

# Training and development of the Human Resources for a Sustainable Organizational Development at Nestlé India

**Srinivasan P**, Asst. Professor, Vellore Institute of Technology (VIT) - VIT Business School, Vellore, Tamil Nadu, India, [asansriniv@gmail.com](mailto:asansriniv@gmail.com)

**Abstract:** This paper addresses the issue of human resources training and development which is considered one of the most important ways for a sustainable organizational development. The objective of the research was to identify new possibilities for increasing the degree of human resources training for supporting a more sustainable organizational development. The research has made it possible to identify the most relevant behavioral dimension of human resources training process. It talks about the knowledge of our field which allows us to identify the gap which our research could fill and also strength's the topic that we chose for our research.

The literature review will help us to find and select appropriate measurement instruments. The literature review is needed because it is a necessary skill both for researchers and for practitioners of a profession which claims to be founded on a knowledge base and also to locate and summarize the findings of research on a given topic not uncritically but assessing the evidence and for argument to sustain the conclusions The last part of the paper includes some recommendations for the modern managers in order to support them to become highly effective along the sustainable organizational development process.

**Keywords:** Human resources, management, training and development, sustainable development

## 1. Literature review

This paper enunciates the importance, need of review of literature and the related review of studies to the topic.

Management Education in India is of a comparatively recent origin. In the last two decades there has been a rapid growth in the number of institutions offering management education.

With the diversion of sizeable economics and human resources in this strategic area of national development, there should be simultaneous endeavors to explore and study the various factors that affects management training, right from the identification of the training needs, selection of suitable trainees, the modus operandi of the training process, the supportive climate provided to the trainees in the organization the subsequent impact of the course on the trainees efficiency and its effect on the organization.

In this paper, a review of studies related to the topic under study is given below:

**“Muhammad zahid iqbal et. al in the year (2011) has done their research in the topic “an empirical analysis of the relationship between characteristics and formative evaluation of training”**

Their analysis is about the relationship between characteristics and formative evaluation of Training. This paper attempted to signify the use of formative training evaluation. The authors have carried out a study at three public-sector training institutions to empirically test the predicted relationship between the training characteristics and formative training evaluation under the Kirkpatrick model (reaction and learning) . This study explains the causal linkage between components of formative training evaluation, the mediating role of reaction in the relationships between training characteristics and learning was also investigated. The principal finding revealed that a set of seven training characteristics explained 59% and 61%

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variance in reaction and learning respectively. All training characteristics were found to have a positive impact on reaction and learning except training contents. The study concluded with areas of future research emphasizing on linking formative evaluation with summative one i.e. Behavior and results.

**Eugen Rotarescu in the year (2010)** has reviewed on the topic “**alternative selection under risk conditions in human resources training and development through the application of the estimated monetary value and decision tree analysis**”.

The topic in this article is the presentation in a succinct and applicative manner of several decision making processes and the methods applied to human resources training and development in environments with risk factors. The decisions have been optimized by the human resources training and development, the decision makers have readily available with two methods of analysis they are: (1) the decision matrix and (2) the decision tree method. Both methods compute the alternatives based on the estimated monetary value (EMV). Finally the decision matrix and the decision tree analyses represent two viable, scalable and easily applicable framework analyses for selecting the optimum course of action regarding the training and development of human resources. Both analyses generate the same solution and rely on the accuracy of the expected monetary value (EMV) method calculated for each course alternative action. Of these two methods, the selected decision method depends on the circumstances, the complexity of the situation and preference of the decision makers.

