

RECRUITMENT AND SELECTION PROCESS IN PHARMACEUTICAL COMPANIES IN INDIA

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INTRODUCTION

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030. India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 64 billion in 2019 and is expected to reach US\$ 150 billion by 2025. India's drugs and pharmaceuticals exports stood at US\$ 17.57 billion in FY21 (From December 2020 to April 2021). A look at today's fast-moving and changing business world will show that only hard work will not help the organization and its people to reach the full potential. To fulfill its mission and vision, the organization needs employees who not only complete their work efficiently but also respond positively and fast to any changes that organization may have to go through to keep pace with the ever-changing external environment. Thus, modern management treats its people as resources since "assets make things happen and people make things possible". The company's core competence lies in its people and its intellectual capital. Therefore acquisition, deployment, and retention of sufficient skilled manpower are cutting edge for an organization. So, an effective recruitment and selection process holds the key to an organization's future success. The pharmaceutical industry of India has an enormous growth potential. This industry has been rapidly improving its manufacturing facilities presenting the need of acquiring qualified and effective recruits for operation. The industry is a sensitive one as it produces medicine and requires experienced and educated people from production level to packaging. A single mistake in any of

the levels can prove to be life taking and ultimately lead to the fall of a company. Therefore, the recruitment and selection of job applicants in this industry is very crucial and must be done with great caution. The proposed study serves the purpose of learning the steps involved in the recruitment and selection process of this industry.

LITERATURE REVIEW:-

HRM is the prominent success factor of an organization. Edgar and Greare (2005) identified that HRM practices had a significant impact on employee attitudes such as job satisfaction, organizational commitment and organizational fairness. Yu and Egri (2005) found that HR practices had a significant impact on the affective commitment of employees on Chinese firms. Aswathappa (2008) argued that the organization should have better HR plans to motivate its employees. Sophisticated recruitment and selection system can ensure a better fit between the individual's abilities and the organization's requirement (Fernandez 1992). Katou and Budhwar (2007) discussed in a study on Greek manufacturing firms that recruitment and selection was positively related to all organizational performance variables such as effectiveness, efficiency, innovation, and quality. The motivation and opportunity focused bundles of HR practices positively related to affective commitment and negatively related to turnover (Gardner, Moynihan and & Wright 2007). The best human resource practices areas are recruitment and selection, socialization, job design, training, communication/participation, career development, performance management, employee reward and job security (Huselid1995). HRM refers to the policies and practices involved in carrying out the human resource aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler 2007). Training and development has a significant positive impact on employees' job satisfaction (Garcia 2005). Thang and Buyens (2008) believed that training and development lead to superior knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and nonfinancial performance of the organizations. DeCenzo and Robbins (1996) suggested that employee training has become increasingly important as job have become more sophisticated and influenced by technological changes. Shawet al. (1998) assert that involuntary turnover is affected by staffing practices (recruitment and selection process) and employee monitoring (performance appraisal). Bernardin and Russel (1993) opined that over the years, training has become increasingly popular as HR tool for improving employee and managerial performance

in organization. Buck and Watson (2002) indicated nine important HRM practices such as decentralization, compensation, participation, training and development, employment security, social interactions, management style, communications, and performance appraisal. Klaus, LeRouge & Blanton (2003) expressed that, through better job assignment or work design; employees may display greater commitment, leading to better job performance. The above literature review shows that there have been several studies on HRM practices and job satisfaction. In India, however, there is a research gap in this area especially on pharmaceutical companies. Hence, the study is undertaken. To find out the impact of HRM practices on employee's job satisfaction, the human resource planning, working environment, training and development, compensation policy, recruitment and selection, performance appraisal and industrial relations has considered as HRM aspects.

OBJECTIVE: -

Objectives of the report contain both primary and secondary objectives. These are explained below:

Primary Objective

The primary objective of the study is to accomplish a descriptive analysis of the recruitment and selection process of the pharmaceutical industry. The study will portray the similarities and differences of the recruitment and selection processes of several pharmaceutical companies and try to identify the factors that account for such differences.

Secondary objective

The secondary objective is to find the problems and weakness underlying the Recruitment and selection process and to relate how the organization structure and management style relate to such deficiencies.

RESEARCH METHODOLOGY: -

The study was based mostly on secondary data. Information was collected from several online resources, internship reports and other publications. For building the framework for the recruitment and selection process of the industry, practices of leading pharmaceutical companies such as GlaxoSmithKline, Square Pharmaceutical, ACI, ACME, Opsonin and Beximco Pharmaceutical were studied extensively. One major assumption was that other pharmaceutical facilities follow the ideal framework of the studied companies. Interviews of the HR head of

ACME laboratories was taken to match for the general information collected from the literature reviews with actual practices. The interview also shed light onto certain issues not discussed in the internship reports and articles. _

After data collection, the data was analysed qualitatively and organised in order to compile them in the form of a complete and deductive report.

