

Capability Building is New Normal in Pharmaceutical Industry

Jaganadharao Gundu, Statistical Programming, FSO, Parexel, India

Sreekar Mateti, Statistical Programming, FSP, Parexel, India

Abstract

The next few years will bring fundamental changes to pharmaceutical industry, and to adapt, employees in almost every role and industry will need to acquire new skills. The COVID-19 pandemic forced companies to operate differently, and it affected in many ways.

Every company I know in pharma is looking for resources and many aspirants are looking for jobs in Pharma industry. There is a gap between companies and resources.

This paper talks about how we can create the resources and how we can develop the people instead of searching for the resources. It talks about how we can adapt to the rapid swifts. This paper will also discuss how design thinking helps manager from new or experienced managers to solve the problems effectively. Design thinking has been successfully applied to developing new products and services already. This paper talks about how design thinking helps capability building in these unprecedented days.

Introduction

Covid-19 has not only crippled economies and lives of the millions, it has also forced us to redefine the way we manage the environment and our lifestyles, compelling us to make few harsh decisions and enable paradigm shifts in functioning of our economies, organizations and communities. Pharmaceutical industry is no exception to this rule, and in fact, was at the epicenter of these sweeping changes that are affecting our very lives today and in the future.

Since the onset of the pandemic, pharmaceutical industry has been going through radical changes, with numerous challenges impacting every business process, and jobs in this industry are no exception to the rule. These changes are compelling companies to equip their resources to be able to understand the business context along with their job specific technical skills. For example, clinical research process requires resources with business/functional skills along with specific technical & analytical skills whereas demand forecasting requires job specific analytical skills, though the respective job descriptions emphasize on similar technological and analytical abilities and skills. Hence it is imperative for organizations to evolve innovative solutions to manage uncertainties in business.

All organizations, irrespective of their size and complexity of operations, had to redefine “uncertainty” in business and evolve appropriate ways and means to address it on a continuous basis. All industries in general, with pharmaceutical industry in particular, are facing unprecedented challenges, to design and develop solutions that address not only the pandemic but also other critical factors that are affecting the very functioning of the industry. The emergence of new products and solutions, like bio-pharma industry, alternate medicine and community health care have opened up new avenues and challenges, forcing organizations to adopt new tools and techniques that address both strategic and operational issues.

Managing Diversity, Agility, and Innovation have become instrumental for organizations in addressing various challenges, it is ensuring strong financial performance or strengthening the supply chain operations or enhancing customer experience among many others. The focus has always been on revamping People, Process, and Technology that form the critical mass for any organization to survive and grow in difficult times. The various frameworks and models that were evolved and adopted over the years like Digital transformation, Process Reengineering, Design Thinking process etc., are being evaluated for their effectiveness in today's context in building requisite and relevant capabilities and opportunities are being explored to leverage them in multiple ways.

Improving top and bottom lines, cost optimization, improved individual productivity, eliminating redundancy and complacency have been Key Result Areas (KRAs) and every organization invests its time and money to achieve these targets to their expectations. Improving employee productivity is correlated to how human capital is managed within the organization.

Managing the human capital and developing talent have been some of critical success factors for organizations today. The pandemic has forced organizations to go back to the drawing board in designing new ways and means of managing talent and align them with sweeping changes that are brought into business operations. The need of the hour is to understand the dynamics of workforce and various challenges and threats that are impacting the human resources, and it is equally important to factor in their concerns and needs. The way organizations are designing their employee engagement strategies should address both organizational individual employee concerns and a right blend of productivity and work-life balance aspects are to be included in these plans.

Diverse workforce, work from home practices, moonwalking, remote work locations, collaborative work environments catering to multiple time zones are all impacting the performance of an organization in terms of its talent retention and development programs. Organizations need innovative solutions and practices to build, manage, and retain their resources. The never-ending debate on the effectiveness of talent acquisition vs. talent retention has never been so important, both from a cost optimization and productivity enhancement standpoint.