**Franco Gandalf in the year (2009)** has done his research in the topic “**training and development in an era of downsizing**” and he has analyzed that downsizing as a restructuring strategy which has been actively implemented for the last three decades. While employee reductions were utilized mainly in response to crises prior to the mid 1980s, downsizing developed into a fully-fledged managerial strategy for tens of thousands of companies in the mid to late 1980s. Since then, downsizing has transformed the international corporate landscape and affected the lives of hundreds of millions of individuals around the world. While the

overall effects of downsizing have been widely reported, many misconceptions surrounding the concept of downsizing have remained. This conceptual paper focuses on the role of training and development (T&D) during the downsizing process. In particular, the research depicts the current body of literature associated with the function of HR and its plans, programs, and policies that firms adopting downsizing must provide to their surviving workforces. Finally, this paper offers concluding comments regarding effective downsizing practices that have emerged in the literature.

**Cary Cherniss. In the year (2010)** has done their research in the topic “**process–designed training: a new approach for helping leaders develop emotional and social competence**” and they have evaluated the effectiveness of a leadership development program based on International Organization for Standardization (ISO) principles. The program utilized process–designed training groups to help participants develop emotional and social competence. The study involved 162 managers from nine different companies in a random assignment control group design. There were nine different groups with nine managers in each group. Each group was required to follow the identical process. His results indicated that after two years the intervention group had improved more than the controls on all Emotional Competence Inventory variables. The paper offers recommendations for future research on the mechanisms underlying the process–designed group strategy and contextual factors that optimize results. This paper describes a leadership development strategy that appears to be more economical and consistent in its delivery than traditional approaches such as workshops or executive coaching. Although ISO principles are utilized widely in the business world, this is the first study that has used this approach in the design and delivery of management development.

## 2. Human Resource Practice

Training and development play an important role in the effectiveness of organisations and to the experiences of people in work. Training has implications for productivity, health and safety at work and personal development. All organisations employing people need to train and develop their staff. Most organisations are cognisant

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of this requirement and invest effort and other resources in training and development. Such investment can take the form of employing specialist training and development staff and paying salaries to staff undergoing training and development. Investment in training and development entails obtaining and maintaining space and equipment.

It also means that operational personnel, employed in the organisation's main business functions, such as production, maintenance, sales, marketing and management support, must also direct their attention and effort from time to time towards supporting training development and delivery. This means they are required to give less attention to activities that are obviously more productive in terms of the organisation's main business. However, investment in training and development is generally regarded as good management practice to maintain appropriate expertise now and in the future.

### 3. Main Research Objectives and Methodology

This chapter explains the design adopted to accomplish the study including study model, variables tested for hypothesis, hypothesis, population, sample size, and data collection methods.

This research has examined the influence of training and development on employee performance in context of nestle company ltd.

The data has been collected from different chains of food processing company. The data collected from the questionnaires has been tested in online. To form a relationship between the variables, regression and correlation has been tested. That illustrates the dependency of training and development on employee performance as well as the extent of dependency.

**Study Design** In this research, the primary data has been collected on independent variable (Training and Development) and dependent variable (Employee Performances). The data was collected from workers and employees of several food processing company via questionnaire.. The employees, workers and middle

level management were already prepared for the informed visit for questionnaire filling purpose. However, there were some respondents notably middle level managers who preferred an online response of the questionnaire (via email).

- Instrumentation to measure the Training and development impact on employee performance, the questionnaire was used based on questionnaires used by Masood (2010).

The survey questionnaire was consisting of 5 likert scale. The Five likert scale is as follows

- Strongly Disagree • Disagree • Neutral • Agree • Strongly Agree

Questionnaire was consisting of two special sections namely section (A) and section (B).

In Section (A) personal as well as company information based on nominal and ordinal scaling was used.

On the other hand, section (B) comprises of the closed ended questions

- Regarding Training and development and employee based on 5 likert scale. A cover letter has also been designed that illustrates the purpose, objective and scope of the research in order to assure the respondents regarding secrecy and privacy of the information they provide. The questionnaire was handed out to employees of different chains of food processing company. To form and analyze the relationship between training and development and employee performance, several research papers, books and research thesis have been studied.

#### Hypothesis:

- Training & Development positively affects Perceived Employee Performance.
- Training & Development negatively affects Perceived Employee Performance.

