



**“A STUDY TO EVALUATE HIGH EMPLOYEE TURNOVER OF INDIAN  
PHARMACEUTICAL COMPANIES AS COMPARED TO MULTINATIONAL  
PHARMACEUTICAL COMPANIES WITH REFERENCE TO NAGPUR & WARDHA ”**

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**ABSTRACT:**

The topic of turnover intention at work is getting wider attention at this time. Turnover intention becomes strong when there is lack of job satisfaction. Job satisfaction is the satisfaction one feels while doing the job. Job satisfaction is a complex and important concept for human resource managers to understand most employees do not believe their work is being properly rewarded. Nor do they believe that their companies are doing enough to attract high quality performers, train them, or manage them effectively. In fact no organization can successfully achieve its goal and mission unless and until those who constitute the organization are satisfied in their jobs. The statistical tools used are mean, Z test, Karl Pearson's coefficient of Correlation.

**KEYWORDS:** Indian pharmaceutical companies , Multinational pharmaceutical companies , human resource management.

**INTRODUCTION:**

The study of HR practices and activities gives the extent of success or failures of policies and practices. Research of human resource management provides an understanding of practices, policies that are successful and those which are not, what changes are necessary and in what area of personal management. Management needs information on employee job satisfaction in order to make sound decisions, both in preventing and solving employee problems. A typical method used is a job satisfaction survey. It is procedure by which employees report their feelings towards their jobs and work environment. Today human resource managers want to know how to have satisfied employees, not why employees should be satisfied.

The topic of turnover intention at work is getting wider attention at this time. Turnover intention becomes strong when there is lack of job satisfaction. Job satisfaction is the satisfaction one feels while doing the job. Job satisfaction is a complex and important concept for human resource managers to understand most employees do not believe their work is being properly rewarded. Nor do they believe that their companies are doing enough to attract high quality performers, train them, or manage them effectively. In fact no organization can successfully achieve its goal and mission unless and until those who constitute the organization are satisfied in their jobs.

Job satisfaction is the degree of need satisfaction that is derived from Job. It is a relatively recent term since in previous centuries the jobs available to a particular person were often predetermined by the occupation of that person's parent. There are a variety of factors that can influence a person's level of job satisfaction. Some of these factors include the level of pay and benefits, the perceived fairness of the promotion system within a company, the quality of the working conditions, leadership and social relationships, the job itself (the variety of tasks involved, the interest and challenge the job generates, and the clarity of the J.D.(job description).

The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous workgroups.

Job satisfaction is a very important attribute which is frequently measured by organizations. The most common way of measurement is the use of rating scales where employees report their reactions to their jobs

Questions relate to pay, work responsibilities, variety of tasks, promotional opportunities the work itself and co-workers. Some questioners ask yes or no questions while others ask to rate satisfaction on 1 – 5 scale where 1 represents “not all satisfied” and 5 represents “extremely satisfied.”

People management is an important aspect of organizational processes. This emanated from the recognition that the human resources of an organization and the organization itself are synonymous.

A well-managed business organization normally considers the average employees as the primary source of productivity gains. These organizations consider employees rather than capital as the core foundation of the business and contributors to firm development. To ensure the achievement of firm goals, the organization creates an atmosphere of commitment and cooperation for its employees through policies that facilitate employee satisfaction. Satisfaction of human resource finds close links to highly motivated employees. Motivated employees then develop loyalty or commitment to the firm resulting to greater productivity and lower turnover rates.

#### **RATIONALE BEHIND RESEARCH**

The Pharmaceutical industry plays a vital role in the economic development of a country. This study attempts to evaluate turnover causes among employees in different pharmaceutical companies. It focuses on the relative importance of job satisfaction factors and their impacts on the overall job satisfaction of employees. The result shows that salary, promotion, Training, and nature of work are the most important factors contributing to job satisfaction. The overall job satisfaction of the employees in Multinational pharmaceutical sector is at the positive level but same is not with the Indian pharmaceutical employees.

