

PHARMACEUTICAL MANAGAEMENT

The word 'Management' denotes the process of conducting and managing various business activities. It is the art of securing maximum results with the minimum of efforts so as to secure maximum prosperity and happiness both for the employer and the employees and at the same to provide best possible service to the public.

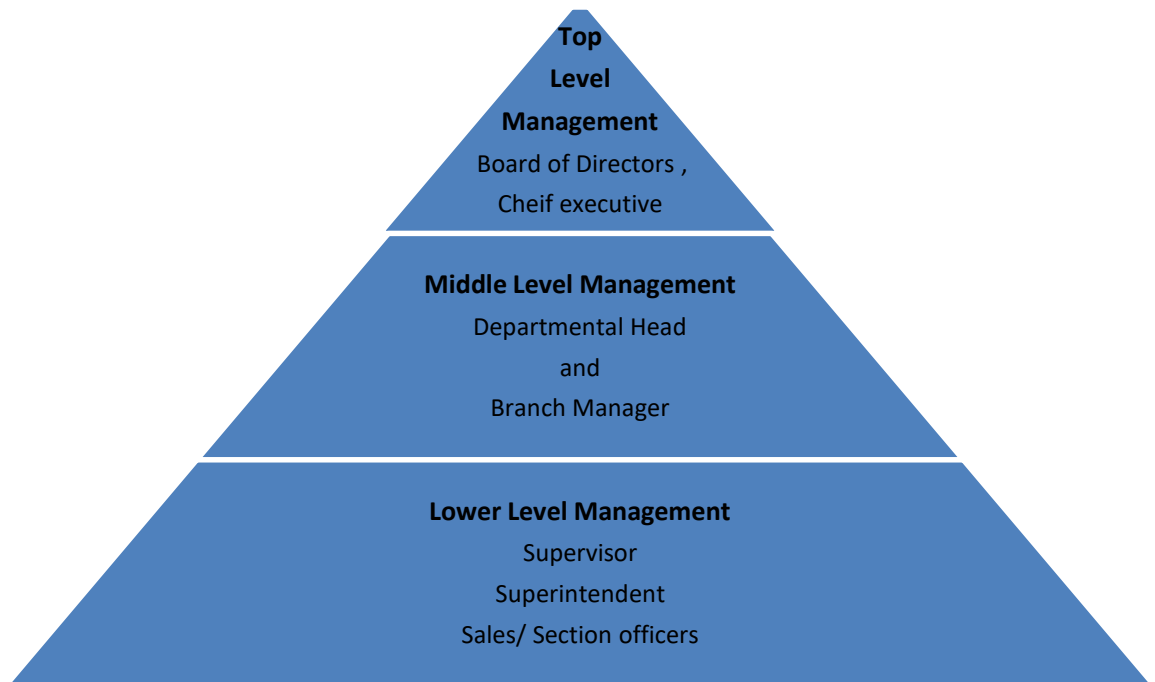
Management is the art and science of organizing and directing human efforts applied to control the forces and utilize the materials of nature for the benefit of man.

Management is a science because it proves, predicts, defines, measures and utilizes knowledge. At the same time it is an art because it feels, guesses, describes, expresses, communicates and practises. It is also a profession because it requires skill and knowledge and the development of a positive attitude.

Management is principally a task of planning, coordinating, motivating and controlling the efforts of others towards a specific objective. Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently towards the attainment of group goals. When the principles and practices of management are applied to pharmaceutical industry and drug store, it is known as 'Pharmaceutical Management'.

Levels of Management: There are three levels of management:

- i) **Top level management:** Top level management of a company consists of the board of directors and managing director. Top management is the ultimate source of authority which frames the policies for the enterprise. The top level management generally performs the following functions:
 - 1) Laying down the overall objectives and board policies of the enterprise.
 - 2) Organizing the business into various departments and divisions.
 - 3) Appointing department managers.
 - 4) Issuing guidelines for heads of the department.
 - 5) Coordinating the work of different departments.
 - 6) Reviewing the work of departments and taking steps to achieve objectives.



ii) **Middle level management:** It generally consists of head of departments. They are responsible to the management for the efficient functioning of their departments. In small enterprises, there may be senior middle level managers and junior middle level managers.

iii) **Lower level management:** It is also known as supervisory management because it is directly concerned with the control of the performance of the operative employees. The level includes supervisors, foremen, superintendents, sales officers, accounts officers etc. They issue orders and instructions and guide day to day activities. They also represent the grievances of the workers to the higher level mangement. Lower level management perform the following functioms:

- 1) Planning of day-to- day work
- 2) Assignment of jobs and issuing orders and intuctions.
- 3) Supervising and guiding workers.
- 4) Maintaining close personal contacts with workers to ensure discipline and team work.
- 5) Evaluating operating performance.
- 6) Communicating the grievances and suggestions of workers to higher authorities.

Importance of Management:

- 1) It helps in the optimum utilization of all types of resources to achieve the best possible results.
- 2) It helps to increase the proficiency in handling business.

