

IMPACT OF TRENDS IN INDIAN PHARMACEUTICAL INDUSTRY ON TRAINING & DEVELOPMENT PRACTICES AND BIRTH OF INNOVATIVE APPROACHES

Srinivas K.S

Research Scholar, Jain University, Bangalore.

Dr.N.Suresh

Research Supervisor, Jain University and Professor and HOD, Department of Management Studies, M.S.Ramaiah University of Applied Sciences, Bangalore.

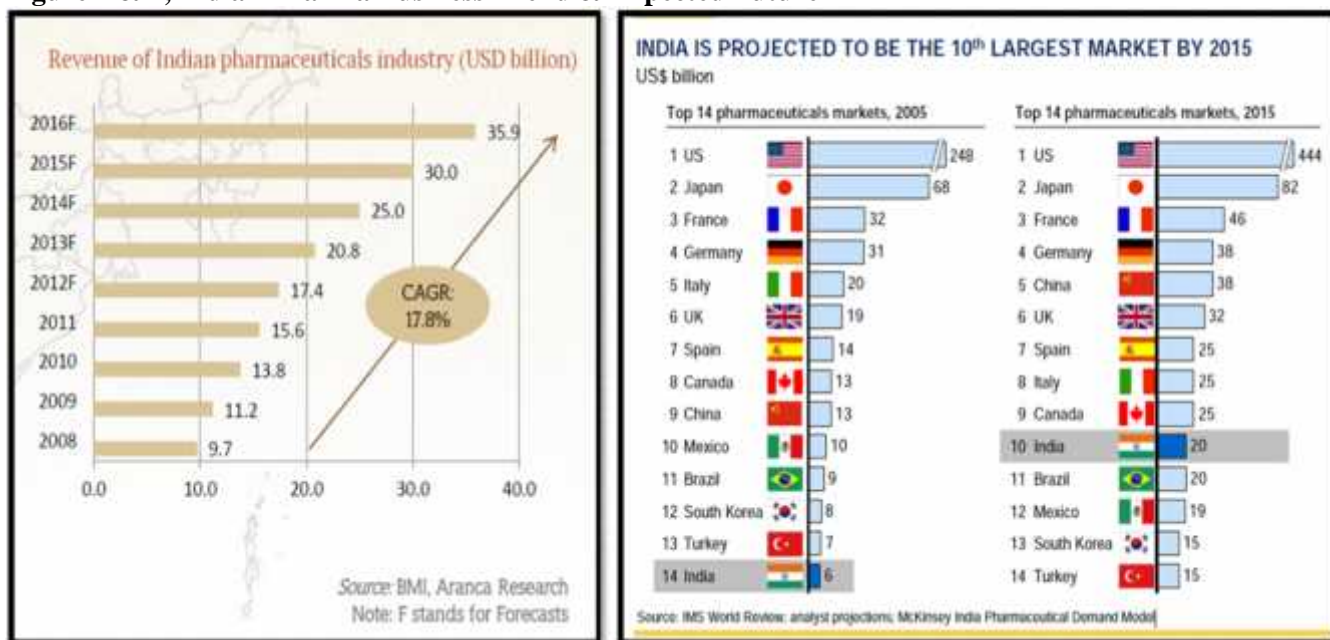
ABSTRACT

Indian Pharmaceutical industry is in a very dynamic situation in the last one decade. The change it has witnessed is so incredible that organisations in this industry are making all attempts to survey & thrive in this complex environment. In such a scenario in many organisations Training & Development (T&D) too has raised to occasion to be a true business partner. In this endeavour, T&D in many pharma companies have initiated programs which have helped the organisation immensely. This paper attempts to bring out the key trends in this industry which impacted the way traditional training & development was done and tries to identify the emerging innovative practices.

INTRODUCTION

Pharma Industry: The trends in Pharmaceutical industry in last couple of years have been a mixed bag. On one side global pharmaceutical business is nearly USD 1.2 trillion with growth of 7-8%. Indian Pharma industry is also trading the similar trend. Business volumes have touched nearly 20 billion USD. The future outlook for Indian Pharmaceutical industry is also interesting. Various estimates as shown in Figure 1 & 2 and also by PWC, IMS expects growth of >15% & volumes likely to double by 2020.