SCOPE: -

The study is limited to the pharmaceutical industry of India. The study inquired into the recruitment and selection process of the pharmaceutical industry which includes large manufacturing and export facilities such as SQUARE and BEXIMCO. The report is based on literature review; attempt will be made to learn and understand the relevant processes, find similarities and differences within different companies in the industry and to identify issues that greatly affect the recruitment and selection processes. No evaluation of the stated processes has been done.

LIMITATIONS: -

While completing the report, several limitations had to be faced. The major limitations are as follows:

- The report is confined to information collected from secondary sources, mainly online term papers, internship reports etc. No surveys were conducted to verify the validity of the information.
- Due to lack of experience and advance expertise, there may be faults in the report; though maximum caution has been taken to avoid any kind of mistakes.
- There was a time constraint for which field survey such as visit to operating plants, HR office etc is not possible. This prevented us to get the in-depth knowledge of the processes.

GENERAL OVERVIEW OF RECRUITMENT AND SELECTION PROCESS:-

Acquiring and retaining high-quality talent is critical to an organisation's success. As the job market becomes increasingly competitive and the available skills grow more diverse, recruiters need to be more selective in their choices, since poor recruiting decisions can produce long-term negative effects, among them high training and development costs to minimise the incidence of poor performance and high turnover which, in turn, impact staff morale, the production of high

quality goods and services and the retention of organisational memory. At worst, the organisation can fail to achieve its objectives thereby losing its competitive edge and its share of the market.

RECRUITMENT

Recruitment is described as “the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short- and long-term interests”. In other words, the recruitment process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting. In this phase of the staffing process, an organization formulates plans to fill or eliminate future job openings based on an analysis of future needs, the talent available within and outside of the organisation, and the current and anticipated resources that can be expended to attract and retain such talent. Also related to the success of a recruitment process are the strategies an organization is prepared to employ in order to identify and select the best candidates for its developing pool of human resources. Organizations seeking recruits for base-level entry positions often require minimum qualifications and experience. These applicants are usually recent high school or university/ technical college graduates many of whom have not yet made clear decisions about future careers or are contemplating engaging in advanced academic activity. At the middle levels, senior administrative, technical and junior executive positions are often filled internally. The push for scarce, high-quality talent, often recruited from external sources, has usually been at the senior executive levels. Most organizations utilize both mechanisms to effect recruitment to all levels.

SELECTION:-

The goal of the selection process is to find the best available person for the job, a person with the knowledge, skills, abilities, and motivation to successfully fill the position.

Overview of selection techniques

RECRUITMENT PRACTICES OF THE INDUSTRY:-

The recruitment process of pharmaceutical industry can be generally classified into some types, which are done based on the various job grade/ group. These are as follows:

- 1) Entry-level Management and officers

- 2) MT (Manager Trainee)
- 3) Mid or / and Senior level management
- 4) Graded staff / Non- management staff/Support Stuff

A responsibility for recruitment usually lies with the HRD (Human Resource Department). This department works to find and attract capable applicants. Job description and specification provide the needed information upon which the recruitment process starts. The recruitment functions of HRD are given below:

- Need Assessment
- Defining the position description
- Checking the recruiting options
- Advertisement

Forms of recruitment

There are mainly two forms of recruitment used in the industry- internal and external. The form of recruitment varies from job to job. Choice of recruitment form depends on several factors such as nature of the job, number of employees required, job worth etc.

Recruitment planning

The HR department first focuses on certain organizational and administrative issues for effective matching of vacant position with applicants.

RECRUITMENT SOURCES:-

Once it is specified how and where to look for applicants, various sources are used for applicants search. The companies in the industry use a variety of sources. Different sources are used depending on situation.

➤ Internal sources

Job posting

HR departments become involved when internal job openings are made known to employees through job positioning programs, which informs employees about openings and required qualifications and invite qualified employees to apply. The notices are usually posted on company bulletin boards or are placed in the company newspaper. The objective of job posting is to encourage employees to seek promotion and transfers and to help the HR department fill internal

opening and meet employee's personal objectives. Job posting is most common for lower level positions and for recruiting support staff.

Promotion and transfer

Some companies use skill inventories and succession plans to fill the need for recruitment. ACME uses this approach particularly in the field where Medical representatives may go up the career ladder according to their performance and immediate supervisors' recommendations. Only entry level position is recruited from outside sources.

Manager referrals and networking

Manager referrals and internal advertising through networking is another source of recruitment used by some pharmaceutical companies in the industry.

Retired and retrenched employees

Retired employees may also be recruited once again in case of shortage of qualified personnel or increase in load of work. Their experience often proves valuable to the company and saves time and cost of the organizations. In ACME some retired employees are recruited for contractual jobs.

