**Assignment**

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# **Abstract**

This report is based on the HR activities performed by organization on daily basis in order to remain competitive in this fast-growing business world. For this assignment, Nestle is chosen as the organization on which complete analysis is conducted. There are three key HR areas that are under considerations for this report i.e. employees’ training and development for future success, managing employees’ performance/performance appraisals and establishing employee pay structure/compensation. The complete analysis and evaluation are in the perspective of HR theories and concepts implemented in the Nestle. Nestle is regarded as the largest Food and beverages group in all over the world and it comprises of diverse workforce that greatly contribute in the success and growth of the company. HR operations and activities performed in Nestle are in well organized way. In the last, there are few recommendations based on the analysis of the three key HR areas in the perspective of Nestle. These recommendations are related to training and development, performance appraisal and employees pay structure.

**Table of Contents**

[**Abstract** 2](#_Toc53590414)

[**Introduction** 4](#_Toc53590415)

[**Description of the organization** 4](#_Toc53590416)

[**Understanding of the relevant HRM theories and concepts** 5](#_Toc53590417)

[**1)** **Employees’ training and development for future success** 5](#_Toc53590418)

[**2)** **Managing employees’ performance/performance appraisals** 7](#_Toc53590419)

[**3)** **Establishing employee pay structure/compensation** 8](#_Toc53590420)

[**Analysis and evaluation** 9](#_Toc53590421)

[**Recommendations** 10](#_Toc53590422)

[**References** 12](#_Toc53590423)

# **Introduction**

Human resources have been part and parcel of management since the beginning of the business concept. According to Schaupp (2020), human resources are needed to carry out the organization’s business operations. In the history, HRM was referred to as personnel management. Conversely, with the emergence of the humanistic revolution, the definition of personnel management was expanded and covered several other dimensions which had not traditionally been included in the subject. It was the period when HRM was realized to be a vital part of a sustainable business. It was a time when recruiting, pay, leave and leisure research was revamped, Staff and employer relationships were reinterpreted and definitions of monetary rewards for employees with public welfare were added.

This report is based on my learning and understanding gain from the knowledge of various HR concepts and principles studied during the whole course. For this report, I have chosen Nestle and critically evaluate the key HR areas of Nestle i.e. employees’ training and development for future success, managing employees’ performance/performance appraisals and establishing employee pay structure/compensation in detail. This report illustrates how various HR concepts and policies have major role in the Nestle. This in-depth analysis of research tends to help large and small organizations operating in the same sector. This report is structured into five sections. First section is introduction, followed by background of the Nestle. Third section is understanding of the relevant HRM theories and concepts. Fourth section encompasses analysis and evaluation and fifth section comprises of recommendations.

# **Description of the organization**

The selected organization for this assignment is Nestle. Nestle is known to be the largest and famous food and beverage corporation in all over the world. It has far more than 2,000 products, ranging from international brands to localized icons, and is available in 189 countries around the world. It is a multinational organization that blends global initiatives with local interaction. Its performance is focused on trust, innovation and usefulness. From across all their segments, they gain a part of people's lives by their products and their committed to improving quality, fitness and wellness. They gain the right to remain there by providing life-enhancing goods, services and insight. They concentrate on identifying quality prospects, providing affordable, high-quality food and contributing positively to their products and offerings through significant differentiation and advancement.

Not only in contexts of its sales, but also in contexts of its product offering and its global coverage, Nestle is the leading food group in the world. Nestle management offers many opportunities to its workers that help provide incentive and desire for employees to contribute as much to the company. One of these considerations is not only providing them a functional and healthy environment, but also granting their workers the ability to further develop themselves when they contend with different training programmes and skills prospects. Hr practices hold major role in the growth of organization effectiveness (Rana & Malik, 2017). Investment in human resources operations is, therefore, an intelligent move to accomplish the organisation's various goals (Hossain & Roy, 2016). Investing without establishing specific targets might, however, tend to be detrimental for the company. Through strong strategies related to investment in HR activities, Nestle has tried to achieve its strategic objectives.

