

An Empirical Analysis Of Job Satisfaction And Employee Turnover In Pharmaceutical Industries In Jadcherla, Mahabunagar Dist.

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Abstract

The purpose of this study is to investigate the relationship between employee turnover, job satisfaction, perceived supervisory support and compensation by considering the organizational commitment as mediating variable in Pharmaceutical Industry in Jadcherla, Mahabunagar Dist. For this purpose, primary data collection method was used. A total of four hundred and thirty (430) questionnaires were sent to employees of six pharmaceutical companies. Out of the total, three hundred and sixty (360) usable questionnaires were included for data analysis. The objective of this study is to investigate the factors such as Pay, Promotion, Job Safety and Security, Nature of the Work that effect the job satisfaction level and that are the cause of turnover of employee's in Pharmaceutical Industry. The results signify that positive and significance relationship exists between compensation, Supervisory Support, and organizational commitment. The results further conclude that organizational commitment has strong and positive relationship with employee job satisfaction and employee turnover.

Key words: Compensation, supervisory support, organizational commitment, job satisfaction, employee turnover, Pharmaceutical Industry.

INTRODUCTION

In the organization the Human Resources are the life blood of life. It is difficult for the organization to compete in the current era of competition without the loyal and competent Human Resource. The loyal employees are the most productive and a source for the development of the organization and vice versa. It becomes challenge for the Human Resource Managers to retain the employees for long period and to minimize the turnover in the organization. The turnover is the most focused area by the scholars, academicians, researchers and the human resource managers the employee retention is considered the input for improving the financial performance of the organization (Raikes & Vernier 2004).

In this era of Globalization, Job Satisfaction is the basic need of the employees. Employee productivity is also directly proportionate to the job satisfaction. Recent studies have shown a direct correlation between staff satisfaction and productivity. Organization that can create conducive work environment can attract and retain hardworking individuals. What more, employers may even discover that by creating a positive work place for their employees, they have increased their own job satisfaction as well.

Satisfied and happy staff in the workforce is required for organizations to achieve their goals. For attainment of its strategic goals, it is imperative for any business firm to attract, retain and

maintain competent and satisfied staff into its employment. This is true for almost all sectors whether manufacturing or service.

OBJECTIVES OF THE STUDY

1. To study the conceptual framework of Job satisfaction.
2. To study the implications of Employee Turnover.
3. To study the factors influencing Job satisfaction and employee turnover. To identify the relationship between job satisfaction and Employee Turnover.
4. To examine the relationship between Job satisfaction and employee turnover.

METHODOLOGY

Sample and data the data was collected from the pharmaceutical industries in Jadcherla, Mahabubnagar Dist, through survey questionnaire. The survey was used to analyze the job satisfaction and employee turnover in this particular industry. Total four hundred and thirty (430) questionnaires were personally administered to frontline employees of five pharmaceutical companies. Out of total, three hundred and sixty (360) usable questionnaires were included for data analyses. The survey utilized the non-probability sampling method of frontline employees of organizations.

STATEMENT OF THE PROBLEM

Rapidly increasing attrition rates in Indian pharmaceutical industry have troubled the organizations in this sector and many researchers are working upon finding solutions for this problem. Various studies have been conducted in the past few years on job satisfaction and retention management in pharmaceutical industry. Some of them have focused upon creating awareness for high attrition rates in Indian pharmaceutical sector and few of them have suggested certain strategies to overcome this problem.

(Pharmaceuticals Companies are selected for the research because they are currently undergoing continued expansion. In order to gain competitive advantage and adapt to the dramatically changing environment, it is important for them to achieve management efficiency by increasing employee satisfaction in the organization.)

SIGNIFICANCE OF THE STUDY

In both developed and most developing countries, there have been several job satisfaction studies. However, very few of them have focused on the job satisfaction Employees working in the pharmaceutical sector in relation to employee turnover.

Understanding the factors affecting job satisfaction as well as employee turnover will be useful for the organization, in order to manage and maintain the potential employees within the organization.

NEED OF THE PROPOSED STUDY

A. Issues related to Job satisfaction of sales executives in pharmaceutical industry

- Human resource is the most crucial resource of the pharmacy industry.
- Repetitive low end jobs, psychological problems, few career growth opportunities are some typical problems.
- High demands from the organization as well as the customers result in stress and burnout.
- This may disturb the work and family life of an employee.

