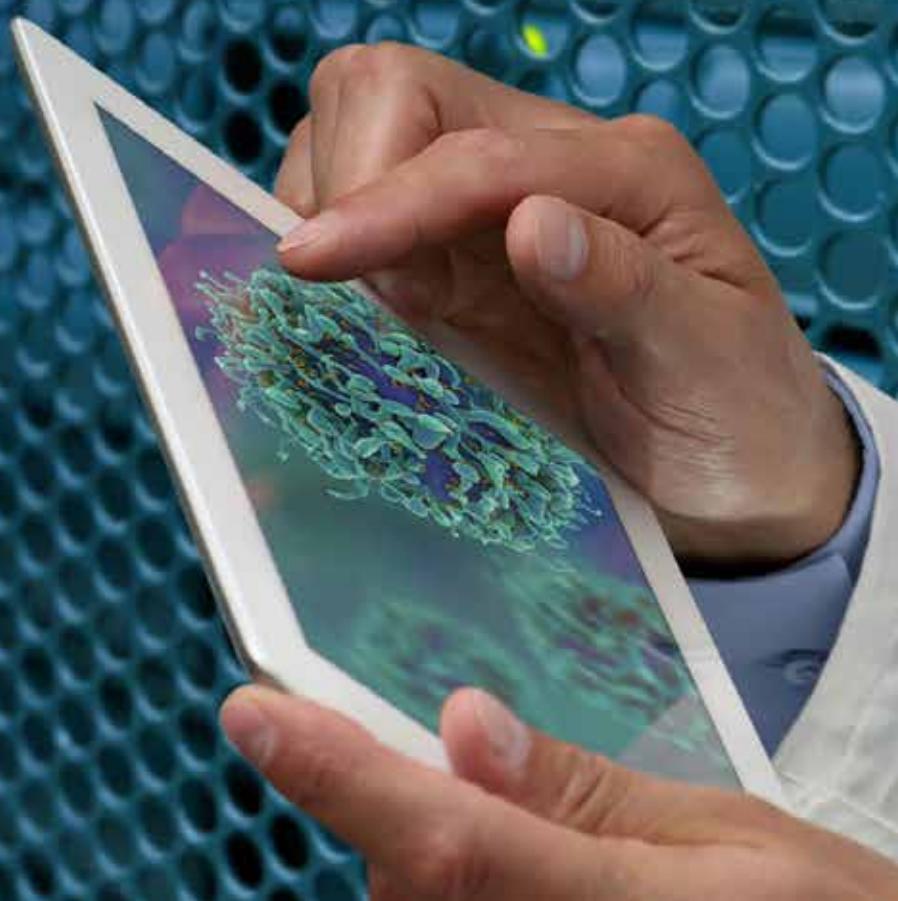


The future of human capital in Indian pharmaceutical sector

October 2020

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Foreword - OPPI

The storm of change that the pandemic has brought with it has allowed several purpose-driven and people-centered organizations, to draw energy from! Organisations have been trying hard to reinforce a culture that embeds individual work contributions to a greater purpose and mission. The sense of belonging to the organisation is augmented through the individual journeys from comfort and connections to contributions and their resultant impact on business goals and performance.

In today's challenging times, 'fluidity' is the name of the game!

From a people's perspective, there is a need for fluidity in talent and a seamless flow of knowledge, capability and innovative ideas to enable organizations to re-design the organisational fabric. And as organisations take up this challenge, the solution lies in the intersection of technology and human capital. Technology and people interacting in new ways is at the heart of the new operating model for business.

The social, demographic and economic context in which the pharmaceutical industry operates is changing dramatically. In this changing scenario, it becomes all the more critical to create a future human capital that embraces these changes and responds to this new work-imperatives and new reality.

The future of human capital, a study initiated by the OPPI Human Resource Committee along with KPMG in India, has focused on the workforce transition phase from recovery to full adoption of the new

reality, and mapped the corresponding short and long term strategies that will drive organisations to improve productivity and effectiveness of the human capital. This study explores the good people practices from across industries, across the globe, that will provide insights into the emerging alternate workforce models, re-calibration of roles, renewed performance and productivity metrics, new avenues of talent management in lieu of emergent roles, skills and competencies, redefined business etiquettes across roles and levels and finally adoption of emerging technology solutions and their impact on the workforce, within the pharma industry.

This Study has been led by a special task force within the HR Committee and our sincere thanks to all the members - Cecilia Azavedo, Vikram Patki, Sanjay Srivastava Nikhil Tembey, Jaideep Iyengar & Rekha N and the KPMG in India team led by Sagar Pawar, Saptarshi Chatterjee and Ravika Choudhary. Our sincere gratitude to the Managing Directors and HR Leads of the OPPI member companies who have shared their views in this Report. We deeply appreciate the support from the OPPI Executive Committee and the OPPI Team of KG Ananthakrishnan, Director General and Bhavna Singh, Senior Director- Communications, who have played a key role in shaping this Study.

The future is now. As the entire pharma industry is working towards better health outcomes, we believe that our success rests in building a future-ready, resilient work force that will help the industry deliver responsible patient care.

This Study is the first step. So, it is: Ready, Set, Go!



Sathya Narayanan

**Chair-OPPI HR Committee,
MD- South Asia, Galderma**



Maninder Singh Sawhney

**Co- Chair- OPPI HR Committee,
Country Manager- Lundbeck, India**



Foreword from KPMG in India

We are pleased to present to you our report on the 'The future of human capital' – with a focussed view on the Indian pharmaceutical industry, in association with the Organization of Pharmaceutical Producers of India. Through this report, we look at the journey of Indian pharmaceutical organisations in the backdrop of COVID-19 and establish emerging people trends going forward.

Continual disruptions in the business landscape and operating model over the last few months have put organisations under tremendous pressure. From demand and supply uncertainties to supply chain disruptions, from labour shortages to new ways of working, the pandemic has tested the resilience and agility of organisations.

Organisations have put their best foot forward and faced every challenge with grit and determination. Leaders have shown empathy towards employees and kept employee health and safety a top priority. The rate of digital adoption has taken an unparalleled upward trajectory and organisations have stood up to the task. Despite multiple challenges, organisations have ensured an optimal supply of medicines – in both domestic and export markets.

However, success in the future will require concentrated efforts by organisations to redesign their operating model and human capital strategy and we hope this report helps organisations undertake this journey.

KPMG in India has a continued association with OPPI and we would like to sincerely thank the OPPI team for providing us with the opportunity to work along with them.

While Indian organisations across sectors were actively trying to disrupt pre-COVID-19 the economic slowdown and unprecedented uncertainty post COVID-19 have only accelerated the push for transformation. There is an immediate requirement to re-look at the strategic priorities.

In this report, we analyse the response of organisations across different timespans – from the initial impact to adoption of the new reality. As organisations gear up for the future, we look at five of the most important aspects of workforce implications through KPMG's 5C framework – Cost, Capacity, Capability, Connection and Compliance.

This report is based on primary research using inputs from KPMG industry leaders along with business and HR leaders from twenty leading organisations associated with OPPI. We have also leveraged our internal database of existing thought leadership and survey reports to bring relevant valuable insights.

As organisations face current realities, it is equally important to re-imagine the talent landscape while keeping an eye on what the future beholds. We hope this report will guide organisations' HR and business leaders to create a future ready organisation with commensurate people strategies.

I would like to thank the OPPI steering committee members for guiding us from time to time and would also extend my gratitude towards all the business and HR leaders for their valuable inputs.



Sagar Pawar
Partner – Life Sciences
KPMG in India



Vishalli Dongrie
Partner and Head – People & Change
KPMG in India



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Setting the context

The future of human capital is a topic that has remained widely relevant over the years. This was because of the industrial revolution in early 1800s, the technical revolution in late 1800s and the digital revolution in the last five decades. But the relevance of this topic today is as important as ever, and the reason? A virus invisible to the naked eye, with an average size of 125 nm.

The COVID-19 pandemic has caused an unprecedented global health crisis and is posing serious threats to the global economy. As factories were shut amidst complete lockdowns, 'human capital' was left a mere spectator. What has followed as a chain of events, questions and changes the essence of organisations and people alike. From policies and processes to organisation structure, from ways of working to talent management practices – the future of human capital is being determined here and now!

But why the focus on Indian pharmaceutical industry?

As of 22 September 2020, the WHO reports 38 candidate vaccines in clinical evaluation and 149 candidate vaccines in preclinical evaluation. Several biopharmaceutical companies are researching vaccine candidates and sharing existing technologies in a way that can be leveraged to allow a rapid upscale of production once a vaccine candidate is identified. In this context, India has the potential to emerge as a strong supply source for the rest of the world.

Through this paper, we aim to look at how COVID-19 has impacted the pharmaceutical organisations in India across different timespans – from the initial onset to where we are today, and how have organisations responded. We then look at key trends and insights on what the future beholds – with a focus on human capital.







