

ISSN : 2347-503X

Research Chronicler

International Multidisciplinary Research Journal

Vol II Issue I : January 2014

Editor-In-Chief

Prof. K. N. Shelke

www.research-chronicler.com

Research Chronicler

A Peer-Reviewed Refereed and Indexed International Multidisciplinary Research Journal

Volume II Issue I: January – 2014

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Manpower Planning in Pharmaceutical Companies in India

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Abstract

The Pharmaceutical industry in India is the world's third-largest in terms of volume. According to Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, the total turnover of India's pharmaceuticals industry between 2008 and September 2009 was US\$21.04 billion. While the domestic market was worth US\$12.26 billion, it is the human resource that has maximized the success of the company. Pharmaceutical companies that commits to improve the quality of human life with an immense status and brand image all through India over last 60 years. Man Power Planning practices are the key factors to the entry point of human resources which ensures the success and growth of an organization. In this study the detail chain and sequence of activities pertaining to Man Power Planning of different level of management and non-management employable candidates has identified through interviewing the HR employees of Indian Corporate Sector. Findings show that the case study organization is doing a very good practice in Man Power Planning process that could help many other employers in India and around the world to get suitable candidate and also helpful for researcher to do more research on Man Power Planning process.

Keywords: Indian pharmacy companies, recruitment and selection, pharmaceutical companies

The government started to encourage the growth of drug manufacturing by Indian companies in the early 1960s, and with the Patents Act in 1970. However, economic liberalization in 90s by the former Prime Minister P.V. Narasimha Rao and the then Finance Minister, Dr. Manmohan Singh enabled the industry to become what it is today. This patent act removed composition patents from food and drugs, and though it kept process patents, these were shortened to a period of five to seven years. A subsidiary of Pharmaceutical Industries of India is world's one of the leading research-based

pharmaceutical companies that commits to improve the quality of human life with an immense status and brand image all through India over last 60 years with a powerful combination of skills and resources that provides a platform for delivering strong growth in today's rapidly changing healthcare environment. It is the human capital of the company who has made it possible to maximize the potential of the Group's scientific, commercial and financial assets i.e. the success of this company is dependent on the competency (knowledge, skill and attitude) of its employees.

Therefore it can be said that in managing this human capital successfully human resource is playing an important role.

(HRM) is the “process of managing human talents to achieve organization’s objective” (Haslinda, 2009). Mondy et al, 2005, said that staffing, human resource development, compensation and benefits, safety and health, and employee and labor relation are major functions of HRM. Inevitably HR dept is very essential for any business firm. Similarly pharmacy companies of India’s HR department are one of the most active departments. There are various functions of this department.

Pharmaceutical Companies in India provides the highest priority to its people. The HR department presents HR functions of the country guided by the Group. The objective of human resources policy is to maintain the reputation of Pharmacy Companies as an employer of choice. As a part of Human Resources policy recruiting the best candidate, managing the talent and developing the leader Pharmacy Companies has made it possible to enhancing and sustaining performance.

Human resource practitioners and academics believe that an effective and efficient culture of recruitment, selection and placement of people has an impact on survival, growth and development of an organization (Ofori & Aryeetey, 2011). As the growth of an organization completely involves expansion in employee numbers, consequently Man Power Planning comes (Taylor, 2006). Ongori (2010), Man Power

Planning practices are the key factors to the entry point of human resources which ensures the success and growth of an organization.

Snell and Bohlander (2007) pointed recruitment is the process of positioning those individuals who might join an organization and heartening them to apply for current and anticipated job openings while selection is the process of choosing individuals who have relevant qualifications to fill current and anticipated job openings.

Therefore the study will try to find out the detail chain and sequence of activities pertaining to Man Power Planning of employable candidates and job seekers of Indian Corporate Sector i.e. how the company is hiring people who are contributing to the success of the company.

