

A Study on Employee Retention Strategies in Pharmaceutical Companies in Bengaluru City

K.L. Shreesha

Research Scholar

ISBR Research Centre, Bangalore, (Under University of Mysore)

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Gundlapudi Kalyani.

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Dr. Gundlapudi Kalyani

Professor of Commerce

ISBR Research Center, Bangalore, (Under University of Mysore)

Abstract

Employee retention is indeed an important, yet often costly, concept in Human Resource Management (HRM), especially within industries like pharmaceuticals. The first objective of the study aims to provide a comprehensive overview of the demographic characteristics of employees, including factors such as age, gender, educational background, job titles, and work experience. Understanding the socio-economic profile of employees will help identify trends and patterns that may influence employee behavior, job satisfaction, and retention rates within the pharmaceutical sector and the second objective focused on his objective focuses on identifying and examining the various factors that contribute to employee retention. It includes evaluating aspects such as compensation and benefits, training and development opportunities, rewards and recognition, work environment, and management practices. By analyzing these factors, the study aims to highlight areas for improvement that can enhance employee satisfaction and loyalty, ultimately leading to a more stable and committed workforce in the pharmaceutical industry. Lastly the outcome of the study reveals that there exists a high level of inter-relationship amongst these factors which have significant impact on employee retention in pharmaceutical companies.

Keywords: Employees Reward, Compensation, Gender Profile, Retention and F-Test etc.

Introduction

Employee retention is crucial for organizations in today's competitive job market. It involves implementing strategies and practices that encourage employees to stay with the company for longer periods, benefiting both the employer and the employee. With many job opportunities available, employees are more likely to leave if they feel dissatisfied, making it essential for employers to actively engage and retain their talent. Investing in employee development is vital. Organizations spend significant resources on training new hires, and when these employees leave shortly after being trained, it leads to a loss of knowledge, skills, and experience. This turnover can ultimately affect the organization's bottom line, as valuable revenue-generating capabilities are lost. A well-crafted employee retention strategy is essential for organizations aiming to improve both employee commitment and overall performance creating a supportive and engaging work environment.

Here are some key elements and benefits of such a strategy:

1. **Positive Work Environment:** A workplace that fosters collaboration, inclusivity, and respect can significantly enhance employee satisfaction. Promoting a culture of teamwork and open communication helps build strong relationships between employees and management.
2. **Competitive Compensation:** Offering attractive salary packages, along with performance bonuses and benefits, can motivate employees to stay. Non-monetary benefits such as wellness programs, recognition initiatives, and work-life balance policies are also crucial.
3. **Effective Communication:** Clear and open communication channels between management and employee's foster trust and transparency. Regular updates about company initiatives and involving employees in decision-making can enhance their sense of belonging and commitment.
4. **Support for Corporate Initiatives:** When employees feel engaged and valued, they are more likely to support key corporate initiatives. This alignment helps in successfully executing business goals, as committed employees are often more motivated to contribute to the organization's success.
5. **Building Customer Loyalty:** Happy and engaged employees are more likely to provide excellent service, which translates into customer satisfaction. By fostering employee loyalty, organizations can enhance their reputation and customer loyalty, differentiating them in a competitive market.
6. **Addressing Diverse Needs:** A strong retention strategy involves understanding and addressing the diverse needs of employees. This includes offering flexible work options, career development opportunities, and support for work-life balance, which can help retain a diverse workforce.
7. **Recruitment Tool:** A strong retention strategy not only keeps current employees but also acts as a powerful recruitment tool. Organizations known for their positive work environments and employee satisfaction are more attractive to potential candidates, making it easier to attract top talent.
8. **Organizational Culture:** Developing a positive corporate culture that emphasizes recognition, teamwork, and empowerment can significantly enhance retention. Ultimately, a strong employee retention strategy not only enhances internal morale but also positively impacts the organization's overall performance and customer satisfaction.

Review of Literature

Ahmad Chughtai (2013) conducted a study on "Role of HR Practices in Turnover Intentions with the Mediating Effect of Employee Engagement". The researcher studied the intervening role of engagement of employees and intention of turnover in the telecom sector of Pakistan. The research also provides a model for the beneficiaries of telecom industry to retain their quality and skilled employees in a highly active and lively business environment. The results of their study straightaway contribute to develop conceptual framework on HR practices, employee engagement and intention of turnover.