**The Research Sample:** Sample structure by age in the organization:

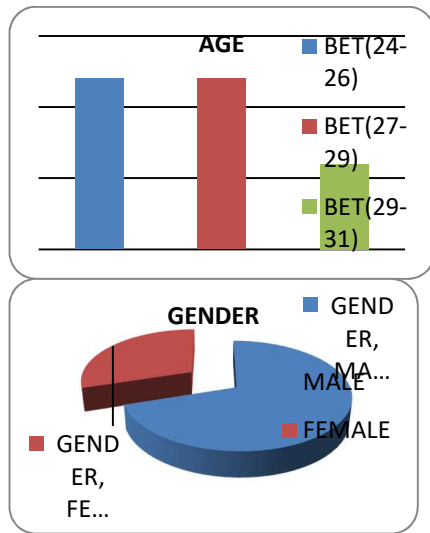


Fig. 1. Sample structure by sex in the organization

## 4. HRM Training and Development In Nestle Company

### Introduction

Nestlé is today the world’s leading food company, with a 135-year history and operations in virtually every country in the world. Nestlé’s principal assets are not office buildings, factories, or even brands. Rather, it is the fact that they are a global organization comprised of many nationalities, religions, and ethnic backgrounds all working together in one single unifying corporate culture.

#### *Culture at Nestlé and Human Resources Policy*

Nestlé culture unifies people on all continents. The most important parts of Nestlé’s business strategy and culture are the development of human capacity in each country where they operate. Learning is an integral part of Nestlé’s culture. This is firmly stated in The Nestlé Human Resources Policy, a totally new policy that encompasses the guidelines that constitute a sound basis for efficient and effective human resource management. People development is the driving force of the policy, which includes clear principles on non-discrimination, the right of collective bargaining as well as the strict prohibition of any form of harassment. The policy deals with recruitment, remuneration and training and

development and emphasizes individual responsibility, strong leadership and a commitment to life-long learning as required characteristics for Nestlé managers.

### Training Programs at Nestlé

The willingness to learn is therefore an essential condition to be employed by Nestlé. First and foremost, training is done on-the-job. Guiding and coaching is part of the responsibility of each manager and is crucial to make each one progress in his/her position. Formal training programs are generally purpose-oriented and designed to improve relevant skills and competencies. Therefore they are proposed in the framework of individual development programs and not as a reward.

### Literacy Training

Most of Nestlé’s people development programs assume a good basic education on the part of employees. However, in a number of countries, we have decided to offer employees the opportunity to upgrade their essential literacy skills. A number of Nestlé companies have therefore set up special programs for those who, for one reason or another, missed a large part of their elementary schooling

These programs are especially important as they introduce increasingly sophisticated production techniques into each country where they operate. As the level of technology in Nestlé factories has steadily risen, the need for training has increased at all levels. Much of this is on-the-job training to develop the specific skills to operate more advanced equipment. But it’s not only new technical abilities that are required. It’s sometimes new working practices. For example, more flexibility and more independence among work teams are sometimes needed if equipment is to operate at maximum efficiency. “Sometimes we have debates in class and we are afraid to stand up. But our facilitators tell us to stand up because one day we might be in the parliament!” (Maria Modiba, Production line worker, Babelegi factory, Nestlé South Africa).

### Nestlé Apprenticeship Program

Apprenticeship programs have been an essential part of Nestlé

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training where the young trainees spent three days a week at work and two at school. Positive results observed but some of these soon ran into a problem. At the end of training, many students were hired away by other companies which provided no training of their own. “My two elder brothers worked here before me. Like them, for me the Nestlé Apprenticeship Program in Nigeria will not be the end of my training but it will provide me with the right base for further advancement. We should have more apprentices here as we are trained so well!” (John Edobor Eghoghon, Apprentice Mechanic, Agbara Factory, Nestlé Nigeria) “It’s not only a matter of learning bakery; we also learn about microbiology, finance, budgeting, costs, sales, how to treat the customer, and so on. That is the reason I think that this is really something that is going to give meaning to my life. It will be very useful for everything.” (Jair Andrés Santa, Apprentice Baker, La Rosa Factory Dosquebradas, Nestlé Columbia).

