

UEF 7 semester Topic 15.

## **Pharmacy workforce Organizations: variable capital**

### **Questions for discussion in the classroom**

1. The composition of the workforce and the specifics of work in pharmacy organizations.
2. Analysis of the availability of human resources: quantitative characteristics. Qualitative indicators of the availability of human resources.
3. Analysis of the use of working time fund
4. Analysis of the efficiency of the use of labor resources
5. Analysis of the use of the payroll
6. Labor productivity planning.
7. Methods for labor rationing.
8. Factors that influence the productivity and efficiency of work.
9. Methods of payroll planning.
10. Calculation of the number of personnel

### **1. The composition of the workforce and the specifics of work in a pharmacy organization**

Labor is a contribution to the production process carried out by people in the form of direct expenditure of mental and physical efforts. The totality of a person's mental and physical abilities, his ability to work, is called labor force.

In market conditions, the "ability to work" makes labor a commodity. This product has the following characteristics:

creates a value greater than it is worth;

without its involvement, it is impossible to carry out any economic activity;

the efficiency of the use of fixed and working capital largely depends on it.

The future of pharmacy depends on the professionals who work in the field of drug circulation.

Specialists with pharmaceutical education work

- in the retail pharmacy chain,
- in domestic and foreign pharmaceutical companies,
- at enterprises producing medicines and other pharmaceutical products,
- in pharmacy warehouses and wholesale companies
- in the centers for drug quality control and control and analytical laboratories
- in other healthcare structures.

By the nature of the functions performed, the staff of pharmacy organizations is divided into four categories:

1. Administrative and managerial staff: head, deputy head, chief accountant, economist, senior cashier.
2. Pharmaceutical staff: pharmacists and pharmacists
3. Support staff: cashiers, packers, cleaning nurses
4. Household and maintenance staff: driver, worker, cleaner.

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| <b>for example:</b>  |
| <b>a pharmacy has the following employees on its staff:</b>  |
| 1. administrator (pharmacy manager) - 1 rate,  |
| 2. pharmacist - 3 rates,   |
| 3.assistant pharmacists (pharmacists) - 6 rates,   |
| 4. auxiliary staff - 3 rates (packer, nurse, cleaner).   |
| Ratio of pharmaceutical personnel and support staff (9:3 or 3 to 1, for 3 rates of pharmaceutical staff 1 rate of support staff) |

The ratio of employees in these categories characterizes the structure of the pharmacy organization's workforce.

**The peculiarities of work in pharmacy organizations are:**

- the mental nature of work — pharmaceutical personnel have to perform all kinds of operations during the working day that require solving many tasks at the same time with a large flow of information;
- a large amount of technical work — when taking a prescription for individually made medicines, the pharmacist solves, for example, such tasks as the correctness of prescribing doses, compatibility of individual ingredients, taking into account all their properties, characteristics, etc.; along with this, it is necessary to determine

the total cost of medicines, carry out registration of a receipt log, write labels on medicines, etc., that is, to perform purely technical work;

- limitations in the division of labor — the smaller the pharmacy organization, the greater the number of different types of work pharmaceutical personnel have to perform, as in large pharmacy organizations there are opportunities for division and specialization of labor;
- high nervous and psychological stress — the specifics of the content of the work of employees of pharmacy organizations is also due to the fact that during work they are in constant contact with visitors, therefore pharmacy workers must comply with the principles of deontology, be ethically restrained, patient, even and calm, they must be able to create and maintain an atmosphere of goodwill and mutual respect; communication with people, as is known, it is associated with high nervous and psychological stress of the staff;

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— pharmaceutical workers should take an active part in the implementation of preventive healthcare and constantly improve their skills in order to be highly qualified specialists, especially in conditions of reduced availability of medical care, when the population resorts to active self-medication as the easiest way to protect health.

Thus, the functions performed by pharmacy workers are complex and diverse, which determines the specifics of their work.

## **2. Analysis of the availability of human resources: quantitative characteristics.**

### **Qualitative indicators of the availability of human resources.**

The availability of human resources and the effectiveness of their use depend on the pharmacy organization

- the volume and timeliness of all work,
- efficiency of the use of household funds
- as a result, the volume of production (sales) of products, profit and a number of other economic indicators.

