Reverse Logistics in Indian Pharmaceutical Industry

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Abstract

Reverse Logistics is a process in which a manufacturer systematically accepts previously shipped products or parts from the point of consumption for possible remanufacturing, recycling or disposal (Dowlatshahi, 2000). The level of involvement in reverse logistics practices vary from stakeholder to stakeholder. If one considers only three stakeholders namely customer, middleman and company, their activities will definitely differ in accordance of their objectives. To manage this reverse flow, organizations need to take into account how efficiently and effectively they are utilizing their resources in order to achieve their performance standards.

The present paper is a portion of a larger study conducted by the authors considering three components of reverse pharmaceutical chains- end users, and pharmaceutical companies as manufacturers. The present portion of the study deals with reverse logistics practices, drivers and barriers for reverse logistics, and the performance of reverse logistics pertaining to manufacturers only. The Indian Pharmaceutical sector is a highly fragmented sector with more than 20,000 registered units meeting around 70% of the domestic demand (Sekhar, 2012). The data are collected from using a structured questionnaire from pharmaceutical companies. These companies were selected using the referral method of sampling. An initial sample of 102 companies finally lead to 65 usable responses. The data are analyzed using descriptive statistics, weighted scores, factor analysis, and analysis of variance. Practices of reverse logistics and barriers in managing the reverse logistics are identified. Regarding performance, the manufacturers are found performing better on financial parameters than on non-financial performance parameters.

Keywords
Reverse logistics, Barriers and performance, Pharmaceutical chain

Biography

Jamal A Farooque, is a Professor of Operations Management in the Department of Business Administration, Aligarh Muslim University (AMU), India. He joined the Department in 1992. He is a Mechanical Engineering graduate with masters in Industrial and production Engineering. He did his doctorate in Business Administration from AMU. His teaching and research areas include Quantitative Methods, Supply Chain Management, Operations Management, Research Methodology, and Total Quality Management. Has presented and published papers in the related subjects at national and international levels.