personnel in many pharma companies to implement changes in their existing strategies. These environmental challenges have created the need for fundamental advances in human resource management:

3.1 Retaining R&D Professionals: which is the heart of the pharmaceutical industry, attracting and retaining R&D professionals is an important task for the HR department. Retaining the best talent remains the topmost priority for most HR managers, especially quality talent in areas where knowledge and expertise plays an important & critical role.

3.2 Getting the best out of people: it continues to remain an evergreen challenge and only those who adapt, survive and flourish. A high-pressured business environment, with demanding clientele in the healthcare industry translates to outsourced work that needs to be executed to perfection at lightning speeds.

3.3 Stress Management: Managing the aspirations of the upwardly mobile young workforce today (who wield the power of choice) and keeping them motivated, committed and emotionally engaged and retained in the organization is one of the biggest challenges for business leaders and HR.

3.4 People Management: This concept means that people at all levels of the organization are considered responsible for, as well as involved in, the company's business. Being "responsible" means that employees use available information, apply their abilities and knowledge, and make adequate decisions that achieve the desired results.

3.5 Transformation to Internal Consultation: The old departmental HRM structure is being replaced by more flexible entities responsible for processes focused on customers and internal users. Instead of its usual functions (hiring, training, conducting performance evaluations, assigning salary raises, etc.), HRM is increasingly responsible for teaching managers and their teams to perform these tasks.

3.6 Empowering Middle Managers: This means a profound commitment by upper management to trust middle management with safeguarding new non-technical skills. The essential thing is the search for efficacy and excellence, starting with people, with emphasis on goals rather than on means.

3.7 Achievement of the Company's Mission & goals: It implies personal commitment by each worker to the
company's mission & goals. Besides this, the impact of HRM processes on people and businesses is continually evaluated to provide the adjustments necessary for a world of constant change.

3.8 A Clear and Accelerating Tendency toward Downsizing: The strong trend toward flattening the organization, reducing hierarchy, decentralizing decision-making, debureaucratization, deregulation, separation into strategic business units, continuous quality improvement programs, reengineering, and other trends in contemporary administration are accompanied by parallel changes in people management. And it could not be otherwise.

3.9 Emphasis on a Participative and Democratic Culture within the Organization: Participative decision-making, continuous consultation, opportunities for dialogue, direct and open communication, suggestion programs, use of meetings and awards ceremonies, more freedom in task selection and the methods to carry them out, group work and teamwork, work schedule options, availability of online information, and real time are gradually leading companies to adopt a primarily consultative and participative management style through which workers can coexist within a vibrant and democratic culture.

3.10 Strong Use of Motivational Tools and Personal Achievement: Rewards are not standardized, but are variable based on contributions to productivity and profit. The old concept of managing by objectives is revitalized in ways that make it more liberal, participative, friendly, involving and motivating than before.

3.11 Flexibility of HR Policies and Practices Based on the Needs of the People Involved: Instead of complex, generic procedures, companies are using more and more choices, options and alternatives for adjustment to These trends reflect a vision that takes into account the tremendous capacity people have for developing and creating value -- and the need to place faith on that capacity for the success of the organization. A company's competitiveness is based on its employees.

CONCLUSION
The pharma industry is progressing at a rapid pace. With increasing regulatory pressures, patent challenges and declining R&D product pipeline, companies will have to regularly review and re-evaluate their HR policies. To thrive in an upbeat competitive environment, it will also be essential for them to continuously update these policies in line with industry trends and analysis.

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individual differences. Instead of a single health plan, for example, workers can choose the one that best meets their expectations or personal preferences.

3.12 A Complete Change toward Customer Service, Be it Internal or External. Human Resource Management is becoming totally customer oriented. As a consequence, managers and employees are being constantly reoriented toward customer satisfaction. Training in quality and productivity is intensive, obligatory and cyclical in most successful companies.

3.13 A Strong Concern for Adding Value within the Organization. The critical element is that, starting with this concept, each director is interested in making the organization more valuable; each manager is interested in training people better; and each person is interested in increasing the value of products and services delivered to customers. The goal is to increase stockholder assets, satisfy customers, and increase the value of human capital.

3.14 A Strong Concern with Knowledge Management and Generating Intellectual Capital. Organizational effectiveness will increasingly depend on attracting, utilizing and retaining people who can use their knowledge to solve problems, create services, develop new work processes and satisfy customer needs.

3.15 An Overriding Concern with Preparing the Organization and its Employees for the Future. In the most advanced companies, HRM is considering that everything can be improved beyond the standard of excellence it has already achieved. It holds that other people are not yet totally prepared and developed, that the quality of life can be improved, and that the company can achieve even better results.