The main tasks that are solved when analyzing the use of labor resources and the wage fund are:

- study of the availability of a pharmacy organization and its structural divisions with human resources in terms of quantitative and qualitative parameters;

- assessment of the intensity and efficiency of the use of labor resources in the enterprise;
- identification of reserves for their more complete and effective use.

The main stages of the analysis of the pharmacy organization's workforce:

1. - analysis of the availability of human resources
2. – analysis of the use of the working time fund
3. – analysis of the efficiency of the use of labor resources
4. – analysis of the use of the payroll

The sources of information for analyzing the use of the pharmacy organization's workforce and the payroll are:

- work plan,
- statistical reporting "Labor Report",
- time sheet data,
- materials of observations — timings and photographs of the working day,
- information on measures aimed at the effective use of working time,
- reducing the labor intensity of products and increase in labor productivity,
- materials of special sociological research,
- materials of production meetings, etc.

### ***Stage 1.*** Analysis of the availability of human resources

To characterize the labor potential of a pharmacy organization, a system of quantitative and qualitative indicators is used.

**Quantitative indicators:** the list, turnout and average number of employees.

The list number is the number of all employees who are on the staff of the enterprise on a certain date. The list includes all employees employed for permanent, seasonal or temporary work.

The turnout number is the minimum number of personnel who must serve the trade and technological process.

To determine the number of employees for a certain period, an indicator of the average number of employees is used.

The average number of employees is the number of employees determined, on average, for the corresponding period (month, quarter, year).

In the process of studying the number and composition of employees, their dynamics are analyzed, as well as changes by period.

The availability of human resources for a pharmacy organization is determined by comparing the actual number of employees by category with the planned need.

### Qualitative indicators.

Changes in the qualitative composition occur as a result of the movement of labor.

The movement (turnover) of pharmacy staff is characterized by the following qualitative indicators:

- the number of all employees employed during the given period
- number of retired employees
- the number of people who left the company for disrespectful reasons
- the number of constantly working staff of the pharmacy organization

### **3. Analysis of the use of the working time fund (Stage 2).**

The analysis of the use of the working time fund is carried out on the basis of a balance sheet

working hours.

The completeness of the use of labor resources can be estimated by the number of days and hours worked by one employee during the analyzed period of time, as well as by the degree of use of the working time fund.

The analysis of the use of the employees' time fund is carried out according to the time table data.

At the same time, the number of man-hours worked by employees is determined, taking into account holidays and weekends, and absenteeism for certain types of work is studied:

annual leave;

study leave;

maternity leave;

diseases;

other absences permitted by law; absences with the permission of the administration; absenteeism.

Such an analysis is carried out for each category of employees, for each structural unit and for the pharmacy organization as a whole.

The working time fund depends on

- on the number of employees,
- the number of days worked by one employee on average per year, and
- the average length of the working day.

The loss of working time can be caused by various objective and subjective circumstances that are not provided for in the plan:

- additional vacations with the permission of the administration,
- diseases of workers with temporary disability,

After studying the extensive use of labor resources, it is necessary to analyze the intensity of their labor.

#### **4. Analysis of the efficiency of the use of labor resources (*Stage 3*).**

The success of any work activity is characterized by its effectiveness. The efficiency of the use of labor resources is expressed by the following indicators:

- labor productivity;
- profitability of labor.

Labor productivity. — this is the number of products produced (sold) for a certain period per employee, or the cost of working time per unit of production.

The indicator of labor productivity in retail trade is the value of turnover per average employee as a whole, as well as by individual categories. This indicator depends on the structure of trade turnover and the level of prices for goods. Therefore, in some cases, natural indicators are used to more accurately assess performance.

An increase in the intensity of work requires an increase in his pay. Labor productivity increases as a result of changes in technology, the use of more advanced equipment, the use of new methods of work and does not always require an increase in wages. The indicators that determine the level of labor productivity take into account both the change in productivity itself and the intensity of labor.

A system is used to assess the level of use of labor resources

- generalizing,
- private and

-auxiliary indicators of labor productivity.

Generalizing indicators are the average annual, average daily and average hourly output per worker, as well as the average annual output per worker in value terms.

Output is the amount of output produced per unit of working time or per medium—term employee per year (quarter, month).

Particular indicators include labor intensity.

Labor intensity is the time spent on the production of a unit of a certain type (labor intensity of products) or the production of a certain type in kind in one man—day or man-hour.

