

# Organisational excellence in the pharmaceutical industry

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**Abstract - The current article focuses on organisational excellence among companies in the pharmaceutical industry. The pharmaceuticals sector is facing problems as a result of high attrition rate and a severe dearth in the scientific R & D segment. Although its turnover rates compared to other industries is lower, the cost of turnover is much greater. It's not only the cost incurred by a company that emphasises the need of retaining employees but also the need to retain talented employees from getting poached. Review of literature indicates several factors determine Organisational Excellence, hence the researcher in the present paper attempts to establish whether Organisational Culture and Work Engagement influence Organisational Excellence in the pharmaceutical industry**

**Keywords: Organisational Excellence, Organisational Culture and Work Engagement**

## I. INTRODUCTION

Organisational excellence is the buzzword amongst corporates, business houses and organisations during the present times. The business environment is so fast changing leaving technology, systems, methods and processes outdated at the speed of unprecedented business changes and challenges. Modern managements are aware that present day businesses call for increased output and enhanced competence in comparison to earlier times. Corporate bodies are directing all efforts to intensify and increase performance in order to place their company ahead of other organisations and in doing so have begun to strive to achieve excellence. This paper highlights the importance of Organisational Excellence in the pharmaceutical sector considering the tremendous instabilities and challenges facing the industry nowadays.

Organisations strive to retain employees, their most prized assets, especially the key personnel who are qualified and experienced and whose services have been valuable to the organisation over several years. Retaining key performing employees in the pharmaceutical industry is very important considering the nature of work they perform. Successful organisations have begun recognising the worth of retaining their best employees and are constantly on the lookout for ground-breaking ways to motivate and encourage their key personnel to stay on and serve the organisation with loyalty and pride. The reasons for employees leaving an organisation can take various forms and include uncertain

and unchallenging roles, weak supervision, inadequate cooperation and support from peers, inadequate career progression, absence of appreciation, limited control over work, seemingly higher pay packets and awareness of more favourable prospects in other similar companies.

**Challenges confronting the Pharmaceutical Industry:** The pharmaceutical industry is responsible for the development, production and marketing of medications. Thus, its immense importance as a global sector is inarguable. India is the third largest manufacturer of pharmaceutical products in terms of volume and the sector is growing steadily. India enjoys an important position in the global pharmaceuticals sector and has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

Even though the pharmaceutical industry holds a very important and influential position nationally and internationally the industry has its own share of problems. One of the most serious problems facing pharmaceutical companies today is to retain their employees. The recent decades have witnessed more and more pharmaceutical companies being established, but that has not checked the turnover rate which stands at a high percentage, ranging between 20 and 30 percent. The days when organisations recruited the best available talent with expectations that they will stay on board for long periods are no longer relevant. Efforts at retaining employees through several motivational methods has turned out to be a humongous task to managements concerned. When the organisation

looks for a replacement there is certain amount of intangible costs in addition to loss in productivity. Furthermore, an organisation is at complete loss when carefully chosen and hired employees leave. Thus, the challenge on hand for organisations is to devise *employee retention strategies* that would create ways in which an individual will be lured to stay on in an organisation for the maximum period. However nowadays, with job prospects and opportunities at an all-time high, managements have an unenviable task of trying to retain their valuable employees. Losing employees causes a repeated chain of losses resulting in loss of knowledge, capital, skills, and experience. In addition, losing skilled and talented workers leads to fall in output, increased inefficiency and a slump in revenue.