**Understanding of the relevant HRM theories and concepts**

Human resource management highlights the fact that employees are people with different needs and objectives. Employees of the organisation are not equivalent to simple business tools; employees of every company use other materialistic resources to achieve their objectives (Erkmen, 2018). Nestle assumes that long-term performance depended on the attraction, retention and development of staff's capacity to grow; this is the expectation in the development of key HR managers’ responsibilities.

## **Employees’ training and development for future success**

Progress for any business organization relies on the capabilities of its workforce to achieve higher performance standard (Nwaeke & Obiekwe, 2017). Business analysts claim that there are number of reasons for improving employee efficiency; training and development, incentive and work satisfaction etc. (Diamantidis & Chatzoglou, 2019). Among them, training and development is perhaps the most essential contribution to the productivity of the employees. Nevertheless, training offers a more concrete factor in the sense that, at a broader level, it is easier to define the connexon between training and performance. Put it simply, the more trained you are, the improved your expertise become, thereby increasing your productivity as an employee. Many companies are currently investing heavily in employee training, and Nestle is one such organization. Their training courses and programs are very comprehensive and can take years to complete. Say for instance, a new trainee in international marketing and sales training program will gain from a substantial investment in their training and development by Nestle.

Thus, training and development are essential part of operations in the organization. It is the workforce who are now the life-blood of each and every business. While having assets makes things feasible, such as hulling staff, they are indeed the ones that make situations occur. They have an efficient and appropriate training and development plan to get a profitable business. Employees and management are constantly motivated to explore opportunities to improve their skills and expertise (Bibi, Ahmad & Majid, 2018). The organization shall assess the training and development goals. Obligations for translating these into acts is expressed between workers, top management and human resources. Perspective and on-the-job experience is the main source of knowledge. Managers are accountable for directing and training workers to excel in their specific roles.

Nestle delivers all this as all good businesses do with their workers, and they all understand that by doing this kind of practise can provide the business with efficiency and a decreased risk of dissatisfaction (Akhtar, Xicang & Iqbal, 2017). Some of the activities used by Nestle are literacy training, which offers special training or education for those workers from some regions who have not been able to complete their basic education for certain reason. Moreover, Nestle workers know the value of continuous improvement and also the mutual sharing of opinions and insights with each other (Lee et al., 2020). Activities such as lateral career growth, expansion of roles and cross-functional teams are facilitated to learn new skills, improve work system and increase transparency. Nestle also provides a wide variety of training courses, methods and techniques to promote growth and development for everyone. Attending a course can never be seen as a compliment but as a part of ongoing progress (Lee et al, 2020).

In addition, corporate leadership programs facilitate Nestle in developing and maintaining the best-qualified personnel. Leaders have the chance to participate either global training programs at Rive-Reine, which improve integrated management knowledge and build and strengthen the principles and values of Nestle, or programs run by the performance measurement and management partnerships (Lee et al., 2020). In the fast-paced and technology-based world, this not only supports the workers but also the business as they are now in want for highly equipped workers. There are pros and cons to the Nestle Apprenticeship Program that trains certain students, such as if the students are selected by Nestle, then they are fortunate because these trainees are quite well acquainted in production, however there are instances where other businesses are compromised (Cheney, 2017).

Furthermore, on-the-job training is carried out together with feedback and guidance in Nestle. It is the duty of every manager to prescribe training programs to his or her subordinates. Nestle is seeking to improve action-learning training (Singh & Alazmi, 2019). In this aspect, it is the duty of the management of HR continue providing guidelines for the creation of the required planning resources, taking into account the agility needed to identify with unforeseen circumstances.

## **Managing employees’ performance/performance appraisals**

Operational organizational performance requires long-term value development of any commodity (Dadashnejad & Valmohammadi, 2018). The business world is far more dynamic and thriving throughout the 21st Century than it has ever been before. As a consequence, an increasing amount of knowledge demands research techniques to recognise the competitive edge and organizational procedures necessary for business development. A successful organisation like Nestle is quite well notified of the changing business culture's complexities and incisiveness. For that purpose, Nestle developed performance management to enable business operations to be transparent at each level of the organization (Chung et al., 2020).

