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THE UPSIDE OF JOB HOPPING AMONG MEDICAL REPRESENTATIVES IN INDIA

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ABSTRACT

The nature of pharmaceutical marketing is unique and dynamic. This demands highly skilled sales representatives which are popularly known as Medical representatives. Companies spent considerable amount on training of their representatives. Pharmaceutical market is very competitive and more than 20000 companies operating in Indian Market. In this highly competitive market retaining salespeople has become highly challenging for pharmaceutical industry. The purpose of this study was to identify underlying reasons for quitting jobs among medical representatives. With more than 55 lakh population, more than 4000 doctors and 6000 chemists, Pune is one of the important sales territories for pharma industry in India. Subjects were selected from the city and surveyed. The study concluded that not only inadequate compensation but its late reimbursement also cause medical representatives to quit job.

JEL CODE
M00

KEYWORDS

Attrition, Job Hopping, Medical Representatives, Pharmaceutical Marketing, Sales Management.

INTRODUCTION

Retaining Medical Representatives (MR) has become highly challenging for field managers in today's competitive environment. Most of the times they are blamed for not being able to retain sales force. Sales force retention refers to the policies and practices companies use to prevent valuable sales force from leaving their jobs. The nature of pharmaceutical sales demands qualified and trained medical representatives. Companies spend considerable time; effort and money to train MRs. High turnover of MRs is costly for companies. Usually replacement cost is 2.5 times of individual's salary. The costs associated with turnover may include lost customers, lost business and damaged morale. In addition there are the indirect costs of time spent in screening, verifying credentials, references, interviewing, hiring and training the new Medical Representatives. Apart from cost when a MR leaves s/he takes away confidential knowledge which s/he uses against the left company. This study is an attempt to understand 'why Medical representatives leave company?'

METHODOLOGY

With more than 55 lakh population, more than 4000 doctors and 6000 chemists, Pune is one of the important sales territories for pharma industry in India. Subjects were selected from the city and surveyed. Population of Medical representatives working in the city is unknown. An attempt was made to get the data from MSMRA's, (Maharashtra Sales and Medical Representatives' Association) Pune unit. It was understood that the city unit of MSMRA has not been functioning. However according to industry experts there are approximately 3000 medical representatives working in the city. In the absence of sampling frame non probability purposive sampling method was used. 300 questionnaires (10% of estimated population of 3000) were distributed out of which 138 Medical Representatives responded with response rate of 46%.

LITERATURE REVIEW

Busch, Paul, Bush, Ronald F. (1978) attempted to understand the effect of gender on job satisfaction among industrial sales force. Women and men were compared on six job satisfaction components, value importance of the job components, performance, role clarity, and propensity to leave the organization. Their findings generally supported the hypothesis of "no difference" between males and females. However, women did have lower role clarity scores and higher propensity to leave scores.

Darmon, Rene V., (1990) proposed an analytical framework for assessing the costs of various sources of salesforce turnover (promotions, voluntary leaving, firing, and uncontrollable turnover) for salespeople with given characteristics (age, tenure, education, etc.). The author considered main costs of salesforce turnover like, costs of separation, recruiting and selection, training, vacant territory, skill differential, and operating costs. Author claimed that the proposed procedure could be applied to any subgroup of sales-people, and would help managers to select the salesforce segments cost effectively and design specific turnover-reducing programs for those segments.

Ivancevich, John M.; Matteson, Michael T.; Freedman, Sara M.; Phillips, James S., (1990) offered a framework that may be used for viewing organizational stress interventions. The study briefly reviews some of the stress management intervention literature in the context of this framework, and identifies future needs that may be particularly appropriate for organizational psychologists to address.

Kumar Mishra, Sushanta, Bhatnagar, Deepti, (2010) examined the relationship of organizational identification and emotional dissonance with turnover intention and well-being among a sample of 468 medical representatives in the Indian pharmaceutical industry. Drawing from the conservation of resource theory, this study shows that apart from its direct effect, emotional dissonance has a mediating effect on the relationship of organizational identification with turnover intention and emotional well-being.

