

CAREER MANAGEMENT PRACTICES OF THE PHARMACEUTICAL COMPANIES IN ROMANIA

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The current economic and social context, at both European and Romanian level, requires a reconsideration of the importance of specific human resource management of career at organizational level. Any organization interested in to develop and maintain itself on a global market, increasingly strong competitive, attaches a strategic importance of human resource management in general and of career management in particular. People are becoming more frequently regarded as an essential factor for obtaining and maintaining competitive advantage, therefore, the processes of recruitment, training, development and maintain its employees are given a great importance.

Key words: career path, Human Resources Management, practices, politics.

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1. Career management in Romania

Career management practices have taken on great importance at the level of organizations in the European Union and Romania. Entry on the Romanian market of the multinational companies, with consistent systems of human resources management, and the economic and social transformation process that Romania is involved in, led gradually to an awareness of the importance of sound management of human resources. More and more, necessary expenses of the design and implementation of an efficient management of human resources are seen as an investment; its results can be measured in terms of growth performance, improve organizational climate, increasing the stability of the staff and increase efficiency of work.

Employment in the pharmaceutical industry has been very dynamic in recent years because of the increasingly large and active business development. Pharmaceutical companies operating in the city have proved to be the most active employers in the past two years, they recruiting particularly specialists in sales and in new areas arising from the introduction of new standards of GMP (Good Manufacturing Practice) requirements in the European Union. Between 2006 and 2008 the companies focused on sales force development (increased number of *medical representatives - entry level*), diversification of the salary package (especially related to the performance) and the intensification of training and building capacity training.

A specific element of the human resource which is active in companies of pharmaceutical industry is the theoretical training, the industry requiring highly qualified workforce (physicians and pharmacists). For the jobs in sales, the pharmaceutical companies recruiting graduates of other specializations too, if they have communication skills and willingness to learn. Specialist crisis that manifested itself in recent years in the labor market in Romania (and Europe) has led to companies targeting the employees of area "entry level" with offers of posts, which on the European market, is addressed to people with a wider experience. Young people¹² are also attracted from pharmaceutical companies' bids, mostly multinationals, because of: the salary package, their training, the clear procedures for management of human resources, development plans, European career perspective, the social recognition from membership in a known organization.

12 Magazine "Biz - review of new trends in business, No. 132/2006, p. 14 – 30.

2. Management practices on human resources

Managerial practices of the multinational pharmaceutical companies operating in Romania are deeply influenced by the origin country and the host country. Some companies place their own values of organizational culture and management practices in the countries where are active. The legislative framework, the cultural and institutional frame of the European countries influence the human resources strategies and policies of these companies. The company Pfizer¹³ is a multinational company operating in the U.S.A, Europe and in Romania, where self-distribution of medicines. On the Romanian market, this company has designed and implemented a coherent human resource management, with specific elements of its approach to the employees' career.

The recruitment process is systematized and included in the career management, the company aims to attract candidates willing to build a career, flexible and able to adapt to an organizational culture that emphasizes leadership and lifelong learning.

Career management requires a coherent set of activities of the department of human resources, as follows:

1. The recruitment:

- CVs of candidates shall be completed on-line through the feature "E-recruitment" in existing company's website.

- Selecting candidates who will participate in the interview is based on "role profile" analysis, that includes the specific requirements of the job: „hard profile” (knowledge, techniques or skills, education and experience) and „soft profile” (skills).

- The interview is done using the model „Competence based interview”, which involves an exploration of personal qualities and abilities of each candidate and a presentation of the salary package and career prospects from the „career ladder” (each step of career involves an additional package of financial and non - financial benefits – and the package of training and development related);

2. Integration into the company assumes formalities employment, familiarity with the working environment and team that will work. Employee will have a trial period of 3 months, after which the assessment is what will lead to indefinite-term employment, or at dismissal. During this period the company provides a mandatory training for 1 - 3 weeks.

3. The policy of benefits and compensation:

- Financial benefits: basic salary and bonuses based on achieving (achieving 120% of the target requires a premium equal to 1 monthly salary, up to 6 salaries performance based), special holiday gift, bonus for marriage (500 euro), bonus for the birth of a child (250 euro), prize for exceptional performance (equivalent to a monthly salary), electrical and electronic products; weekends in the country or abroad.