#### **OBJECTIVES OF THE STUDY**

1. To study the extent of impact of Pay satisfaction on employee turnover intention among Indian and Multinational Pharmaceutical employees.
2. To identify whether there is significant relationship between supervision and turnover intention among Indian and multinational pharmaceuticals employees.
3. To study the impact of Promotional opportunity on employee turnover intention among Indian and multinational pharmaceuticals employees.
4. To evaluate the influence of coworker approach on turnover intention among Indian and multinational pharmaceuticals employees

#### **Sample size for the study.**

Indian Pharmaceuticals	Multinational Pharmaceutical
Total companies = 50	Total companies = 30
No. of Employees from each company = 3	No. of Employees from each company = 5
Total employees = 150	Total employees = 150
Total number of employees for study= 300	

Ho. There is no significant difference between pay satisfaction among Indian and Multinational Pharmaceuticals employees.

Ho1. There is no significant difference between supervision among Indian and Multinational Pharmaceuticals employees.

**Sampling Technique** -The sampling technique used was convenient sampling which is a non-probability sampling technique. The respondents are working as Medical representative because they constitute majority (3/4) in the organization.

**Universe**- The study area is Nagpur and Wardha. Reason for considering wardha is having the presence of two medical colleges.

**STATISTICAL TOOLS FOR THE STUDY**

Mean standard deviation, Karl Pearson’s coefficient of Correlation and Z test has been used during the study.

**Data Analysis**

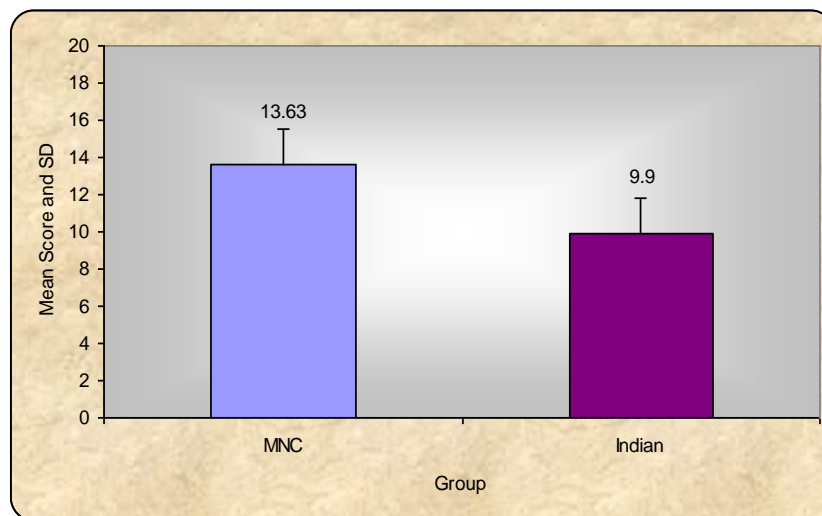
**Table 1: Comparison of Pay Satisfaction Score in MNC and Indian employees group**

Group	N	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Z-value	p-value
MNC	150	13.63	1.85	0.15	3.73	17.20	0.000 S, $p < 0.05$
Indian	150	9.90	1.90	0.15			

The above table shows that mean of the Pay satisfaction in MNCs employee is 13.63 with standard deviation of 1.85 whereas in Indian Pharmaceutical employees the value of mean is 9.90 with standard deviation of 1.90

By using z test and examining the value of p which is less than 0.05 it is clear that statistically significant difference exists in turnover intention of both the groups of employees.

Graph 1: Comparison of Pay Satisfaction Score in MNC and Indian employees group



**Table 2: Comparison of Supervision Satisfaction Score in MNC and Indian employees group**

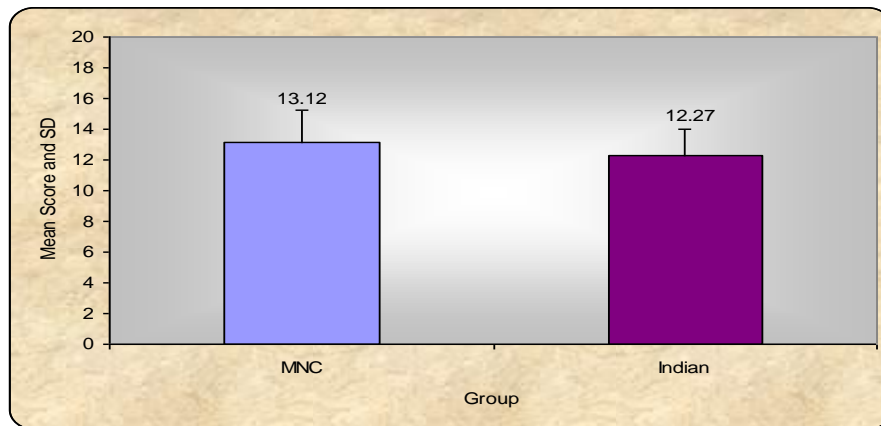
Group	N	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Z-value	p-value
MNC	150	13.12	2.14	0.17	0.65	2.92	0.004 S,p<0.05
Indian	150	12.27	1.70	0.13			