This paper examines various aspects of talent retention and development, particularly in today's context, given the complexities involved in managing them. It proposes to leverage one of the popular and effective strategies, design thinking process, in identifying and building relevant capabilities in this space.

When the business is progressive and growing, organizations have invested to build additional capacities to meet the increased demand, but fragmented attention was paid in competency mapping and capability building. However, it is imperative for organizations today to focus on capability building among the human resources to stay ahead in this competitive world.

This paper examines how design thinking process helps managers, new or experienced, to solve the resource related problems effectively. Design thinking has been successfully applied to developing new products and services already. This paper talks about how design thinking helps capability building in these unprecedented times.

Organizations have been using terms like 'Capacity', 'Competency', and 'Capability' interchangeably, though they mean the same. Often organizations have focused their transformation and improvement plans on capacity building, enhancing their infrastructure, and production capacities, etc. and competency

building has always been limited to employees by building various competency models focusing on employees' skills, knowledge, and abilities.

Capability building on the other hand deals with organizations or individual's power or ability to do something. It can also be seen as a combination of capacity and ability to do something.

Capacity Vs. Capability:

While capacity building focuses on organizational building, capability building focuses on organizational transformation. The following distinctions may throw some light on the difference between capacity building and capability building.

Capacity Building	Capability Building
Facility Management	Faculty Management
Organizational Building	Transformational Building
Volume	Value
Training and Development	Knowledge and Learning
Drive and Output	Innovation and Outcome
Leadership	Leading and Coaching
Positions	Processes (Innovative)

Though they both vary in nature and kind, both have their specific functions to perform, and are interdependent in meeting their ends.

Competency and Capability:

While competency mapping is important, capability goes one step further. It enables employees perform at optimum levels and also equip them for future opportunities and challenges.

Competence refers to a person's current state and talks about the knowledge and necessary skills they possess to perform a job. Whereas capability is about integrating knowledge, skills and adapting, flexing to meet future needs.

Progression from a competency-based model to a capability building model for talent development calls for a change in mindset. Organization's initiatives and other human resource development programs must enable employees learn faster, become agile and committed to continuous learning in order to successfully create, innovate, lead, and manage change as a future leader.

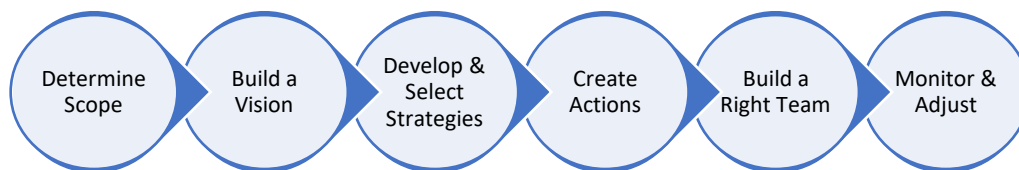
The process of capability building involves various steps and is well integrated with the overall organizational and other functional plans. It is needless to emphasize that management's mandate and commitment is required to implement this initiative.

Since the organization works with structures, hierarchies, and multiple reporting arrangements, it is necessary for us to understand some of the critical factors that are to be considered while building a capability model. Some of these factors include

- Current performance and future desired performance aspirations

- Organizational structures (Corporate Headquarters, Business Units, Geographic Regions, Shared Service Centers, etc.)
- Number of levels within the organization
- Existence of matrix reporting relationships
- Cross-functional arrangements
- Composition of the workforce (full time, part-time, specialists, contractors and seasonal, etc.)
- Career development plans implemented by the organization
- Placement of activities (conducted within the organization and outsourced)
- Tenure, experience, and qualification of the employee composition
- Employee right sizing and downsizing practices so far adopted
- Employer branding practices

Though there are many approaches for capability building, we are describing the generic steps involved in its implementation.



Considering the above-mentioned factors, it is necessary for organizations to determine the scope for capability building, in terms of skills, competencies, knowledge, abilities, and requisite experience to deliver results to the expectations, both for the near term and long-term purposes. It involves understanding the current and future business objectives, market trends, and stakeholder expectations.