- Non-financial benefits¹⁴: mobile phone and company car, which after 5 years of activity remains in possession of the employee, medical insurance for travel outside the country for employee and his family (since 2005), life insurance, free medical services through a contract with a private polyclinic;

4. The training and career development system:

The company invests 2500 euro / year / employee on training program that combines internal and external preparation programs, including internships training of MBA-type for senior managers (together with famous universities). The annual training is individualized depending on job requirements, the stage of career and the development' needs of the individual. Two times a year there are meetings to achieve a full knowledge of the company's strategy (10 days) and training (10 days).

It was designed and implemented the "Career Ladder" by which employees are provide training required to make career. There are 4 stages of career development for each department (Sales,

¹³ www.pfizer.ro

¹⁴ Top 50 – Best companies to work for, Capital Weekly, 2005, 2006, 2007.

Marketing and Medical), for each ensuring appropriate training programs to new responsibilities and specific salary packages.

The company encourages both horizontally and vertically promotion by internal transfers. The promotion is carried out annually and it's based on the assessment of individual performance and the level of skills' development and it's strong focused on performance and not on seniority.

In conclusion, Pfizer can be appreciated as a company that presents professional challenges, where the management is competent and efficient and it's investing in professional development programs for employees.

The company **Hoffman La Roche** is one of the major companies of the industry, globally, that are becoming one of the most important in Central and Eastern Europe, Romania default. It is appreciated for a professional environment in which it can promote fast and for conducting various activities and on long term. This company is conducting advanced programs aimed at developing employees, consisting of:

- courses for the development of sales and marketing' skills;
- personal development courses: communication, presentation, negotiation;
- trainings abroad for young employees with development potential.

Package includes salary, in addition to salary, the following: telephone service, car, computer, ticket table; subsidy for medical services, financial support in special circumstances, leave for special events, prizes awarded based on individual performance.

The company develops a promote policy based on internal advancement and on each rung of the career are carried out programs aimed at training and professional development.

The career path may be this way in the company (See Fig.1):

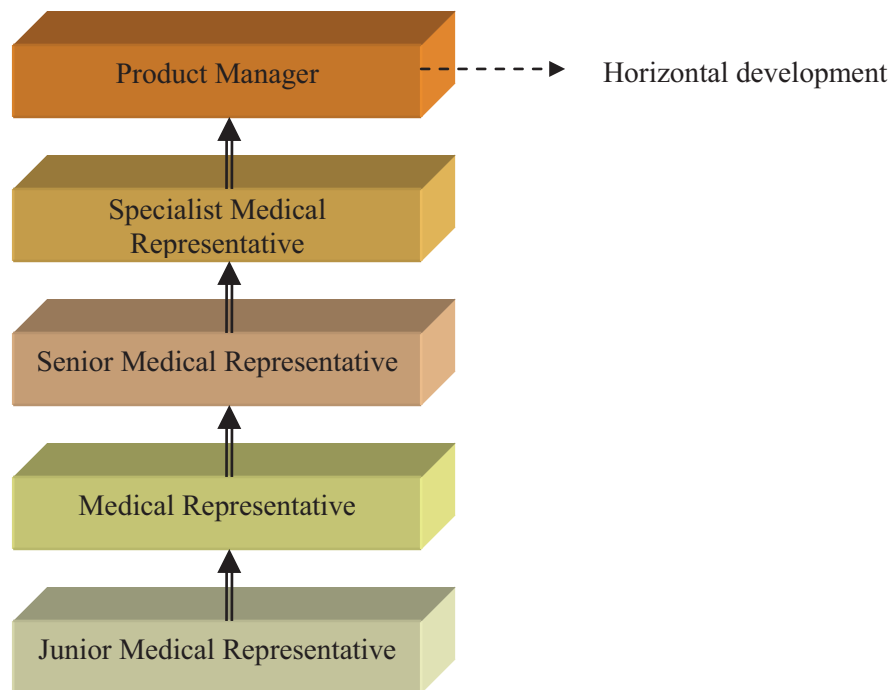


Fig. 1: The career path in Hoffman la Roche Company

KRKA¹⁵ Pharmaceutical Company is one of the most active on the Romanian pharmaceutical market, but also in Europe, on the generic drugs segment.

The ambition to gain more knowledge is a constant of all employees and company Krka contribute to this through education programs and special education programs, encouraging teamwork and creating good interpersonal relationships.

Human resources policy puts emphasis on personal development of employees and the accumulation of knowledge and it is applying a systematic plan for recruitment of new forces.

Thus, the company invests in developing skills and knowledge through programs that are conducted in its own training center. The courses aimed at developing managerial skills, language learning, providing information on technological progress and quality (for production personnel).

