Employee Turnover Due to Job Stress: National versus Multinational Pharmaceutical Companies in Pakistan

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ABSTRACT

Consistent performance and good quality of work are very much necessary for businesses. Here are many more factors to losing an employer’s performance in the market. Worker departure is more excessive in the business sector nowadays, which is a very poor and challenging issue in organizations, especially in Pakistan’s pharmaceutical sector. Upper-level supervisors and researchers concentrate on the effect of employee departure. The actual reason for this work is to locate the various reasons and address these problems in both national and MNC pharmaceutical companies in Pakistan. The study will focus on the reputation of these sectors on behalf of employees and how to control employees quitting services from the company, find out the reasons, work on them, control employee attrition, and retain the salesforce. There are a lot of differences between national and multinational pharmaceutical companies in terms of hiring, training, and retaining; employee motivation plays an important role in employees staying long-term in the company. The human resources department measures everything, conducts interviews, and so on. For good hiring people nowadays, employees leaving the organization is a critical issue for the employer. They can hire them when only one employee leaves the company, especially in the pharmaceutical sector. The company loses their sales in a specific territory in terms of volume and units, but this is the only industry in Pakistan where there can be huge and high turnover in the sales and marketing profession as compared to all other industries, even more and more yearly new pharmaceutical companies are coming up in the market where a for employee have extra another opportunities are available, but still in this medical profession of sales and marketing the turnover rate is seeing high. Employees leave for various reasons. The First thing is undue Sales Pressure by the company. Secondary things happen, including extra difficult tasks given by the supervisor/manager, ambiguous unchallenging tasks, the poor concentration of the manager, inadequate support, lack of appreciation, and no career growth in the company, perceived that employee received pay equity as compared to other employees and also the advantage of achieving more favorable jobs in different companies Exit policies are important for the employees of multinational companies but not for the employee of national companies Sales targets should also be realistic and flexible following the market conditions including the competitors in order to manage the trust, Firstly the management has to improve its HR style for the leaving employee, from no worries to consultative and caring or laissez-fair where individual grievances are considered noteworthy.

Keywords: Employee turnover, job stress, Pakistani pharma industry, pharmaceutical companies.

I. INTRODUCTION

Employee departure has become a big problem for employers. Employers should take a strategic approach, focus on preventing these threads, and start growing businesses in the new modern era. Frequent leaving a company shows that the worker’s departure from the organization, businesses should tactfully manage the employees and make new policies for maintaining and retaining the employee (Holtom et al., 2008; Steel & Lounsbury, 2009). Organizations want profitability as much as possible, and their staff and sales management team face pressure to justify increasing sales and brand value in the market. They try to reduce sales force costs and become more accessible and higher value (Skiba et al., 2016). Pharmaceutical companies are being challenged to hire and retain educated and qualified staff (O’Neill & Gaither, 2007). It is more critical that organizations manage more and more turnover, and finally, they have closed their businesses due to that kind of problem. If the turnover is voluntary, the employee leaves the company alone and will try to find the reasons. Then, the organization should improve its functions and co-relate the reasons for employee departure (Anvari et al., 2014). After all, worker turnover is a huge
problem for organizations (Skiba et al., 2016). Small pharmaceutical companies like national pharmaceuticals in Karachi frequently job thread employees, and these statements are against less-performing sales representatives in their quarterly or monthly performance meetings. This is a rapidly and increasingly common problem which is intensified in the form of fatal accidents in cars or bikes due to hypertension about their job, including suicides if a medical representative frequently remains to produce to failure to meet sales targets, resulting in a serious job threat to their well-being in the organization (Adil & Baig, 2018). Nevertheless, this situation is bad overall in Pakistan.