McNeilly Kevin M., Russ Frederick A. (1992) developed and tested the hypotheses about performance as a moderator variable in relationships involving role stress, job satisfaction dimensions, organizational commitment, tenure, and turnover intentions. In a sample of food broker sales reps and their supervisors, researcher found these relationships were generally weaker for high performers than for low performers, and dimensions of job satisfaction played somewhat different roles. The study suggests the value of using performance as a moderator variable and point to the need for expanded organizational commitment and satisfaction measures.

Mulki Jay Prakash, Jaramillo Fernando, Locander William B., (2006) tried to investigate the integrated effects of ethical climate and supervisory trust on salesperson's job attitudes and intentions to quit. Researchers collected responses from 344 salespeople who work for a global pharmaceutical company to examine the relationships among ethical climate, trust in supervisor, job satisfaction, organizational commitment, and turnover intention. The study indicated that ethical climate is a significant predictor of trust in supervisor, job satisfaction, and organizational commitment. Also, results showed that trust in supervisor is an antecedent of job satisfaction and turnover intention.

Sager, J. K. (1991) investigated the utility of salespeople's job stress, perceived fairness, job satisfaction, thoughts of quitting, job comparison, and intention to quit for differentiating individuals who remained in the job from those who left by using a discriminant model. Change in salespeople's intention to quit discriminated effectively between sales force leavers and stayers. Intention to quit at the second time period was useful for classifying leavers and stayers. While the study design may account to some extent for the findings, these findings cast doubt upon the utility of changes in sales job incumbents' job stress, job satisfaction, thoughts of quitting and job comparison predictors of voluntary turnover.

Walsh, J. P., Ashford, S. J., Hill, T. E. (1985) proposed a model of the relationship between feedback obstruction and employee turnover intent. Eighty-nine pharmaceutical sales representatives were measured on the value of feedback, feedback obstruction across five sources of information, anxiety, (dis)satisfaction, and turnover intent. Results demonstrated that the obstruction of several feedback sources is significantly correlated with anxiety, (dis)satisfaction, and turnover intentions. This found that the self- and supervisory feedback obstruction bear the strongest relationships to turnover intent. Study also noted, the self-feedback obstruction relationship was not in the predicted direction.

Several studies in the past focused on job satisfaction, work stress and turnover intentions. Job satisfaction and intention to quit are negatively correlated (Trevor, 2001) in the context of employees in general. Several studies have considered the relationship between job satisfaction and the intention to quit among sales person also. For example, Brown and Peterson (1993) in their study considered organizational commitment as a mediating variable to the job satisfaction, potential to leave relationship. Futrell and Parasuraman (1984) had considered the same relationship and found that performance is an important moderator in the relationship between job satisfaction and propensity to leave. This study focuses on identifying major reason for quitting job by medical representatives.

SCALE DEVELOPMENT

From the literature review factors responsible for attrition were identified. Experienced managers, senior medical representatives were interviewed to identify major reasons for attrition. More weightage was given to expert opinion. On the basis of their responses a questionnaire was prepared.

RELIABILITY AND VALIDITY

The questionnaire was referred to industry experts to access face and construct validity. Questions were modified and corrected as per the suggestions of these experts.

RESULTS AND DISCUSSIONS

TABLE NO. 1: TOTAL EXPERIENCE WISE NO. OF COMPANIES WORKED

Sr. No.	Field Experience in Years	No. of Medical Represent worked in		Total		
		2 Companies	3 Companies	Tot	%	Cum. %
1	<= 1	14	0	14	17.28%	17.28%
2	1 - 2	24	3	27	33.33%	50.62%
3	2 - 3	14	3	17	20.99%	71.60%
4	3 - 4	5	3	8	9.88%	81.48%
5	4 - 5	11	0	11	13.58%	95.06%
6	> 5	2	2	4	4.94%	100.00%
	Total	70	11	81	100.00%	

(Source: Field data)

Table No. 1 shows that; out of 138 Medical representatives(MR) 81 have changed companies. 50.62% and 71.60% MRs changed companies during initial 2 and 3 years from joining the profession. Highest percentage is 33.33% observed in the class of representatives with 1-2 year of experience followed by 20.99% in the class of 2-3 years of experience. Cumulatively 54.32% representatives with 1-3 years of experience have changed companies.