On average, each employee participates in four different forms of training which aggregates 30 hours, time allocated as follows:

- 92% for internal seminars;
- 6% for abroad seminars (Slovenia);
- 2% in other locations.

An essential element in career management is the formal and informal assessment (discussion between managers and employees) used to identify the objectives of employment, responsibilities and expectations of employees, related to professional and personal development. In order to ensure an effective communication with employees there is the site of the company KRKA-net, accessible to all employees, where they can learn about company news, vacancies etc.

The management of career began with *the recruitment and the selection* that takes place in the company's assessment center, using both internal staff and consultants. Since this stage, the new employees are familiar with job requirements and main responsibilities.

After recruitment, people employed in sales as medical representatives enter in *the first training program* that includes: the company presentation and its business code, its product portfolio presentation, the presentation of job descriptions (duties, responsibilities, targets). New employees will enter in a training course of 1 week that will train them on promoting drugs in pharmacies and doctors, there will be simulations of situations (as the stages of a doctors' visit) and "role-play". Probationary period lasts 3 months, range in which work is evaluated on the ground by the company's trainer, district manager or product manager), give a test for assessment of knowledge about products and to prepare a summary of the visits to the doctors. At the end of the period it is made an assessment of sales objectives, of the results and it is decided on the employment contract with unlimited period / waiver. Programs that company undertakes to develop professional skills of the sales force include taking advanced courses of sales that aimed at the developing of communication' skills and building training of management capacity (strategy, time management, marketing). The promotion policy of the company is focusing on the promotion of the employees (See *Fig. 2*).

Salary package has the following composition:

- The basic salary (for the medical representatives varies between 1000 - 2000 USD).
- Bonus sites to overcome objectives, as follows: 110% - 10% bonus, 130% - 30% bonus, 150% - 1 salary in addition.
- Meal vouchers, car service, telephone, computer.
- Expenditure account (from 1500 USD): petrol, accommodation, protocol, stationery and office supplies, the company paid holidays (for management-level and higher).

15 www.krka.si/2006/AR_2006_Sustainability_Report.pdf

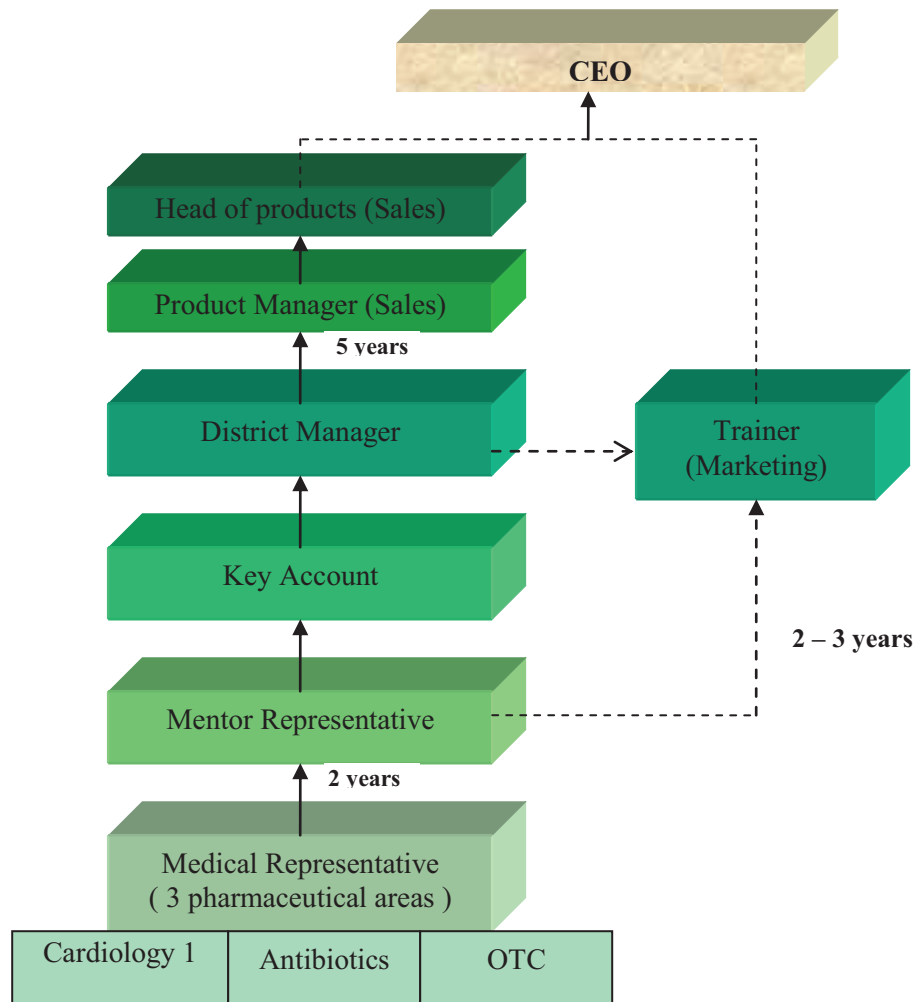
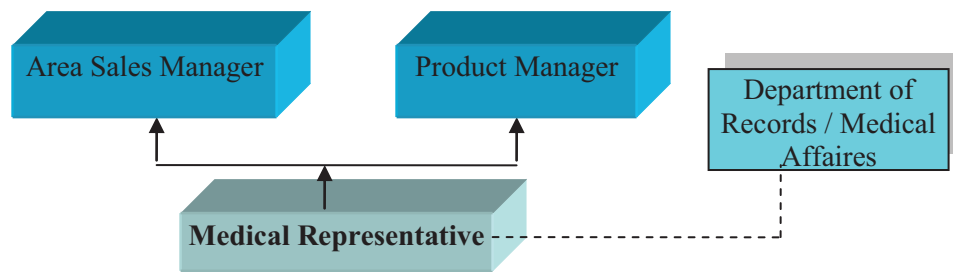


