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## IMPACT ANALYSIS OF HUMAN RESOURCE PLANNING AT PHARMACEUTICAL INDUSTRY

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### ABSTRACT

*Human resource planning practices are continuously becoming more strategic than before in the current highly competitive global environment. It is always the human resource that helps in achieving the organisational success. Organisations across the world are now realising the unlimited advantage of human resource planning practices that can benefit the complex organisations in this competitive era. The time is changing drastically and so is the complex business environment. The era of globalisation has made business environment highly complex and competitive. As a result of these changes, human resource environment is also changing at a very fast pace, which in turn has changed the behaviour of human resource in the organisations. Therefore, the complex and dynamic business environment has necessitated a thorough study of its impact on human resource planning practices. Of late, the human resource planning has become an important function of human resource department. It is basically the human resource planning which has emerged as a means of accelerating growth and progressive thought, having relationship with all sorts of organisations. The liberalisation and emergence of market forces and global linkages have transformed the attitudes and vision towards human resource planning and practices (Khalilzadeh-Shirazi and Zagha, 1994), (Gopalan and Rivera, 1997). Practitioners and researchers are increasingly taking an overall perspective of human resource planning in India.*



**KEYWORDS:** Change, Complex, Dynamic, Human resource planning, Liberalization, Transformed .

### INTRODUCTION

Human resource management is that study of knowledge which is full of various expertise, thoughts, management and development of human resource strategically in an organisation (Paauwe, 2004). Various names are used interchangeably for human resource management i.e. personnel management, manpower administration, worker management relations, personnel administration, industrial relations, workforce capital management. Now-a-days, intellectual management is becoming the most used term for human resource management (Rao, 2010) and (Aswathappa, 2009). In other words the concept of human resource management is primarily taken from the personnel management practices of the United Kingdom and then adopted by Indian Institute of Personnel Management (Rao, 2010). Human resource management is the accountability of all those concerned people who manage employees; it may also be stated as a description of the work of those who are employed as specialist. Likewise human resource management is that important part of management which is mainly associated with employee at workplace and with their

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relationship within enterprise (Schermerhorn, 2001). It is not only confined to industry but also extends to all fields of employments.

Human resource planning today is seen more as a business and strategic partnership rather than simply a function, and it is indisputably one of most valuable component of the organisation. HRP contribution has to be seen as cardinal to the successful achievement of organisational objectives. The success of the organisations in modern competitive world depends on the strategy they adopt, create or regenerate. The organisations should recognise the requirement of human resource as a new source of core competence and manage it strategically for achieving competitive advantage. In the current competitive business environment, the need of the organisations is to adopt an integrated model of human resource planning to deal successfully with the cutting edge competition. Human resource planning can help an organisation prepare a skills inventory and industry benchmarks to achieve the desired organisational objective. The assessment of human resource requirement in an organisation can be gauged by HRP strategies. Human resource planning provides a sense of purpose and provide direction to the human resource department of an organisation to determine the requirement in terms of human resource for not only the entire organisation as a whole but also for various departments for a period of time, in coordination with organisational objectives and departmental targets. Organisations spend a lot of time and effort in planning for their requirements in terms of equipments, supplies, capital and finances. As rightly quoted by Rothwell, (1995) human resource cannot be acquired, shed or exchanged as quickly as other resource of the organisation. When human resource is considered as an organisational resource to gain a competitive edge over others, organisations need to look internally and work on their weaknesses and turn them into strengths. As organisations turn to the view that human resource is a high cost generating proposition, Human resource planning comes into the limelight. Human resource planning is the function of human resource department that suggests needs in terms of staffing, forecasts availability of human resource and figures out the quality and quantity of human resource required, additions or replacements required to the existing workforce to achieve the goals and objectives of the organisations. Human resource planning ensures that right people in right number in the light of future needs of the organisation are recruited for the organisation. In other words human resource planning is the process through which an organisation charts out a plan to move from the current human resource position to the desired future human resource needs.