Executive summary





With an estimated size of around USD 55 billion (2019-20), the Indian pharma industry is an important component of the global healthcare infrastructure and contributes significantly in impacting millions of lives positively every year¹. The industry through its capabilities, manages more than 50 per cent of the global demand for generic drugs¹. Pharma industry is also responsible for creating about 2.7 million jobs (direct and indirect) in India¹. Such is the impact of this industry on the global and Indian economy. However, like all other sectors / industries, it has been affected by the pandemic, that has brought various changes in its entire business value chain.

As the pandemic struck, API imports from China saw a 40-50 per cent rise in price for specific cases, that impacted many Indian organisations. While pharmaceutical manufacturing was exempt from the lockdown, non-availability of labour, lack of clarity over transport restrictions and physical distancing impacted production volumes. Companies, however, reported a spike in sales over the short term, especially for chronic drugs and essential medicines - owing to the consumer tendency of stocking up medicines in the fear of future uncertainty. Field force in the sector was impacted as their day to day movement and interaction with healthcare professionals got hindered.

Human capital has been at the forefront of ensuring that organisations were able to meet their day to day operational needs. Organisations faced unique challenges from multiple dimensions in meeting the safety and wellness needs of their workforce while simultaneously upskilling them. The sector has remained optimistic about workforce projections in line with business requirements. A big change has been the shift towards 'digital' ways of working. Several companies stated that they had 'digital transformation' as a top priority in their strategic plans but it was either lying in the plan books or was taking shape at a slow pace. The pandemic forced everyone to unlearn, learn and innovate in adopting to the new, digital ways of working.

Almost all organisations in the sector responded immediately to these challenges with a strong sense of ownership and social responsibility. Pharma sector was one of the first few sectors to recalibrate aspects of value chain and human capital in an attempt to continue business as usual.

In order to provide health security, several organisations in the sector have extended COVID-19 specific insurance to their employees. Some have even launched a 'Home Quarantine' reimbursement

package to financially support those employees who get contracted positive by the disease. Ensuring that all employees working in manufacturing have PPE kits is a common practice observed in almost all pharma companies. In order to maintain the psychological well-being of employees, pharma companies have been regularly organising mental well-being programmes for employees and their families. Employees are also getting comforted by other initiatives such as mandatory leaves, 'pen-down days', 'family connect' sessions, etc.

The role of sales department is also undergoing a major shift during the pandemic period. There is an emergence of concept selling. The role of a salesperson is shifting from being a 'messenger' to a 'scientific advisor'. This involves not just hiring of differently skilled workforce, but also upskilling the current workforce so that they can also grow in their respective careers. Capability development has been at the forefront of changes in the organisation's human capital strategy. Several leaders in the sector have mentioned that 'digital acumen' is the topmost capability they are looking for in new hires and it is also one of the highest priority areas for their developmental efforts.

Besides a refresh of policies and processes, organisations have also started evaluating alternative ways of working, use of fungible resources across departments and ways to become more agile in everyday operations. Organisations have started exploring alternative workforce models such as contractual and gig workforce. With the future in mind, a reorientation of the organisation structure and recalibration of people strategy is also on the cards.

The pandemic-hit world has also given a boost to innovation and risk-taking capabilities amongst pharmaceutical organisations. Telemedicine and e-pharmacy got a strong boost from concept to design to execution. Collaboration with government organisations and alignment with policies has also increased. Both statutory bodies and pharma companies benefited from a more enriched understanding of each other's point of view, challenges and priorities. Organisations are now exploring opportunities to relook at the operating model altogether – to overcome the current pandemic and also be better prepared for any such future scenarios. Will the organisations in the pharma sector actually learn from the pandemic and leverage on the opportunities it has to offer, in the long term, is something that the world will be waiting to see?

1. 'Potential impact of COVID-19 on the Indian economy',
KPMG India, April 2020



Evaluating the impact

This section covers:

Overall impact of COVID-19 on pharma and life sciences industry

- Business imperatives in the current scenario
- Impact on value chain – from manufacturing to supply chain, sales and marketing and procurement
- Impact on workforce





Impact on business

An unprecedented pandemic that impacted businesses globally has been a cause for a change whether welcome or not. Even before the pandemic struck, big players in the Indian pharmaceutical industry were expecting diminished growth – down from 18 per cent in 2016 to 5 per cent this year². The

Manufacturing	Supply chain	Procurement	Sales and marketing
<p>The manufacturing ecosystem has had to respond to the challenging situation, keeping in mind consumer demand for certain products. Following the national lockdown, processes had to be carefully re-designed to enable safe and healthy work conditions for employees.</p> <p>Shortage of labour posed a new challenge for manufacturing facilities making it difficult for plants to function at an optimal capacity. All of these have accelerated the need for future-ready, robust and efficient manufacturing capabilities and automation.</p>	<p>Pharmaceutical producers have been hugely impacted by the outbreak of COVID-19. The nationwide lockdown had a huge impact on the supply chain and logistics of every industry. Movement of goods and labour was unclear for authorities initially. This was met with Government support to enable essential services to be supplied throughout the country in these difficult times. The outstanding support from the Department of Pharmaceuticals, who coordinated and helped resolve the supply chain bottlenecks, ensured that there were no supply discontinuities of medicines in the country. The industry had to undertake several measures including reorientation of supply chain, partnering with distributors and collaborating with e-commerce players to maintain smooth supply to end consumers.</p>	<p>The pharmaceutical industry is hugely dependent on import of APIs, majorly from China. The industry was impacted hugely because of the nationwide lockdown. International travel and movement of goods was limited to certain essentials. However, due to urgency and essential nature of the products, the road to recovery has been steady.</p>	<p>A key pillar of the Indian pharmaceutical industry is its ground sales force. But with the pandemic and social distancing norms, field sales representatives were forced to sit at home. The guidelines and restrictions for travelling have had a major impact on the sales targets set by the organisations. While this has severely impacted the topline, organisations have ensured that their sales representatives do not sit idle. They have utilised this time to upskill their sales employees.</p>

2. 'The pandemic is a chance to revamp India's pharmaceutical industry', The Economist, May 2020

pharmaceutical industry, which was at the forefront of the pandemic faced challenges due to disruption caused to multiple aspects across the value chain. With the government's support and guidelines, there has been a revival of sorts, but the shockwaves will take time to settle.



Procurement



Sales and marketing

The pharmaceutical industry is **hugely dependent on import of APIs, majorly from China.** The industry was impacted hugely because of the nationwide lockdown. International travel and movement of goods was limited to certain essentials. However, due to urgency and essential nature of the products, the road to recovery has been steady.

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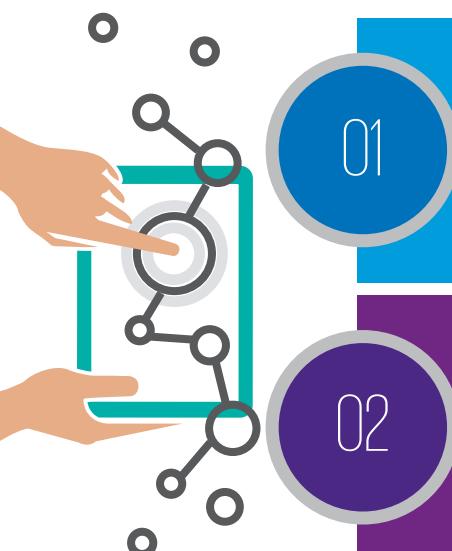
This is an opportunity for us to assume a bigger role in the global pharma landscape.