Having understood the horizon of capability building, it is important for an organization to set a vision and set the course of an organization to realize the same. The vision should reflect the organization's culture and philosophy, and their ability to create an impact on all stakeholders to strive and contribute to its realization.

The company's vision should drive the selection and development of strategies and programs that are targeted at talent development and retention. These strategies should include portfolio of best practices, their alignment to both strategic and operational goals, and their expected contribution to capability building.

Action plans are drawn to transform strategies into specific actions with measurable outcomes, timelines for their implementation. The following actions include identifying and deploying competent people who will drive the implementation and deploy relevant trackers to monitor the progress and adjust action plans, wherever and whenever necessary.

In order to derive best results from the capability model, it is necessary to integrate the same with other development initiatives like process reengineering, digitization efforts, etc. A collaborative approach would surely drive the organization in building requisite capabilities.

What Capability building can do:

Capability building is the inner strategic mechanism that aligns the vision and mission of the company to the times and beyond.

In other words, it builds the inner domain knowledge of the organization/company to the level of greater transformation and change, through innovative means, by aligning skills, behavior, and knowledge. It transforms and continues the process of transformation by aligning the vision of the company with its outcome.

The pharmaceutical industry works in its unique way, with industry specific processes and practices that makes capability building even more complex in its design and implementation.

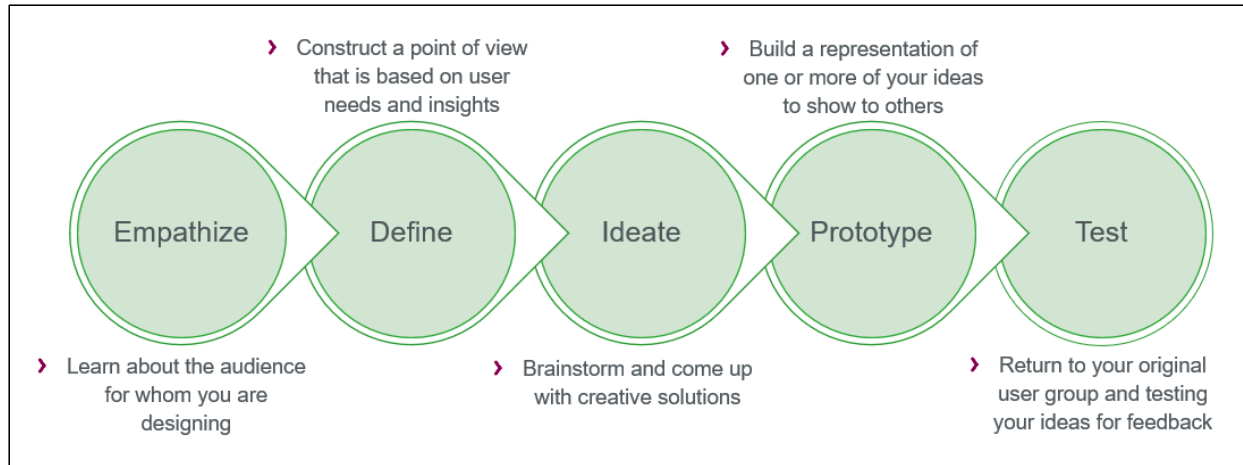
Industry specific processes like clinical research, trial and testing processes, multiple production systems and models, unique sales, and distribution systems with greater integration with set of opinion leaders and influencers, host of pharma analytics, both predictive and descriptive in nature, in addition to internal compliance systems and external drug regulatory agencies make it complex to identify and design industry specific talent development and retention practices. It is imperative for organizations to gain a deeper understanding of these nuances while building a capability model.

This industry also demands uniquely qualified professionals in various business streams that it manages, and resource management dynamics are complex in managing and engaging these resources. The right blend of experience and talent makes it hard for the organizations to evolve suitable strategies to maintain good balance between company's goals and expectations on one side and the individual employee aspirations for benefits and aspirations on the other.

Having gained an understanding of the capability building model and certain nuances of the pharmaceutical industry, it is now time for its implementation leveraging the Design Thinking process.