TABLE NO. 2: REASONS FOR CHANGING COMPANIES

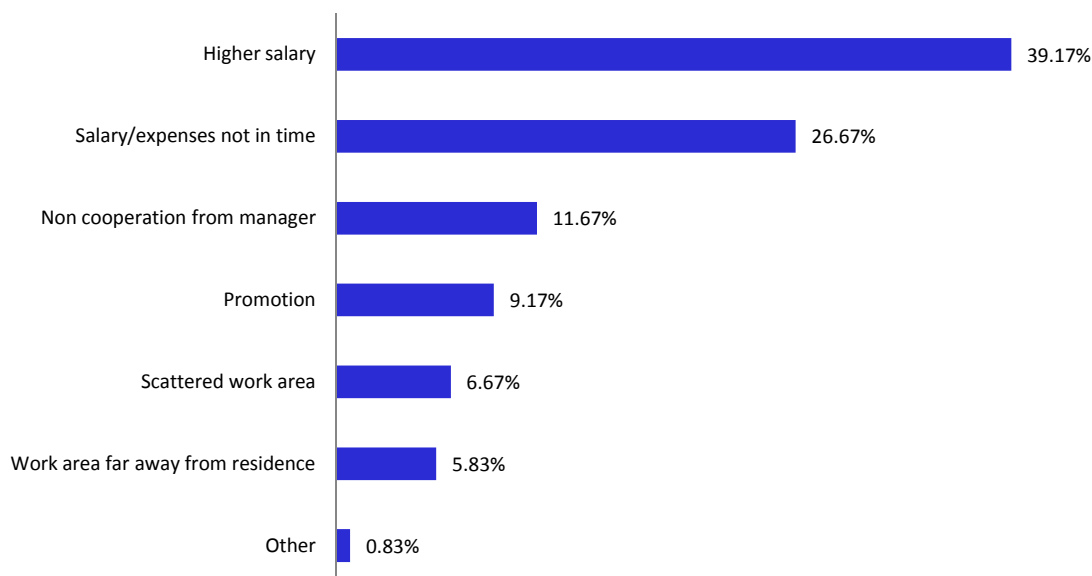
Reasons for attritions	Responses		Cumulative %	Rank
	N	%		
Higher salary	47	39.17	39.17	1
Salary/expenses not in time	32	26.67	65.83	2
Non cooperation from manager	14	11.67	77.50	3
Promotion	11	9.17	86.67	4
Scattered work area	8	6.67	93.33	5
Work area far away from residence	7	5.83	99.17	6
Other	1	0.83	100.00	7
Total	120	100.00		

a. Dichotomy group tabulated at value 1.

(Source: Field data)

The data yielded by a multiple choice multiple response question are summarized in Table No.2. Out of 138 representatives 81 has changed company and responded to this question. Their responses were analyzed and presented in above table.

Chart No. 1: REASONS FOR CHANGING COMPANIES



(Source: Field data)

39.2% Medical Representatives (MR) changed companies because of higher salary and 26.7% changes because they were not getting their salary/expenses in time. These two factors contribute 66% among the reasons for changing companies. Not only inadequate **compensation** but its **late reimbursement** has also been observed as an important factor for changing companies among medical representatives. Medical representatives work in the market; for them, company means immediate field managers, their support motivates representatives to perform and non-cooperation compels them to quit the job (11.67% Medical representatives left job due to non-cooperation from field managers). Next important factor observed was **growth** opportunity, as 9.17% representatives joined other companies due to promotion. This indicates companies are failing to create adequate growth opportunities. While for other two factors related to **work environment** i.e. scattered work area (6.67%) and distance of work area from residence (5.83%); data does not support that they are significant reasons for quitting job. It was observed that during initial tenure (1-3 years from joining the profession) frequency of changing company is very high (54.32% medical representatives changed company during initial 3 years). This can be attributed to inadequate initial compensation and support from immediate managers, however further detailed investigation is required to prove this postulate.

CONCLUSION

One of the basic employment conditions for any employee is sufficient salary. We observed that not only inadequate compensation but its late reimbursement also causes medical representatives to quit job. Pharma companies should consider upward revision in compensation package offered and its timely reimbursement. Inadequate support (Non co-operation) from supervisors is another important cause for medical representatives to quit job. We recommend identification of expected areas of co-operation, possible reasons for non co-operations and training field managers to overcome this problem.

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