Sagar Pawar
Partner - Life Sciences,
KPMG in India

”



Impact across categories:



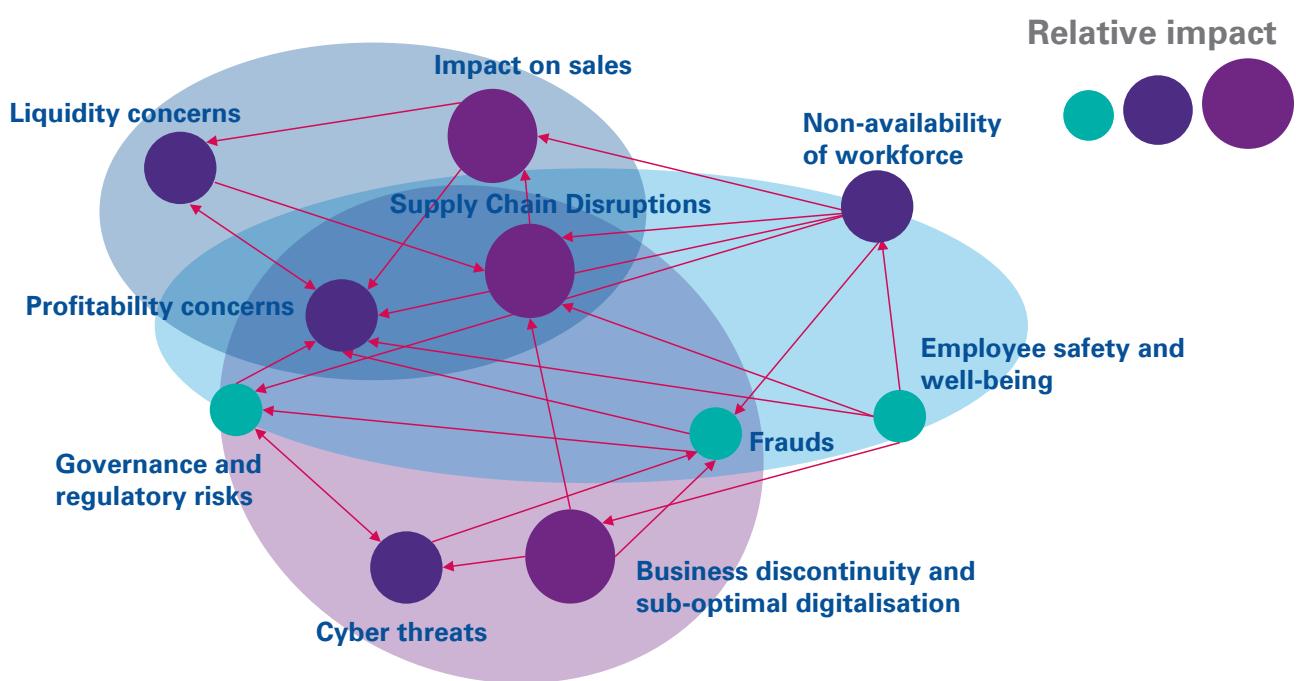
Types of treatment

The impact has been varied across chronic and elective treatments. Keeping the best interest of patients in mind, regular supply of critical as well as essential medicines was ensured. Patients were advised to engage with their healthcare practitioners and follow their advice. Based on the advice of medical practitioners, patients have chosen to re-schedule elective treatments.

Larger footprints

Large-sized organisations with access to global supply chain and inventory management, as well as wider geographical and multiple market access have been able to hedge risks and manage the business, in the most optimal manner, while acknowledging the unprecedented health and economic crisis brought by the pandemic. However, medium and small-sized organisations were impacted.

The emerging risk landscape³



Cluster 1	Profitability	Supply Chain Disruptions		Impact on Demand	Liquidity concerns		Profitability concerns	
Cluster 2	People	Employee safety and well being	Governance and regulatory	Non-availability of workforce	Supply Chain Disruptions	Fraud		Profitability concerns
Cluster 3	Technology	Business discontinuity and sub-optimal digitalisation	Cyber threats	Supply Chain Disruptions	Fraud	Governance and regulatory		Profitability concerns

3. 'COVID-19: Surviving and thriving through a pandemic- COVID-19 Risk assessment survey', KPMG India, June 2020



Impact on workforce:

In a matter of months, the world has been transformed. The pandemic has created an unprecedented impact on employees across the world. Never before have there been so many changes in human capital management across organisations. As businesses get impacted, the

entire ecosystem gets disturbed – from suppliers to consumers to employees. The workforce has been undergoing constant changes since the outbreak and is still bracing the impact of regulatory changes, technological shifts and an array of renewed talent management practices.

Safety and security

While bigger organisations across the Indian pharmaceutical industry have taken a conscious call to have a 'no-layoff' policy, the road has not been smooth for some of the smaller players. On one hand is the deteriorating topline and on the other is the nationwide call for being 'empathetic' towards employees.

Safety first: However, one consistent theme has been the pressing concern to ensure 'safety

for all'. Many pharma companies already had the technological tools to support virtual ways of working but were not using them to a great extent. COVID-19 has accelerated the shift to digital ways of working. On the other hand, while it is imperative for the plant workforce to work from office, organisations have enforced strict protocols on sanitisation, temperature screening and social distancing norms amongst others.

Shift to 'digital' ways of working

Organisations across sectors have accelerated their shift to digital ways of working. While the ones most impacted have been the employees in corporate offices and salesforce, there has been a minimal impact on the plant workforce as well. The life sciences sector in India (including pharma, biopharma and clinical research) employs about nine lakh people in over 8,000 active manufacturing units⁴. Many of these units work in

a unionised setup and **there have been instances where employers faced resistance to move to digital means of working**. However, this has not been the cause for a major discomfort and the **situation has been handled well on all fronts**. Employees have also been able to enhance their skills thanks to numerous training programmes organised by employers.

Psychological impact

The pandemic has proved to be not just detrimental to organisations' topline, but also to the mental health of employees who are now confined to their houses working around the clock with insufficient infrastructure. **Working from home coupled with working for home – especially during the lockdown, had put enormous pressure on employees.**

Organisations across sectors have taken steps towards communicating the importance of overall well-being. Many organisations have re-enforced the importance of keeping a healthy mind, body and soul. Workforce has been at the forefront of maintaining business continuity and organisations have taken all necessary steps to maintain safety and health of their employees.

COVID-19 has redefined Indian Pharma's image – the potential of our industry is huge, a fair example was the export of Hydroxy-chloroquine.

Girish Dixit
Executive Director, Eisai Pharmaceuticals India Pvt. Ltd

4. 'Skilled life sciences specialists give India an edge in times of a pandemic', Express Pharma, July 2020



The wake-up call

This section covers:

- How have organisations responded across sectors - albeit with a focus on pharma and life sciences sector
- Employer and employee viewpoint
- How organisations realised COVID-19 accelerated their transformation journeys
- Introduction to KPMG 5C framework – application on the initial stages of COVID-19





Organisations have chosen to respond positively and actively to the rapidly changing conditions during the pandemic. While sectors and industries such as automobile, aviation, leisure and hospitality, F&B and other non-essential services were completely shut down for the two-month long lockdown period, the pharmaceutical industry being of essential nature had to ensure continuity of operations. This was made possible only because of monumental shifts in the ways of working.

Even when other industries were at a standstill, the pharmaceutical industry had to ensure a robust

Urgency



The pharmaceutical industry has been at the forefront of the response to the pandemic. It was amongst the first few industries to recalibrate its manufacturing processes and reorient structures and policies to maintain business continuity.

value chain despite multiple road bumps. There were numerous challenges involved in shifting a major portion of the workforce to work virtually and placing another part of the workforce on the plant floors to maintain a steady supply of life-saving drugs for consumers. Pharmaceutical industry was at the forefront of the battle with not only COVID-19 but also with other chronic illnesses. All aspects of the value chain had to be relooked at – from procurement to manufacturing to sales and distribution.

Safety



Organisations had to respond to an unprecedented global event with the concerns around safety and well-being of their workforce on one hand and the 'higher' purpose of saving lives of patients on the other hand.

Business continuity



The pharmaceutical industry's first reaction to the pandemic was to maintain business continuity. Not only was the industry at the forefront of the pandemic but also making changes to existing value chain in order to maintain a steady flow of products. There were growing concerns of labour availability coupled with restricted movement of humans and goods alike.

Collaboration



A major disruption to the pharmaceutical industry has been the emergence of e-commerce platforms. With people forced to stay indoors, some pharmaceutical organisations **realised the need for collaboration with e-pharmacies**, while others emphasised on **setting up their own e-commerce platforms** to maintain supply levels to the consumers.

Global vs local response



The global firms were well prepared and handled the uncertainty more effectively due to international exposure. The experience that the global firms had from operations in China and Italy, where the outbreak happened earlier than in India helped them to resolve the initial complications. Also, they were financially well equipped to take a hit on their topline and still maintain operations. The local firms resorted to pay cuts, hiring freeze and even layoffs in some rare cases.

Stringent guidelines in the initial phase of COVID-19 meant difficult scenarios even for essential services. The pharmaceutical industry was pushed to a hybrid stage where the plant workforce was present on the floor, the corporate workforce was working virtually and the ground sales force was moving around under strict

guidelines. Employees across corporate functions adapted swiftly to virtual ways of working. **Internally, organisations became flexible, agile and adaptable.**

Organisations had to accelerate their digital transformation journeys, upskill their employees, manage existing resources and create a conducive digital infrastructure to maintain connectivity. The transformation journey has led to **new reporting structures and emergence of new roles and responsibilities**.

New ways of working also meant that human interactions which earlier used to thrive on coffee conversations and informal catchups over lunch would now be limited to online meetings. Sprawling workspaces would now be limited to a single desk and chair at home.



Analysis using KPMG 5C framework:



Organisations were quick to reap the benefits of reduced costs right from the initial phase of the pandemic.