Depending on the composition of the costs included in the labor intensity of products, the following types are distinguished:

technological labor intensity (labor costs of pharmaceutical personnel);

labor intensity of production/sales maintenance (labor costs of support personnel);

production labor intensity (labor costs of pharmaceutical and support personnel);

labor intensity of production management (labor costs of administrative and managerial personnel);

total labor intensity (labor costs of the entire staff).

Auxiliary indicators are the time spent on performing a unit of a certain type of work or the amount of work performed per unit of time.

Depending on the method of expressing the volume of production (turnover), there are three main methods of measuring labor productivity:

-natural,                      -labor                      - cost.

With the natural method, the level of labor productivity is calculated as the ratio of the volume of production (turnover) in physical units to the medium-term number of personnel.

With the labor method, the volume of production (turnover) is calculated in standard hours.

The level of labor productivity is determined by the cost method by dividing the volume of production (turnover) in monetary terms by the medium-term number of personnel.

When analyzing labor productivity, its dynamics are studied, and the impact of labor productivity on the increase in turnover is determined.

The profitability of labor. The profitability of labor can be calculated not only in the whole pharmacy organization, but also in individual structural divisions and even workplaces.

Of great importance for assessing the effectiveness of the use of labor resources in a market economy is the indicator of staff profitability — profit per employee.

The basis for increasing labor productivity is the scientific organization of labor.

#### **5. Analysis of the use of the payroll (Stage 4).**

Wages are the price paid to an employee for the use of his labor.

Salary is the amount of monetary remuneration paid to an employee for completing a certain task, amount of work or performance of their official duties for some time.

It occupies the main place in the total income of the population. The level of wages depends on labor productivity, labor organization, scientific and technological progress. The use of labor resources and the growth of labor productivity are closely related to wages. An increase in wages contributes to an increase in labor motivation and productivity.

The analysis of the use of the payroll includes:

- -calculation of the deviation of the actual value from the planned value;
- -study of the average salary and
- -study of factors affecting average wages;
- -establishing a correspondence between the growth rates of average wages and labor productivity.

A competent policy in the field of remuneration makes it possible to increase its productivity and, consequently, the efficiency of the use of labor.

#### **6. Labor productivity planning.**

All indicators on labor and wages are closely interrelated. When planning them, it is necessary to provide for the rational use of labor resources, labor costs, and social expenses. It is advisable to link all indicators with the growth of the pharmacy's income and the improvement of the quality of customer service.

**Rationing of labor.** A necessary condition for the economic stability of pharmacy organizations is the constant reduction of all types of production costs, including labor costs. On the other hand, the problem of increasing the efficiency of the use of personnel remains very relevant. Therefore, in modern conditions, it is important to use progressive labor standards, as well as accurate accounting of labor costs, which allows you to make economically sound management decisions.



Labor rationing in the general sense is a set of scientific methods for identifying reserves of working time and establishing a specific measure of labor.

Labor rationing is the determination of the necessary costs of working time to perform a specific amount of work in specific organizational and technical conditions.

The main tasks of labor rationing are to establish a measure of labor costs, the specific expression of which are:

- time standards — the amount of working time spent established for the qualitative performance of a unit of work, operation or reception by one performer or a group of performers in specific organizational and technical conditions;
- production standards (standardized task, load rate) — a set amount of work that the contractor or a group of performers are required to perform for a certain period of time (work shift, month) in specific organizational and technical conditions;
- service standards — the area of work or the number of production areas, workplaces, etc., which must be serviced by one or a group of workers with appropriate qualifications in certain organizational and technical conditions;

Headcount standards are the average amount of work of a certain type of one position or the number of positions to perform a certain amount of work in the most common organizational and technical conditions.

## **7. Methods for labor rationing**

The following groups of methods are used for labor rationing.

The *analytical and research method* (direct method) involves the establishment of norms based on a direct study of the labor process, dividing it into its constituent elements, measuring the cost of working time for all types of work performed, drawing up an optimal model of labor organization.

The method requires a lot of expenses for the researcher, which is associated with conducting a variety of observations, experiments, measurements and calculations, but it allows you to identify and take into account advanced techniques and methods of work, to obtain progressive standards.

*The analytical and statistical method* is based on a statistical analysis of the number of employees. It is also called the indirect method.

With the *analytical and computational method*, labor standards are developed on the basis of ready-to-use regulatory materials. Computational and analytical rationing is based on the results of the direct method, therefore it requires significantly less money and labor of specialists.

