

**A Comparative Study of Impact of Training and Development Expenditure on Sales of  
Leading Multinational and National Pharmaceutical Industry  
Of Pakistan**

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**ABSTRACT**

Employees play the key role in an organization. Training is one of the important tools of HRM to increase employees job related competitiveness and effectiveness. This paper is focusing on the training practices and impact of training on sales of multinational and national organization. In this paper researcher tries to focus on the trainings importance and training impact on the employees and sales. Researcher tries to find out the impact of training by frequency analysis and through some questionnaires and interviews. She tries to focus on the increasing trend of training in the organization and how training is becoming a part in their companies success and vice versa, In conclusion it can be said that training has a significant role in development of employee performance in an organization. Organization should emphasize on the competitive training program for the development of their employees as well as organization. Training and development can have a significant impact on the sales of a pharmaceutical company in several ways: improved product knowledge: By providing sales representatives with training on the company's products and services, they are better equipped to answer customer questions and make informed recommendations, leading to increased sales.

**Keywords:** Training and development, multinational, national, sales, Productivity.

## **INTRODUCTION:**

Organizations in all sectors (commercial, public, or nonprofit) must act professionally in that they are in the business of successfully attaining their goals. Regardless of whether it is to generate financial gain, provide a public service, or carry out charitable activities. Meeting the organizational's business goals as well as the individual and group needs of the employees is HRM's main focus. Initiatives for training and development are one of the key tools for putting this conviction into practise.

The core components of any organisation are its employees. The effectiveness of employees determines whether an organisation succeeds or fails. One of the duties of human resource management is employee development. According to Ellena (2000), when employees perform better, the organisation as a whole does too, which in turn improves employees' performance.

Money, materials, supplies, equipment, ideas about the services or products to give individuals who might use its outputs, and ultimately people, who are known as human resources, are all crucial for a firm to conduct business properly. Ensuring that these human resources are used effectively is the role of human resource management.

One of the most crucial elements for ensuring the efficiency of an employee's utilisation is training. Human resources gained value from training. Leibowitz (1981) defined training as a behavioural change that lasts a lifetime. Should an employee be taught how to perform a specific task? The process of development is prolonged.

## **HISTORY OF PHARMACEUTICAL INDUSTRY:**

### **The origin of word pharmaceutical:**

"Related to pharmacy or the practise of making pharmaceuticals," 1640 (pharmaceutic in the same term is from 1540), from Late Latin pharmaceuticus "of drugs," from Greek pharmakeutikos, from pharmakeus "preparer of drugs, poisoner" (see pharmacy). The term "pharmaceutical medications" first appears in 1881.

Farmacie, from Old French farmacie, "a purgative" (13c.), and directly from Middle ages Latin pharmacia, from Greek pharmakeia, "a healing or harmful medicine, a healing or poisonous herb; a drug, poisonous potion; magic (potion), dye, raw material for physical or chemical processing" (late 14c.), means "a medicine that rids the body of an excess of humours (except blood);" also "treatment with medicine."

The early Chinese, Hindu, and Mediterranean civilizations are responsible for the earliest accounts of therapeutic concoctions made from plants, animals, or minerals. Chang shan, a substance derived from the plant species *Dichroa febrifuga*, was described as having antifever properties in a herbal collected edition that is thought to have been written in the 28th century BC by the legendary emperor Shennong. It has since been discovered that this substance also contains antimalarial active ingredients (alkaline organic chemicals containing nitrogen). In the second century BC, workers at the Alexandria School of Alchemy in Egypt created numerous reasonably pure inorganic compounds, such as lead carbonate, arsenic, and mercury.

The development of several significant new types of medicines happened in the later part of the 19th century. The first synthetic sedative-hypnotic (sleep-inducing) medication was chloral hydrate in 1869. Organic compounds, including nitroglycerin, were first used to treat heart conditions in 1879 after it was discovered that they could relax blood veins. Acid salts were created in 1875 for their antipyretic (fever-reducing) properties. Prior to the discovery

and synthesis of the pure components, salicylate-like preparations in the form of willow bark extracts (which contain salicin) had been used for at least 100 years. The artificial sweetener sugar was first released in 1879. The first analgesic-antipyretic medication, acetanilide, was launched in 1886; however, it was later replaced by the less harmful paracetamol in 1887. For at least the following 60 years, aspirin (acetylsalicylic acid) has been the most effective and widely used anti-inflammatory, painkiller, and antipyretic medication since 1899. Up until around 1900, the only local anaesthetic known was cocaine, which was derived from the coca leaf. Since then, benzocaine, a synthetic substance, has become more often used. The introduction of numerous compounds with better activity and lower toxicity was inspired by the production of benzocaine, the first of many numbing creams with related chemical structures.