B. Issues related to high turnover of sales executives in pharmaceutical industry

- Industry –specific training
- Opportunities of career growth within the industry
- Appropriate working conditions to minimize attrition rates

REVIEW OF LITERATURE

Teeraprasert, Piriyakul and Khantanapha (2012) carried out a study in Thailand regarding job satisfaction influence on employee turnover. The study focuses on the determinants of job satisfaction which affects employee turnover. The researchers provided approximately 350 blue collar employees with a self-administered questionnaire.

The result shows that employees' intentions to leave their organization are highly affected by the lack of job satisfaction.

Ndlovu1 et al (2009) investigated the perceptions of Zimbabwean pharmacists of their overall job satisfaction and the factors associated with it by a survey of 120 licensed pharmacists working in community, and hospital pharmacies and industry in Zimbabwe. They found no significant difference in job satisfaction by gender and marital status.

Parvin & Kabir (2011) highlighted problems of level of job satisfaction among employees of pharmaceutical companies. This research investigated on the significance of factors such as working conditions, pay and promotion, job security, fairness, relationship with co-workers and supervisors in affecting the job satisfaction. It also investigated the impact of

work experience, age, and sex differences on the attitudes toward job satisfaction. The result showed that salary, efficiency in work, fringe supervision, and co-worker relation were the most important factors contributing to job satisfaction.

Impact of Rewards/pay on Job satisfaction and Employee Turnover

The scholars studied the public sector managers to find out the determinants of job satisfaction and it was concluded that the job satisfaction level of an employee is significantly affected by the compensation practices in the organization (Sokoya 2000). In the context of Literature Review we Hypothesis:

H1: Pay is positively correlated with the job satisfaction.

H2: Pay is negatively correlated with the employee turnover.

Impact of Promotion on Job satisfaction and Employee Turnover

An organization to retain its workforce for a long period of time has to make investment for the career advancement of Human Resource. (Hall & Moss, 1998; Hsu, Jiang, Klein & Tang, 2003; Steel et al., 2002; Woodruff e, 1999). The absence of promotion and training opportunities is the cause for the talented employees to quit the organization. Due to high ratio of turnover the career growth in such organization are decreased. (Shore & Griffeth 2003; Steel et al. 2002).

The organizations require the brilliant workforce to get the competitive advantage and employees want to grow and develop their career. (Prince 2005). In the light of previous research we hypothesis that:

H3: Promotion is positively correlated with the job satisfaction.

H4: Promotion is negatively correlated with the employee turnover

Impact of Working Conditions on Job satisfaction and Employee Turnover

Hytter (2008) explained that the work environment is considered in the context of industrial environment like clamor, lifts etc. the attributes of work environment are different in the service sector as compared to industrial sector as it deals with the clients (Normann 1986).

In the past studies it was found by the scholars that there are numerous factors are crucial in retaining the workforce. These are like work life balance, work environment and career opportunities (Cappelli 2000:104). The Literature Review thus supported the hypothesis as under: It supports the following hypothesis:

H5: the working conditions are positively correlated with the job satisfaction.

H6: the working conditions are negatively correlated with the employee turnover

INTRODUCTION

The Pharmaceutical sector plays a vital role in underpinning the economic development of a country. This study attempts to evaluate job satisfaction and turnover of sales executives in different pharmaceutical companies. The nature of business operation, the work culture and the level of job satisfaction have undergone sea change for the pharmaceutical companies. Pharmaceuticals Companies are selected for the research because they are currently undergoing continued expansion. In order to gain competitive advantage and adapt to the dramatic changing

environment, it is important for them to achieve management efficiency by increasing employee satisfaction in the organization. Another benefit of job satisfaction is reduced turnover. Previous researches have shown that satisfied employees are more likely to stay in the organization than those who are dissatisfied. So, by focusing on what contributes to job satisfaction, an organization can reduce turnover.

PHARMACEUTICAL SECTOR IN JADCHERLA MAHABUBNAGAR

The pharmaceutical sector in Jadcherla, part of Mahabubnagar district in Telangana, is a significant area with a growing presence of pharmaceutical companies. The Jadcherla Pharma SEZ, for example, is home to several major firms like Aurobindo Pharma, Shilpa Medicare, and Hetero Biopharma, among others. This location is known for its pharmaceutical drug manufacturing, contributing to the overall pharmaceutical industry in the region.

Key Aspects of the Pharmaceutical Sector in Jadcherla:

✓ **Pharmaceutical Drug Manufacturers:**

Jadcherla is home to several pharmaceutical drug manufacturers, including Shilpa Medicare, Greesha Laboratories, and Natco Pharma.