### **OBJECTIVES OF THE STUDY**

1. To analyse and anticipate the problems arising out of Human Resource requirement in the respective companies.
2. To identify the requisite capabilities, qualifications, skills, aptitudes and work experience in accordance with the changing requirement of all the companies.

### **LITERATURE REVIEW**

Human resource management is one of the important management functions concerned with planning, recruitment and selection, motivation and maintenance of human resource in an organisation (Aswathappa, 2009). It continuously focuses on people in organisations. Human resource management is a discipline which overshadows the traditional concept of labour welfare and personnel management in the search for competitive edge, growth and a model of excellence for the organisation.

Continuous changes in personnel management, decline in trade union, changes in human resource and nature of work today demands the strategic implementation of human resource practices (Pattanayak, 2006).

Personnel management is mainly concerned with utilisation of human resource, coping with statutes and coping with challenges of globalisation and advanced technology. All these factors lead to the development of human resource management as another form of response for sustaining better employer-employee relation (Armstrong, 2006; Wright and Wood., 1996).

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Human resource management has been defined as the process of attracting, developing and maintaining an energetic and talented pool of human resources in order to support organisational mission, strategies and objectives (Schermerhorn, 2001).

The organisation's overall success primarily depends upon how it takes into consideration the expectation of the employees with respect to the content of the working condition and the work assigned. Primarily, human resource management deals with human resource forecasting, planning and recruiting the right people, retaining and developing the people and maintaining the succession programmes of employees (Chakrabarty, 2012).

Therefore, the biggest challenge for every organisation is to manage its human resources in a manner that can justify their need for the right job. That is why, the experts all over the globe have realised the importance of human resource planning and are working on this dimension strategically.

Recent changes in the field of human resource management are creating curiosity among the practitioners, academicians and researchers about the new dimensions of the HRM. The administrative structure of the organisations has also systematically changed (Danaiari, 2013).

Over the years, the approaches towards HRM have undergone dramatic development. Today, the way human resource management and its functions are perceived is completely different from the way these were viewed in the past (Budhwar and Khatri, 2001).

The days are gone when the main function of HRM was identified as personnel management, that is, to fulfill the objective of security and happiness of employees as a welfare officer. The function was only limited to carrying out the activities of record-keeping and maintenance (Ferris et. al, 1999).

With the passage of time, the HRM has evolved from being reactive, administrative and prescriptive to being proactive, executive and descriptive. The main functions of HRM have transformed into those of a strategic partner, sharing comparable boardroom position with diversified segments such as marketing, finance and accounting (Bamberger and Meshoulam, 2000).

Experts like (Perry, 1993; Schuler, 1984; Tichy, et al., 1982) have put forward the argument that human resource management and its various functions are now an effective tool, perhaps the most effective tool and a determinant of organisational effectiveness.

### **OBJECTIVES OF HUMAN RESOURCE PLANNING**

The objectives of human resource planning are to maintain and improve the organisation's ability to achieve its goals and objectives by developing strategies that will primarily result into optimum contribution by human resources. For this purpose, Luthans has suggested the following nine strategies for the human resource planners;