Figure 1 & 2, Indian Pharma Business Trend & Expected Future



Source 1- Indian Brand Equity, Pharmaceuticals, March 2013.

Source 2- McKinsey & Co, India Pharma 2015.

The other side of it has become challenging & complex atmosphere. Intense competition, mergers & acquisition, patent cliff, rising drug discovery cost, harsher regulations and price controls, coupled with reduced customer interest for sales calls, talent crunch & high attrition etc. have made significant contribution to complexities. Hence,

problem is really complex in nature of managing both present & future. Therefore, one of the important agendas in management boardroom today is developing people to handle current challenges & preparing organisation for future.

The trusted partner to achieve this agenda is Human Resource and Training & Development (T&D) functions. Companies are replacing conventional T & D approaches with new initiatives.

TRAINING & DEVELOPMENT: All professional companies in this industry organise fundamental training to cater to many needs like,

1. Induction for new employees in lower & mid-level – All employees undergo this, which helps them to understand the organisation, its policies, procedures, job responsibilities etc.
2. Functional training – Job specific training is provided to enable employees to have fundamental knowledge & skills like Product knowledge, using internal systems & process etc.
3. On-the-job coaching by respective manager – It is the most trusted way to develop employees on day to day basis. Managers instruct employees, provide feedback, guidance to solve problems and thereby enable development of team members.

However, few other companies have also ventured into advanced training & development initiatives like,

1. Competency advancement – Organisation broadens the development opportunity to cover all competencies relevant for the current job based on competency framework.
2. Continuous reskilling – Learning is a continuous process and helps a job holder or manager to continuously reskill to be aligned with changing business needs.
3. Talent Development – Identified high-performing & high-potential employees undergo specific development journey with aim to get prepared for a future possible higher position or responsibility. This helps in keeping the talent pipeline ready to occupy such position when time is ready. It also enables employees' career progression ambitions.
4. Individualised learning – Replacing the age old 'Standardised learning options', the new trend is providing employee an option to learn the desired skills.
5. Blended & engaging learning – Taking learning methodology beyond class-room or on-job to novel platforms like e-learning, web-based programmes, m-learning, collaborated learning with outside partners like premier education institutes, out-bond training etc. This helps to make learning interesting and continuous.
6. Constant training effective evaluation – Instead of concentrating on just the activity of training, also focussing on measuring the impact of programmes in achieving the business objectives.
7. In such challenging times, few organisations have taken these advanced initiatives to facilitate employee & leadership development to achieve business goals. Many organisations still continue to use conventional & basic approaches, which may or may not be critical in empowering organisation to achieve desired business goals.

OBJECTIVE: To study the impact of recent trends & future outlook in Indian pharmaceutical companies on Training & Development (T&D) practices. Further, also to understand the initiatives taken by T&D fraternity to support organisations in such scenario to achieve business goals and to be a true business partner.

SCOPE OF STUDY: Study covers only chosen companies in Pharmaceutical industry and published articles.

RESEARCH QUESTION: This research is aiming to find answers and solutions to below 3 questions;

1. What are current business challenges in pharmaceutical industry & what is its impact on Training & Development operation?
2. What are the new initiatives Pharmaceutical T & D has taken up in recent past?
3. How are these initiatives adding value to business?

METHOD: Article review. Based on secondary sources like published articles, industry/board reports & industry specialist views.

SOURCES OF DATA: For understanding the current trend in industry explored various sources like IMS, Price Waterhouse Cooper (PWC), McKinsey consulting, OPPI (Organisation of Pharmaceutical Producers in India) and Pharmaceutical publication like Pharma-Express.

Getting published data in the areas of “Pharmaceutical Training & Development” is very challenging as it’s a very niche area and not much work is published. However, ATD (Association for Talent Development or former ASTD), ISTD (Indian Society of Training & Development), LTEN (Life Sciences Trainers & Educators Network), Pharma Executive & MedicinMan publications, web search in SSRN, EBSCO, Google-scholar, LinkedIn etc., were of high value sources.

