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 360°, 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 there 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.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>No. of Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>347</td>
</tr>
<tr>
<td>1987</td>
<td>142</td>
</tr>
<tr>
<td>1995</td>
<td>74</td>
</tr>
<tr>
<td>2008</td>
<td>74</td>
</tr>
</tbody>
</table>

**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 newspaper 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.
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 Ranbaxy is also owned by a family. Recently a Japanese company named Daiichi bought the total family holding in Ranbaxy 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 counterparts 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**

\[ H_1 \] 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.

\[ H_2 \] 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.

$H_3$ 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.

Motivational polices 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.