PREFACE

Pharmaceutical Industry is fast developing business in the world and India has also been benefited significantly with national and international measures of liberalization and globalization. Prior to 1970, foreign companies had monopoly of manufacturing and marketing of medicines in India since British Rule, but Indian Patent Act 1970 helped suitably in patent of medicines in India acceptable at the global level. The Indian Patent Act 1970 protected rights of inventors to get monopolistic rights to manufacture the patented medicines for twenty years, which also authorized process patent of medicines. The Act was further amended in 2005 keeping the provisions made in General Agreement in Tariff and Trade and World Trade Organization.

Although, these international organizations helped in entry of manufactured medicines in other countries, the benefit to India was significant for low manufacturing cost and its manufacturing units have managed global standard in terms of quality and processing. The licensing system prevalent earlier was removed and Drug Controller of India was authorized to approve the quality standards of manufacturing and cost of medicines. The facilities provided by the Government of India and international agencies helped in growth of pharmaceutical industries, which have reached level of 20,000 number and production of medicines has increased to the level to 97 percent of country requirements and export of about 60 percent of bulk produce.

Indian pharmaceutical companies have world class talented personnel and manufacturing units and low cost of production has helped in outsourcing of medicines manufacturing for European
countries and exporting to developed and developing countries. The pace of development of Indian pharmaceutical industry is significant, while 20 large companies manufacture about half of the total manufacturing of medicines. The research and development is most like activity of large companies, which are getting benefits with patent rights. However, half of Indian pharmaceutical companies have not established their own manufacturing units and prepare contract medicines with established companies.

Even some European pharmaceutical companies outsource Indian companies in view of the fact, that in addition to quality product, the cost of production is significantly low in comparison to their own manufacturing units. Foreign direct investment facility in India has lured foreign companies to collaborate with Indian companies in research and development due to laboratory facilities, clinical tests and adjudging impact on human bodies. Indian states welcome new pharmaceutical units and provide land and other facilities at concessional rates for employment facilities to local talent and revenue earning to states.

Attrition problem is quite severe in Indian pharmaceutical companies primarily for the reason that establishment of new units and enormous facilities to talent in Indian companies and also in foreign pharmaceutical companies. Rate of attrition in Indian pharmaceutical companies is about 35 percent, which is significantly high in comparison to global attrition rate of 8 to 10 percent. Companies are conscious of the disadvantages of attrition on production, productivity and financial status of companies. Departure of one talented person is great loss to that company and selection and training of new person is
quite costly and new person takes quite long time to attain perfection in the task.

From employee’s point of view, availing suitable opportunities is essential to get financial and status benefits. They remain aware to gain experience through exposure of their own potential and remain sure of better opportunities in the same company or elsewhere. There are enormous opportunities in pharmaceutical industrial sector and talented persons even get jump of more than one level higher to their existing level. Employees prefer companies having immense facilities of expansion of the company in internal and external market. Every employee remains effortful to get additional benefit in monetary terms or promotion to higher position.

Every pharmaceutical company remains conscious to get talented person and ready to pay higher remuneration to talented and experienced persons. New talented persons possess innovative ideas and application of technological devices, while experienced persons remain aware on various functional aspects. Some persons also prefer new job in the fear of being retrenched from existing company. Employee work hard in the hope to be rewarded suitably for their efforts to increase production while maintaining quality of the product. In case their aspirations are not fulfilled, start searching avenues in other companies.

Departure of one talented person has 5 to 10 times impact on the companies, as every affected company has to initiate process of selection, training and skill development. The problem of attrition is highest in the pharmaceutical companies having scanty staff in each unit and work remains standstill for long duration. Every
pharmaceutical company is well aware of the problem and remains cautious to carry out retention measures by providing monetary benefits and other facilities, which are possible to them without much efforts. Attrition has become uncontrolled problem, which can be controlled to requisite extent through suitable retention measures by the management of companies.

The retention measures include performance oriented remuneration to employees, introduction of expansion measures in the spheres of research and development, production and marketing of the product. Employees prefer to remain in companies having assured future prospects. In most competitive market, company can survive with cost effective production system, outsourcing and access to external market with quality product in low cost. Group based approach can help in nurturing the employees to face attrition problems in all the spheres of the activities. The field findings of the research study also endorse the situation of all level employees prefer to get monetary and other benefits in same or other companies.

The research study on “Talent Management and Retention Practices with Special Reference to Pharmaceutical Industry” has been divided into eight chapters, where first chapter in Introduction, covering the centrality of the problem, review of literature, rationale of research study, objectives of the research study and research methodology. Chapter second is hypotheses, which covers Role of Indian Patent Act 1970, talent management, mushrooming of pharmaceutical industries, intensity of attrition problem, impact of retention measures, role of doctors as stakeholders and hypotheses framed for the research study.
Talent management is the title of third chapter, which includes meaning of talent management, processes of talent management and talent management strategy. Chapter fourth discusses Present Scenario of Pharmaceutical Sector, where pharmaceutical policy of the Government of India has been described. Existing status of public sector pharmaceutical undertakings has been discussed elaborating the causes of failure of these units. Growth of Indian pharmaceutical industry has been discussed in the background of monopoly of foreign company in India. Growth drivers of Indian pharmaceutical industry, emergence of Indian pharmaceutical multi-national companies have been discussed. Introduction of Elysium Pharmaceutical Limited has been discussed from origin to present status.

Fifth chapter of the research study discusses Attrition in India, where Attrition as conceptual framework has been discussed along with the causes and consequences of attrition causing serious problem to pharmaceutical companies. Attrition scenario in India contains the problem of highest rate of attrition. In chapter sixth, talent retention strategies adopted by pharmaceutical sector have been discussed, which includes necessity of retention of talent, problems of retention in pharmaceutical sector and talent retention practices required to be undertaken.

Chapter seventh covers field based studies, where observations of 200 employees of top level functionaries, middle level functionaries and grass root functionaries have been collected and analyzed. Assessment has been on performance based approach and also on measuring scale approach covering various aspects related to attrition and retention in the industry. Concluding chapter under title summary,
conclusions and suggestions discusses from field findings as well as outcome of the research. The suggestions have been included in the research study after assessment of their feasibility and applicability to solve existing problems of pharmaceutical industry.

I have tried to remain unbiased to all related issues of the research study and all the references quoted in support of various findings have been duly acknowledged. The research study is original contribution of my sincere and humble efforts and no portion of the study report has been copied from any book, journal or any other mode of access to information.

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