- 3) It helps to reduce the cost of production and increase the output.
- 4) It helps to utilize the services of the talented persons which are employed in the organization to achieve the planned target.
- 5) It helps to make stable and progressive growth of the organization in the changing environment.
- 6) It helps to design new products by adopting new techniques so as to give maximum satisfaction to the consumers and the society.
- 7) It helps to maintain the discipline which is achieved due to proper supervision at all levels in the organization.

Functions of Management: The following are the main functions of management:

• **Planning:** Planning is an intellectual or mental exercise requiring imagination and judgement. Planning helps to do things in an orderly manner. It increases economy and efficiency by minimising random action. Planning helps in the proper utilization of resources. Planning aims at achieving the desired results. It involves forecasting of future problems and events and selecting an appropriate course of action to handle the anticipated problems and events. For example, before starting a pharmaceutical industry, the following problems are anticipated:

- i) Selection of a proper site
- ii) Items to be manufactured
- iii) Obtaining the required license from drug administration to manufacture the selected items.
- iv) Arranging necessary finance for starting the business.
- v) Sale of goods manufactured by the factory.

All these things are possible only through proper planning. Hence, proper management is required before starting a new pharmaceutical unit.



• **Organizing:** It is one of the important functions of management. It is to organize the enterprise by grouping similar activities together with a view to attain the planned objectives, defining the responsibilities of the people in the organization, delegating appropriate authority to them to discharge their respective responsibilities and establishing relationship to enable coordination of the individual efforts to fulfill the objectives of the enterprise. For example, in order to start a pharmaceutical industry, classify the activities which will be involved in it, such as purchasing, production, quality control, stores, distribution, marketing, administration and finance. In order to run the factory smoothly, full authority must be given to the purchase manager as regards the purchase of raw materials. Interrelate the other activities like quality control, production, marketing and finance department for proper coordination, so that the final batch will be manufactured during the specified period in order to fulfill the objectives of the organization.

The process of organizing involves the following steps:

- 1) Identify the activities necessary to achieve the objectives.
- 2) Grouping the activities into manageable units.
- 3) Assigning duties or task to appropriate individuals.
- 4) Delegating necessary authority to individuals and fixing responsibilities for results.
- 5) Defining authority-responsibility relationships among individuals.

- **Staffing:** A right person should be selected for right type of job. The various activities, such as selection, communication, participation, counseling, training, compensation, dismissal etc. comes under it. For example, to run a syrup section of pharmaceutical factory, minimum of four persons are required. One for weighing of raw materials and mixing them in proper Management Planning Organizing Staffing Directing Controlling Coordinating quantity in water to make syrup. Two persons are needed for filling the syrup in bottles and then sealing and labeling it. One person is needed for testing i.e. to analyse the prepared syrup. An honest and hard working worker should be given due appreciation for his work. Suitable reward or compensation should be given.

Staffing consists of following activities:

- 1) Manpower planning i.e. determining the number and quality of employees required in an organization.
- 2) Recruitment, selection and replacement.
- 3) Training and development.
- 4) Appraisal, promotion, and transfer.
- 5) Employee remuneration.

- **Directing:** Management is the art and process of getting things done. The managers have the responsibility of guiding and supervising their subordinates in the following ways:

- i) By issuing of orders and instructions.
- ii) By guiding and teaching the subordinates as regards the proper method of work.
- iii) Supervising the subordinates to ensure that their performance conforms to the laid down standards. It becomes the responsibility of the management to motivate its subordinates to work and cooperate for the purpose of achieving the common objectives.

- **Controlling:** Controlling means the steps taken to ensure that the performance of the organization conforms to the plans. There should be an adequate control, so that Coordinating predetermined planned objectives are achieved. Strict control on the activities of the subordinates may sometimes leads to loss of all initiative and enthusiasm on the part of workers. For example, area manager of a pharmaceutical house can achieve his sales target if he calls the meeting of medical representatives under him, once in a week to solve their problems and issue new instructions. But if he starts interfering with their day-to-day work, it will be difficult for him to achieve the fixed target since the representatives are likely to loss all initiative and enthusiasm due to unnecessary interference in their work.

• **Coordinating:** In the management of an organization, objectives are laid down which can ultimately be fulfilled only by coordination among its various departments. There must be conscious efforts on the part of the management to see that all activities are carried on experts and different departments contribute to the achievement of the objectives of the business. It is important to ensure that the different departments work in coordination. It is essential that everybody in the organization understands the main objectives of the business and works towards their achievement in active cooperation with others.

A well-coordinated enterprise must satisfy the following conditions:

- 1) Each department or division should be precisely informed of its share in the common task.
- 2) Each department should work in harmony with other departments.
- 3) The working schedules of various departments should be constantly attuned to circumstances.

The basic features of coordination are as follows:

- 1) It is a continuous process.
- 2) It is an orderly arrangement of group efforts.
- 3) Its purpose is to secure unity of action towards common objectives.
- 4) Coordination does not arise spontaneously. It has to be created through deliberate efforts.
- 5) It consists of three elements:
 - i) Timing: Timing means adjusting time schedule of different departments
 - ii) Balancing: Balancing means ensuring that enough of one thing (e.g. machine) is available to support the other (e.g. materials).
 - iii) Integrating: Integrating means unifying objectives of the employees with those of the organisation.
- 6) Coordination is the essence of management