

The Talent Acquisition War In Pharmaceutical Sector

Prof. Ruchi Anand & Prof. Caral Lopes

*Thakur Institute of Management Studies and Research (TIMSR)
Shyamnarayan Thakur Marg, Thakur Village, Kandivli (E), Mumbai - 400 101,*

Abstract:- The 1990s ended with a call-to-arms to fight "the war for talent." While the war for talent clearly has cooled in the early stages of the 21st century, dampened by economic doldrums and concerns with global security, the real battle to attract, develop, motivate, and retain talent is going to heat up considerably. Talent management practices have developed and adapted throughout the years in response to many changes in the pharmaceutical organization. The pool of available talent, particularly those with the necessary skills and experience, is running extremely low. As a result pharmaceutical and biotech firms are facing fierce competition to find staff for their projects. With dwindling revenues in the mature markets of the US and Europe, more and more companies are looking towards Asia to address this issue. This paper through a primary research tries to examine the ways to identify new talent for the pharmaceutical industry in general, along with methods to secure talented professionals and then keep them productive and committed once they are on board. Also this paper covers a number of the trends that have shaped current talent acquisition practices in pharmaceutical industry as well as those that will contribute to future strategies.

Keywords:- Talent Acquisition, Pharmaceutical

I. INTRODUCTION

Talent acquisition is the process for planning, sourcing, assessing, hiring and on-boarding of new or existing employees into appropriate positions within the organization. Talent Acquisition allows us access to a pool of competitive talent that would otherwise have been missed or even worse ignored. The focus of the process is on attracting talented workers to the organization.

Today, business leaders understand the strategic significance of talent acquisition. They are carefully looking at how they are going to fill the gap in skills and company knowledge left by retired persons. They are applying new uses of technology for virtual workplace options that can make them more flexible to employees, more attractive to candidates and open to talent from around the world. They are adopting advanced strategies and tactics to evolve their talent acquisition operations and they are embracing a range of emerging best-practices, from workforce planning to employment branding.

In short, they are recognizing the need to continue to advance their abilities not only in talent acquisition, but also to support retention and employee development. Talent Acquisition involves the entire sub - processes around finding, attracting and engaging highly talented individuals into your organization.

Talent Acquisition Life Cycle: Recent business factors, such as increasing competition and the short age of talented workers, have encouraged organizations to focus on the results of the full talent acquisition life cycle.



II. REVIEW OF THE LITERATURE

Prospective employees are as particular about choosing the right organisation as about choosing the right job (Rynes and Cable, 2003). Hence, organisations are increasingly trying to assess and enhance their attractiveness to prospective applicants (Highhouse et al., 1999). This has critical consequences for the recruiting organisations (Rynes, 1991) as it leads to the most pressing problem of talent acquisition- of attracting people with the right skill set and competencies who also fit the need and the culture of the organisation (Bhatnagar and Srivastava, 2008). Organisations that attract a larger applicant pool and more qualified applicants obtain greater utility in their selection systems (Boudreau and Rynes, 1985) and a potential competitive advantage (Lado and Wilson, 1994).

Srivastava, P. & Bhatnagar, J. (2010). The term talent management refers to the strategic management of the flow of talent through an organization. The purpose of talent management is to ensure availability of adequate supply of talent to align the right people with the right jobs at the right time based on strategic business objectives (Duttagupta, 2007). Therefore, the talent management is not just an HR activity, but it is a mindset that goes towards a holistic and integrated approach to maximize the competitive advantage through people.

Duttagupta, Rhea (2007) Talent management is a complex collection of connected HR processes that delivers a simple fundamental benefit for any organization. It is the systematic attraction, identification, development, engagement/ retention and deployment of those individuals who are of particular value to an organization, either in view of their 'high potential' for the future or because they are fulfilling business critical roles.