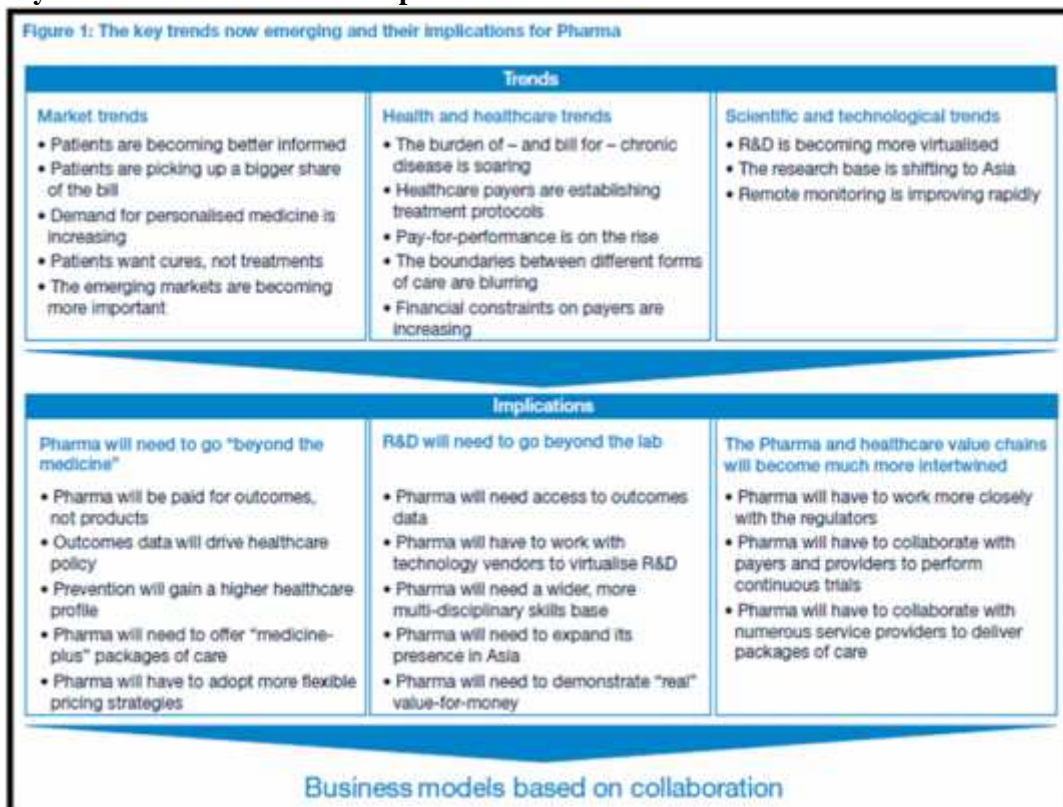
DATA ANALYSIS: Since the research involved article review, majority of information is qualitative. Hence, Content analysis & Grounded theory method adopted to understand the content & derive conclusions.

Pharmaceutical industry related article analysis provided information on the current trends in industry. It also helped to understand its implications on HR and T&D practices.

Analysis of articles from various T&D journals / sources provided information on the initiatives taken by pharma industry in Learning & Development space in order to support organisation to face challenges & achieve business objectives.

Research Finding to Questions

Figure 3 – Keys trends in Pharma & its Implications.



Source 3: PWC Pharma vision 2020.

Various trends happening in pharmaceutical industry has different implications on the way training & development operations are undertaken by companies.

Mergers & Acquisition¹

Merger & acquisition of two companies puts learning into ‘urgent requirement’. Leaders & employees require to quickly learn the new organisations culture, way of management, new or modified process etc. Sanofi-Aventis when merged required more than 20,000 Sales & Marketing employees to learn new products to be promoted. This had to be achieved within a short span. Hence, apart from class room induction, technology based learning programmes were used like CD-ROMs, e-learning to achieve it in short time.

Research, Development and Patent Pressures^{2,3,4,5}

Figure 3 explains the trends and its implications in R&D arena. Pharmaceutical industry is a highly scientific and competitive industry. Organisation’s existence & growth in this industry mainly depends on its ability to spin new medicines regularly. This pursuit depends on 2 resources; human resource & research facility. Hence, attracting, developing & retaining this talent become extremely crucial. HR and L&D together takes the responsibility to manage this challenge. Organisations like Novartis, Novo Nordisk during early 2000, expanded their R&D operations in China when Asia rose as major economic hub. Simultaneously L&D initiated talent management initiatives to constantly engage & develop talent.