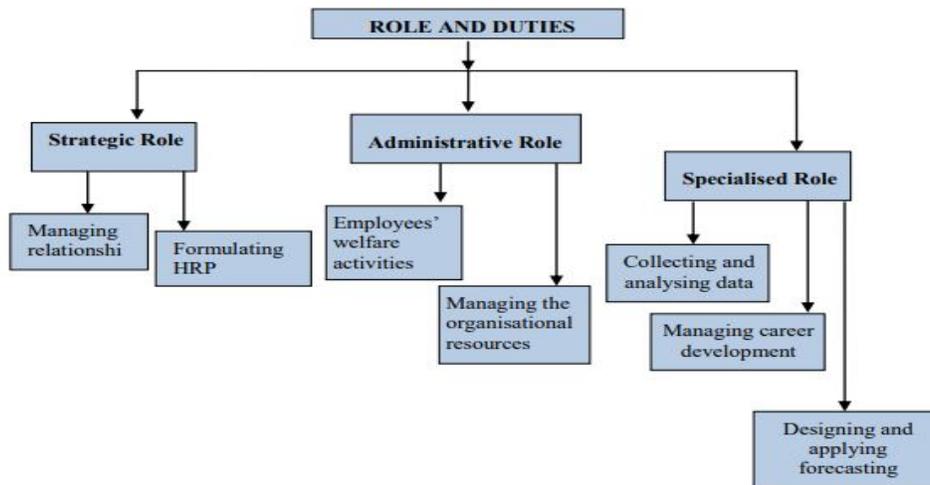
1. Human resource planner should collect, interpret and maintain relevant information regarding human resources in an organisation.
2. Human resource planner should periodically analyse human resource goals objectives, requirements and existing employment and allied future of human resource.
3. Human resource planner should develop techniques and procedures to determine the requirements of different types of human resource over a period of time from the stand point of organisations goals and objectives.
4. Human resource planner should develop measures for efficient human resource utilisation as a component of forecasting of human resource requirements along with independent valuation.
5. Human resource planner should follow suitable techniques for effective allocation of work with a view to achieve adequate utilisation of human resource.
6. Human resource planner should conduct research to determine factors hampering the contribution of the groups and individuals in the organisation with a view to modify or remove these factors.
7. Human resource planner should develop and employ methods of economic assessment of human resources reflecting its future as income generator and cost reducer and accordingly improving the quality of decisions affecting the human resource planning practices.

8. Human resource planner should evaluate the procurement, promotion and retention of the effective human resource

**ROLE AND DUTIES OF HUMAN RESOURCE PLANNING**

Professionals According to Jyothi, (2006) human resource planning professionals are called upon to perform the following roles that may be divided into three categories below diagram.

These roles are neither necessarily found in every human resource planning department nor are they evenly weighted in a given time frame. Many combinations of roles are possible, with different emphases based on organisational circumstances and changing situations. The first two roles i.e., formulating HR strategies and managing relationship with managers are weighted equally. The activities in these areas are uniquely important to human resource planning because of the implicit purposes of anticipating and implementing changes in the organisations. The strategic roles are crucial to professionally effective human resource planning. These skills are difficult to develop when compared to administrative skills of the human resource planning professionals. The administrative aspects of the work are represented in managing the staff function of human resource planning and in managing employee welfare activities. These aspects are often seen as complimentary to other aspects and demand a lot of attention and research. The remaining roles represent specialised functions performed.



**ROLE AND DUTIES OF HUMAN RESOURCE PLANNING**

**Growth of the Pharmaceutical Industry**

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period!. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues). India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry.

In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million. Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014- 15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market. India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bioagriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.89 billion). In India the pharmaceutical sector is growing at the speed which is US \$3.3 billion with growing rate at 14.6% year. India is one of most advanced countries among the developing countries of the world. Indian Pharmaceutical sector in India has the output of increase to Rs. 263 billion in the financial year 2004, which makes its presence for 1.8% of the international Pharmaceutical sector. The bulk medicines and drugs accounts for Rs. 56 billion (24%), the remaining Rs.216 billion (76%) for the formulations process, imports were Rs.22 billion while exports were Rs.89 billion in year 2016. There is a massive progress in the domestic Pharmaceutical industry which estimated US\$11.78 billion (Rs.55457cr.) in 2010-12 from US \$6.92 billion (Rs.32582Cr.) in 2007-08. India exports its pharmaceutical material to many foreign countries around the world including highly regulated markets of Europe, China USA, Japan and Australia. More than 86% of the formulations manufactured in India are consumed and supplied in the domestic market.

Over 62% of India's bulk drug manufacturing is exported and bulk drugs Import has been slowed drastically in the recent years. In 1999 and 2000 the Indian pharmaceutical industry had grown rapidly and grown primarily by market demand in South America and Japan. However, with impending patent expiries, low productivity process of research and development, enhanced regulation and increase in price, expansion in these markets had started slowing down.