Areiqat, A. Y., Abdelhadi, T., & Al-Tarawneh, H. (2010) Talent acquisition is the process for planning, sourcing, assessing, hiring and on-boarding of new or existing employees into appropriate positions within the organization. Talent Acquisition allows us access to a pool of competitive talent that would otherwise have been missed or even worse ignored. The focus of the process is on attracting talented workers to the organization. The process stages were typically performed as disconnected steps that made the process inefficient and ineffective.

Kumar, S. R. (2013). A study on talent acquisition in sierra atlantic. *Advances in Management* Today, business leaders understand the strategic significance of talent acquisition. They are carefully looking at how they are going to fill the gap in skills and company knowledge left by retired persons. They are adopting advanced strategies and tactics to evolve their talent acquisition operations and they are embracing a range of emerging best practices, from workforce planning to employment branding. In short, they are recognizing the need to continue to advance their abilities not only in talent acquisition, but also to support retention and employee development.

III. NEED FOR THE STUDY

Over the past couple of years the pharmaceutical industry has seen a significant shift in demand for talent from developed markets to emerging markets of China, Brazil, India, South Korea, Mexico, Turkey and Russia. China and India notwithstanding, are currently witnessing huge growth in life sciences within the Korean, Vietnamese, Thai and Malaysian markets. This increased demand does pose many challenges. The pool of available talent, particularly those with the necessary skills and experience, is running extremely low. As a result pharmaceutical and biotech firms are facing fierce competition to find staff for their projects. With dwindling revenues in the mature markets of the US and Europe, more and more companies are looking towards Asia to address this issue.

IV. OBJECTIVES

- To critically study and analyze the current scenario of the recruitment and selection practices adopted in *Wockhardt Ltd.*
- To gauge the level of difference in recruitment and selection process among various pharmaceutical companies

V. RESEARCH METHODOLOGY

Research was carried out at Wockhardt Ltd. and across other pharmaceutical companies to understand the current "Recruitment and selection process.

Exploratory Research

Exploratory research design is used in order to study the main area where the problem lies and also tries to evaluate some appropriate course of action.

VI. DATA COLLECTION

Primary Data:

Primary data was collected through survey method by distributing questionnaires to HR managers in pharmaceutical companies. The questionnaires were carefully designed by taking into account the parameters of my study. It consists of both open and close-ended questions.

Secondary Data:

Secondary data was obtained by means of information gathered from various reports, newspapers, reference books, magazines and websites. Secondary data is scrutinized on the basis of suitability, reliability, adequacy and accuracy.

Sample:

The sample size consisted of **10** HR managers from various pharmaceutical companies who were responsible for the recruitment of the pharmaceutical sales workforce.

Statistical analysis of data:

The statistical analysis of the data was mainly done by computing the percentages obtained for various questions and by presenting these by means of pie-charts and bar graphs.

Limitations Of The Study

- The research is confined to the recruitment & selection practices of sales workforce at Wockhart limited and few pharmaceutical companies only.
- The sample size was small and hence the results can have a degree of variation.
- The respondents were reluctant in sharing company's confidential information.

Analysis & Interpretation of Data

One of the objectives of this study is to gauge the level of difference in recruitment and selection process among various pharmaceutical companies.

1. Sources of recruitment-

- From the Figure 1, it is clear that more than 50% of the pharmaceutical companies use employee referrals as one of the major sources of recruitment and secondary is placement consultants.

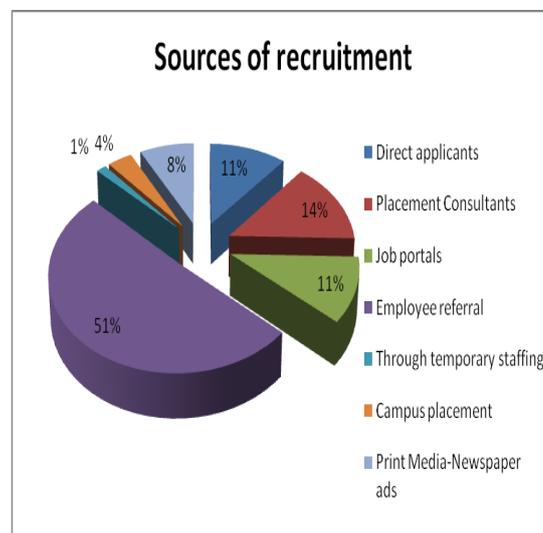


Figure 1: Sources of recruitment

2. Minimum qualification requirement for medical representatives-

The findings state that 40% of the pharmaceutical companies consider Bachelor of Science or Bachelor of pharmacy as minimum qualification requirement for medical representatives