Literature Review

About Pharmaceutical Industries

The pharmaceutical industry expands, manufactures, and markets drugs certified for use as medications and permitted to deal in generic and/or brand medications and medical devices. This industry is suppose to follow the drug policy and regulation regarding the patenting, testing and ensuring safety and efficacy and marketing of drugs.

Table 1: The historical development pharmaceutical industry

Year	Major occurrence
Middle Age	The earliest drugstores
754	Arabian pharmacists opened first known drugstore
1900s	Numerous drugstores in Europe and North America had ultimately developed into larger pharmaceutical companies
1950s	Several new drugs were developed
1960s	Mass-production and marketing
1970s	Industry remained relatively small
Mid-1980s	Small biotechnology firms were struggling for survival, which led to the formation of mutually large pharmaceutical companies
1990s	New business atmosphere became institutionalized by mergers and takeovers, and use of contract research organizations for clinical development and even for basic R&D, direct purchase of medicines by drug consumers and of raw materials by drug producers.

Source: Wikipedia (2012)

Pharmaceutical industry in India at a glance

Pharmaceutical sector is one of these sectors with what India can be proud of. It is the second-largest donor to the government exchequer. The sector is enriched with 231 companies, the market size is about taka 76,500 million per year of which about 97% of the total requirement of medicines is created by the local companies and the rest 3% is imported. This industry is self-sufficient in meeting the home demand and is mainly dominated by home manufacturers. Since last twenty years the pharmaceutical industry of India has been taken a newer height. Besides meeting this 97% need of home demand the industry is exporting the medicines into 72 countries. This sector contributes a lot into the national economy by exporting raw materials and finished goods, creates job opportunities for highly qualified people. By advancing the

standard of healthcare through newer products and latest drug information the pharmaceutical companies are contributing fundamentally.

Wehrich et al, (2008) pointed that many scholars and managers identified management is supported by a useful and clear organization of knowledge; whereas planning, organizing, staffing, leading and controlling are the main function of management around which knowledge can be organized. Staffing or personnel management or human resource management is the function of management that deals with people related issue and is defined as “Human Resource management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns” (Dessler & Varkkey, 2008). Mathis and Jackson (2010) acknowledged that among

all resources humans are the stick that ties the other resources of the organization.

Ongori (2010) pointed Man Power Planning process is the function of human resource management which brings the human resource in the organization. Bratton and Gold delineated in 2007, Man Power Planning practices involve two interconnected and consistent processes. Ofori and Aryeetey (2011) argued recruitment is the process of generating a pool of applicant to apply for employment to an organization and selection is the process by which specific tools are used to choose from a pool of applicants' the most suitable one for the job taking into consideration. While Noe et al., (2007) defined recruitment as the action taken by the organization with the primary purpose of identifying and attracting potential workforce; selection is the process by which companies decide who will or will not be permitted to work into organizations.

Sources of recruitment are either internal or external which source the organization will use depend on the human resources needs and objectives of the organization, as all the sources has its merits and demerits (Ofori & Aryeetey, 2011). Dessler and Varkkey (2008) pointed, an organization can hire internal candidate through job posting, rehiring former employees and succession planning; and via internet, advertising, employment agencies, temp agencies and alternative staffing, off shoring/outsourcing, executive recruiters, on demand recruiting services (ODRS), college recruiting, referrals and walk-ins organization can hire external candidate. They also come to a

decision about the employee Man Power Planning process and argued that it usually happens in the following array.

First it is necessary to decide what positions to fill through personnel planning and forecasting (employment or personnel planning is the process that decides what are the positions and the process of filling those positions). Secondly the firm has to decide how it will generate a pool of candidate i.e. what source the firm will use, internal or external and will assemble candidate pool by recruiting internal or external candidates. Then the candidates have to complete application forms and experience initial screening interviews. The firm will also use various selection tools to identify promising candidates. Finally it is decided by the supervisor and other interviewer to whom they would offer the job.

Therefore, the objective of this study is to understand the Man Power Planning process followed by pharmaceutical companies in India and how an effective Man Power Planning process plays an important role to determine the productivity of an enterprise.