### **Research Methodology:**

#### **Management Problem:**

Training has increased their impact on the development of companies as a result of the speed, progress, and development, as is widely known through management literature. The industry is facing a crisis in workforce training as workers are now needed to handle more speciality pharmaceuticals and therapies that demand for an individualised approach, in addition to being trained on current products, compliance, quality assurance, and updated supply chains.

The reality that people no longer learn the way they once did comes along with this amount of new duties and information. The days of giving many all-day seminars annually to update a full department are long gone. Job training has changed from passive to active, or memory learning, as a result of the rise of technology in the workforce and the increased rate at which people must learn.

Many people in the pharmaceutical sector are still learning the best techniques to keep training updated while making sure that accuracy, speed, and quality are not affected. To remain competitive, workforce training must change to provide employees with a customized learning experience as health care becomes more customized.

### **Literature Review:**

Number of studies were conducted in the past that showed how important and effective training is for every organization to reach profitably goal. Mahbuba Sultana in International journal of science and Research (india) February 2022 stated, Employees play the key role in an organization. Training is one of the important tools of HRM to increase employees job related competitiveness and effectiveness. This article focused on Square's training procedures and training's effects. Employee productivity is increased through effective training programmes. The phrase "Productive" refers to something that is useful, profitable, and beneficial. According to science, productivity is the connection between input and output. An economic measure of output per unit of input, employee productivity is calculated as the log of net sales over the total number of employees. Training has had a significant role in raising organisational productivity over the years. In their research, Colombo and Stanca (2008) and Konings and Vanormeligen (2009) indicated that training is one of the fundamental and effective tools in achieving the firm's goals and objectives, which leads to increased productivity. One of Bangladesh's top pharmaceutical firms is Pharmaceuticals Limited. The researcher attempts to concentrate on the significance of training and its effects on personnel. Frequency analysis is being used by researchers to determine the effects of training and she tries to concentrate on the growing trend of training in the company through some graphical representation. In summary, It is true to say that training plays a big part in how well employees perform in a business. Enterprise should underline the importance of a competitive training programme for the growth of their firm and workers (Sultana1, february 2013)