- The survey also revealed that 40% of pharmaceutical organizations consider graduation in any stream as minimum qualification requirement for medical representatives
- However, only 20% of pharmaceutical companies also recruit candidates holding a Diploma certificate in pharmacy.

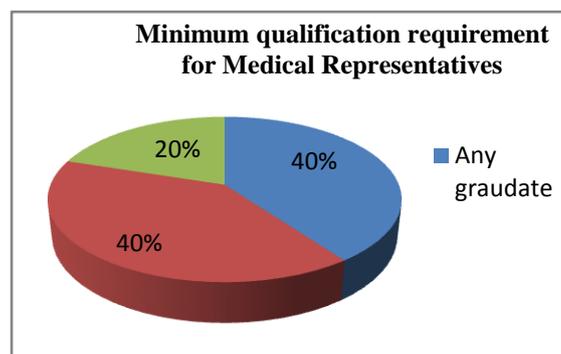


Figure 2: Minimum qualification requirement for medical representatives representatives

3. Minimum work experience requirement for medical representatives-

- Survey revealed that 62% of pharmaceutical companies recruit fresher's as medical representatives
- 25% of pharmaceutical companies require minimum 6 months of work experience for a candidate to qualify for the post of medical representative

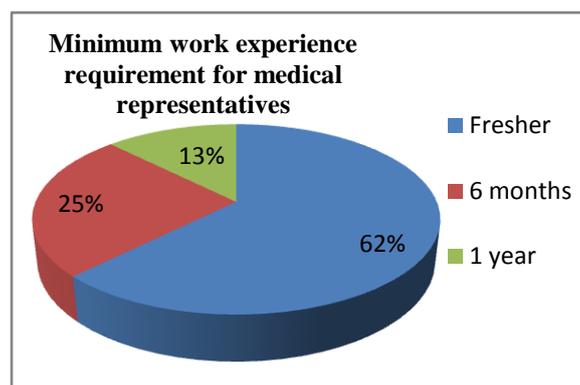


Figure 3: Minimum work experience requirement for medical representatives

4. Background or reference checks-

Survey revealed that 88% of the pharmaceutical companies conduct background or reference checks for their employees

- 33% of pharmaceutical companies conduct background or reference checks for senior level employees only and 67% companies conduct background or reference checks for all employees
- 75% of companies revealed that background or reference checks are conducted by internal employees while it was observed that 33% of companies outsourced background checks to a third party.

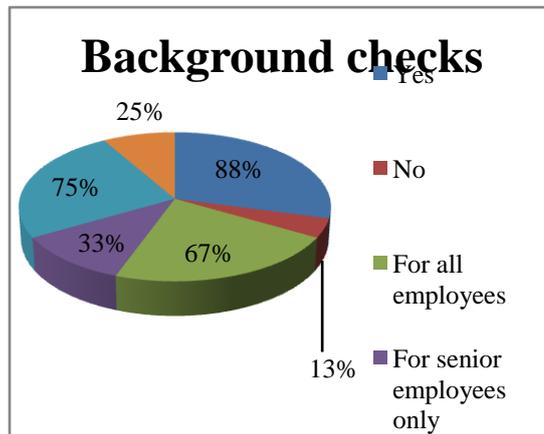


Figure 7.4: Background or reference checks

5. Conversion Ratio

The conversion ratio of prospective candidates into new hires for Wockhardt Ltd. is 50%

- Famy care indicates the highest conversion ratio of 75%; however, Ranbaxy has the lowest conversion ratio of 5%
- Lupin & ABC pharma have a conversion ratio of 50% and 10% respectively, while Ajanta pharma & XYZ pharma indicate a conversion ratio of 25% each.