➤ External sources

Most companies undertake external recruiting more as internal sources can only fill recruitment need up to a certain level. Many external sources are available. They are given below:

Advertisement

Advertisements are given to newspapers when external sources are used. Usually it is more applicable for recruitment in higher level positions and when mass recruitment is conducted, for example recruitment in the field. Both Bengali and English daily Newspapers are used for advertisement. Some companies like GSK depend largely on newspaper advertisement for recruitment. Companies such as BeximcoPharma Ltd. (BPL), keeps its identity concealed in the ads, mentioning a GPO BOX number only. The purpose of the concealed identity is to avoid the unwanted pressure from the stakeholders for the employment of their desired candidates. However, for support stuff most companies do not give out advertisement, rather internal advertisement is mostly used.

Websites

Websites have become a popular and convenient mode of recruitment for both companies and applicants. Websites such as bdjobs.com facilitates such recruitment.

Unsolicited applications, Walk-ins and write-ins

Walk-ins are some seekers who arrived at the HR department of companies in search of a job; Write-ins are those who send a written enquire. Both groups normally are asked to complete an application blank to determine their interest and qualifications. Usable application is kept in an active file until a suitable opening occurs or until an application is too old to be considered valid, usually six months. Most companies use unsolicited application as it ensures a relatively bias free recruitment.

CV banks

The unsolicited applications stored in the data bank are consulted. If the quality of a person matches with the requirements mentioned in the position description, then he / she is called for interview.

Employee reference and networks

Employee reference means using reference of current employees. Employee reference is used by many companies in the industry to avoid falsified information given by job candidates. But in some companies such as ACME it is mostly discouraged as they prefer recruiting from other sources.

University and placement offices

Some companies seeks applicant through universities and placement offices. For instance, ACI recruits largely from such placements but, for some companies such as ACME these sources have been rather unsatisfactory.

Unconventional sources

Currently pharmaceutical industry is rapidly growing and the competition is intense in the market. So naturally the need for hiring the best employee has become one of the top priorities of companies. Some companies have started using unconventional sources of recruitment, particularly for high positions. For example in ACME, Indenters or brokers, who are the local agents of raw material suppliers have proven useful source as they have ample information regarding the pharmaceutical companies.

Choice of sources

There is no single best way for recruitment. The choice depends largely on the situation and need of the organization. Some factors influencing the choice process have been given below:

Quantity of labor

The number of jobs vacant is an important determinant. Sometimes organization conducts an overall review once in a while as was done in ACME in 2008 to get a clear picture of the

recruitment needs and possible job openings. When mass recruitment is done, companies usually use more external sources to attract larger number of applicants.

Quality of labor

If job requirement is very high and applicants are rare then special attention is given to recruitment. Organizations may contact recruitment agencies, advertise through newspapers etc.

CONCLUSION AND RECOMMENDATION:-

The recruitment and selection process of the pharmaceutical industry is reasonably structured, efficient and capable to attain its desired objectives. The industry employs about 75000 skilled and unskilled workers both in the multinational and local manufacturers. The industry has become profitable in the past years and have arisen exporting possibilities to different countries. This uptrend in the industrial activity is partly for the employment of advanced technology and partly for the effective recruitment, selection and management of the employees. Whether recruiting for management or medicine production units, staffing processes are carried out with utmost care. The HRD of the companies have to make sure that the marketing and product development units are occupied by eligible workers in order to ensure continuous functioning of the companies in this highly competitive and dynamic industry.

Although the industry is working out effectively, to sustain the huge demand in the upcoming times it has to attract more talented employees. The pharmaceutical companies should start paying attention to a few gray areas in their recruitment and selection processes. To improve these processes following recommendations have been made:

- Introduce the practice of innovative mobility paths: employees can have mobility within organization in any direction, including up, down and lateral.
- A formal, approved and standard recruiter selection procedure should be established
- Recruitment performance may be included in the balanced score card (performance appraisal system) of the recruiters to motivate them.
- The data entry, logging, storing and retrieving of previous applicants' information can be computerized universally in the industry, to make search for eligible employees faster and cheaper.
- The industry should employ intellectual and financial resources to continuously upgrade the recruitment and selection process to match the changing requirement of the time and situation. The companies should stop relying on the same strategy and searching methods

only because they are familiar with the system and it is working. The companies should be proactive to identify potential candidate searching methods and strategy to meet their goals. One such example can be more use of online job sites, corporate presentation etc. The companies should also try to develop more structured interviews.

- The industrial practice of asking for the medical declaration form only as a formality should be changed. In order to ensure reliability of the data provided by the candidates should be thoroughly check to avoid any legal crisis.

Several mixes of assessment tests can be used during the employment tests. Realistic job preview is recommended in order to introduce the candidates to the type of works they have to do, the health instructions and the working environment. This extended step of the selection process will result in a higher retention rate and help potential candidates to overcome their cognitive dissonance.

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