There was a major reduction in travelling cost, workspace cost and other administrative cost. **Most organisations have taken a conservative approach and avoided any radical step in terms of managing their employee cost.**

Organisations were also quick to realise that while lay-offs were not a feasible option, a conservative approach on filling vacancies could be a step in the right direction. The focus on having the right number of people in the right locations re-iterated the importance of an agile, hybrid and flexible workforce model. When faced with a labour crisis, many organisations had utilised their workforce in a fungible manner – for example employees working in manufacturing lines double up as quality assurance employees and vice-versa. This has been a key learning that organisations intend to carry forward.

Capability of the workforce was challenged during the pandemic and most firms realised the need for transformational changes on the skilling and training front. This has paved the way for an overhaul of existing talent management practices including learning and development, competency management and training architecture.

The pandemic brought human interactions and connectivity to a standstill. Organisations were coerced into finding new ways of keeping their workforce connected, engaged and productive. As an immediate response, many organisations increased the frequency of communication with employees, and leaders started communicating through video messages to ensure employees stay connected and engaged.

An important aspect of the response to COVID-19 is ensuring compliance with regulatory guidelines and protocols. Organisations documented SOPs to mitigate continuity risks for critical processes and procedures during the initial stages of COVID-19.

“

This pandemic has given us an opportunity to learn new ways of survival, growth and nurture, not just in our professional but also our personal lives; and Digital will remain the healthcare buzzword for the next couple of years.

Anandram Narasimhan
Managing Director,
Merck Specialties Pvt. Ltd.

“

Companies need to re-imagine the digital ways of working in all spheres.

Sathya Narayanan
Managing Director,
South Asia, Galderma India Pvt. Ltd.

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From reaction to recovery

This section covers:

- Steps taken by organisations while moving from short term reaction – to acceptance of the long-term impact of the pandemic
- Implications of the new work environment
- Workforce imperatives – KPMG 5C model
- A look at leading practices across industries and initiatives taken by Indian pharmaceutical organisations in particular



The road to recovery:

The initial reaction of organisations across industries was to ensure safety of all employees while adopting agile and flexible ways of working. Government's guidelines were changing frequently, the pandemic's impact was growing daily, and economic activities were limited to essential services.

In the next phase of the pandemic, organisations realised the 'longer-term' impact COVID-19 might have and began recalibrating and reorienting their structure, strategy and systems. The pharmaceutical industry had to move from their knee-jerk reaction to planning for the 'new normal' efficiently.

The pandemic swiftly induced changes into the management of organisations. Management committees were formed, and crisis management teams included business heads and functional leaders. The teams were responsible for ensuring

business continuity while planning for worst-case scenarios. **The role of people managers was now not only limited to ensuring employee safety but to enhance employee productivity** through a host of organisation design interventions and talent management practices.

In addition to employee related challenges, another cause of serious concern was with respect to **cyber security and maintaining integrity of data.** While global MNCs already had necessary tools and technology at their disposal, the smaller players had to take the services of third-party service providers and this presented a host of cybersecurity risks.

While KPMG 5C framework was introduced in the earlier section, we will now delve deeper into each aspect to understand the emergent workforce imperatives in this second phase of the journey from reaction to recovery:

Cost:

In this phase, organisations began to realise that while their topline was impacted severely, most organisations' bottom-line was still intact. Primary reasons were reduced travel and boarding expenses along with other administrative expenses.

However, the recovery phase also brought in a completely new perspective with respect to workforce composition and ways of working. **Organisations started exploring alternative workforce models** such as contractual and gig workforce. They started scrutinising each and every open position and would hire people only for critical roles. Similarly, **employees were promoted only in certain cases for strategic purposes and not motivational reasons.**

A survey⁴ conducted by KPMG in India in April 2020 revealed that:

36 per cent

organisations in the Indian pharmaceutical industry either deferred or suspended their promotion cycle

18 per cent

organisations reduced the number of promotions (against planned numbers)

Capacity:

A major decision for organisations at this stage was how to manage existing capacity and also plan for future capacities both with respect to availability of resources and capabilities. **People started questioning traditional roles.**

For instance, many organisations felt that they were highly overstaffed in their sales function and **realised the need to increase spans of control** to increase efficiency and enhance productivity.



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Culturally, we (Indians) give importance to maintaining a personal touch – this has undergone a big change!

Vaishali Paradkar

Head Business Services - I2I & Talent Head, India, UCB India Pvt. Ltd

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5. 'Cutting through crisis - KPMG in India's COVID-19 HR practices survey report', KPMG India, May 2020



Capability:

As the workforce model began undergoing changes, organisations were quick to realise the need for simultaneous changes in the skill sets and capabilities of employees. **Sales representatives, who were no longer going to the doctor's clinics were trained on enhancing their scientific acumen.** Leaders were trained on softer aspects such as "how to become more empathetic".

The concept of '**bite-sized' learning**' has been around for many years, but it gained significant traction. Longer duration training modules were complemented with bite-sized learning – in the form of short videos, articles and blogs to make learning fun while simultaneously improving knowledge retention.

Connection:

The initial response to COVID-19 was focused on removing the element of fear and insecurity from employees' minds – through increased frequency and clarity of communication. In this phase, **organisations became much more innovative.** A multitude of measures were taken to enhance employee engagement and retain the culture of the organisation. An employee engagement survey conducted internally by a leading multinational pharmaceutical organisation revealed that engagement amongst women employees increased tremendously. Another major shift was the move away from physical or hybrid on-boarding to virtual onboarding of employees. While this was forced initially, organisations have taken a conscious call to retain virtual onboarding even post the ease of lock-down restrictions.

Key elements of virtual on-boarding

-  New joiner induction - Reduced time on transactional activities
-  Business overview - An intuitive experience
-  Learning - Skill building and knowledge database
-  Role deployment – Assigning of role, teams and reporting managers
-  Performance and rewards – Right set of metrics, KRAs and rewards

Compliance:

As restrictions began to be eased, organisations took all the necessary precautions to ensure a safe return to workplace. Most organisations released handbooks and employee manuals with detailed protocols and guidelines – now covering all functions and processes. Some organisations released mandatory training programmes in the form of e-modules to ensure compliance and increase awareness amongst employees.



“

The Indian pharma industry is strongly committed to collaborating with the Government.

Ashwini Deshpande
General Manager India,
Bristol Myers Squibb India Pvt. Ltd.

”

“

The quality and reach of our scientific program has increased manifold – the world has indeed become more connected virtually.

Suresh Pattathil
Managing Director,
Allergan India Pvt. Ltd

”



Leading practices

Leading practices across industries:

01 Employee health and well-being

- Psychological well-being:** Employee assistance programme to manage their personal and work-related time and build resilience
- Wellness surveys:** Regular surveys to sense employee feedback, response and needs.

02 Social distancing and remote well-being

- Determining the right mix** of employees who would work from home and work from office
- Hot desking:** In the mid to long term after COVID-19, hot desking has become increasingly relevant and a strategic measure to optimise costs and be agile.

03 Employee engagement

- Increased communication:** Periodic townhalls and communiqué from leaders at increased frequency
- Fun activities:** Games, quizzes, selfie competitions and other fun activities with team members and their families.

04 Capability development

- Cross-skilling:** Cross-skilling of employees to optimise talent needs across different role segments
- Digital learning:** Shifting from traditional to digital platforms for continuous learning and development.

05 Managing employee cost

- Redefining existing allowances:** Conveyance/travel etc. to optimise overall employee cost
- Change in pay structures** and recalibration of benefits.

06 Building efficiency

- Performance assessment:** Innovative and agile ways of performance and productivity management
- Productivity measurement:** Identification and elimination of structural redundancies, overlaps and un-utilised manpower.

Initiatives by the pharmaceutical industry

Increased insurance cover & healthcare facilities

Micro-learning modules and gamified training

Reimbursements for internet connection & installation fees

Identification of fungible skills

Infrastructural support

Time bound meetings / discussions



Pulse check and sentiment analysis

Emotional and mental wellness webinars

Helpline for employees with doctors

Redefined pay structures

Pen down days

Mandatory leaves



From recovery to adopting a new reality

This section covers:

- Workforce imperatives while adapting to the new reality
- The future workforce landscape - alternative workforce models, role re-calibration etc.
- New performance parameters - renewed performance and productivity measurement, re-aligned KRAs and KPIs
- Talent management - in lieu of emergent roles, skills and competencies, renewed best practices for L&D
- Re-defined business etiquettes – across roles and levels
- Emerging digital solutions – impact on the workforce and ways to increase adoption





Reality of the new normal - evolved business landscape

Even before the pandemic took the world by storm, 'The Future of Work' was a topic widely discussed in forums across industries. With the pandemic and its ramifications, before we realised, the 'future' has become the present reality in a very short

span of time. In this section, we have analysed the evolved business landscape and how pharmaceutical organisations are coping with the current realities and also making long term changes necessary to create a resilient and future ready workforce.