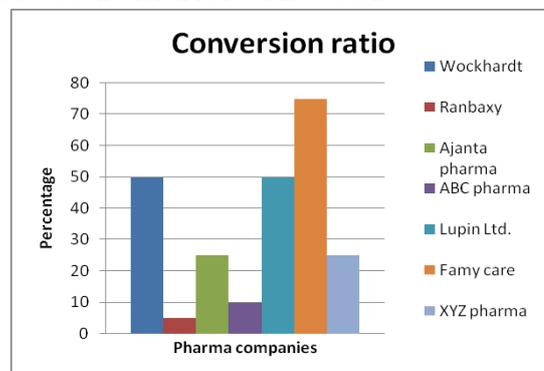


Figure 5: Conversion ratio

6 Attrition rate

- Attrition rate for Wockhardt Ltd., Ajanta pharma and Lupin Ltd. is above 25%
- ABC pharma, has attrition rate between 15 to 20%, while Shreya Life Sciences and Famy care both have attrition rate between 10 to 15 %
- XYZ pharma has an attrition rate of around 6%, while Ranbaxy has outperformed others with an attrition rate of around 3% which is still decreasing over the years

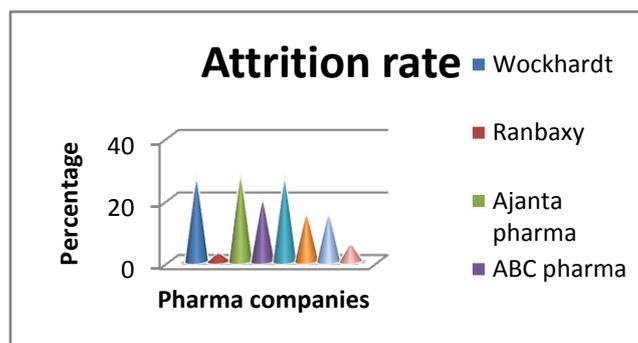


Figure 6: Attrition rate

VII. CONCLUSION

The following conclusions can be drawn from the survey:

- Majority of the pharmaceutical companies indicated that they use employee referrals as one of the major sources of recruitment since it is a reliable and quick source of recruitment.
- When it comes to minimum qualification requirements for medical representatives companies equally consider both science graduates and graduates in any stream. However, few companies also consider candidates with diploma in pharmacy.
- In terms of work experience, majority of the companies prefer recruiting fresher's as medical representatives. However, few companies give preference to candidates with 6 months to 1 year of work experience.
- Majority of the pharmaceutical companies conduct background checks for all of their employees. The survey also revealed that background checks are mainly conducted by their own employees (i.e. HR department) and is rarely outsourced.
- It was observed that conversion ratio of prospective candidates into employees was very high for companies with liberal screening process. However; companies with very rigorous screening process coupled with very high standards of recruitment and selection process had a very low conversion ratio.
- The companies which had a very rigorous screening process also had very low attrition levels as compared to other pharmaceutical companies having a liberal screening process.
- The companies adopted various retention strategies such as providing lucrative incentives, perks, bonuses, LTA, increments, insurance policy, medical allowance etc. Some companies also provide vehicle loan. They also conduct seminars, skill development and up-gradation trainings, employee engagement activities, provide them trainings that would better equip them, making them aware of probable challenges that they could face.

RECOMMENDATIONS

Alternate sources of recruitment

Wockhardt Ltd. is currently in the process of restructuring and expanding its sales work force, and the survey conducted indicates that its major source of recruitment is employee referrals. In order to recruit and retain personnel that are able to perform well, it would be recommended that the recruitment strategy be changed by encouraging the use of alternative sources of recruitment.