Price Regulation & Cost Management⁶

Various government policies & bodies regulate drug prices of essential medicines. DPCO & NPPA (Drug Price Control Order, National Pharmaceutical Pricing Authority) are such policy & authorities in India. Many times this puts the industry into economic challenge to produce international quality drugs at cheap price. Hence, leveraging all resources to maximum or procuring resources at lowest price are essential to achieve this price vs quality balance. This extraordinary situation requires constant training of production employees in various aspects like GLP, GMP, TQM, JIT etc. Figure 4 lists some of these topics as top training needs as identified by industry managers.

Figure 4 – Top Training Needs. Source: Am Partners Consulting Company

Table 5 - Combination of answers of top managers of the 9 pharmaceutical enterprises (number of responses)

Types of most required training	N of respondents	Urgency		Place of trainings:			Trainers			
		Urgently	In coming months	At the workplace	In Armenia, out of the workplace	In abroad	Local specialist, theoretician	Local specialist, practitioner	Foreign specialist, theoretician	Foreign specialist, practitioner
GMP	9	6	3	3	6	4	1	3	3	3
GLP	9	6	3	3	6	4	1	3	3	3
Professional pharmaceutical themes	8	3	5	5	1	4	2	5	0	3
Marketing	4	1	3	2	2	1	2	2	0	2
Computer techniques	4	1	3	1	4	0	4	2	0	0
Accounting themes	1	0	1	0	1	0	1	1	0	0
Juridical themes	1	0	1	0	1	0	1	1	0	0

¹Mike Capaldi (Oct 2004), *Sales training as dynamic as big pharma itself*, Training + Development : 34-36

²Frank Waltmann (June 2013), *East meets West: Developing Novartis Talent in Asia*, Chief Learning Officer: 68-72

³Pramod B S V (29th May, 2014), *The Aim should be to add atleast one skill set every year*, Express Pharma <http://pharma.financialexpress.com/sections/pharma-life-2/3864-the-aim-should-be-to-add-at-least-one-new-skill-set-every-year>

⁴Confederation of Indian Industry, *CII Draft report – Skill Development in Pharma sector*

⁵Madhumita Sarkar, Poonam Somani, Biresh Sarkar, *Strategies of Human resources management for talent consolidation in some pharma industries*, Asian Journal of Engineering & Management 2012: Vol 1 (1)

⁶A M Partners consulting company (08 Dec, 2008), *Skills & Knowledge needs assessment for pharmaceutical industry: Vol 1*

Talent Attraction, Development & Retention^{7,4,5,8,9,10,11}

Human Resource Management in pharmaceutical industry is a difficult proposition. Lack of talent, lesser compensation at entry level vis-à-vis other industries, high attrition etc. are some of the key HR challenges. Biocon took an interesting initiative to manage this challenge by starting Biocon Academy in association with education institute KGI from USA. It has helped both Biocon & biotech industry to train science graduates into specific bioscience subjects relevant to industry and have access to ready talent.

CII (Confederation of Indian Industry) has taken a major initiative to identify the skill gaps across all functions from production, R&D, Sales & Marketing etc. A survey conducted has provided essential information to both industry & government to take up measures to bridge this gap. OPPI Organisation of Pharmaceutical Producers of India IDMA Indian Drug Manufacturers Association are using this report to support industry for skill development. Research papers “Strategies of Human Resources Management for Talent Consolidation in Some Pharma Industries by Madhumita Sarkar et al” and “Attrition in pharmaceutical Industry: human resource Management’s role and strategy by Dr. Alaknanda Dhotre” also highlights that many companies have also taken talent development as strategic importance & not just another function.

Novartis experimented with unique simulation based learning programme for FLMs (Frontline Managers) to enhance people handling skills & resource management skills. It aided in not only increasing sales but also reduced the attrition among MRs (Medical Representatives).

A Review article published in Pharmacophore “Embryonic issue of talent management in Indian pharmaceuticals industry by Alok K Mathur and Anita Mathur” also suggests importance of comprehensive talent development & management steps required specially for pharma companies. It includes providing regular learning opportunities as one of the major suggestions.

Leadership Development^{7,12,13,14,15,16,17,18}

Managers at entry & mid-level and leaders at mid & senior level always decide the fate of a scientific company like a drug manufacturing organisation. Hence, training of this group for both managing current situations & preparing to handle future challenges is always priority at board level.