The above table shows that mean of the Supervision Satisfaction in MNCs employee is 13.12 with standard deviation of 2.14 whereas in Indian Pharmaceutical employees the value of mean is 12.27 with standard deviation of 1.70

The difference of the mean is only 0.65

Further by using z test and examining the value of p it is clear that statistically very low significant difference exists in Supervision Satisfaction among employees of both the groups.

**Graph 2: Comparison of Supervision Satisfaction Score in MNC and Indian employees group**



**Table 3: Comparison of Promotion Satisfaction Score in MNC and Indian employees group**

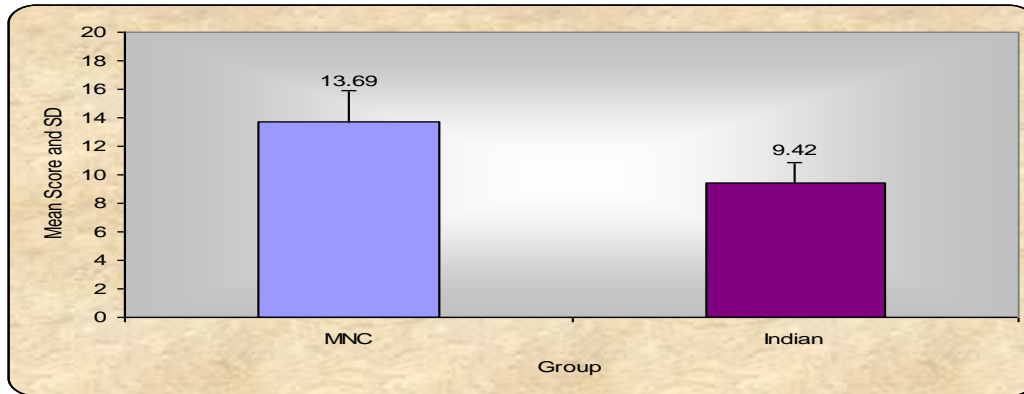
Group	N	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Z-value	p-value
MNC	150	13.69	2.17	0.17	4.26	19.89	0.000 S,p<0.05
Indian	150	9.42	1.47	0.12			

The above table shows that mean of the Promotion Satisfaction in MNCs employee is 13.69 with standard deviation of 2.17 whereas in Indian Pharmaceutical employees the value of mean is 9.42 with standard deviation of 1.47

The difference of the mean is 4.26

Further by using z test and examining the value of p it is clear that statistically significant difference exists in Promotion Satisfaction among employees of both the groups

**Graph 3: Comparison of Promotion Satisfaction Score in MNC and Indian employees group**



**Table 4: Comparison of Coworker Satisfaction Score in MNC and Indian employees group**

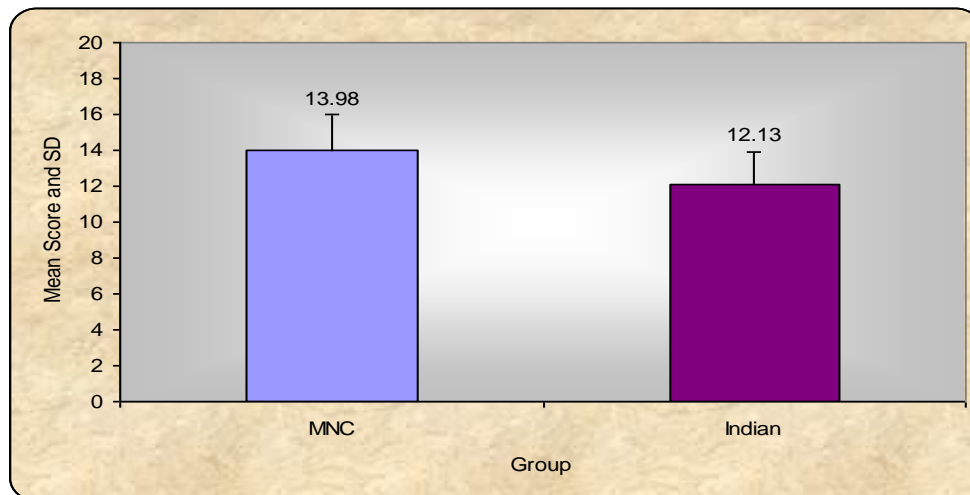
Group	N	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Z-value	p-value
MNC	150	13.98	2.01	0.16	1.84	8.50	0.000 S,p<0.05
Indian	150	12.13	1.73	0.14			