When setting labor standards, the cost of working time is studied.

The working time spent at the workplace is divided into:

- for the normalized (time required to complete the work);
- non-normalized (loss time)

The **normalized time** consists of

- preparatory and final time,
- operational time,
- workplace maintenance time,
- breaks for rest and personal needs.

The time of *preparatory and final work* is spent on preparing the workplace and the performer himself for the upcoming work, as well as on completing the work at the end of the shift.

*Operational (main) time* is the time spent by the contractor during the working day on the direct performance of specific tasks provided for by the duties and functions assigned to him. For example, this is the time spent on the manufacture, release and quality control of manufactured medicines.

The *maintenance time of the workplace* includes the period necessary to maintain the workplace in a normal state, the distribution of work among performers, etc.

The *time of breaks for rest and personal needs* is usually set at 8-10 minutes per shift and included in the time norm.

The **non-normalized** time includes the loss time:

-for *organizational and technical reasons* (breaks due to the absence of auxiliary materials, medicines, uneven flow of visitors, etc.);

-*due to the fault of the employee* (breaks due to violation of labor discipline: late for the start of the shift and after the lunch break, premature departure from work before the lunch break and at the end of the shift).

**To study the cost of working time, use:**

1. *timekeeping* — the study of certain types of work, operations or techniques by observing and measuring the cost of working time to perform repetitive technological operations (drug vacation, packing, etc.);

2. *photography* of the working day (including the method of instant observations) — studies and records all the costs of working time that arise in the workplace during the working day or part of it; with the method of momentary observations, everything that happens at the workplace at the time of the observer's visit is recorded;

3. *Photochronometry* is a combined study of operations, when both a photograph of the working day and timekeeping are carried out simultaneously in one dimension.

The results of labor rationing are used for

- ✓  determining the number of staff,
- ✓  calculation of the working time budget,
- ✓  labor productivity planning and
- ✓  payroll planning.

### **8. Factors that influence the productivity and efficiency of work.**

There are many factors that influence the productivity and efficiency of work in a pharmacy. The factors can be grouped into three groups:

- ❖ logistical,
- ❖ organizational, economic,
- ❖ socio-psychological.

*Logistical factors* are associated with the use of new equipment, advanced technologies of commodity movement, industrialization of cargo delivery and movement. The improvement of the activities of pharmacy organizations is achieved through the implementation of the following measures: replacement of obsolete equipment with new ones; optimization of delivery and movement of goods; equipping with modern weighing devices and cash registers;

the introduction of new technologies for the distribution of goods.

*Organizational and economic factors* are determined by the level of labor organization and management; these include: improvement of the management structure; improvement of operational management of trade and technological processes;

implementation and development of information systems for the purchase of goods;

development of services provided to customers; improvement of the organization of transport and warehouse facilities;

expansion of customer service areas; introduction of advanced labor methods and techniques; expansion of the scope of labor rationing; introduction of flexible forms of labor organization; improvement of the system of economic incentives for employees.

*Socio-psychological factors* are determined by the socio-demographic composition of labor collectives, the level of training, and leadership style. Modern trends in the development of social partnership between participants in labor activity allow us to build relations between an employer and an employee at a qualitatively new level,

which contributes to achieving higher results both in individual and collective work.

### **9.Methods of payroll planning.**

Payroll planning is carried out in the following sequence:

- 1) on the basis of the staffing table, the annual salary fund is determined according to the rates and salaries for all employees of the pharmacy organization;
- 2) determine the possible amount of premiums, taking into account the bonus conditions provided for in the pharmacy;
- 3) exclude sickness payments, which are carried out at the expense of contributions to the social insurance fund;
- 4) provide for certain amounts of payments for part-timers, employees under contract agreements

When planning the salary fund, it is necessary to provide for various kinds of additional payments (for work on weekends and holidays, night time, overtime).

It is also necessary to include in the salary fund remuneration based on the results of work for the year, financial assistance to employees, payments for food, transport. At the same time, it should be borne in mind that these surcharges and lump-sum payments can be made either at the expense of the profit remaining at the disposal of the organization, or from the payroll, i.e. the costs of circulation.

In addition to the direct counting method, when planning the payroll, the following can be used:

- normative,
- economic and statistical methods
- method of economic and mathematical modeling.