✓ **Major Companies:**

Prominent companies like Aurobindo Pharma, Shilpa Medicare, Hetero Biopharma, and Viatrix are located in the Jadcherla Pharma SEZ.

✓ **SEZ and Industrial Parks:**

The presence of the Jadcherla Pharma SEZ and other industrial parks facilitates pharmaceutical activities and provides employment opportunities.

✓ **Regional Significance:**

The pharmaceutical sector in Jadcherla contributes to the overall pharmaceutical industry in the Mahabubnagar district and the state of Telangana.

MEANING OF JOB SATISFACTION

Job satisfaction is a key element of general satisfaction which gives employees energy to perform and continue his job adequately. Job satisfaction regulates the peace of mind, foster relaxation that leads to more enthusiasm and more innovative work (Maher, 2004). It gives the clear picture of completeness and accomplishment emanating from his work, a feeling which has nothing to do with money but a feeling of relief that the employee gets out of the work itself.

Job satisfaction or employee satisfaction has been defined in many different ways. Some believe it is simply how contented an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision. Others believe it is not so simple and instead multidimensional [psychological](#) responses to one's

job are involved. Researchers have also noted that job satisfaction measures vary in the extent to which they measure feelings about the job (affective job satisfaction) or cognitions about the job (cognitive job satisfaction),

The complexities associated with job satisfaction can be attributed to the following:

- Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred.
- Job satisfaction is often determined by how well outcome meet or exceed expectations.
- Job satisfaction represents several related attitudes

THEORIES OF JOB SATISFACTION: Some of the common theories of job satisfaction are,

A. Affect Theory: [Edwin A. Locke's](#) Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job.

B. Dispositional Approach:

The dispositional approach suggests that individuals vary in their tendency to be satisfied with their jobs, in other words, job satisfaction is to some extent an individual trait.

C. Equity Theory

Equity Theory shows how a person views fairness in regard to social relationships such as with an employer. A person identifies the amount of input (things gained) from a relationship compared to the output (things given) to produce an input/output ratio.

D. Discrepancy Theory

The concept of discrepancy theory explains the ultimate source of anxiety and dejection. An individual, who has not fulfilled his responsibility feels the sense of anxiety and regret for not performing well, they will also feel dejection due to not being able to achieve their hopes and aspirations.

E. Two-Factor theory (Motivator-Hygiene theory)

[Frederick Herzberg's](#) two-factor theory (also known as motivator-hygiene theory) attempts to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by different factors – motivation and hygiene factors, respectively.

Motivating factors are those aspects of the job that make people want to perform, and provide people with satisfaction, for example achievement in work, recognition, promotion opportunities. These motivating factors are considered to be intrinsic to the job, or the work carried out.

Hygiene factors include aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

F. Job Characteristics Model

Hackman & Oldham proposed the job characteristics model, which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, and performance).

FACTORS INFLUENCING JOB SATISFACTION

Job Satisfaction is a complex and multi-faceted issue. It is influenced

Environmental Factors

- Communication overload and under load
- Superior-subordinate communication
- Strategic employee recognition