Evolved business landscape



With increasing digitalisation, it has become significantly easier to reach out to a larger base of doctors/hospitals – both for patients and pharmaceutical representatives. With the fear of exposure associated with going out, the trend of tele-consultation has picked up in the recent months, especially in urban cities, and the future of tele-medicine looks promising.

The emergence of e-pharmacies are changing the fundamentals of the distribution network with delivery times coming down significantly. **These changing dynamics will have a direct implication on pharmaceutical organisations in India, necessitating the need for re-aligned organisation structures and capabilities.**

Today, more than ever, the whole world has recognised the value of innovation and research. The need for increased investments in scientific research, in order to bring newer and innovative treatments and cures to patients across the world, has fueled the need for hiring talent that is relevant and crucial for businesses.

The biggest difference pre and post COVID-19 would be the minimalistic usage of physical resources in the industry. Companies are permanently switching to virtual working and operating through **satellite offices** resulting in significant cost saving from real estate. Going digital is not an option but a baseline needs to survive in the industry. The implications are manifold as this is a considerable shift from the preference for personal touch in the Indian context. Digital infrastructure coupled with the right mix of workforce competencies and skillsets would be the game changer going forward.

“

Pharma will move closer and closer to a hybrid model of physical and digital in all areas of business.

Rajaram Narayanan
Managing Director,
Sanofi India Limited

“

COVID-19 has given organizations an opportunity to pause and plan – to re-orient their strategy in a matter of months, what otherwise would have taken years.

Sagar Pawar
Partner - Life Sciences,
KPMG in India

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Reality of the new normal - workforce implications

01

The numbers game

Quantitative and qualitative analysis of workforce data across levels is being done and benchmarked to meet industry standards. While virtual means of working were encouraged across multiple firms even before the pandemic, the rate and extent to which it has penetrated in the current times is unheard of. A major implication has been on the associated real estate costs. Many organisations with sprawling offices are **looking to cut down on their real estate expenditure by renegotiating contracts for reduced workforce**. While the topic of "work from home versus work from office" can be debated at length, virtual means of working is definitely a part of the new normal.

02

Workforce optimisation

Workforce cost optimisation that was once a tick in the box activity is now a major area of concern and organisations are re-looking cost at each touch point of an employee's journey map.

The composition of the workforce could be significantly altered in the entire industry across manufacturing, sales and support functions. Interchangeability of roles and responsibilities are being considered to tackle the disruptions to workforce.

Detailed job evaluations are being performed across all levels of the organisation and opportunities for centralisation, automation and outsourcing being considered.

The proportion of contractual employees and gig workforce could be increased going forward while keeping an eye on the labour regulations of the country.

Following social distancing protocols in the manufacturing plants is definitely going to be a cost burden and plants are being modernised with respect to both technology (automation) and workforce composition. Digitalisation would bring in more objectivity in organisational decision making and that would be the game changer in the agile environment going forward.

The role of the sales department is also considerably changing with the emergence of concept selling, growing digitalisation and acceptance of virtual platforms. Organisations need to perform an honest assessment of the current/future headcount and capabilities and move into a **hybrid model with a mix of on-field and digital sales executives**.

03

Capability development

Capability requirements in the pharmaceutical industry are undergoing a major change fueled by disruptions across the value chain. The biggest challenge for the industry in the foreseeable future is the creation of digitally equipped sales, marketing and support functions. With organisations launching products online, the traditional role of marketing has changed drastically. Digital marketing has become more important than ever and the success of product launches now relies on optimal use of social media and online channels. Interactive sessions with doctors and global experts are being conducted seamlessly through virtual platforms.

Capabilities in digital resources and IT infrastructure are being improved considering the emerging context.

Hiring criteria and competency frameworks are being re-evaluated keeping in mind the need for **digital expertise**. Organisations are also considering **on-boarding dedicated digital representatives (akin to a call centre model) and develop remote selling capabilities**. Skill development programmes (both technical and soft skills) have to be conducted periodically and access to digital academies has to be provided.

A key area where employees are

being trained is on **"emerging business etiquettes"**. Aspects covered as a part of these training modules include

- Adherence to social distancing norms
- Protocols for virtual meetings
- Respect for personal time





04 Performance and productivity

Performance management systems are being realigned and Key Performance Indicators being re-adjusted. Organisations are adjusting their forecasts, making them realistic with respect to the current realities while promoting risk taking and entrepreneurial mindset at the same time. **Many organisations are moving away from the concept of Performance Management and shifting towards Performance Development.**

Measurement of productivity has emerged as a key area of concern. While most organisations have deferred their mid-year cycles, the next few months will warrant a relook at the way productivity is measured. This is applicable, in particular, to sales force employees and employees based out of corporate offices. A possible way out is use of effort and milestone-based indicators for performance and use of virtual cohorts and multi-rater concept for performance measurement.

05 Emergence of new roles

Traditional roles across the pharmaceutical organisations are being scrutinised, resulting in the emergence of new roles and strengthening of under-developed roles.

- Digital content developers
- Data analytics experts and insights managers
- Digital marketing experts
- Omni-channel experts
- Change managers
- Cybersecurity and cloud computing experts

06 Culture and well-being

The culture of the organisation becomes most relevant at the time of a crisis. More so, in the current pandemic, culture is one aspect that needs to be addressed carefully owing to the closing down of physical workspaces.

Organisations are coming up with innovative ways to build and re-enforce their culture. Organisations are considering this as an opportunity in the time of a calamity and leaders are regularly engaging with the workforce and their family through periodic virtual townhalls.

There is an utmost sense of trust in employees and leaders are shying away from any form of micromanagement. Leaders have realised that this is not the time to exert "tough" leadership,

but the time to provide emotional and social support to employees. The frequency of non-work related discussions has increased in a bid to make employees comfortable. At the same time, leaders are acting as role models by defining boundaries between personal and professional lives and encouraging a healthy 'work-life' balance.

Measures are being taken to provide adequate infrastructural support to employees - expenses for broadband, furniture etc. are being reimbursed, comprehensive insurance packages are being made available to all employees and protective gear is being provided to every staff who is at risk of exposure. Employees are regularly reassured of their importance and **surveys are**

conducted to gauge feedback. Companies are providing handouts with best practices and are maintaining a balance between business requirements and getting employees back to office.

While organisations are re-setting their policies and processes, this is also a great opportunity to **re-look at the agenda of Diversity and Inclusion.** A few initiatives being followed in this regard include:

Hearing the voices of diverse employee segments through virtual employee forums

Emphasising on physical distancing instead of social distancing

Sensitising employees towards the distinct needs of various communities

07 Compliance

Organisations are ensuring strict compliance with government regulations. Social distancing norms are followed stringently, and a safe environment is

provided to the workforce. Policies are getting re-structured – for instance leaves, sabbaticals, work from home, flexi-working, IT infrastructure, etc. The need

of the hour is to have flexible, agile and decentralised decision-making structures so as to deal with localised regulations.



What the future beholds for people

This section covers:

- Long term implications for workforce
- Emerging trends for workforce – workforce composition trends, learnings from COVID-19 for organisations and impact on organisational structures and roles
- Focus on the positive impact in a post COVID-19 working world