Research Methodology

This research work is based on qualitative research method where analysis was done based on data collected from pharmacy companies of Madhya Pradesh MP India. Both primary and secondary sources were used to collect data. Primary research techniques include interviews that were taken since April to June, 2013 to the HR personnel of Madhya Pradesh Pharmacy companies. Based on the research

objectives, the study seeks answers to the following questions:

How pharmacy companies consider its Man Power Planning process? Does the company classify its employees based on Man Power Planning process? Is there any difference in case of Man Power Planning process of different level employees? Does the company have any bindings in case of Man Power Planning process from the head quarter?

The secondary research includes the literature review, annual reports and websites of Pharmacy companies. Enormous data has been collected through interview, but all that has not been considered, data are analyzed on a deductive manner based upon the importance and significance of the research objectives. At the end, some recommendations are given for further improvement of Man Power Planning process of the company.

Analysis and Findings

The essence of Man Power planning is that when it is done correctly, both recruiter and the newly appointed employees are benefited. Madhya Pradesh pharmacy companies want to ensure a powerful combination of skills and resources through hiring the right people in the right place. It believes that in order to achieve the company's goal, there must have efficient and high caliber human resources. The company does not discriminate against any job seeker and employee on the basis of race, color, religion, sex, age, national origin or any other factor that does not pertain to the individual's ability to do the job.

Types of Man Power Planning of Madhya Pradesh Pharmacy Companies

Madhya Pradesh pharmacy companies recruits and selects its different category employees in different ways. It has divided its total employees from two angles for recruitment and selection purpose (1) Management (2) non-management. From the viewpoint of management, the employees are divided (1.1) entry-level (1.2) mid-level (1.3) top-level. From the viewpoint of non-management, the employees are divided into (2.1) skilled (2.2) semiskilled and (2.3) unskilled category. These three categories i.e. skilled, semiskilled and unskilled are divided into a. temporary and b. casual worker.

Management employees

For entry-level employee: For entry level employees' Man Power Planning process follows the following steps.

Manpower Planning: Manpower planning is the system of matching the supply of people internally and externally with the openings. Manpower planning must be a part of the company's overall plan. All functional heads will make their manpower planning based on 3 years forecast taking into consideration of the present strength; replacement in case of retirement and additional requirements should be reflected in the 3 years forecast, manpower planning duly approved by the managing director.

Raising Recruitment Requisition: Recruitment requisition should be raised by the concerned departmental head in the prescribed recruitment requisition form with required information and forward it to HR

department. HR department will complete its part and return it to the concern department so that they can submit it to the managing director for approval. Recruitment requisition for "Replacement" should also be raised with sufficient justifications for replacement in the prescribed form.

Role Template: The foundation for a successful new appointment begins with a role template and analysis of person specification for that job. A role template and analysis of person specification provides the foundation for stipulating the job title and salary scale of the position. Person specification defines the education, training, experience, and competencies required by the jobholder.

Role template is the basis of Madhya Pradesh Pharmacy Companies recruitment, selection and placement, training, performance appraisal, salary administration, promotion and other personnel actions for its employee. The appointing authority and the line manager shall ensure that each employee has an appropriate and up dated role template stating clearly the key accountabilities/responsibilities, job specification, skills and competencies and key dimensions of the job. Role template will be prepared and provided to the employee when he/she is appointed, promoted, newly assigned or when deemed necessary.

Recruitment Sources: Madhya Pradesh Pharmacy Companies gives preference both on internal and external source to appoint candidates provided that the person is suitably qualified for the vacant or new position and also meet the existing and

future requirements. In case of internal source appointments may be made by the way of promotion, upgrading or transfer with the approval of the managing director and in this case job vacancies in Madhya Pradesh Pharmacy Companies will be advertised through internal notices. Promoting internal employees on the basis of succession planning may also be looked into.