Recent research shows that a substantial proportion of the upper management of the sales force should take daily time to deal with specific issues and matters and solve them on time (Micevski et al., 2017). There are many differences between Pakistani multinationals and Indian multinationals. Indian multinationals are entering the market with the latest technologies and extra firms of highly qualified people (Thite et al., 2016). However, if an employee leaves the company, it could be a mixture of internal and external factors, controllable and uncontrollable, that is, by default, push the employee to decide to resign from the company (Liu, 2014). Employers generally lose valuable employees and talent by departing employees. There is another way to shrink the sales force. When medical representatives leave the company, they take much-needed skills and qualifications developed during their job tenure (Taher, 2013). Employee turnover is the most common mechanism. These situations are very poor in industries nowadays, especially in South Asia’s territory, including Pakistan, India, Nepal, Bhutan, and Myanmar (Poole, 2008). Sometimes, salesforce turnover may be desirable, but a very high employee departure rate is a poor reputation for the organization (Darmon, 2004). Compensating employees and its high salesforce turnover is too losing employees for the company to stay competitive (Anvari et al., 2014). Also, the human resources professional’s approach is to hold the employee in their current company and order them to stay in the current place after the employee’s grievance (Paré et al., 2000). After an employee’s departure, conducting interviews with new employees includes increased recruitment, selection, training policies and procedures, and its costs will increase and reduce the morale of the higher management (Reiche, 2008). Other firms in international labor markets have cached and attracted some new retention strategies, but now they are being considered. No new blood exists, especially in marketing sites (Qin, 2014). The huge number of employees in fast-term care settings are considered low-wage by the Department of Labor (Matthews et al., 2018).

Relationships between employee and higher authorities and their practices and measures about their precautionary help maintain and retain them for the organization’s growth has been reported (Durst et al., 2018). Nowadays, especially in the pharmaceutical sector, employee departure from the company is poised to be an even more challenging issue for marketing sites, especially HR executives (Lee et al., 2018). Some possible outcomes of employee turnover are attrition, absenteeism, low productivity, and low employee morale toward their job and the company (Li et al., 2017). A high employee turnover rate increases the organization’s yearly cost and the recruitment of new candidates’ salary costs (Yang et al., 2012) of approximately three months of joining, especially in the sales force sector. After all, service sector organizations, including pharmaceutical banks, and their management are the philosophical positions the manager is right in (Han et al., 2016). However, the researchers can see the conflict between the immediate supervisor and the subordinate. Although several reasons were explained for people quitting their jobs, the reason is that long hours and working on weekends and holidays may be related to the environment (Bufquin et al., 2017). However, employee growth too fast in the company or prematurely might lead to negative performance effects and not distribute work accordingly (Gjerlov-Juel & Guenther, 2019). These factors investigate employees’ decision to leave the job: their “perceived ease of movement,” which leads to the assessment of perceived alternatives or opportunities that mean a new job (Long et al., 2014), but the only department working in good condition and a strategic way human resource management works they are very effective for employee turnover reducing in the organization (Ozolina-Ozola, 2014). Multinational companies invent new medicines globally aggressively on a research basis to eradicate well-known diseases. (Hussin Jose Hejase et al., 2016). Employees also face psychological stress regarding their sales issues. The results of the correlation show that both physiological and psychological stress had a significant inverse relationship with organizational commitment due to job tenure of employees that things are so much matter for departure employee also for job stress regarding their workplace and all kind of issues done by the organization (Nazim & Shahid). Organizations should make worker retention policies so that every person wants stays in the company for a long period. In organizational sales force research, many studies are showing that to seek the reason for turnover, and after concluding this kind of problem, especially the great impact of salesforce people.

There is a big challenge for the company in reducing these things. Nowadays, for employers, that kind of retention task is much more difficult to stay and hold their assets. The organization loses employees because of turnover, which means they lose their competent employees, knowledge, capital, skilled workers, and many more experienced workers. When an employer looks for another employee for hire, the organization should pay a certain amount, but for a few months, they also lose their productivity.

A. Problem Statement

Employee attrition is a major cause of concern for companies irrespective of their status in terms of national and multinational. This is because there are financial and non-financial costs involved in employee turnover. The financial cost is incurred because companies spend millions in recruitment cycles to create a talent pool for their organizations, which is lost when they leave un-timely. The non-financial cost is caused by the low morale or dissatisfaction of the existing employees who watch their colleagues leave because of some job-related issue.

This is why we need to study the difference between attrition rates and their causes between national and multinational pharmaceutical companies so that best
practices for employee retention can be figured out and applied to companies with high turnover.

B. Conceptual Framework

![Diagram of conceptual framework (Undue targets, Job stress, Turnover)]

Fig. 1. The conceptual framework.

C. Research Gap

The pharmaceutical industry is highly competitive, where the turnover is relatively high. However, because of the difference in organizational culture, there are marked differences in employee turnover in national versus MNCs that have not been investigated in the pharmaceutical sector. This study intends to fill such a gap in the existing body of literature.

D. Objectives

- To evaluate the causes of employee turnover in National versus multinational pharmaceutical companies.
- To identify whether national or MNCs have high attrition rates.
- To suggest strategies for improving employee retention.