The above table shows that mean of the Coworker Satisfaction in MNCs employee is 13.98 with standard deviation of 2.01 whereas in Indian Pharmaceutical employees the value of mean is 12.13 with standard deviation of 1.73

The difference of the mean is only 1.84

Further by using z test and examining the value of p it is clear that statistically low significant difference exists in Coworker Satisfaction among employees of both the groups.

**Graph 4: Comparison of Coworker Satisfaction Score in MNC and Indian employees group**



Further analysis on the basis of Karl Pearson's Coefficient of correlation is carried out and the description is available in conclusion where it is mapped with the objectives.

Table no 5

Independent Variables	MNC Group		Indian Group	
	Correlation 'r'	p-value	Correlation 'r'	p-value
Pay Satisfaction	-0.478	0.034	-0.870	0.008
Supervision Satisfaction	-0.011	0.060	-0.013	0.070
Promotion Satisfaction	-0.060	0.008	-0.774	0.030
Coworker Satisfaction	-0.130	0.070	-0.159	0.062

## CONCLUSION OF THE STUDY

### OBJECTIVES NO 1

**To study the extent of impact of Pay satisfaction on employee turnover intention among Indian and Multinational Pharmaceutical employees.**

With reference to table no 1 it is clear that mean of the Pay satisfaction in MNCs employee is greater than the Indian employees. Also the z test and examining the value of p it is clear that statistically significant difference exists in turnover intention of both the groups of employees.

Further from **table no 05** The Karl Pearson's coefficient of calculated above gives value of  $r=-0.478$  and  $p=0.034$  which indicates that there is a very low degree of negative correlation between Pay satisfaction and Turnover intention among MNCs employees but more negatively significant in Indian Pharmaceutical employees

As the p value which is less than significant level

The null hypothesis "There is no significant difference between pay satisfaction among Indian and Multinational Pharmaceuticals employees" is rejected and alternative hypothesis "There is significant difference between pay satisfaction among Indian and Multinational Pharmaceuticals employees" is accepted.

### The following points are made on the basis of study

Indian employees are not happy with their income when they compare it with others. They feel the efforts which they are undertaking is not rewarded properly and the other benefits like incentives are also not satisfactory. However employees in MNCs are quite satisfied from their salary and other benefits.

Hence it can be stated that employees of Indian Pharmaceutical are not satisfied with the payment made to them and the organizations is not monitoring the salary structures and performance oriented incentives offered by the competing organizations in the same region.

### OBJECTIVE NO 2

**To identify whether there is significant relationship between supervision and turnover intention among Indian and multinational pharmaceuticals employees**

The inferential statistics and value placed in table 2 and 05 shows that there is very less difference in the supervision satisfaction of the employees working in Indian and multinational Pharmaceutical companies. Moreover the result of Karl Pearson coefficient of correlation verifies the same and value of p is more than the significant level.

Hence the null hypothesis "There is no significant difference between supervision among Indian and Multinational Pharmaceuticals employees" is accepted and the alternative hypothesis "There is significant difference between supervision among Indian and Multinational Pharmaceuticals employees" is rejected.

Hence it can be stated that supervision satisfaction is almost same in both the groups under study.

### OBJECTIVE 3

#### **To study the impact of Promotional opportunity on employee turnover intention among Indian and multinational pharmaceuticals employees**

From the above **table no 3** the mean of the promotion satisfaction is higher than the Indian Pharmaceutical employees. The difference of the mean is 4.26 which prove the difference in promotional satisfaction.