A PhD thesis “Talent management and retention strategies with special reference to pharmaceutical industry” by Dr Pragya Dave showed that professional pharma companies in India pay equal importance on training both on ground level as well as senior level employees. Lupin pharmaceuticals recently won ASTD award (American Society of Training & Development) for best practice in developing talented leaders. It has helped Lupin to have better engagement of managers & reduced attrition from 30-35% to 10-12% over a period of time.

⁷Dr Pragya Dave & Dr Amit Vyas (Oct 2012), *Talent Management & Retention strategies with special reference to Pharmaceutical Industry*, Ph.D Thesis submitted to: Suresh GyanVihar University Jaipur India 302025

⁸Dr Alak Nanda Dhotre (Aug 2020), *Attrition in pharmaceutical industries: Human resource management role & strategy*, International Research Journal: Vol 1: Issue 11: 87-89

⁹Sibyl Shalo, *Is it real? Or is it training?*, *Pharmaceutical Executive*, April 2004: 22-28

¹⁰Alok K Mathur, Anita Mathur, *Embryonic issue of talent management in Indian pharma industry*, *Pharmacophore*, Vol 3(1): 30-36

¹¹Maya Sharma (Nov 11, 2013), *Bangalore: Biocon Academy Launched*, NDTV News <http://www.ndtv.com/article/cities/bangalore-biocon-academy-launched-444702>

¹²Jim Phelan (July 2005), *New Guard*, Training + Development

¹³Marge Gills, Katherine Beauchetin (Dec 2000), *The Ideal Rep*, *Pharmaceutical Executive*, 52-60

¹⁴Steve Rauschkolb, *No more flowers on the wall*, Training + Development

¹⁵Centre for creative leadership, *The Leadership Challenge in Pharmaceuticals*, Jean Brittian Leslie & Kim Palmisano (Sep’2010)

¹⁶Kirti Sharda (2012), *Managing talent Lupin Ltd*, *Vikalp* Vol 37 (Number 3), July-Sep 2012: 129-144

¹⁷*Reaching for the stars*: T J Awards 2011, *Training Journal* April 2012: 10-11

¹⁸World Coaching Congress Award Winners (16th Feb, 2014), Mumbai
http://www.worldhrdcongress.com/WCC/past_events_2014/award_winners.html

CLC (Corporate Leadership Council) conducted a major research in pharmaceutical sector to assess the leadership ability & has identified both strengths & areas of development. This has helped organisations to take specific interventions to address the needs through systematic development plans.

Leo Pharma did a specific management development using coaching for KAM (Key Account Managers) through which managers ability to handle key customers were enhanced & better business results were achieved. Hence, they won Training Journals award.

Wockhardt pharmaceuticals won “Best Coaching Award” from World HR Congress for such similar coaching practice where in their top leaders were trained to do performance-coaching & after practicing it for several months Wockhardt experienced visible change in people’s ability to product performance.

Sales & Marketing Team Development^{12,13,19,20,21,22,23,24}

Sales & Marketing team are most crucial teams as they generate revenues. More over the market place is changing fast and becoming very complex to sell the products. Hence, SFE/FFE (Sales Force Effectiveness or Field Force Effectiveness) is essential as it helps pharma companies to achieve effective customer engagement & communication. There are 5 to 6 key drivers of SFE/FFE which focus on both quantitative and qualitative parameters. Sales Person’s selling skills & product knowledge are two among these key drivers. This can be improved & maintained only through consistent training interventions. Fig 5 & 6 below explains some change in sales & marketing approaches and need for competent employees.

Figure 5 – Changing Sales & Marketing Trends and Its Implications.

Table 3: Specialist therapies require different marketing and sales models from those used for mass-market medicines

Mass-market medicines	Specialist therapies	Marketing implications
Treat common illnesses	Treat rare diseases and specific disease subtypes	A much smaller target market Must generally be used with a diagnostic, which adds to the overall cost but improves compliance
Relatively simple products	Very complex products	Require more scientifically educated sales representatives
Typically prescribed by general practitioners	Prescribed by specialists	Require a much smaller sales force
Low price per dose	Very high price per treatment	Require much more extensive proof of clinical efficacy Outcomes-based pricing
Usually oral formulations	Usually delivered by infusion or injection	Require intensive patient education & monitoring Costs may be spread across different payment centres & budgets with different reimbursement procedures
Relatively easy to manufacture	Difficult to manufacture	Less vulnerable to generic competition
Easy to transport	Require special distribution & storage facilities	More expensive to ship & store
Generally kept in stock	Often delivered to order	Must be supported by a much more flexible supply chain