Perumal & Choi (2017) explored the impact of HRM Practices on employees' turnover intention on conceptual model. This study extensively examined the effect of HRM practices on turnover of employees and attractive HRM practices will definitely reduce the negative effect among the employees and leads to remain with the organization for a longer period of time. This research was undertaken to explore the importance of quality employee relationship and its influence on retaining the employees in the organization.

Safdar (2019) conducted a study titled "employee turnover and retention strategies: an empirical study of Public sector organizations of Pakistan". The study concluded that most of the public sector organizations are not having proper policies on retention of employees as they do not

have a specialized HR department. Majority of the respondents in this study accepted that their organizations do not have HR departments and they do not make any effort on developing and retaining the employees. This leads to high rate of employee turnover in public sector organizations in Pakistan.

Bidisha (2020) conducted a study on “employee retention: a review of literature”. It will be very difficult and complex to understand human resources. Human resources are the valid and vital asset of any organization which can create and destroy the organization. Maintaining a proper and smooth HR practices to retain them for a longer period of time in any organization will create positive image and continuous growth for a longer term and will also help to add the goodwill of the organization.

Kumar Shukla (2022) studied the employee retention in the pharmaceuticals sector in Dehradun city. The researcher conducted a survey on identifying the factors influencing retention of employees. They said that HR policies, compensation and benefits, work pressure and relationship with the superiors are the important factors influencing the retention of employees. The study was undertaken to identify the problems associated with the employee retention of the employees working in pharmaceutical companies operated in Dehradun City.

Batty Jeen (2024) conducted a study on “attrition–Turnover Intentions in Retail Industry”. The researcher studied some key elements and variables influencing the decision of employees to leave the organization and the intention of employee’s turnover and its impact on outcome of the organization. He found that intention of turnover is influenced by some of the attrition factors like quality of work life, career growth, working hours, personal/family reasons, and, welfare, working condition, and salary etc.

Research Methodology

The data for this study was collected from both primary and secondary sources, ensuring a comprehensive approach to understanding employee retention in pharmaceutical companies. The primary data was gathered through a structured questionnaire issued to 50 employees each from Sun Pharma Ltd and Cipla Ltd, both located in Bangalore City, Karnataka. A total of 100 employees participated in the survey, selected using the simple random sampling method. This sampling technique ensured that every employee had an equal chance of being selected, minimizing bias and improving the generalizability of the findings. For analysis of data, SPSS 21.0 Version, descriptive statistics, chi-square test, One Way ANOVA F-Test etc. Were used.

Objectives of the Study

1. To assess the socio-economic background of the employees working in selected pharmaceutical companies
2. To analyze the key factors influencing towards employees retention in selected pharmaceutical sector.

Hypotheses for the Study

H0: There is no substantial variance between socio-economic background of the employees working in selected pharmaceutical companies.

H1: There is a substantial variance between socio-economic background of the employees working in selected pharmaceutical companies.

H0: There is no substantial variance between key factors influencing towards employees retention in selected pharmaceutical sector.

H2: There is a substantial variance between key factors influencing towards employees retention in selected pharmaceutical sector.

Results and Outcome

1. Socio-economic Background of the Respondents

Table No.1 presents the socio-economic profile of employees working in the selected pharmaceutical companies, providing insights into the demographic and professional characteristics of the respondents. A total of 100 employees participated in the study, with 75% male and 25% female employees, highlighting the gender distribution within these pharmaceutical organizations. The age distribution of employees shows a significant concentration of younger workers. Among the respondents, 45% were under the age of 30, while 32% were between the ages of 30 and 40. This suggests that the pharmaceutical sector in these companies employs a larger proportion of younger employees, which may reflect the industry's emphasis on innovation and the recruitment of fresh talent. In terms of education, a significant portion of the employees had specialized educational qualifications. 30% of respondents held professional degrees, while 27% had completed their undergraduate (graduate) education. This indicates that the workforce is relatively well-educated, with a sizable representation of employees with professional qualifications-likely important for roles in a technical and research-intensive sector like pharmaceuticals. Regarding work experience, a significant portion of the employees had relatively limited experience in the industry. 45% of the respondents had less than 5 years of work experience, while 30% had between 5 to 10 years of experience. This data points to a workforce that is relatively young in terms of experience, which could be an advantage in terms of adaptability and learning, but might also highlight challenges related to retaining experienced employees in a competitive industry. The prevalence of employees with less than 5 years of experience underscores the importance of investing in retention strategies to prevent high turnover and ensure long-term organizational success.