II. RESEARCH METHODOLOGY

This study shows the research objectives, plans, and methodology and how these things are carried out. This chapter also tells us how to design and use methods. The first part discusses sampling procedures, research design, questionnaire, analysis, and results.

Conducting a questionnaire survey is very effective for the sake of exploratory research. Normally, the questionnaire has a profile section of employees currently working, age, and monthly income. After a little short information and the current status of respondents, and then the company’s profile and number of employee semiannually turnover in this current company, the questionnaire is designed to see these scenarios and what employee perception about the company in the questionnaire. Some questions were adopted by the international research article (Liu, 2014).

A. Research Population

The total population of employees working in selected national pharmaceutical companies is 98, whereas 73 are working in MNCs.

B. Sampling Technique

Simple random sampling.

C. Sample Size

170 questionnaires were distributed for the data collection. 147 filled responses were received, 18 were partially or incorrectly filled. So, the total number of usable questionnaires was 129, 75 and 54 questionnaires were received from national and multinational companies, respectively.

III. KEY FINDINGS

This study explored the most prominent causes of employee turnover and differences between national and multinational pharmaceutical companies. Based on quantitative inquiry, the main factors that resulted in employee turnover in the case of national and multinational pharmaceutical companies operating in Hyderabad city included general HR policies, compensation plans, policies related to retaining a leaving employee, the role of immediate boss, and unrealistic ever-growing targets. The study also found a considerable difference between national and multinational companies regarding HR policies, especially exit policies. Moreover, the factors that increase or decrease employee turnover include other companies’ competitive and lucrative offers. Another important research finding is the difference in the stress level and nature of job stress between national and multinational companies.

IV. DISCUSSION

When regression was run with different data sets, categorized according to firms’ origins, i.e., national and multinational, the coefficient of variables behaved differently. Effect working conditions and environment and general HR policies do not significantly affect employee turnover in either type of firm. Results show that the coefficient of training and skill development is sufficient but insignificant in national but significant in multinational, which infers that employees of multinational companies consider training an essential part of the job. In contrast, their counterparts in national companies do not agree with them. Regression results suggest that a monthly compensation plan is one of the most important reasons for employee turnover in both companies. There is a negative relationship between MCP and employee turnover, i.e., the more lucrative and competitive the plan, the lesser the turnover, and vice versa. Exit policies are important for multinational companies’ employees but not for national companies’ employees. The supervisor’s role is to reduce employee turnover; the more accommodating the behavior of the supervisor, the less the turnover. This phenomenon is the same in both types of firms. Our main variable of interest is job stress due to undue and unrealistic sales targets, which affects both types of firms differently. Results of regression with a dataset of national companies show job stress due to unrealistic targets is a huge and significant reason for high employee turnover. Statistical tests reveal that the coefficient of stress in multinational companies is too small and insignificant.

V. RECOMMENDATIONS

Management of national compliances should realize that employees are their assets, and in order to retain them, they should change the HR policies. Sales targets should also be realistic and flexible following the market conditions, including the competitors. In order to manage the trust, Firstly, the management has to improve its HR style for the leaving employee, from no worries to consultative and caring or laissez-faire, where individual grievances are considered noteworthy. Secondly, there should be a transparent,
efficient, and quick retain handling system to manage quitting employees instead of letting them go.

VI. LIMITATIONS OF THE STUDY AND AREA OF FUTURE RESEARCH

The study explores the causes of turnover in pharmaceutical companies and discusses which factors contribute the most to turnover and the difference between national and multinational companies. However, it does not deal with how HR policies can be systematically improved in national pharmaceutical companies, which is a limitation of the study. Then, the target sample does not consist of upper-level management and their opinion about employee turnover, further the magnitude of loss due to employee turnover. Finally, this study takes pharmaceutical firms working in Hyderabad, which compromises the generalizability of the study. However, taking only one industry benefits because the findings will be contextually bound and relevant. Therefore, similar studies can be conducted by considering conflict employee turnover, in which other industries can be explored with a varied target population and covering many institutions.

VII. CONCLUSION

There are many differences between national and multinational pharmaceuticals in Pakistan regarding employee hiring, maintenance, and retention programs, such as motivational training programs, employee health, and job study programs. Some multinationals are allowing to study business management during their job and pay a total fee for their employee, but all national companies are not done; national companies should make better strategies for their employee with the help of HR functions to retain their employee some different things are clear after this research multinationals are not suffering from employee turnover as compare to nationals. Nationals should pick the best HR policies to grow their businesses.

REFERENCES


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