Review of literature reveals that pharmaceutical industry around the world is confronted with employee problems driven by many factors. Although the pharmaceutical industry had lower turnover rates compared to other industries, the cost of turnover is much greater. Several views have been expressed by authors who have undertaken studies about problems confronting the pharmaceutical industry. Shahin, Nafisa (2017) believes that when a research specialist leaves an organisation there is a resultant delay in product development and a loss of talent. Furthermore, when pharmaceutical representatives leave, they take the client relationships with them. Jindal P, et al (2016) observe that companies whose level of engaged employees are higher have less attrition rate and marked higher levels of productivity and customer satisfaction. Hussin et al (2016) say that pharmaceutical firms are seeking to support their human capital which is the driver of innovation taking into consideration factors like employees' satisfaction, working conditions, organisational support, respect, and continuous development. These factors, among others, are considered determinants of behavioural intention that propels employees working at the pharmaceutical companies to stay. Deeksha et al (2016) say that many of the pharmaceutical industries failed to identify the importance and necessity of quality training programs for their employees which lead to lack of development in the skill levels of employees. They say that lack of specialised training will lead to reduction in the quality level of skills as well as final product of the company as in compliance with the various regulations to be followed.

Mooney (2012) asserted that there is a shortfall between output from universities and demand by the pharmaceutical and health care industries for science and engineering graduates able to rapidly contribute to success in the business environment. He said that against a changing infrastructure of pharmaceutical research, the development of new chemical entities by major companies accounts for a high proportion of R&D expenditure. Anand R & Lopes C (2009) confirmed that talent management practices have been developed and adapted throughout the years in

response to many changes in the pharmaceutical organisation. The pool of available talent, particularly those with the necessary skills and experience, is running extremely low. As a result, pharmaceutical and biotech firms are facing fierce competition to find staff for their projects. This situation in fact affects the Organisation Excellence of pharmaceutical in general.

It is evident that pharmaceutical companies have a serious problem on hand which is to hire, preserve, motivate and retain specialised staff. Managements of these companies will do well to analyse the reasons for employees leaving and devise strategies to check the attrition rates if they desire to match up to present day demands of increased output and enhanced competence.

## II. ORGANISATION EXCELLENCE

Companies are tirelessly striving to raise the bar of quality to stay competitive in the global market. The key to achieving success in their effort is to attain organisational excellence, which is the driving force behind the changes taking place within today's organisations. Organisations across industries are striving towards organisational excellence by engaging and encouraging employees to deliver products and services that fulfil customer requirements. Care for and attention to organisational excellence commenced with the realisation of stakeholders' requirements: customer needs, employee satisfaction and shareholders' rewards. Efforts towards fulfilling the needs of the stakeholders led to translation of the requirements to objectives or results to be achieved that will satisfy these needs. Organisational excellence includes a whole series of management activities and the way an organisation is run while trying to create a world-class organisation.

Organisational excellence refers to ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfil customer requirements within business expectations. (<http://asq.org/learn-about-quality/organizational-excellence/>).

Organisational excellence is a philosophy of leadership, teamwork and problem solving resulting in continuous improvement throughout the organization by focusing on the needs of the customer, empowering employees, and optimizing existing activities in the process (MDI Gurgaon campus, 2018). Organisational excellence refers to ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfil customer requirements within business expectations. The pursuit of organisational excellence can strengthen the overall appeal and prestige of an organisation both internally and externally (Excellence Canada, 2011)

Efforts towards organisational excellence is a continuous exercise and part of an organisation's agenda.

Organisational Excellence is an everyday event and can be achieved when organisations are able to exceed expectations (Arussy, Lior 2008).

Every organisation strives to attain excellence and desires to embrace the benefits of excellence in all its activities towards becoming a winning organisation. Embedding excellence is the aspiration of all businesses. An excellent organization is one which can meet and exceed stakeholders' expectations over a period. It is not achieved by fluke, but by systemically ensuring all elements of the organization work together to achieve the desired income. (DebashisSarkar, 2017).

The principles that drive excellence are universal, regardless of the kind of organization it is. There is substantial evidence to suggest that an approach focusing on excellence can improve the ability of a company to survive and prosper in the face of competition. Over time, it can lead to substantial improvement in the quality of products and services, productivity, the use of assets, customer retention, market share, and employee morale and involvement (David R. Kolzow, 2012).

