

HUMAN RESOURCE-RELATED ISSUES



OTSUKA'S HUMAN RESOURCES DEPARTMENT IS RESPONSIBLE FOR MORE THAN 600 OTSUKA EMPLOYEES IN THE UNITED STATES, FROM THREE DIFFERENT COMPANIES: OTSUKA AMERICA PHARMACEUTICAL INC. (COMMERCIALIZATION), OTSUKA PHARMACEUTICAL DEVELOPMENT & COMMERCIALIZATION INC. (RESEARCH AND DEVELOPMENT), AND OTSUKA MARYLAND MEDICINAL LABORATORIES INC. (NON-CLINICAL).

Otsuka America Pharmaceutical Inc.'s Lorraine Daly, Director, Business Partner (front), **Leslie Eggleston, HR Staffing Manager** (back left), and **Richard Obrig, VP, Human Resources** (back right),

DISCUSS HOW HUMAN RESOURCE ISSUES, INCLUDING COMPLIANCE, COMPENSATION, AND STAFFING,

can impact a pharmaceutical company's culture.

It is a challenge to maintain compliance with state and federal laws and regulations and industry standards, provide competitive compensation and benefits, hire and retain the best people available, keep them confident, motivated and committed to their jobs, and continue to provide employees with the opportunity for growth and development through relevant and appropriate educational programs, alternative working arrangements, opportunity potential, recognition, and interesting work.

Good human resources departments understand these challenges and know that to keep turnover rates low, attention to detail is imperative. Otsuka America Pharmaceutical Inc. (Otsuka), for example, has had a low turnover rate for the past several years, and numerous employees who have left have returned.

"People want to come back, and often they do, but often they can't because the position has been filled or the opportunity no longer exists ... but that's when you know you're doing something right," says Leslie Eggleston, staffing manager, Otsuka.

COMPLIANCE

The current regulatory environment in the pharmaceutical industry is challenging at best. Compliance with state and federal laws and regulations and industry standards requires ongoing training, oversight, and monitoring for all employees to ensure adherence.

"While legal affairs departments provide compliance training, human resource departments must enforce these skills with our employees and, if necessary, oversee actions to ensure compliance of our standards," says Richard Obrig, VP, human resources, Otsuka.

COMPENSATION AND BENEFITS

All organizations need to remain competitive, and one way to achieve this goal is to overcome the difficult challenge of identifying accurate and appropriate measures for incentive plans that reflect realistic equity.

"In addition, establishing genuine work/life balance for our employees has

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become a bigger issue," Mr. Obrig says. "And while the use of e-mail and new technologies may enable people to work anywhere, we must still acknowledge that face-to-face meetings are most effective for some business activities. We need to identify equitable solutions and still provide services to all employees."

STAFFING

People today have more and more choices available to them, and as a result, attracting and retaining talented personnel has become more difficult.

"Particularly in our industry, with the frequent layoffs and corporate mergers and acquisitions, many companies have adopted an outsourcing business model," says Lorraine Daly, director, HR business partner, Otsuka.

This presents challenges for companies to meet staffing needs for full-time employees. In addition, HR staffing has ongoing challenges that have become far more complicated, regarding visa issues, ADA, and diversity.

"We embrace these programs as well as their resulting challenges, and we work closely with line managers to ensure that we provide equal opportunity for all," Ms. Daly says. "Interviewing field-based employees adds an additional level of complexity. HR also is responsible for training all personnel on employment and nondiscrimination policies."

HR'S IMPACT ON THE INDUSTRY'S PIPELINE

As an industry, today's pharmaceutical pipelines are no match for those of the past. With the lack of robust pipelines plus the uncertainties in this industry regarding product approvals by the FDA, jobs are more in flux than ever. Along with that, the sense of excitement, future development, and security are more vulnerable as a result of constant changes occurring industrywide, including layoffs, mergers, downsizing, and dramatically different business models such as outsourcing,

which goes back to the paucity of qualified candidates seeking permanent, full-time employment. Therefore, it becomes critical to constantly build the confidence of employees.

While the pool of applicants remains large as companies' headcounts ebb and flow, this has had an impact on their ability to attract, hire, and retain the right employees with the requisite skills. Yesterday's skills will not help companies meet tomorrow's challenges without a renewed focus on workforce development.

LEARNING AND DEVELOPMENT

At Otsuka, learning and development is a function of human resources. The company's HR experts say people believe that, in the current environment, there are few "lifelong" jobs, and they want more development programs and resources, in addition to product training to ensure they remain aware of industry issues and continue learning about workplace dynamics and other topics of importance.

Today's workforce is highly educated, particularly in the life-sciences industry, and employees demand that companies provide them with growth, development, and crafted opportunities to practice new skills. Therefore, depending on the corporate structure, human resource departments must provide the necessary training and ensure that continuous programs are new, relevant, and timely.

With the increase in numbers of remote positions and employees teleworking, blended e-learning solutions need to be leveraged to meet the increasing demand for acquiring the marketable skills that the workforce expects. ♦

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