As a result, pharmaceutical industry started looking for new opportunities of encouraging growth and methods and techniques to improve production efficiencies. In this context, new markets represent a progressive growth driven for the pharmaceutical industry its contribution to the progress of the global pharmaceutical sector increased rapidly from 9% in 2006 to 44 percent in 2013.

Therefore, global pharmaceutical multinational corporations has adopted appropriate and advanced strategies to expand their future and reflecting their footprint in emerging markets such as Russia ,Brazil, China and India. (Kiran and Mishra, 2009) The pharmaceutical Industry in India enjoyed the massive and speedy growth and changes in past 40 years. From a more volume of just Rs. 14 cores in 1947, the industry registered a sales turnover of about US \$ 5.6 billion in 2006 with annual growth rate of about 18% . The dynamic provisions of the patent Act of 1970 and other beneficial and encouraging policies and practices of the Government of India played a pivotal role in the growth and development of this industry. The Indian pharmaceutical Industry is no less than a progressive success story as it has the capacity of providing employment opportunities for millions and help in making the medicine available to the huge population of the country at very reasonable prices. The Indian pharmaceutical industry noticed various happy and sad moments up and downs. the progress and growth of the Indian pharmaceutical industry has been primarily driven by regulatory body the DPCO (Drug price control order), which regulates the prices and cost of bulk drugs and formulations and the Indian patent Act, which granted process patents but not product patents.

### Main Characteristics of the Indian Pharmaceutical Companies

The Indian Pharmaceutical market is marked by the following significant features:

- ❖ Self-sufficient, as is proven by the production of 72% of bulk drugs and
- ❖ almost the entire requirement of formulation within the country.
- ❖ Production cost is less.
- ❖ Lesser R&D cost.
- ❖ Scientific and dynamic human resource.
- ❖ Outstanding and world-class national laboratories specializing in process of development and development of low price effective technologies.
- ❖ Increased balance of trade in pharmaceutical industry.
- ❖ An efficient and cost effective source for manufacturing generic drugs especially the drugs going off patent in the next few years.
- ❖ An excellent institution for clinical trials in view of the diversity in huge population.

### CONCLUSION

Developing and designing human resource planning strategies is a major achievement that enables an organisation to ensure the availability of the required number of human resource and to put its human resources to best use to achieve outputs and appropriate results. Human resource plays crucial role in the success of business organisation. It is important that organisation should put consideration and careful planning into human resource planning practices. It is imperative that organisations human resource planning should complement with overall business plans. Human resource planning is a continuous process. Pharmaceuticals must continually monitor and forecast human resource needs and concerns. Human resource planning is something that pharmaceutical companies learn and improve through experience and effort. Similarly, human resource planning is a comprehensive method (or means) to review current human resources policies, procedures, documentation and systems to identify needs for improvement and enhancement of the HR function as well as to ensure compliance with ever-changing rules and regulations. Effective human resource planning involves systematically reviewing of all the aspects of human resources. HRP helps to link the long term purpose, goals and objectives of the HR function/HRP plans. It also examines what people are presently doing in their jobs in the organisation. It examines and analyse what kinds of people are doing the work at present and the present strengths and weaknesses of the HRP policies. Finally it compares present and future jobs/people/HRP practices Pharmaceutical companies play an important role in the economic development of nation. Pharmaceutical companies bring transformational social change and also influence the lives of the people.

In spite of the valuable contribution the pharmaceutical companies have their drawbacks. The absence of healthy human resource department is the biggest weakness regardless of the organisational size and industry structure. The underlying motive behind HRP is to have the right people, with the right skills, in the right places, at the right time. However, the ways to realise this motive do differ from one organisation to another depending on the individual prerequisites. In times of organisational growth or downsizing organisations continuously focus on hiring or retaining the right people with the right skills.

The study can be further extended to investigate the causal relationship between human resource planning practices adopted by the company and the level of satisfaction of employees towards those practices. Another area of the study can be the correlation between loyalty and retention of employees with the help of strong human resource plans. Such a study would enhance the level of understanding of human resource planning practices of the companies. Succession plans of the companies need to be further studied to make human resource models for the companies.

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