Further from **table no 05** The Karl Pearson's coefficient of Correlation calculated above gives value of  $r=-0.060$  and  $p=0.008$  which indicates that there is a very low degree of negative correlation between Promotion satisfaction and Turnover intention among MNCs employees but vice versa in Indian employees as per result from correlation .

Also the value of p is less than significance level which results in rejection of

The null hypothesis "There is no significant difference between promotional opportunity among Indian and Multinational Pharmaceuticals employees" is and the

Alternative hypothesis "There is significant difference between promotional opportunity among Indian and Multinational Pharmaceuticals employees" is accepted.

The employees in Indian Pharmaceuticals are not satisfied with the promotional policies. On the other hand MNCs employees are quite happy with the transparency maintained in the promotions and feel it is based on the ability factor.

The multinational Pharmaceutical companies are having more division and bigger portfolio hence the employees have more chances of promotion as compared to Indian Pharmaceutical companies. Hence promotional opportunity exists more in Multinational companies which act as reason of job switching for Indian Pharmaceutical employees.

### OBJECTIVE NO 4

#### **To evaluate the influence of coworker approach on turnover intention among Indian and multinational pharmaceuticals employees**

From **table no 4** it is shown that that mean of the Coworker Satisfaction in MNCs employee is 13.98 with standard deviation of 2.01 whereas in Indian Pharmaceutical employees the value of mean is 12.13 with standard deviation of 1.73. The difference of the mean is only 1.84 which makes it clear that statistically low significant difference exists in Coworker Satisfaction among employees of both the groups.

Further from **table no 05** the value of  $r=-0.130$  and  $p=0.070$  which indicates that there is a very low degree of negative correlation between coworker satisfaction and Turnover intention among MNCs employees.

Similarly the values of  $r=-0.059$  and  $p=0.062$  also indicates that there is significantly low negative correlation between coworker satisfaction and turnover intention among Indian Pharmaceutical employees.

The value of p is more than significance level hence the null hypothesis "There is no significant difference between coworker approach among Indian and Multinational Pharmaceuticals employees" is accepted and the alternative hypothesis "There is significant difference between coworker approach among Indian and Multinational Pharmaceuticals employees" is rejected.

It can be inferred that the coworker are supportive in Indian as well as Multinational Pharmaceutical companies. There is no as such difference in approach of colleagues/peers in both the group.

### SUGGESTIONS

Based on the observations and summary of the conclusions emerged in the preceding chapters; researcher opines the following to the organizations.

- ❖ The Indian Pharmaceutical companies should ensure the provision of Incentives and perks so that they should reach to the employees and not be a part of just HR Policy. It has been observed that employees of MNCs are more excited for the incentives and it act as a best tool for motivation.
- ❖ Promotion policies need to be transparent while implementation and based on ability factor for Indian Pharmaceutical companies. It has been observed that best employee when not promoted due to frustration leaves the company for better prospectus as designation do matters with good pay scale.
- ❖ The targets should be realistic say for instance doctors to be visited in a month time is approximately 200 for city Wardha in Indian Pharmaceutical company whereas for MNCs the doctor list for a month is approximately 100. This is an area where Indian Pharmaceutical needs to work on. The optimum utilization of employee is a key of any HR policy but excess of pressure for targets pushes them towards organization where they feel nurtured and not exploited.

### IMPLICATION OF THE STUDY

Based on the conclusions derived after the in-depth and comprehensive study, following implications can be made for checking employee turnover. Employee retention is vital to the long term health and success of any business organization as the organizations spend so much in the recruitment and their initial and ongoing training of the employees. Organizational issues such as time and investment involved in training; knowledge lost due to employee turnover; mourning and insecure coworkers and a costly replacement of candidate costs a lot to the organization. To reduce employee's turnover intension is the major organizational challenge for human resource department in almost every country, for this purpose human resource department engages employees in fair motivational activities. This study strongly indicate that Pay satisfaction, Work culture level , promotional and supervision plays a paramount importance for the stability of employees and ultimately for the strengthening of any organization. Hence directors of human resource department should take significant measures for overcoming such issues so as to strengthen the employee tenure.

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