Performance appraisal, as per continuum, is a method that analyses an employee's job performance in the course of the development of the organisation. This helps to create a talent system that involves preparation, rewards, report assessment, career progression, and entire employee performance recruitment (Lejeune, Beausaert & Raemdonck, 2018). Therefore, performance management plays a significant role in ensuring a company to reach optimal efficiency at the same time.

For assessment of employees there is Performance Development Ranking (PDR) in Nestle. The PDR, which looks at two major aspects:' what' and 'how', is used to assess success. The 'what' tests progress in meeting the individual goals defined and the 'how' aims at the behavior of workers, soft skills, team working skills, etc. This Performance Development Rating is now the baseline for reward system that ultimately reflects the high-performance culture at Nestle, such as bonuses and promotions (Lotfifard & Borojerdi, 2018). PDR is an appraisal tool that is often used at Nestle, although centered on interviews with multiple staff, this may often be cumbersome as the overall PDR is generated by the departmental head after assessing the 'what' and 'how' factors of different classes, leaving a little space for individual employee assessment. In order to improve the integrity and objectivity of the performance appraisal of the employee, Nestle can incorporate several other performance assessment approaches, like graphic rating scale and 360-degree feedback technique.

Moreover, a 360-degree feedback method is used to conduct employee performance appraisal or management process evaluations in Nestle. The key points to consider about the 360-degree approach are that specific information should be given by the participants or interviewees and that they typically fall into the top or bottom performers (Kanaslan & Iyem, 2016). The findings are solely for guidance and not for any reward.

## **Establishing employee pay structure/compensation**

One of the key drivers of growth in business these days is performance management systems (Cappelli & Tavis, 2016). While every HR function applies to performance management, there is a more important role for training and performance evaluation. Whereas performance evaluation takes place at a given time, performance management is a complex, continuous, ongoing process (Walk & Kennedy, 2017). Every member of the organization is part of a system of performance management. For the reason of continuous organisational effectiveness, each part of the structure, such as preparation, evaluation, and incentives, is incorporated and connected. The commitment of each and every worker should be geared towards achieving strategic objectives with organizational performance. If the skills of a worker need to be strengthened, training is required as mentioned above and training has a strong tie-in to achieving operational productivity through performance management programmes. But with training, compensation also has significant impact on the employees’ performance. As, pay, compensation and success are explicitly connected to the achievement of organisational objectives.

Human resources are now perceived to be the most valuable asset of an organisation, and the concept of providing “best human resources” is crucial to ensure healthy clientele and optimal organizational efficiency (Pasban & Nojedeh, 2016). Therefore, Nestle regards its workforce to be the most important assets (Lee, et al., 2020). The organisation provides attractive remuneration, competitive benefits packages, rewards and compensations to workers based on their performance. Nestle maintains a stable compensation structure compared to the other firms. Compensation at various levels of employment is often equal to or above the industry benchmark (Magnan & Martin, 2019). Compensation practise takes into account the organization's external standard of compensation and also the provision of inherent consistency. Nestle routinely surveys and consolidates pertinent insight into the level of remuneration at international and regional levels. In addition, there are frequent reviews between its competitive positions with other firms. Management is also recommended that the structure of salaries and wages should be maintained straightforward and prevent needless ambiguity.

# **Analysis and evaluation**

The challenge of managing human capital in the current dynamic and demanding environments is very daunting task (Swailes, 2016). Human resources activities are the tasks and actions taken by the organization’s people in the company. From a wider viewpoint, in the modern era of increased competition, one of the essential jobs of the HR department is to validate the presence of a specific operation in order to analyze the additional costs and the benefits obtained from the operation. Since many years, Nestle has exhibited an impressive ability to stay competitive in a constantly changing market environment by creating a steady performance management framework. It is essential for a successful organization to develop a healthy relationship with employees whose fundamental aspects are connected to sufficient attainment of objectives (Choi, Goh, Adam & Tan, 2016). That is why; the performance of employees and managers are measured by performing on-going series of activities to put the change into their continuous performances. In addition, Nestle allows workers to develop their skills, attitudes, and behavior in order to achieve the specific target set, and to reduce the rate of labor that is advantageous in terms of development (Lee et al., 2020). Nestle provides favorable remuneration, attractive benefits packages to have a safe work atmosphere, compensating often to pay an employee for what they deserve.