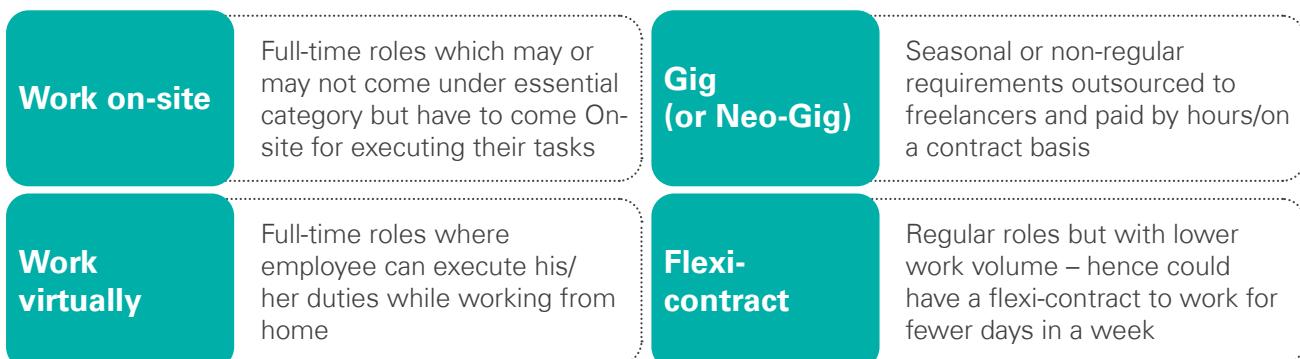
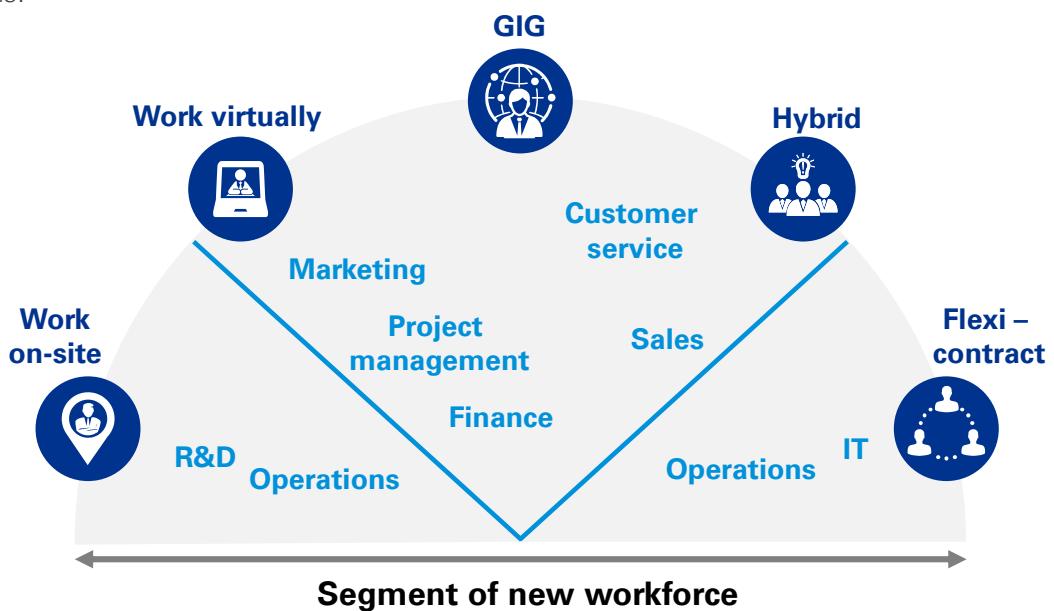
Future of people

1. Evolving operating model

The onset of COVID-19 has enabled employees to access **work from anywhere** without any location constraints. It is a win-win situation for both employees and employer:

Employees have benefitted by saving on travel time and living closer to their families. Organisations not only save on costs but also have access to the global talent pool. As the physical location of employees becomes redundant, the concept of **distributed leadership will emerge**. In a bid to contain costs and become agile, organisations will re-organise themselves and re-orient their decision-making models.

New ways of working have emerged and almost all firms are required to get their teams virtually enabled. But equipping roles with just virtual tools may not help deliver best possible results - **firms will need to dig deeper and perhaps go back to the drawing board to re-think on the best models to support their various unique roles**. Gig economy and contractual employment will become more common in the future with **employees taking up more than one job at a time**. Pharmaceutical companies will hire subject matter experts on a project basis, in lieu of superior technical expertise coupled with significant cost benefits.



“

The required capabilities are changing completely – Going forward, we will need omni channel experts.

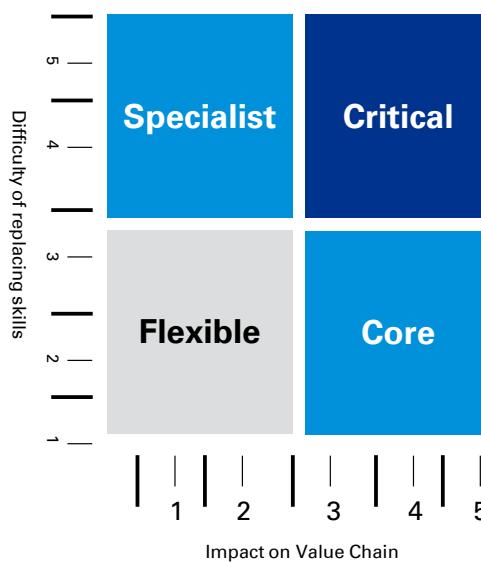
Sanjay Murdeshwar
Managing Director,
Novartis India Ltd.

”



2. Reconfiguration

With the changing talent dynamics, organisations will have to assess jobs to establish their relative worth for the organisation. Re-calibration of roles will have to be unique for each firm to best support their strategy and business operating model – hence no 'one size fits all' approach could be adopted. However, there are certain guiding principles that one could look to adopt to determine the right calibration for their firms. KPMG in India proposes a model wherein roles are categorised based on impact on value chain and difficulty of replacement of skills.



4. Employee reskilling

Organisations will revamp their employee development model to focus not just on technical, behavioural and functional skills, but also on cognitive skills, health and wellness skills and virtual world skills.

Key trends in digitally enabled re-skilling of employees

Massive open online courses

Helps deliver quality learning, irrespective of geographical location

Virtual classrooms

Offers multiple benefits to the learner including schedule flexibility, knowledge retention, and increased convenience

Gamification in e-learning

Provides an effective learning environment and helps learners practice real-life challenges in safe environment

Bite size learning

Convenient for employees to balance learning with work commitments

Social learning platforms

Collaboration and interaction help learners learn better. Discussion boards, virtual group projects, etc. can be leveraged

AI based learning

AI and ML based learning systems will be able to suggest the right trainings to contingent workers



3. Performance management

Technology will be used extensively across the hire to retire cycle and a glimpse of that has been seen in the recent months. Key Performance Indicators will evolve with time and organisations will move into Performance Development rather than Performance Management. Success of any organisation will involve significant investments in its people and performance. Organisations must transform the PMS basis the degree of change in the operating model and new ways of working.

Key elements of redefined PMS are:

- Outcome-based performance management
- Productivity measurement
- Stakeholder involvement and multi rater
- Real time dashboarding
- Digital assessment
- Virtual cohorts
- Multiple check-ins
- Redefined rewards

Key areas for re-skilling



5. Employee well-being

A holistic look at all aspects of employee well-being – physical, psychological and emotional will be a key priority going forward. As organisations mature, counselling sessions, meditation sessions, fitness sessions and a host of other initiatives will become a norm.

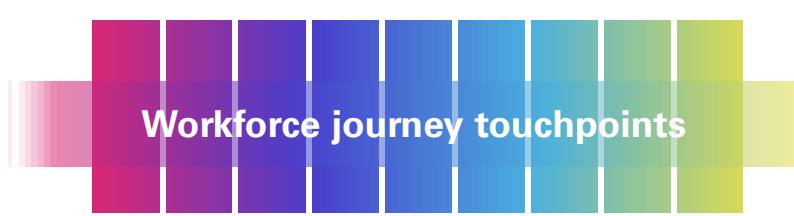
6. Employee experience

As per a study by Forrester in 2018, strong employee experience ratings correlate with higher productivity, shareholder value, operating profit

and customer outcomes. In light of the 'new ways of working', there have been paradigm shifts in the overall employee experience. From virtual onboarding to virtual performance discussions, from redefined policies to redefined workplace etiquettes, every aspect of an employee's lifecycle – from hire to retire has been impacted in some way. At the same time, the impact has been felt unevenly by different employee groups.

It therefore becomes imperative to understand and create a differentiated employee experience in order to attract and retain the best talent.

Impactful moments to influence employee satisfaction and retention



Impact	Growth	Reward
Leadership	Culture	Environment

Level 2:

Specific moments across the lifecycle that directly impact the experience of the workforce
e.g., recruitment and selection, onboarding experience, goal setting exercise etc.

Level 1:

Employees' perception and feeling of their experience along the six experience drivers
e.g., job content, career opportunities, compensation and benefits etc.

Why measure moments that matter?



Captures real time perspective



Enables immediate action



Designed to evolve

“

Leaders are displaying utmost levels of empathy, care and motivation towards their employees.