Whenever job vacancies are required to be circulated outside, it will be circulated by publishing advertisement in national newspapers. The newspapers that are widely circulated will be chosen for publishing advertisement. Depending on circumstances, professional/employment agencies may be chosen to hire employees on behalf of the company.

Application Receiving: HR department collects job applications against each vacancy announcement. There should have a minimum time period for application receiving. The period should normally be around ten (10) days.

Screening of Pharmacy Companies Employees: The standard screening process for employees must be based on the following minimum requirements, An identity check, verification of education qualifications or other skills claimed (particularly where the qualification or skill is an entry requirement for the job), indication of a prospective employee's suitability for employment with pharmacy companies from a minimum of two references from previous employers, one of which will be the current/most recent employer, verification of dates of

employment claimed, verification of pertinent licenses, certifications and operating documents that may be required by law. This is to include a check of motor vehicle licenses where driving is a contractual requirement of the job (e.g. sales field force).

Short Listing: Selection process involves screening and appraising the applicants and rejecting those who are unsuitable for the jobs to be filled. Short listing is done in the light of job specifications of a job. The method should be qualitative one where managerial judgment plays important role. Before short listing of candidates for tests, job criteria are set by HR and line manager. Short listing will be done by evaluating educational qualification-whether the candidate has the required educational qualification, relevant job experience and skills-how required skills-how far candidate's most recent job experiences and skills match the job requirements of the position in question. For one position the number of candidates for written test should not be more than ten (10) and the number of candidate in the oral test should not be more than five (5) or as decided by the management.

Tests and Interview: After short listing of prospective candidates, appropriate employment tests such as written tests, oral tests and then presentation (not applicable for sales field force employees) will be arranged to assess candidate's suitability for the position, HR and concerned department will jointly organize the tests.

Sometimes all these tests i.e. written tests, oral tests and then presentation are

taken in a daylong session through their assessment centre. Madhya Pradesh Pharmacy Companies uses assessment centre for entry and mid-level employees.

Medical Examination: The job offer is contingent on passing medical examination conducted by the company doctor, the medical examination is conducted once preliminary decision for recruitment is made but the employment offer has not yet given. The purpose for a medical examination is to obtain information on the health status of the applicant being considered for employment and to determine whether the applicant is physically and mentally capable of performing the job. The cost of medical examination is borne by the company.

Reference Check: Once a preliminary selection decision is made, Madhya Pradesh Pharmacy Companies will verify certain information as provided in the job application such as work experience, last employment status etc. The purpose of reference check is to obtain factual information confidentially about a prospective employee.

Appointment letter: On satisfactory result of medical check-up, the HR department will seek approval from the managing director for the appointment of management staff. The appointment authority of Madhya Pradesh Pharmacy Companies will issue an appointment letter to the selected candidate. The appointment letter must include job title, grade/step and salary, nature of appointment (applicable for contract employee), place of posting, name of section or department, effective date of appointment, probationary period,

conditions of confirmation and notice period, ending date of employment (applicable for contract employee), benefits entitled for the position.

For mid-level employees: The steps followed for mid level employee recruitment is almost similar to entry-level employee but the difference is that sometimes Pharmacy Companies doesn't take any written test or presentation for mid level employees. In this level experience and market reputation of candidate is prioritized.

For top-level employees: For top-level position Pharmacy Companies also uses 2 sources, internal source and external source.

Internal source: For internal recruitment Pharmacy Companies focuses on talent review or succession planning. Succession planning is a process through which the top-level vacancies are filled up. i.e. executive employees are

Placed rightly in the right time: The purpose of talent review or succession planning is to focus on the development of leaders to meet future business challenges and to make key talent more visible across Pharmacy companies. The process also ensures that organizational changes are anticipated and successors identified.

External source: In case of external recruitment following steps are followed:

Analyzing market reputation: The process starts with analyzing market reputation. Market reputation indicates the employees' performance recognition for a particular position in the market.

Interview and experience checking: After analyzing market reputation the interview of that employee is conducted and

experience is checked. Interview is taken by the managing director or the zonal head.