The general principle of Nestle is that every other employee should have the chance to grow to the best of his or her ability and enhance performance. Nestle does this as they feel that it pays off in the longer term in accordance with business outcomes, and that sustainable long-term associations with skilled and experienced individuals and societies where they work improve their ability to make reasonable profit (Lee et al., 2020). It is necessary to give people life-long learning possibilities, as in Nestle, that all workers are called upon to improve their skills in a fast-changing world. By providing opportunities for growth and development, they not only strengthen themselves as a business, but also contribute to making themselves more independent, self assured and, in turn, more productive and open to new positions in the company. Improving this virtuous cycle is the key objective of their training activities across the hundreds of training programmes they offer every year at several different levels.

Positioning the functional objectives to the business strategy is one of the significant core factors in Nestle's business performance presently. As a consequence, it is essential to focus on the outcome and drive the teams according to their KPIs. Proactive collaboration, on the other hand, is ingrained in the culture of Nestle. People rely on proactive collaboration in order to coordinate functions smoothly. In addition, the principle of practise that you teach based on the company's freedom and choice in consideration of their religion and right to speech. Eventually, Nestle also encourages people's attempt to improve their workplace a place for professional and individual growth to develop.

It is important to fine-tune the professional competence and actions of the workers in this ever-changing environment of global business in order to fulfil the strategic goals. Furthermore, it is not just the organization’s need, but also the issue that they are increasing and developing their experience to improve their profession. In this regard, the Nestle training function 's target basis and performance-driven operation is quite well matched with the organizational goal and helps massively to accomplish it. Even so, their training feature operates well up to this phase of their business, but it requires to be more thorough and complex to assess its effectiveness and performance.

As training is regarded as a positive move by the participants towards increasing the knowledge and understanding. So, it needs to be in line with organizational objectives. Moreover, it is necessary to build up the strengths for future business growth and to determine that Nestle individuals have the right knowledge, skills and attitudes to adequately carry out their jobs. That is why Nestle consistently provides a broad variety of local, regional and global training activities, including both on-the-job training and coaching. Employees from distinct cultural backgrounds undergo skill development training programs, and other rigorous courses and seminars on practical fields of expertise.

# **Recommendations**

Based on the complete analysis of the HR activities performed in the Nestle and the role of three key HR areas i.e. talent selection, employees’ training and development for future success, managing employees’ performance/performance appraisals and establishing employee pay structure/compensation in the Nestle, following are few recommendations on how these three areas can improved the performance of the Nestle:

* For training programs, the company can use both subjective and objective approaches.
* The organization may take into account deputing each worker to participate in at least one training course every year.
* The in-house training courses will support both the organization and staff as it will assist staff to take part in their official work while completing the training.
* In order to prevent any disruption in regular work, the company can also schedule part-time training programs on the office premises for brief periods, extending over a few days.
* To offer intense focus to the individual department’s specifications, the company should coordinate the department's training programs appropriately.
* Focus on providing input not just during the session, but also by encouraging the employee to contribute to the appraisal in written, outlining their disagreement or role.
* If progress in certain areas does not meet expectations, consent to participate in periodic and attend regular performance discussions.
* Reframe or reinforce the intent of the work, the tasks and the obligations.
* In comparison to the market midpoint, salary starting pay and improvement criteria should be created and should be based on existing employee categories and attributes.
* Comprehensive training programs and associated resources will be needed for all workers to guarantee that performance management works efficiently, and recognition of performance metrics can differ based on the employee 's responsibilities.
* An oversight map detailing the duties and responsibilities of key business functions related to the various activities and aspects of the compensation process should be created.

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