Individual Factors

- Emotion
- Genetics
- Personality
- Psychological Well-Being

Concept of Job Satisfaction



Figure1:Source: Internet

Components of Job Satisfaction

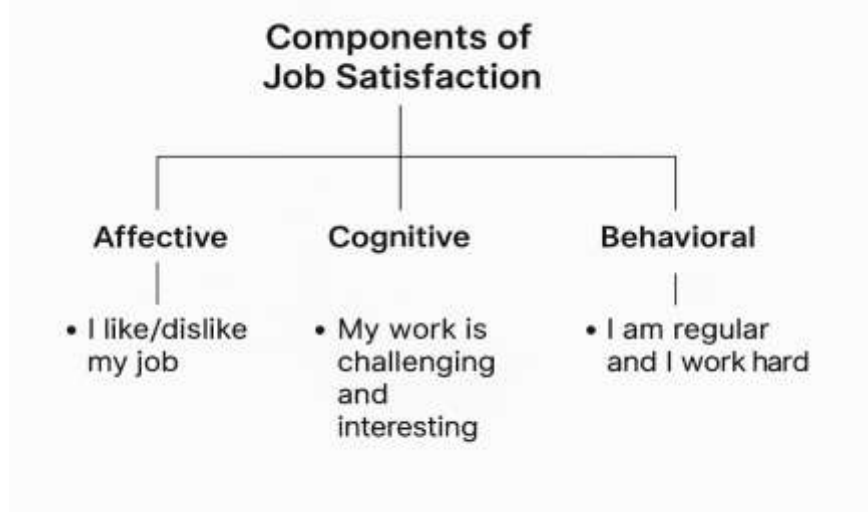


Figure2:Source: Internet

MEANING OF EMPLOYEE TURNOVER

In human resources context, turnover is the act of replacing an employee with a new employee. Partings between organizations and employees consist of retirements, deaths, interagency transfers, and resignations. An organization's turnover is measured as a percentage rate which is called, Turnover Rate. Turnover rate is the percentage of employees in a workforce that leave during a certain period of time. Organizations and industries as a whole measure their turnover rate during a fiscal year or calendar year. If an employer is said to have a high turnover relative to its competitors; it means that employees of that company have a shorter average tenure than those of other companies in the same industry. High turnover may be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers.

Turnover refers to the amount of movement of employees in and out of an organization, normally present in terms of the turnover rate. It indicates the discontinuance of membership in an organization by the person who received monetary compensation from the organization.

FACTORS AFFECTING EMPLOYEE TURNOVER

Generally, the factors affecting employee turnover are particularly considered in terms of “pull”, “push” and “outside” factors. Employees are “pulled” to resign by number of attractive alternatives outside the organization or they may be “pushed” due to the level of job dissatisfaction in the organization or simply resign due to “outside” factors which are not related to work or organization.

- A. PULL FACTORS:** Pull factors are the series of reasons that attract the employees to a new workplace. Employee leaves their current job in order to improve their life standards and also due to the new benefits package which they expect to receive. In addition, there

are broader notions of career development as well as the wish to move into new areas of work.

- B. PUSH FACTORS:** Employees are 'pushed' due to dissatisfaction in their current jobs to seek alternative employment. Employees start thinking about other choices. In some case employees will even leave without having a new job prepared. A wide range of problems can be mentioned to explain such resignations. Insufficient development opportunities, boredom, ineffective supervision, low levels of employee involvement and straightforward personality's conflicts are the most common accelerating factors for the employees to leave their job. A poor relationship with seniors is often a significant factor in employee turnover.
- C. OUTSIDE FACTORS:** Outside factors associate to the situation in which someone leaves the organization for reasons that are mainly not related to their work. In most common cases, people move away or resign when a spouse or family is relocated. Others factors include the wish to carry out a long-term ambition to travel, pressures associated with juggling the needs of work, family and illness.

To an extent this type of turnover is unavoidable, although it is possible to reduce it through the provision of career breaks, forms of flexible working and/or childcare facilities.

D. COST OF EMPLOYEE TURNOVER

Various researches confirmed that the total cost for replacing an employee is estimated to be 50 percent to 150 percent of annual salary of the position, with higher percentage for managerial staff. Both direct and indirect cost occurs with employee turnover. According to Wiliam H., Pinkovitz, Moskal & Gray, cost of turnover might include the following items:

- **Separation Costs:** include cost of exit interview's time, cost of terminating employee's time, cost of administrative functions related to termination, separation pay and increase in unemployment tax.
- **Vacancy Costs:** include cost of additional overtime, cost of additional temporary help and wages and benefits saved due to vacancy.
- **Replacement Costs:** include pre-employment administrative expenses, cost of attracting applicants, cost of entrance interviews, testing cost, staff costs, travel and moving expenses, post-employment information gathering and dissemination costs and cost of post-employment medical exams.
- **Training Costs:** include cost of informational literature, formal training costs and informal training costs.

Concept of Employee Turnover

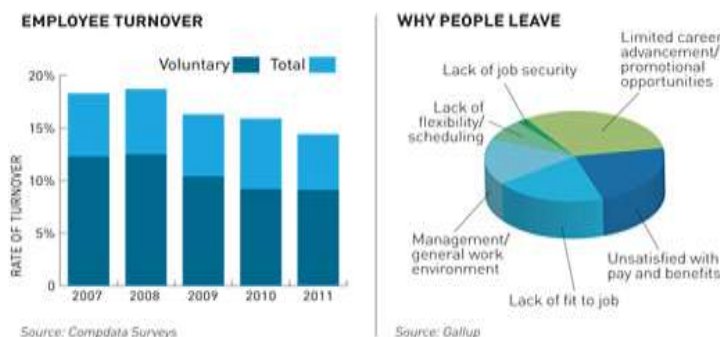


Figure3:Source: Internet

JOB SATISFACTION AND EMPLOYEE TURNOVER

The focus on dissatisfaction dominates the research field of voluntary turnover and the decision to leave is often associated with employees being unhappy with their current job and coming across another more attractive opportunity. Companies try to fight dissatisfaction in hope of reducing loss of valuable staff, as many studies would recommend (Lee & Mitchell, 1994; Bowen & Sihel, 1997; Lee & Mitchell, 2004).