Fig. 2: The career path in KRKA Company

Terapia Ranbaxy¹⁶, the largest producer of generic drugs in Romania, has a self-specific career management to ensure the recruitment and professional development of the employees, related to business needs. The policy includes succession promote plans, the career plan and retention and staff development. Employees are promoted based on their performance and the requirements of the company. Each department of the company are entry level positions requiring specific skills, from which can evolve depending on skills and development potential of each employee. To be a medical representative, the career path may have come the following:

¹⁶ Guide of Pharma-web.ro



The policy of benefits and compensation:

- *Financial benefits*: basic salary and monthly bonuses based on achieving specific objectives, meal vouchers; prizes at holidays; special prizes during the day of the company;
- *Non-Financial Benefits*: car and mobile phone service (for the sales team and top-level managers), leave for personal events (marriage, transfer). The company has set an annual budget of 500,000 euros for the conduct of training and development and the major activities include: specialized training for field sales (selling skills, negotiation, etc.); training to develop managerial skills; participation in specific technical conferences for the pharmaceutical industry production personnel.

3. Conclusions

Analyzing the career management practices in Romania, particularly those of pharmaceutical companies, we have identified several common elements:

- Streamlining the recruitment and selection process in purposes of employment persons (especially in sales) other than those who are specialized studies of medicine and pharmacy, a situation which was due to shortage of skilled labor in the field.
- In most cases, the entry into the pharmaceutical companies is in the sales department, the post of medical representative. The advancement depends on organizational policy, but frequently is a result of attaining the forecasted sales objectives.
- Time required for advancement to another position is different within the companies (in terms of organizational policy, financial strength, level of development etc.). But the pace of advancement is more accelerated than in European countries with the economy strengthened, so for Pfizer it moves in 3 years on medical representative position and in 5 years can reach a managerial position, in KRKA after 2 years etc.
- Career counseling is usually done by the boss or line manager (presents the disadvantage of time consumption of the manager and / or lack of adequate preparation) and less often by specialists from the department of human resources or mentors. Some companies include this activity in the methodology for assessing performance or it's externalized.
- Pharmaceutical companies on the Romanian market are investing in developing skills and professional knowledge of the workers, taking training courses and training a prerequisite to obtaining a competitive workforce.
- Professional development programs aimed at all employees of the company, although most companies are still paid close attention to employees with high potential for development (specialists in various fields and middle / top managers).
- Salary packages have been updated regarding the financial and non-financial aspects to achieve a correlation with their position in the organization, with the needs and aspirations of individual and business opportunities.
- Bonus sites are also differentiated according to position within the company, the objective and the financial power of the company: Pfizer - target 100% yet one salary; KRKA - 150% target yet one salary, GlaxoSmithKline - 120% target yet one salary.
- Conduct activities regarding the loyalty and retention of staff considering that is more cost-effective the investment in training, employee training and development than their replacement

- Prevalence of conception and implementation of the succession plans with very important role in ensuring an adequate substitute for items that affect business management generally.

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