Design Thinking:

Design Thinking fosters an outside-the-box approach, with huge emphasis on creativity, innovation, and the needs of the user. The Design Thinking process is used to apply the Design Thinking ideology to real-world, wicked problems. It offers a solution-based approach to problem-solving.



The pharmaceutical industry has been at the forefront in leveraging Design Thinking process to build various products and services and it is highly logical to explore its capacity to build the capability model. As industry leaders and employees are well acquainted with this model, it is with equal ease that an organization can communicate its benefits and improve their effectiveness of their initiatives.

Being empathetic to the concerns and aspirations of various stakeholders definitely helps an organization to determine the scope for capability building and design relevant strategies. Empathy bridges the perceptual and real gap and brings about a collaborative work environment and in turn enable both Human Resource managers and operations managers in meeting business expectations.

While designing strategies for talent development, organizations have to ideate in selecting various strategies for diverse categories of employees. The ideation process must include the evaluation of each and every talent development practice from its effectiveness, its cost of implementation and its ability to create far reaching impact on the employees, among many others. This also helps in saving lot of time and investments in selecting appropriate processes without implementing them enterprise wide, without establishing its impact.

Some of the well-known and time-tested practices can be considered for talent development and retention. However, it makes sense to segment these strategies and practices that are aimed at improving productivity standards. These strategies can be segmented as

- **Quality** – strategies that are targeted at improving quality of performance of employees, focusing on requisite skills and competencies
- **Business Value** – strategies and practices that are aimed at improving business value of the performance, thereby enhancing the current capability of the organization
- **Agility** – strategies that are aimed at enhancing performance and accelerate the response times to business needs, thereby enabling an agile organization to manage uncertainties
- **Client Satisfaction** – strategies that are directed at performance improvements which will have a direct impact of client satisfaction, both for internal and external clients.

The following are some of the talent development practices that can be considered for capability building, particularly for pharmaceutical industry

- Succession Planning
- Leadership development programs for high potential employees
- Technology training for enhanced digitization (Digital talent)
- Recognition Programs for high performers
- Global Leadership Development for future leaders
- Flexible Working Hours
- Job Shadowing
- Online/web-based training
- External nominated training
- Coaching and Mentoring
- Experiential/on-the-job training
- Hybrid Working Model
- Internal Job Postings (IJPs)
- Cross-functional training and development
- Horizontal Career Options
- Connect with Educational Institutions
- Internship Programs

Having determined the set of strategies and practices, it makes sense for organizations to build various prototypes, a catalogue of programs designed for specific segments so that employees have a choice to choose from.

The final phase involves the designed talent development catalogue is positioned for testing to evaluate its relevance, effectiveness and ability to meet the desired outcomes.

The portfolio of practices adopted for various streams of business within the pharmaceutical industry outlines the diverse needs of each of the streams, their business contributions, blend of business, functional and technical knowledge skills required for each stream and the longevity of employees' impact on the success, etc. For example, the unique sales and distribution stream within the pharma industry calls for resources' business knowledge, market intelligence, their ability to build opinion leader networks, retail chain relationships, Company/product knowledge, competitive intelligence, marketing & sales analytics among many others. These skills and knowledge may not be completely relevant to other business streams of the industry. Similarly, the skills and competencies required for clinical research and development may not be completely relevant for other business streams.

Organizations, while determining the scope and set relevant practices for designing roles and subsequent talent development plans, they need to consider these unique professional needs and create a balanced portfolio that focuses on building business & market knowledge, functional & process skills, and technical skills to enable overall development of the employee

This proposed framework enables an organization to build a holistic understanding of capability building and in turn helps them adopt the most relevant and effective strategies for talent management and development.

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ACKNOWLEDGMENTS

We would like to thank each one, who has been part of our life journey and influenced us directly or indirectly, till today. And, special thanks to Parexel and PHUSE.

CONTACT INFORMATION

Your comments and questions are valued and encouraged. Please feel free to contact authors:

Name: Jaganadha Rao Gundu

Email: jaganadharao.gundu@parexel.com

Name: Sreekar Mateti

Email: sreekar.mateti@parexel.com