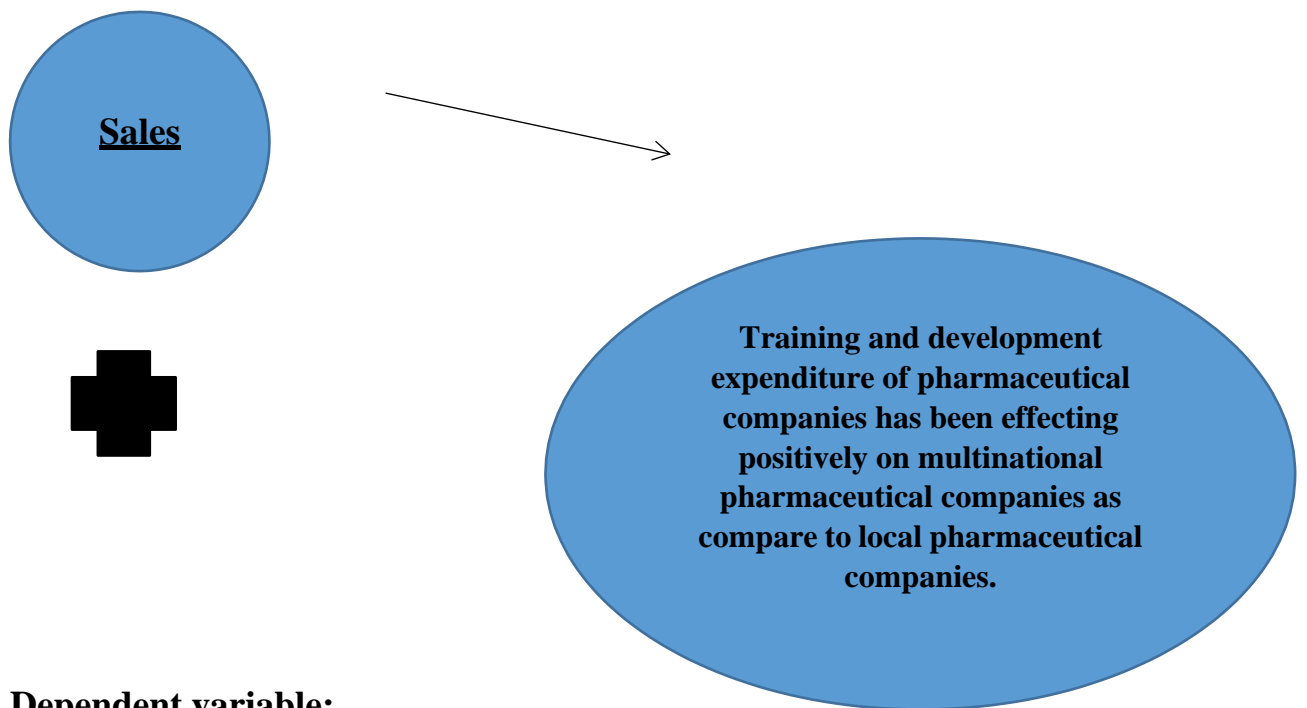
**Statement of hypothesis:**

**Definition of hypothesis:**

*“A hypothesis is a proposed explanation for a phenomenon. For a hypothesis to be a scientific hypothesis, the scientific method requires that one can test it. Scientists generally base scientific hypotheses on previous observations that cannot satisfactorily be explained with the available scientific theories.”* Wikipedia

**Variables and hypothesis for this study:**

**Independent variable:**



**Dependent variable:**

**Sampling and research instrument:****Sources:**

<u>Primary Source</u>	<u>population</u>	<u>Sample Method</u>	<u>Sample Size</u>	<u>Research Instrument</u>
<u>Employees</u>	<u>2500</u> <u>3</u> <u>multinational</u> <u>3 national</u>	<u>Convenience</u>	<u>100</u> <u>50 each</u>	Questionnaire
<u>Top Management</u>	15 Top	Stratified	<u>2</u>	Interviews

This is a study that analysed the population of employees in 3 multinational and 3 national companies. The sample size was 100, with 50 employees from each company selected using a convenience sampling method. The research instrument used was a questionnaire to gather data from the employees. Additionally, a separate study was conducted on the top management of the companies, where a stratified sampling method was used to select 2 individuals for interviews.

**Comparison**

The comparison between national and international organizations on the basis of training and development can be approached in several ways. Some factors to consider when comparing

the two include:

1. **Investment in Training and Development:** International organizations tend to have larger budgets for employee training and development compared to national organizations.
2. **Range of Training Opportunities:** International organizations may offer a wider range of training opportunities to employees, including international exposure and cross-cultural training.
3. **Focus on Career Development:** International organizations often place a greater emphasis on employee career development and may offer more structured career progression paths.

In conclusion, both national and international organizations have their own strengths and weaknesses when it comes to training and development. However, it can be argued that international organizations generally provide a more comprehensive and diverse range of training opportunities for their employees.

### **Findings:**

#### **Questionnaire:**

The given data is a summary of responses from a survey where the options given to respondents were Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. The options are assigned numerical values of 2, 1, 0, -1, and -2, respectively, for the purpose of calculating a mean. The frequency ( $f_x$ ) is the number of responses that chose a particular option, and the total of the frequency column ( $\Sigma f_x$ ) is -4. The mean of the responses is -0.04, which suggests that the majority of respondents disagree with the statement "Misleading and false marketing can also increase sales revenue."



**Statement 1 It improves job performance.**

<b>Option</b>	<b>(x)</b>	<b>Frequency</b>	<b>fx</b>
Strongly Agree	2	37	74
Agree	1	27	27
Neutral	0	25	0
Disagree	-1	9	-9
Strongly Disagree	-2	2	-4
		<b>Σ fx</b>	88

The mean of the scores is 0.88, which indicates that the majority of respondents agreed or strongly agreed that it improves job performance.

**It has positive impact on**

**Statement 2 organization.**

<b>Option</b>	<b>(x)</b>	<b>Frequency</b>	<b>fx</b>
Strongly Agree	2	17	34
Agree	1	34	34
Neutral	0	32	0
Disagree	-1	12	-12
Strongly Disagree	-2	5	-10
		<b>Σ fx</b>	46

The mean of the scores is 0.46, which indicates that while some respondents agreed or strongly agreed that it has a positive impact on the organization, others either disagreed or strongly disagreed.

**Statement 3 High frequency has positive impact on performance.**

Option	(x)	Frequency	fx
Strongly Agree	2	30	60
Agree	1	33	33
Neutral	0	23	0
Disagree	-1	10	-10
Strongly Disagree	-2	4	-8
		<b><math>\Sigma</math> fx</b>	75

The mean of the scores is 0.75, which indicates that the majority of respondents agreed or strongly agreed that high frequency has a positive impact on performance.