Reference check: Then reference is checked. Madhya Pradesh Pharmacy Companies will verify certain information as provided in the job application such as work experience, last employment status etc. The purpose of reference check is to obtain factual information confidentially about a prospective employee. If everything is satisfactory then *appointment letter* is issued.

Non-management employees

Recruitment process for non-management employee in Pharmacy Companies is categorized in skilled, semiskilled, and non skilled category. All these three are divided into temporary and casual workers that has already mentioned.

Recruitment Process of Temporary Worker: Any department requiring engagement of temporary workers to complete some temporary nature of jobs may raise the requisition for such engagement with proper justifications to the HR department. After verification, HR department return the requisition form to the concerned department with its comments for onward submission to the managing director for his approval. On receipt of the approval, HR department will process the selection process.

Engagement Process of Casual Workers: Any department requiring engagement of casual workers for performing some casual nature of jobs may raise the requisition in the duplicating book to the HR department duly approved by the concerned divisional head and in his absence by any other

director of the company. On receipt of the approved requisition HR department will arrange engagement of casual worker as per requirement of the concerned department. HR department will ensure the legal aspect of the engagement of casual workers. Difference in case of Man Power Planning of temporary and casual worker is in terms of final approval. In case of temporary worker the final approval is taken from managing director. On the other hand approval of HR head is taken in case of casual workers. Under no circumstances a regular or contractual employee of any other organization is allowed to undertake regular or long-term contract employment in pharmacy companies India.

Findings

Strengths: The skills and intellect of Pharmaceutical Industries of India employees are fundamental to the current and future success of the business. It is pharmacy companies' human capital that maximizes the potential of the Group's scientific, commercial and financial assets. The company pays maximum attention and efforts in recruiting highly qualified employees who are willing to face challenges in achieving company's goals.

Madhya Pradesh Pharmacy Companies recruitment policy is strict in the sense that it does not allow any favor or preferential treatment to anyone. It remains committed to employment policies which do not discriminate between potential or existing staff on the grounds of color, race, ethnic and national origin, gender, marital status, religious beliefs or disability.

Madhya Pradesh Pharmacy Companies are committed to recruit suitably qualified and experienced Indian citizens for all vacant positions conforming the hiring procedures to the local law and the company's requirements. No one who is below 18 years of age can be hired as an employee for Madhya Pradesh Pharmacy Companies on regular, contract or temporary status.

Role template is the basis of Madhya Pradesh Pharmacy Companies recruitment, selection and placement, training, performance appraisal, salary administration, promotion and other personnel actions for its employee. In case of top-level employee recruitment, the interview is taken by divisional head that is completely unaware about the candidate; as a result there is a less chance of occurring biasness.

HR and the concerned line manager will maintain absolute confidentiality of the implementation of any part of the recruitment process. No query will be responded or no information will be provided regarding the status of any recruitment until the entire process is completed.

Weakness: To recruit any employee for any permanent post Madhya Pradesh Pharmacy Companies needs to pass the budget from its headquartered at least one year back. As a result, in case of emergency situation the company cannot recruit permanent employee within a very short period of time.

Conclusion and Recommendation

The goal of Pharmacy Companies is to be indisputable leader in the field of world pharmaceutical companies. To achieve this goal, pharmacy companies has to develop a global set up for each operating country office with local competencies.

Keeping this target in mind pharmacy companies realizes the obligatory need of identification of prospective employees and placing the right people to the right position. It recognizes that while recruiting people it is possible to identify those candidates who have the potentiality to contribute to achieve the strategic aim of the company. This is why to pharmacy companies highlights

more on its Man Power Planning process. This study could be helpful for some of the employers in India and around the world to get and hire suitable candidate for their organization by following the mentioned chain and sequence of activities and also helpful for researcher to do more research on Man Power Planning process as the study has showed the detail actions pertaining to Man Power Planning of different level of management and non-management employable candidates.

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