

# in the footsteps of sisyphus: retaining pharma salespeople in china

By Jerome Bucher

Fast market growth and high turnover among pharmaceutical salespeople mean HR leaders are mired in an endless struggle to hire and retain good people.

In Greek mythology Sisyphus was cursed to eternally roll a great boulder up a hill. Every time he neared the summit the boulder would inevitably slip, rolling to the bottom, and he would start again. Human resources leaders at pharmaceutical firms in China can empathize with Sisyphus as they struggle to hire and retain salespeople. Despite world class HR programs and endless rounds of hiring, turnover among front line sales people remains stubbornly above 20% – in 2005, one firm actually experienced 38% turnover among salespeople. In personal interviews with Heidrick & Struggles, HR leaders from four top pharmaceutical firms discuss what they are doing to win in this Sisyphean struggle.

Over the last three years the four firms have added a rough average of 400 salespeople per year, filling both new positions and ones that have been vacated.

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At all four the typical tenure a salesperson stayed was 2 to 3 years, with one company eking out only 1 to 2 years, but another four.

“Salespeople don’t leave for career opportunities, but perceived opportunities,” says one HR director. “Yes, we are expanding, but so is everyone else. You can walk out our door and into somebody else’s tomorrow – it’s that easy.”

To counter this companies have pulled out all the stops in their recruiting efforts. Generally, firms prefer a mix of experienced salespeople and new hires, often straight from university. They like to mix experience and inexperience in sales teams, so that newcomers to the industry can learn from older colleagues. Aside from university and on-line recruiting, which are popular and effective, firms are also enjoying success with referral programs, in which salespeople are rewarded for bringing in former colleagues or even competitors they encounter in the market – and, no doubt, creating HR headaches at the firm from which the new hire came.

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“Our hiring process combines both conventional and unconventional means,” says one HR director. “Conventional interviews are important, as are competency based behavioral targeted interviews, which use an external agency to assess a person’s past experience and performance. We also use role playing to test presentation skills and written tasks – this helps us control the quality.”

### Are You Experienced?

One HR Director warns, however, that experience is not everything: “Since the market is moving so fast and things are constantly changing, we find it difficult to define experience. Also, when you get an experienced person you have to find a way to internalize this experience for your company.”

To cope with all this hiring (both of salespeople and other functions) HR departments have grown rapidly. Of the companies interviewed, HR teams have typically doubled or even tripled, with most HR teams staffed with 30 or more people. Only one company has bucked this trend and actually reduced HR numbers. “Three years ago we had twenty HR people in China, but we’ve actually shrunk this a bit,” says the firm’s HR director. “HR shouldn’t do all

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the work. If the right processes and systems are in place, line managers can pick up more responsibility for hiring and developing people.”

External parties are also employed to find talent, particularly small local firms that specialize in identifying and recruiting salespeople. “Our experience with such agencies is that you have to be very clear in your objectives,” says one director. “Not only do they get involved in the searching, but also in talent mapping, which is part of our strategic staffing program. Talent mapping shows us who is available for certain roles within our company or within the industry.”

Onboarding is a strong focus. One company offers an induction program of 6 months, during which new salespeople must produce results. The first 6 weeks comprise training, and the remaining 4 months are in the field, where the newcomer receives on-the-job coaching, while also receiving classroom training in the office.

One firm has set up its own university in Shanghai. Here, new salespeople spend their first 14 days, learning product skills, policies, and procedures, before being broken into groups focused on specific product training. Only after training are they allowed to visit customers and promote products. “We are very stringent about this,” says the firm’s HR director.

### Retention: “We’ve Tried Almost Everything.”

Of course, aside from hiring and onboarding, the key issue is retention, and this is where everyone struggles. “Retention is tough we haven’t got the formula yet,” says one director. “We’ve tried almost everything. A lot of it has to do with external factors. Opportunities are always apparent elsewhere and it is easy for people to jump ship. Most of them tell us they are leaving to advance their career.”

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One company makes much of its HR staff being trained as career counselors. At any time, salespeople can approach anyone on the HR team to discuss what they want to do with their careers. “These are young people,” says one director. “They have ambitions and ideas. Sometimes people enter sales and discover it is not what they want. Rather than losing them to the market, why not move into the area they want if there is an opportunity?”

The same firm is also focusing on what it calls “total rewards,” as compensation is not enough. As society progresses and becomes more affluent, it feels it is

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important to educate people about such things as the company’s investment in benefits such as insurance and training. “How many employees know how much you are spending on life insurance?” asks the director. “We want to communicate a total rewards statement, not just what people see in their pay slip.”

Sisyphus is regarded as a symbol of futility, but despite high turnover pharmaceutical firms in China still have much to gain from hiring and retaining the best people. There is no perfect answer to the recruiting and retention conundrum. That said, companies can minimize the effects of a difficult market by continuously fine tuning HR programs that work, namely boosting retention by showing the strong career prospects they can offer. They should also be flexible in their approach to an ever evolving talent market. By doing so they can ensure their success in what is destined to be the largest pharmaceutical market in the world.

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