**Statement 4 Satisfied on your field training.**

Option	(x)	Frequency	fx
Strongly Agree	2	14	28
Agree	1	34	34
Neutral	0	33	0
Disagree	-1	13	-13
Strongly Disagree	-2	6	-12
		<b><math>\Sigma</math> fx</b>	37

**Interview:**

**Question 1:**

All of the articles that I have studied in which research has conducted in the past that showed how important and effective training is for every organization to reach profitably goal. One of the article focused on training procedures and training's effects. Employee productivity has increased through effective training programmes. The phrase "Productive" refers to something that is useful, profitable, and beneficial. According to science, productivity is the connection between input and output. Employee productivity has calculated as the log of net sales over the total number of employees. Therefore, what do you think how training impact on productivity and what is your opinion on input and output's connection, kindly share your thoughts regarding that?

**Answer:**

Training can have a significant impact on productivity. By improving skills, knowledge, and processes, employees can perform their tasks more efficiently and effectively. This can lead to increased output and better results for the individual and the organization.

The connection between input and output is a fundamental principle of productivity. In general, the more effort, time, and resources invested in a task, the greater the output will be. However, it is important to note that simply increasing input does not necessarily result in a proportionate increase in output. Effective use of resources, including training, can help to maximize the output for a given level of input.

**Question 2:**

One of the study has showed that organizations explained the high level training have been able to realize three times increasing profits compared to competitors. In any organization, employees play a significant role to develop the culture & turnover of the organization. In my opinion training is a major tool of Human Resource through which they increase the productivity of their employees job related competitiveness and effectiveness. What do you

think about this statement? How do you find this according to your organization and your experience? Kindly share your views about it.

**Answer:**

Training is indeed a crucial tool for Human Resources departments to enhance the productivity, competitiveness, and effectiveness of employees in their job roles. Providing employees with relevant training and development opportunities can help them acquire new skills and knowledge, stay up-to-date with industry trends and advancements, and improve their overall performance. This can lead to increased job satisfaction and motivation, and can contribute (Sultana1, february 2013)a more efficient and effective workplace.

**Conclusion:**

Employees are a company's most precious resource. Additionally, the productivity and effectiveness of an organization's workforce have a significant impact on its success or failure. Employees. The impact of training on production is substantial. This paper analyses and investigates the review of the literature on employee performance and development. Additionally, it demonstrated how staff productivity is increased through training.

Effective training and development programs can help sales representatives understand customer needs and provide better service, leading to increased customer loyalty and repeat business. By investing in training and development, a pharmaceutical company can ensure that its sales team is aligned with the company's goals and mission, resulting in improved sales performance.

Overall, a well-designed and implemented training and development program can have a positive impact on a pharmaceutical company's sales performance by improving the skills and knowledge of its sales team.

### **Recommendation:**

Here are some recommendations for pharmaceutical companies for training and development in their organization:

1. Focus on product knowledge: Providing sales representatives with comprehensive training on the company's products and services should be a top priority. This can include information on product features, benefits, and usage, as well as any relevant regulatory or safety information.
2. Enhance sales skills: In addition to product knowledge, sales representatives should receive training on sales techniques and strategies that are specific to the pharmaceutical industry. This can include techniques for handling objections, building rapport with customers, and closing deal

In conclusion, pharmaceutical companies should design and implement training and development programs that are tailored to the needs of their sales team and aligned with the company's goals. This can help improve the skills and knowledge of sales representatives, leading to increased sales and better customer satisfactio

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**Appendix:**

<b><u>S#</u></b>	<b><u>Characteristics</u></b>	<b><u>Strongly Agree</u></b>	<b><u>Agree</u></b>	<b><u>Neutral</u></b>	<b><u>Disagree</u></b>	<b><u>Strongly Disagree</u></b>
<b><u>1</u></b>	It improves job performance					
<b><u>2</u></b>	It has positive impact on organization					
<b><u>3</u></b>	High Frequency has positive impact on performance					

<b><u>4</u></b>	Satisfied at your field training					
<b><u>5</u></b>	Satisfied with its environment					
<b><u>6</u></b>	Satisfied by training provided by organization					
<b><u>7</u></b>	Content of training is suitable for the competitive market					
<b><u>8</u></b>	Trainers are friendly and cooperative					
<b><u>9</u></b>	Training has increased your performance					
<b><u>10</u></b>	It is important for improvement					
<b><u>11</u></b>	It is effective					
<b><u>12</u></b>	Posting is done on based on training					