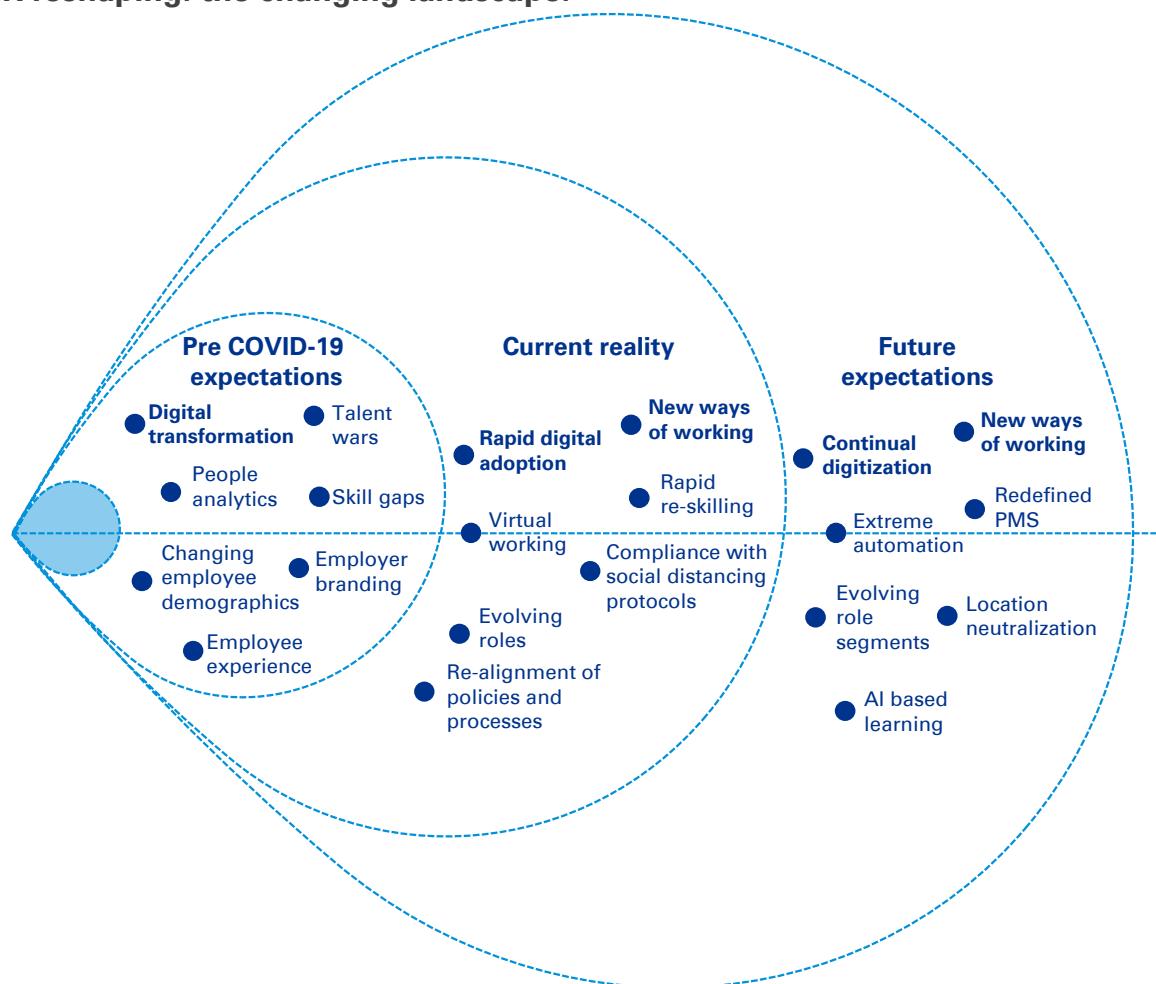
Sanjay Srivastava

Director - HR,
Boehringer Ingelheim India Pvt. Ltd.

”



HR reshaping: the changing landscape:



HR reshaping: Role calibration

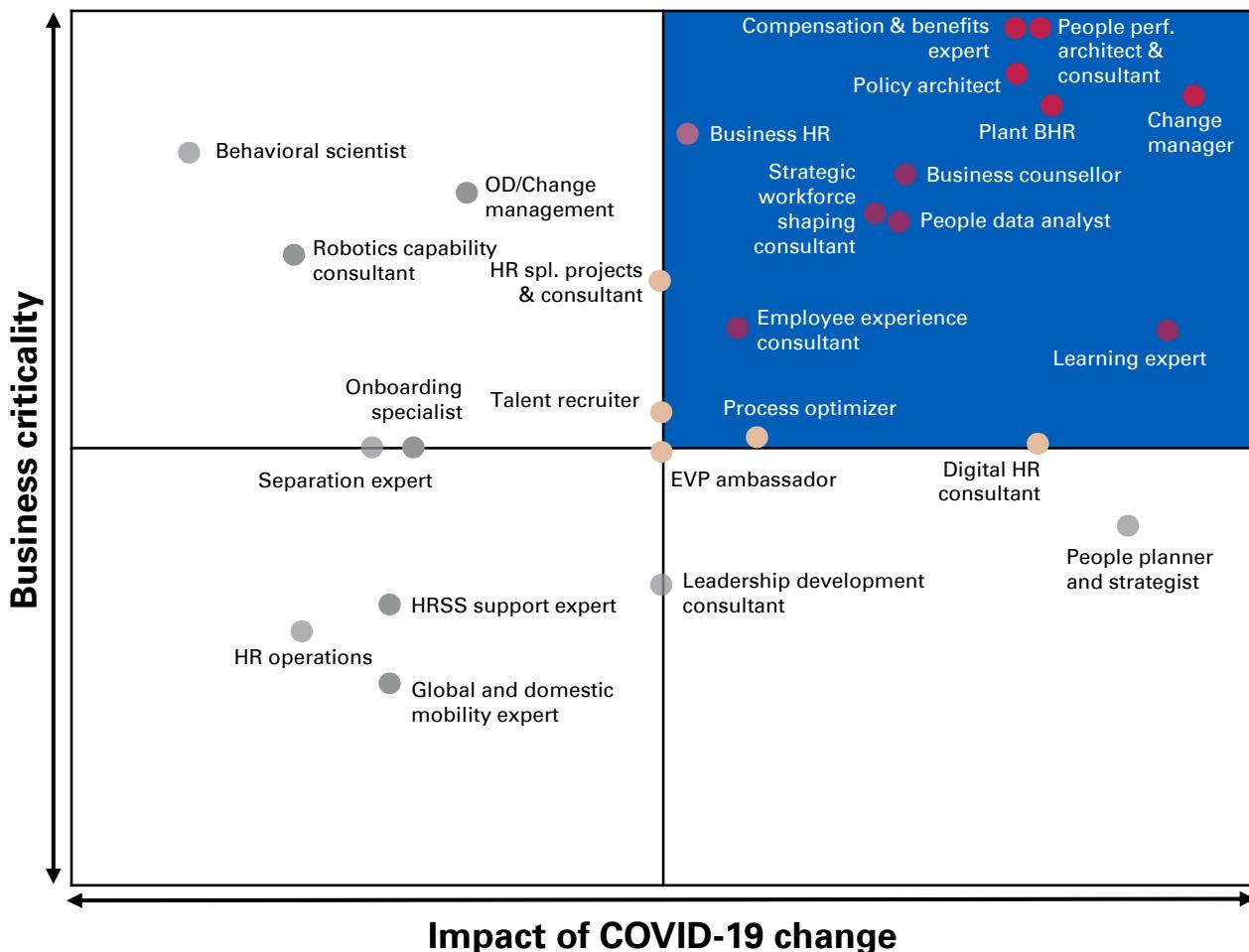
As organisations undergo radical changes – from business model re-alignment to changing employee dynamics, the human resources function needs to step up its game. HR function has been at the forefront of institutionalising any change in the workplace and today's scenario is no different.

At the same time, the current crisis will also impact various HR roles. While some will become more business critical, others will become less important going forward. Detailed action planning for each unique role will be required keeping in mind both the current crisis scenario as well as how these roles will evolve post COVID-19.

What is changing	Recalibration of HR roles	
Workforce is evolving to tackle with an unprecedented scenario	Undertake workforce shaping and planning to meet current and future talent needs	Upskill / reskill workforce to meet evolving workforce and business needs
Performance metrics and definition across businesses will change in new-normal scenarios	Revisit new performance metrics along with supporting system	Complexity of work will increase as compensation and benefits policies and procedures need to be revisited
Shift of working environment towards virtual platforms will make the talent process more complex	Revamp major HR policies and procedures, which will have direct impact on business	Manage change associated with new ways of working - processes and guidelines
Leaders are struggling to manage changing ways of working and workforce	Enterprise values and employee value proposition need to drive employee affiliation towards the organisation	Understand the business, culture, and people challenges and build innovative deep business counselling solutions for those impacted

Below figure demonstrates a two-dimensional criticality-impact analysis

The Critical-Impact analysis demarcates the roles that must be focused, supported and enabled on priority



“

The concept of Gig economy will catch up fast considering the current scenario.

This pandemic has shown why an organization needs a high performing HR function.