Review of literature reveals several researches have been carried out to study the effect of Organisational Culture and Work Engagement on Organisational Excellence. Most studies narrate a positive relationship between the dependent variable Organisational Excellence and Organisational Culture and Work Engagement. Several studies have been undertaken to analyse the relationship between Organisational Excellence as a dependent variable, and Organisational Culture and Work Engagement as independent variables. All results point to a positive relationship between the variables.

### III. ORGANISATIONAL CULTURE

Every organisation has something exceptional about the way it functions. It is such exceptional quality which serves as a mark of distinction in describing the organisation. Review of literature establishes relationships between organisational culture dimensions and individual and organisational performance. Thus, it is important for organisations to focus their attention on those positive aspects of their cultures that yield the greatest positive result by way of organisational outcomes.

Serpa (2016) sees organisational culture as “a shared way of being, thinking and acting in a collective and coordinated people with reciprocal expectations.” It is “the set of shared values, beliefs and norms that influence the way employees think, feel and behave in the workplace” Agwu(2014). Organisational culture is as “an informal, shared way of looking at an organisation and membership in the organisation that binds members together and influences what they think about themselves and their work. It is made up of more ‘superficial’ aspects such as patterns of behaviour and observable symbols and ceremonies, and

moredeep seated and underlying values, assumptions and beliefs -O’Donnel& Boyle, (2008).

Organisational Culture is a system of shared meaning held by members, distinguishing the organisation from other organisations. The ways in which an organisation operates vis a vis, its beliefs, values and assumptions is what can be conceptualised as organisational culture Odor H O (2018).As a means of regulating the conduct of an organisation’s members, organisational culture permeates all its factors, manifesting itself as a cause and because of their behaviour -Gavric G et al (2016).Naranjo J C et al (2011) advocate that many factors determine the support for an organizational innovative orientation of which one is organizational culture.Kirk Chang and Luo Lu (2007) did content analysis which revealed that characteristics of organisational culture could either alleviate or aggravate stress, depending on employees’ perception and attribution.

### IV. WORK ENGAGEMENT

Several research studies have established a direct and positive relationship between employee engagement and organisational performance. Pandey S and David S (2013) believe that an “engaged employee” is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers his organization's interests

Work Engagement – refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge. Bakker A and Demerouti E (2014)say job and personal resources are the main predictors of engagement; and these resources gain their significance in the context of high job demands. Engaged workers are more creative, more productive, and more willing to go the extra mile.

Sharmila J J V (2013) says an engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. Thus, it is a barometer that determines the association of a person with the organization. Arun Kumar S (2015)advocates that employee Engagement is a massive concept that traces almost all parts of human resource aspects. His study is based on how to engage the employees in their work place and improve their career development. He says every organisation must motivate its employees to work and take part in various activities conducted by the organisation; if they take part energetically it will build ownership and sense of belongingness. Kassem, Rassel et al (2016) examined the relationship between four Organisational Culture types and organizational excellence and the role of information communication technology (ICT) as a moderator. The results showed that there is a positive relationship between organizational culture components and business excellence in general. Qawasmeh F M et al (2010) aimed to determine the role of organizational culture in achieving

organizational excellence using Jadara University as their case study. The results also confirmed strong positive correlations between overall university culture and Organisational excellence.

## V. CONCLUSION

Research studies have established positive relationships between organisational excellence and organisational culture, on the one hand and between organisational excellence and work engagement on the other. These studies have been confined to the manufacturing and service sectors alone. There seems not much research work has been carried out to establish such relationships in the pharmaceutical sector. The nature and importance of pharmaceutical companies necessitates pursuit of overall excellence directed at customer needs, employee satisfaction and shareholders rewards. And while in pursuit of excellence, the researcher is of the belief that organisational culture and work engagement variables, which may have positive relationship with organisational excellence, should be closely studied in pharmaceutical companies. This can eventually serve to confront the human resources related problems in the sector.

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