Linkage between Job Satisfaction and Employee Turnover

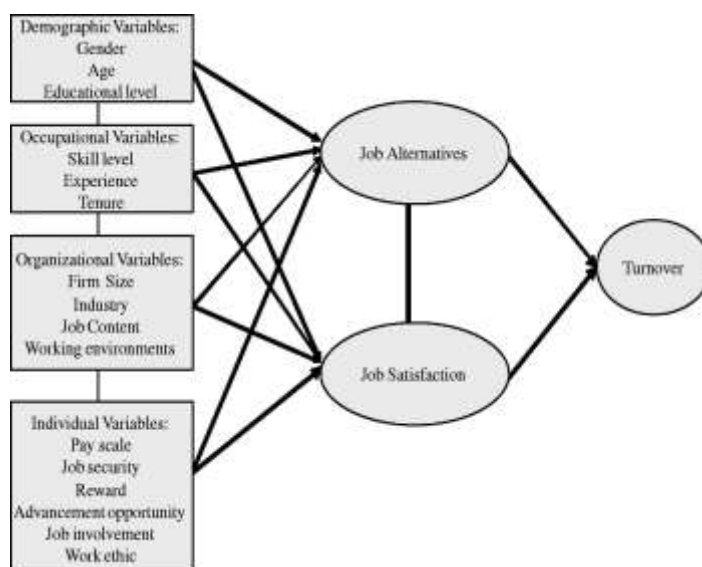


Figure4:Source: Internet

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study is to identify relationship between Job satisfaction and Employee Turnover among sales executives in selected private sector pharmaceutical companies in Jadcherla, Mahabubnagar Dist.

Pertaining to Job satisfaction

- For the variables pertaining to challenging job, information gathered will encourage the senior colleagues to create a challenging environment for their member and allow them to use of their own discretion.
- In the area of support from superiors and supervisors, sales executives tend to be more satisfied with their jobs when they perceive that their immediate superior closely directs and monitors their activities.
- Sales executives are generally more satisfied with their jobs when management and senior colleagues provide them with adequate assistance and support in the form of information, helping them to solve personal problems, sometimes doing personal favor for them, encouraging them to take initiatives in solving problems, willingness to listen to job related problems etc, to help them cope with the non-routine problems and unusual demands they encounter on the job.
- In the area of salary structure, most of the respondents mentioned it to be competitive. This will help to attract, motivate and retain work force. Thus, management must pay much attention to the general manner in which policies and practices pertaining to salary are developed, administered and controlled
- In the area of salary structure, most of the respondents mentioned it to be competitive. This will help to attract, motivate and retain work force. Thus, management must pay much attention to the general manner in which policies and practices pertaining to salary are developed, administered and controlled

Pertaining to Employee Turnover

The factors within the environment of an organization which constitute the turnover include HR policies, working conditions, and career progression, clarity in communication line and Management and Leadership Style. They were hypothesized and tested and the study found out that these factors exists within an organization and they can be said to reliably influence Employee Turnover.

- As if we see that information gathered on HR policies will be a pointer to the management that employees need to be informed about any new or revised policies especially the ones affecting their performances and that departmental policy should be framed in a way that will facilitate the achievement of its member's goals.
- For the working conditions, information gathered will enlighten the management about the importance of minimizing occupational stress and workplace harassment. Most of the employees perceived that the workplace was safe and secure.
- Most of the respondents felt that there is clear communication in their respective companies. If the lines of communication are clear, it means the rules and regulations they have to follow, the Company's goals and objectives as well as mission statement and the exact performance expected of the employee will be clearly outlined and communicated to all. This will enhance employee performance and improves their morale.
- Another component of Employee Turnover is the career progression opportunities. To obtain co-operation, commitment and loyalty of the employee, it was reliably gathered from the study that promotion criteria should be well defined. Also, opportunities to attend workshops, seminars/trainings, conferences etc. should be provided.
- The responses pertaining to Management and Leadership Style indicate to the fact that the respondents are more or less satisfied with the management and leadership style prevalent in their respective companies.

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