Vishalli Dongrie

Partner and Head - People & Change,
KPMG in India

”



About OPPI

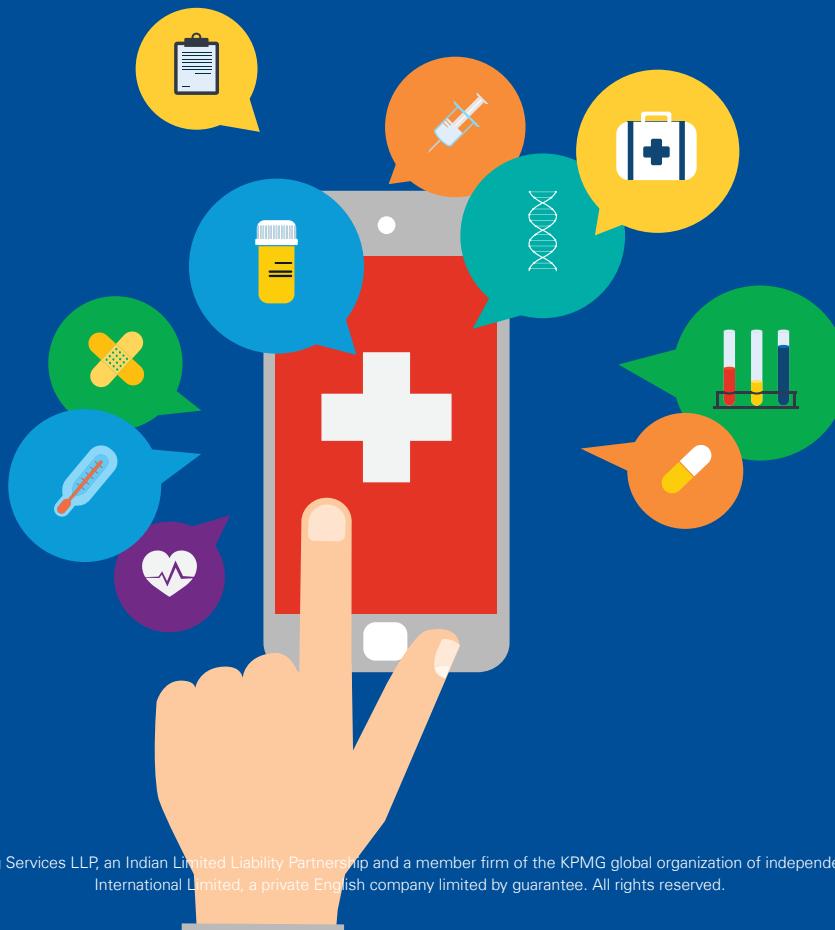
The Organization of Pharmaceutical Producers of India (OPPI) was established in 1965 and represents the research-based pharmaceutical companies in India. OPPI remains committed to supporting the nation's healthcare objectives and collaborating with all stakeholders to find sustainable solutions. OPPI

believes the need for innovation must be balanced with the necessity for more accessible medicines, within a robust IP environment. A holistic approach is needed to expand healthcare in India and OPPI believes the pharmaceutical industry can form part of the solution.

About KPMG in India

KPMG entities in India are professional services firm(s). These Indian member firms are affiliated with KPMG International Limited. KPMG was established in India in August 1993. Our professionals leverage the global network of firms, and are conversant with local laws, regulations, markets and competition. KPMG has offices across India in Ahmedabad, Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Noida, Pune, Vadodara and Vijayawada.

KPMG entities in India offer services to national and international clients in India across sectors. We strive to provide rapid, performance-based, industry-focussed and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.





List of OPPI members interviewed

Name	Designation	Organisation
Suresh Pattathil	Managing Director	Allergan India Private Limited
Gagan Singh Bedi	Managing Director	AstraZeneca Pharma India Limited
Manoj Saxena	Country Division Head – South Asia	Bayer Pharmaceuticals Private Limited
Jaideep Iyengar	HR Business Partner – Pharma, South Asia	Bayer Group of Companies, India
Ashwini Deshpande	General Manager, India	Bristol-Myers Squibb India Private Limited
Sanjay Srivastava	Director - HR	Boehringer Ingelheim India Private Limited
Sharad Tyagi	Managing Director	Boehringer Ingelheim India Private Limited
Girish Dixit	Executive Director	Eisai Pharmaceuticals India Private Limited
Luca Visini	Managing Director	Eli Lilly and Company India & Sri Lanka
Sathya Narayanan	Managing Director - South Asia	Galderma India Private Limited
Cecilia Azavedo	HR Head – Janssen India	Johnson & Johnson Limited
Maninder Singh Sawhney	Country Manager	Lundbeck India Private Limited
Rekha N.	HR Manager	Lundbeck India Private Limited
Anandram Narasimhan	Managing Director	Merck Specialties Private Limited
Sanjay Murdeshwar	Managing Director	Novartis India Limited
Kishore Upadhyay	Assistant Vice President HR & IT	Otsuka Pharmaceutical India Private Limited
Vikram Patki	Head Human Resources	Procter & Gamble Health Limited
Shilpi Singh	Director	Pfizer Limited
Ruchi Parulekar	Director People & Culture	Roche Products (India) Private Limited
Rajaram Narayanan	Managing Director	Sanofi India Limited
Jui Dabir	Head of Human Resources	Serdia Pharmaceuticals (India) Private Limited
Karthik Ramkumar	HR	Takeda Pharmaceuticals India Private Limited
Vaishali Paradkar	Head Business Services - I2I & Talent Head, India	UCB India Private Limited

Acknowledgements

Core team – OPPI

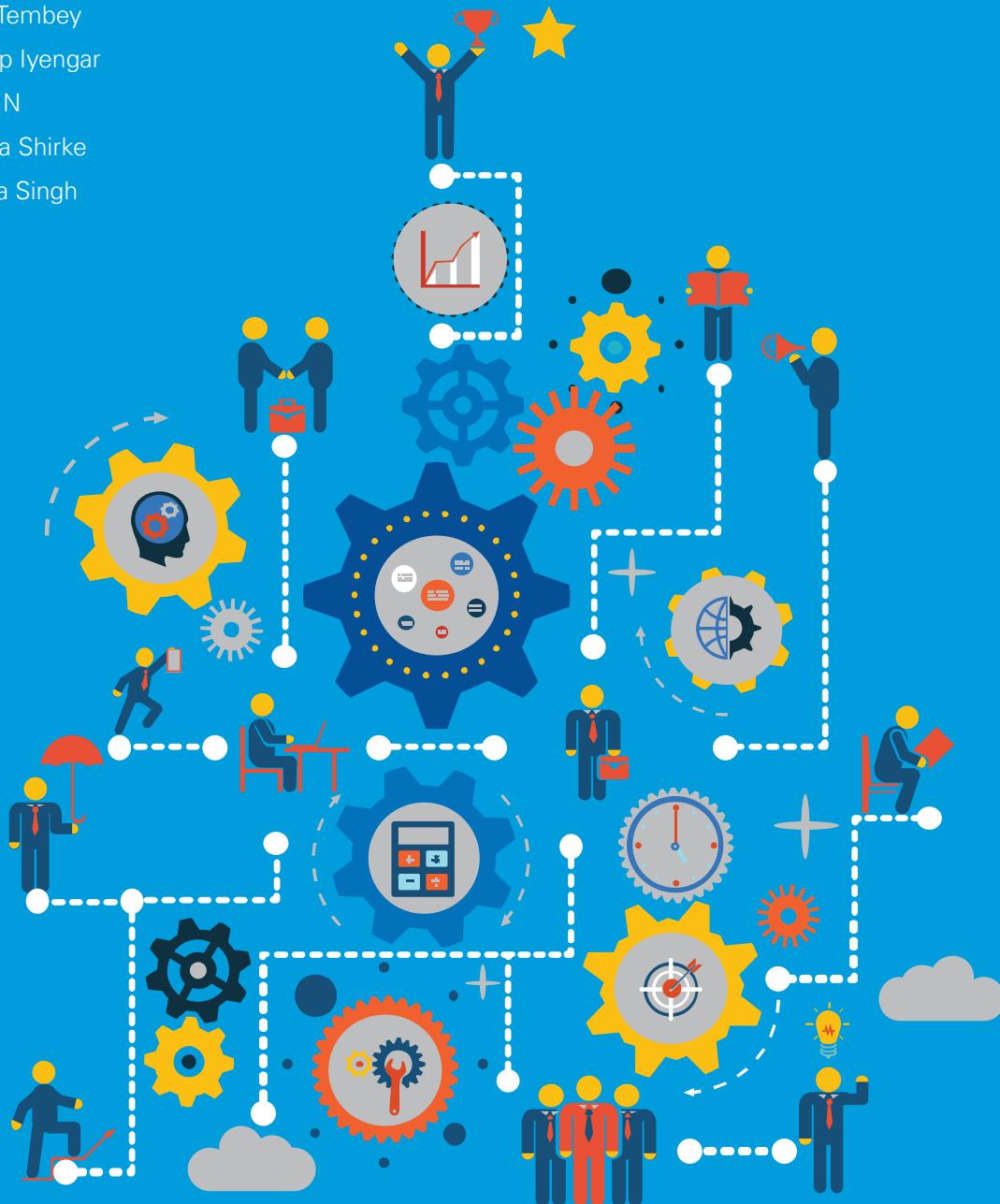
- K.G. Ananthkrishnan
- Sathya Narayanan
- Maninder Singh Sawhney
- Cecilia Azavedo
- Vikram Patki
- Kuldeep Singh
- Carolina Dsa
- Sanjay Srivastava
- Nikhil Tembey
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