The normative method of payroll planning is based on the ratio of the growth rate of turnover and the payroll (labor productivity and average salary per employee). It is generally assumed (a standard has been established) that with an increase in the volume of trade turnover by 1% (in comparable prices), the wage fund increases by 0.8%, and with a decrease in turnover by 1%, the wage fund decreases by 1.2%.

The economic and statistical methods of payroll planning include:

- 1) calculation of the wage fund based on the actual level of the wage fund as a percentage of turnover for a number of previous years;

2) calculation of the salary fund based on the planned number of employees of a pharmacy organization for the next year and the actual average salary of one employee for the current year:

The method of economic and mathematical modeling involves the use of various economic and mathematical models in calculating the salary fund for the next year. The main ones are the following models based on turnover and labor productivity.

The planned salary fund calculated by one of the methods for the next year must be compiled taking into account the main indicators of the pharmacy organization's economic activity (profit, turnover, circulation costs) and, if necessary, make appropriate adjustments.

### **10. Calculation of the number of personnel**

Planned calculations of the number of personnel are carried out for each category of employees.

When planning the number of personnel engaged in customer service, the planned labor productivity per employee is determined. Then, according to the turnover plan, pharmacies calculate the required number of pharmaceutical personnel for the year.

The number of other categories of employees is determined by the percentage ratio method in the personnel structure of the pharmacy organization.

The number of administrative and managerial personnel is determined on the basis of staffing tables developed by the pharmacy organization independently.

The staffing table is a list of all positions indicating the number of employees and the stipulated rates and salaries. The payroll is calculated based on the staffing table.

#### **for example.**

1. An administrator (pharmacy director) usually has 10 to 15 employees under his command.

The number of pharmaceutical specialists depends on the operating hours of the pharmacy and the number of sales. So, if a pharmacy is open 6 days a week from 8.00 to 20.00, this is 12 hours a day. The total workload per week is 72 hours ( $6 \times 12 = 72$ ). Then, 2 pharmacists are enough to operate one cash register in the sales area. But if the pharmacy has a lot of visitors and a second cash register is needed, the number of pharmacists increases to 3 or 4 people

The ratio of pharmaceutical to support staff is 3 to 1. Therefore, for this pharmacy, support staff will be 1 rate.

2. Another approach to calculating pharmaceutical personnel is based on an established sales standard per pharmacist.

If a pharmacy has established a sales rate per pharmacist of 180 thousand rubles per week. And sales in the pharmacy as a whole are 350 thousand per week, so to cover this amount of sales you need 2 pharmacists. If sales increase, the number of pharmacists may be increased or the sales rate may be changed (for example, if prices for pharmaceutical products have increased, then the amount of sales increases, but the number of units sold remains unchanged))

Currently, one director can be appointed for 2 or 3 small pharmacies, so that the total number of pharmacists and other employees is more than 10 people (up to 15)

Let's calculate the number of staff for a pharmacy based on data on its work.

Pharmacy Sells goods per week for **750** thousand rubles. The sales standard for this pharmacy is set at **150** thousand rubles per pharmacist. The ratio of support staff is 3 pharmacists to 1 staff.

1. the number of pharmacists will be:  **$750 : 150 = 5$  people.**

The number of support staff will be  **$5 : 3 = 1.66$**  (rounding to 1.5 or 1.75 at the discretion of the manager)

The total number of employees is  **$5 + 1.5 = 6.5$  rates.**

A manager will be appointed for **1 to 2** such pharmacies.

To plan pharmacies' expenses for wages, they determine by calculation the wage fund for such a pharmacy. To do this, the amount of payment for the pharmacist and support staff is established.

For example, if it is planned to pay each pharmacist **40** thousand rubles per month, then for all pharmacists in this pharmacy the labor costs will be :  **$5 \times 40 = 200$**  thousand rubles per month.

The salary for support staff is **20** thousand rubles per month. At 1.5 rates the costs will be:  **$200 \times 1,5 = 300$**  thousand rubles. The administrator's salary is **60** thousand rubles **for 2** pharmacies. Then for one pharmacy he will receive  **$60 : 2 = 30$**  thousand. rub.

In total,  **$200+30+30=260$**  thousand rubles per month will be spent on paying the employees of this pharmacy.

To calculate the cost of paying employees of this pharmacy for a year, you need to multiply the expense for 1 month by 12 months.  **$260 \times 12= 3120$**  thousand rubles per year