- **Newspaper advertisements** can be considered as one of the sources of recruitment for advertisement purposes.
- The company can also consider recruiting **freshers** and they can be moulded easily according to company's requirements. And since they seek for an opportunity to prove their caliber they tend to be more loyal if provided career development and growth opportunities

- **Customer Referrals - near-perfect recruiting targets:**

Customers (for example: doctors, chemists) are already engaged with the firm and its products, hence they are likely to have a positive image of both. As a result, they could turn out to be great source of referral since they interact with many medical representatives and line managers on a frequent basis.

- **Rehiring an ex-employee:**

There are several advantages for organizations to bring in a former employee, such as; the former employee is already familiar with the organizations culture and requirements, and understands the demands of the job which allows for better expectation setting right from the beginning. This, in turn, ensures greater loyalty to the organization and helps in retention.

- **Social media:**

Social networking these days is considered to be one of the most sought out solution for sourcing and recruiting employees. Everyday employees use different social networking sites such as LinkedIn, Face-book, MySpace, Twitter etc. One can also target bloggers who regularly post positive messages about your firm on social media sites. It is recommended that the company can use social networking sites for creating awareness about Job vacancies & Recruitment drives

- **Prepare for a Skype interview:**

The Economic Times/Mumbai/24 July 2012 states that a number of tech-savvy companies prefer to take the first cut interview through Skype that allows users to have video chats through the internet. Skype allows the interviewers and interviewees to talk in the same setting but with effectively no cost to either party.

- **Build a Robust Brand:**

Building a robust external brand can shore up the company's visibility, profile and image significantly. A good employer brand will go a long way in attracting a sizeable chunk of diverse and non-diverse candidates.

- **Create winning impression even on those who are not selected:**

It's very important to create a favorable impression of your organization on all those who come for interview. Those who are not selected in the first round of personal interview should also carry this impression that they have missed the opportunity to work in a great company. For this, there must be a proper coordination during the candidate's interview and greater degree of professionalism.

REFERENCES

- [1]. Areiqat, A. Y., Abdelhadi, T., & Al-Tarawneh, H. (2010). Talent management as a strategic practice of human resources management to improve human performance. *Interdisciplinary Journal of Contemporary Research in Business*, 2(2), 329-341.
- [2]. Duttagupta, Rhea (2007). *Talent Management*. UK.
- [3]. Kumar, S. R. (2013). A study on talent acquisition in sierra atlantic. *Advances in Management*, 6(9), 27-31.
- [4]. K Aswathappa, *Human Resource Management*, Sixth Edition
- [5]. Srivastava, P., & Bhatnagar, J. (2010). EMPLOYER BRAND FOR TALENT ACQUISITION: AN EXPLORATION TOWARDS ITS MEASUREMENT. *Vision*, 14(1), 25-34.
- [6]. T. Elaine Gagne: "The Unfair Advantage: The Right Talent Fit- The Most Significant Business Challenge Over the Next 20 Years", *Business Credit* November/December 2006, EBSCO Research Starters
- [7]. T.L.Stanley: "Hire the right person", EBSCO Research Starters
- [8]. "Decreasing Time-to-Hire cycle", *Human Capital* Vol.14 No.11, April 2011, Pg 34
- [9]. "Diversity hiring", *HRM REVIEW – IUP Publications: Vol-XI Issue-II* February 2011
- [10]. Francis Duffy: "Human Resource Economics", 2008, EBSCO Research Starters
- [11]. "Prepare for a Skype interview", *The Economic Times/Mumbai/24-July-2012*
- [12]. Ruth A. Wienclaw: "Employee Selection", 2010, EBSCO Research Starters
- [13]. Sannita Chakraborty Saha: "Re-hiring an ex-employee"- *Human Capital*
- [14]. "Social media", *The Journal of Army Institute of Management and Technology*, Volume Jan-Jun 2012
- [15]. Chris Greaves: "The job clinchers are attitude and confidence", *Expresspharma* (<http://www.expresspharmaonline.com/2011-02-28/pharmalife01.shtml>)
- [16]. Indian Pharmaceutical Industry, March 2012 (http://www.cci.in/pdf/surveys_reports/indian-pharmaceuticals-industry.pdf)