Table 1 Socio-economic Background of the Employees

Particulars	Frequency (Percentage)
1. Gender	
a) Male	75%
b) Female	25%
2. Age Pattern	
a) Less than 30 years	32%
b) Between 30-40 years	45%
c) Above 40 years	23%
3. Educational Background	
a) Post Graduate	20%
b) Professionals	27%
c) Graduate	30%
d) Diploma	23%
4. Job Title	
a) HR Manger	45%
b) Employees of team	25%
c) HR Assistants	30%
5. Work Experience	
a) Less than 5 years	30%
b) Between 5-10 years	45%
c) Above 10 years	25%

Source: Field Survey.

In summary, the Chi-Square Test revealed that age, gender, and educational background have a significant influence on the variables being studied (such as employee retention), while job title and work experience do not. These results suggest that demographic factors such as age and education are important considerations in developing targeted strategies for improving employee retention and satisfaction, while job-related factors like title and work experience may not have the same level of impact in this particular study.

Table 1 (a) Chi-Square Results

Variables	Chi-square	P-value	Hypothesis
Age Pattern	2.012	0.001	Ho=Rejected
Gender	3.120	0.000	Ho=Rejected
Educational Background	1.254	0.000	Ho=Rejected
Job Title	2.114	0.056	Ho=Accepted
Work Experience	2.654	0.071	Ho=Accepted

Source: Field Survey.

2. Key Factors Influencing towards Employees Retention in Selected Pharmaceutical Sector

Table No.2 explains the various factors influencing towards employees retention in selected pharmaceutical companies. The factors have been identified for employee's retention strategies such as, Compensation/Benefits, Training/Development, Rewards/Recognition, Work Environment etc. The analysis of compensation and benefits shows a mixed landscape. While the clarity of the company's compensation policy is highly rated (4.53), indicating employees understand the guidelines, the perceived impact of compensation on job acceptance and retention is notably low (2.53). This suggests that employees may prioritize other factors over compensation when deciding to stay or join the company. The alignment of the current compensation package with employee expectations is strong (4.45), yet concerns about transparency and fairness linger, reflected in a moderate score of 3.74 respectively. In the realm of training and development, employees report a generally positive experience. The highest score (4.63) indicates that current training programs significantly enhance skills and encourage innovation. However, while employees find training motivating (3.66) and beneficial for building confidence (3.95), the sufficiency of training programs for effective job performance is rated lower (3.53), suggesting room for improvement in this area. Further rewards and recognition system is perceived positively, particularly in its inclusion of both financial and non-financial incentives (4.74). However, the effectiveness of these rewards in motivating employees (3.66) and acknowledging individual performance (3.53) is less compelling, indicating a need for enhanced recognition strategies. Notably, the sense of belonging fostered through recognition is rated fairly high (3.90), highlighting its importance in employee engagement. Lastly this study focused on work environment is highly regarded, with a score of 4.79 for its comfort and equipping of workspaces. This contributes positively to a sense of belonging, though the score for that aspect is lower (3.63). The working conditions are seen as motivating (4.53), and open communication is strongly encouraged (4.63), reflecting a supportive organizational culture. However, guidance from superiors is rated lower (3.57), indicating potential gaps in management support that could affect decision-making, these are the major factors positively influencing towards retain the employees in selected pharmaceutical companies.