Source: PWC Pharma 2020 marketing the future

¹⁹ IMS, *The evolution of pharmaceutical sales: New models for changing environment*, Article reprinted from Feb 2008 issue of Pharmaceutical executive

²⁰ IMS Consulting group & OPPI, *Evolution of sales models in Indian Pharma industry* by Amardeep Udeshi & MohitBahri

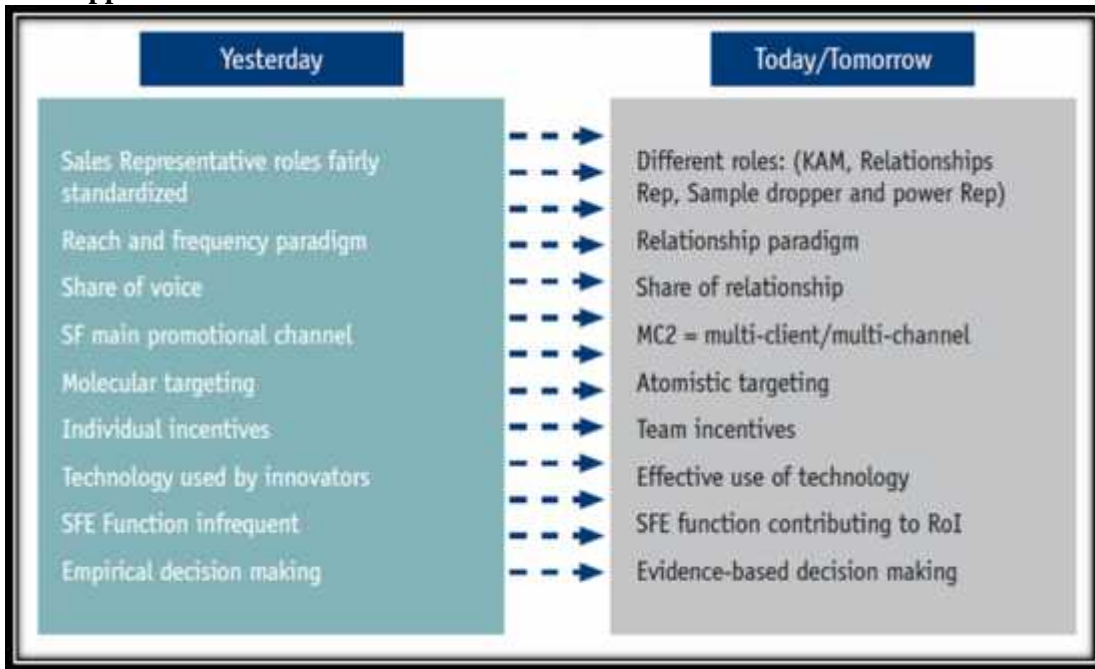
²¹ Vivek Hattangadi (June 2014), *Drivers of Sales force effectiveness*, Medicinman, 20-22

²² Helle Henriksen (June 2013), *Virtual Know how*, Training + Development: 80

²³ Mike Capaldi (Oct 2004), *Sales training as dynamic as big pharma itself*, Training + Development : 34-36

²⁴ Shalini G, (18th Feb, 2014), *Time to get proactive*, Express Pharma .<http://pharma.financialexpress.com/sections/cover-story/3401-time-to-get-proactive>

Figure 6: Sales Approach Old & Current Trends.