**Table 2 Key Factors Influencing towards Employees Retention in
Selected Pharmaceutical Sector**

Statements	Mean	Std. Deviation
Compensation and Benefits		
a) The compensation policies of a company have a significant impact on my decision to accept a job offer or continue working there.	2.53	1.100
b) The company's current compensation package aligns with my expectations.	4.45	1.467
c) The company has clearly outlined their compensation policy, leaving no room for doubt.	4.53	1.471
d) The company's compensation policy is transparent, fair, and free from bias.	3.74	1.341
Training and Development		
a) The company offers sufficient training programs to perform my job effectively.	3.53	1.321
b) The training programs motivate me to work more efficiently.	3.66	1.274
c) Current training programs improve my skills and foster innovation.	4.63	1.482
d) Training and development programs increase my confidence and problem-solving abilities.	3.95	1.224
Rewards and Recognition		
a) Our rewards system includes both financial and non-financial incentives.	4.74	1.441
b) Rewards and recognition consistently motivate employees to excel.	3.66	1.274
c) The company acknowledges individual performance and rewards outstanding achievements.	3.53	1.223
d) Recognizing work performance strengthens employees' sense of belonging to the company.	3.90	1.304
Work Environment		
a) The company offers a well-equipped and comfortable work environment.	4.79	1.406
b) The workplace feels like a second home, fostering a sense of belonging.	3.63	1.483
c) The working conditions are motivating and conducive to effective performance.	4.53	1.444
d) Superiors guide and support me in making informed decisions.	3.57	1.396
e) The company encourages open communication and strong relationships between employees and management.	4.63	1.482

Sources: Researcher Data.

Table No.2 (b) presents the results of the One-Way ANOVA F-Test conducted to test for significant differences between various factors influencing employee retention in selected pharmaceutical companies. The purpose of this analysis was to determine whether the factors in question (such as work environment, compensation, career development opportunities, etc.) significantly affect employees' intention to stay with the organization. Since the p-value is less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted. This confirms that the factors influencing employee retention do have a significant impact, meaning that certain organizational attributes (like compensation, leadership, etc.) play a crucial role in employees' decisions to stay with the company.

Table 2 (a) Results of One Way ANOVA F-Test

Variables		Sum of Squares	Mean Square	F	Sig.
Compenstation / Benefits	Between Groups	.049	.049	.021	0.000 H0 = Rejected
	Within Groups	706.056	2.323		
	Total	706.105			
Training/ Development	Between Groups	.075	.075	.039	0.000 H0 = Rejected
	Within Groups	588.373	1.935		
	Total	588.448			
Rewards/ Recognition	Between Groups	3.233	3.233	1.711	0.001 H0 = Rejected
	Within Groups	196.503	1.889		
	Total	199.736			
Work Environment	Between Groups	7.628	7.628	3.929	0.000 H0 = Rejected
	Within Groups	201.929	1.942		
	Total	209.557			

Note: Significant Level at 5%

Recommendations

1. Employees want to feel that their skills and contributions are fairly rewarded. Compensation should not only meet their financial needs but also reflect their value to the organization.
2. Employees are more likely to stay with an organization that recognizes and rewards their individual efforts. Bonuses and incentives act as direct recognition of an employee's contribution, motivating them to stay and continue performing at a high level.
3. E-cards with points help increase employee engagement by creating a fun, interactive way for employees to be acknowledged. It can become part of the workplace culture, where employees look forward to receiving recognition and the rewards associated with it etc.
4. Employer should appreciate and acknowledge employees in order to retain and build loyalty among the employees.
5. Employees who are satisfied with their roles and feel respected are more likely to stay with the company long term. If an employee feels that their efforts are consistently acknowledged, they are less likely to seek employment etc.

Conclusion

The employees express satisfaction with various aspects of their organizations, several areas require improvement. Key recommendations include enhancing the perceived fairness of compensation, expanding training programs, increasing recognition efforts, and ensuring robust management support. Addressing these factors is essential for fostering a more engaged and committed workforce, which will not only improve retention rates but also boost overall employee satisfaction. Moreover, the study emphasizes that monetary rewards play a significant role in improving employee engagement, ultimately contributing to long-term retention. By investing in these areas, pharmaceutical companies can enhance their organizational performance economically, creating a more stable and productive workforce. The findings underscore the importance of proactive measures to strengthen employee retention strategies, ensuring that the organizations can thrive in a competitive market and employee retention is crucially dependent on the human resource management team in selected pharmaceutical companies.

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