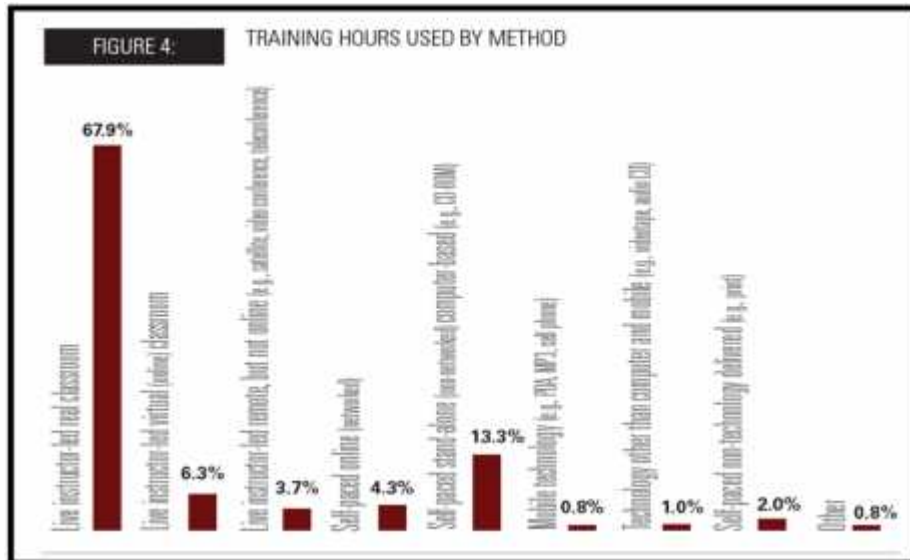


Source: IMS Research on Pharmaceutical sales trends.

LEARNING & DEVELOPMENT PRACTICES

ASTD & Harvard Business publishing 2012 report on ‘L&D Trends in India’ (Figure 7) shows that Indian corporate world is quite creative and uses variety of training & development methods. However, Pharma companies may or may not use all of these. No such published benchmark data is available for pharma industry.

Figure 7: L&D Methods Used in India



Source – ASTD & HBR 2012 ‘L&D trends in India’

Merck Inc. training practices & Pfizer University initiatives shows that organisations are really committed to employee’s development. Merck’s 6 month long training for new Managers or Pfizer employing PhDs in training

team to provide metrics to measure outcomes of training programmes is surely indicative that training is seen not just as an activity but as a strategic investment with a goal.

Research by IMS shows that though organisational T&D has made strides, it needs to continue with further more alignment of business. Research indicates that since the selling & marketing approaches are fast changing and in future with expected to be very different than today, L&D teams in pharma companies have huge responsibility of preparing sales team for it.

Novo Nordisk Ltd identified importance of facilitating learning through knowledge sharing by subject matter experts (SME) within the organisation. Hence, they started an innovative virtual-training program by certifying SMEs within the company. These SMEs would conduct short virtual training for others using WebEx platform. It started showing results as 91% participants claiming improvised knowledge levels leading to better business results.

OTHER L&D PRACTICES NOTICED

Competency based training or competency framework to support L&D plans is also now largely established trend. Though many Indian companies may or may not be using this approach.

E-learning & m-learning are also used training methods in pharma industry. However, a large number of companies have still not utilised the full potential of this technological advantage for continuous employee development.

CONCLUSIONS & SUGGESTIONS

Pharmaceutical industry in India is experiencing major changes and in this complex and competitive business environment, success of organisations depends on many parameters. One of the key parameters which can support success is the ability of any company to create a constant learning culture. The learning requires focusing on all ranks of employees in order to gain overall competitive edge.

Learning & Development in many organisations in this industry has risen to the occasion and has contributed significantly to success of the organisations. Pharma L&D has also shown ability to come up with innovative solutions to ensure that training does not remain just an activity but also align with business and truly be a business partner.

The below figure 7 puts the summary of changing L&D trends in pharma industry by narrating yesterday and emerging trends.

Figure 7: Changing trends of L & D

Changing Trends of L & D	
• Then	• Now
Training to enhance knowledge	Comprehensive competency development
Training focused more on knowledge & skill development	Focuses also on Career development, Talent Development,
Standard / Group training approach	Individualization / Customization of learning
Methods used - Class room, Manager coaching	Also E-learn, m-learn, gaming, social media learning, web-based coaching
Leadership development after becoming leader	Leadership development before & after
Applied Adult Learning principles	Also NLP – challenge, humor, reflection, competition
Training Effective analysis through Feedback analysis	Competency change & ROI on focus

The research suggests that the organisations who have adopted these trends should continue and further evolve to prepare themselves for future challenges, as Indian Pharma industry will continue to change and grow for at least next 10 years. Research outcomes also suggests that those organisations which continues to execute conventional training & development practices, might do a self-audit and explore opportunity to see how they can improvise & contribute more to respective organisation.

A saying by Charles Darwin is very relevant to this situation. ***“It is not the strongest of the species who survive or the most intelligent; rather it is the most responsive to change”***

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