### Local Training

Two-thirds of all Nestlé employees work in factories, most of which organize continuous training to meet their specific needs. In addition, a number of Nestlé operating companies run their own residential training centres. The result is that local training is the largest component of Nestlé’s people development activities worldwide and a substantial majority of the company’s 240000 employees receive training every year. Ensuring appropriate and continuous training is an official part of every manager’s responsibilities and, in many cases; the manager is personally involved in the teaching. For this reason, part of the training structure in every company is focused on developing managers’ own coaching skills. Additional courses are held outside the factory when required, generally in connection with the operation of new technology.

### The variety of programs is very extensive.

They start with continuation training for ex-apprentices who have the potential to become supervisors or section leaders, and continue through several levels of technical, electrical and maintenance

engineering as well as IT management. The degree to which factories develop “home-grown” specialists varies considerably, reflecting the availability of trained people on the job market in each country. On-the-job training is also a key element of career development in commercial and administrative positions. Here too, most courses are delivered in-house by Nestlé trainers but, as the level rises, collaboration with external institutes increases. “As part of the Young Managers’ Training Program I was sent to a different part of the country and began by selling small portions of our Maggi bouillon cubes to the street stalls, the ‘sari sari’ stores, in my country.

Virtually every national Nestlé company organizes management-training courses for new employees with High school or university qualifications. But their approaches vary considerably. In Japan, for example, they consist of a series of short courses typically lasting three days each. Subjects include human assessment skills, leadership and strategy as well as courses for new supervisors and new key staff. In Mexico, Nestlé set up a national training center in 1965. In addition to those following regular training programs, some 100 people follow programs for young managers there every year. These are based on a series of modules that allows tailored courses to be offered to each participant. Nestlé Pakistan runs 12-month programs for management trainees in sales and marketing, finance and human resources, as well as in milk collection and agricultural services. These involve periods of fieldwork, not only to develop a broad range of skills but also to introduce new employees to company organization and systems. The scope of local training is expanding. The growing familiarity with information technology has enabled “distance learning” to become a valuable resource, and many Nestlé companies have appointed corporate training assistants in this area. It has the great advantage of allowing students to select courses that meet their individual needs and do the work at their own pace, at convenient times. In Singapore, to quote just one example, staff is given financial help to take evening courses in job-related subjects. Fees and expenses are reimbursed for successfully following courses leading to a trade certificate, a high school diploma, university entrance qualifications, and a bachelor’s degree

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**International Training**

Nestlé’s success in growing local companies in each country has been highly influenced by the functioning of its international Training Centre, located near our company’s corporate headquarters in Switzerland. For over 30 years, the Rive-Reine International Training Centre has brought together managers from around the world to learn from senior Nestlé managers and from each other. Country managers decide who attends which course, although there is central screening for qualifications, and classes are carefully composed to include people with a range of geographic and functional backgrounds. Typically a class contains 15–20 nationalities. The Centre delivers some 70 courses, attended by about 1700 managers each year from over 80 countries. All course leaders are Nestlé managers with many years of experience in a range of countries. Only 25% of the teaching is done by outside professionals, as the primary faculty is the Nestlé senior management. The programs can be broadly divided into two groups

**Management courses:** These account for about 66% of all courses at Rive-Reine. The participants have typically been with the company for four to five years. The intention is to develop a real appreciation of Nestlé values and business approaches. These courses focus on internal activities.

**Executive courses:** these classes often contain people who have attended a management course five to ten years earlier. The focus is on developing the ability to represent Nestlé externally and to work with outsiders. It emphasizes industry analysis, often asking: “What would you do if you were a competitor

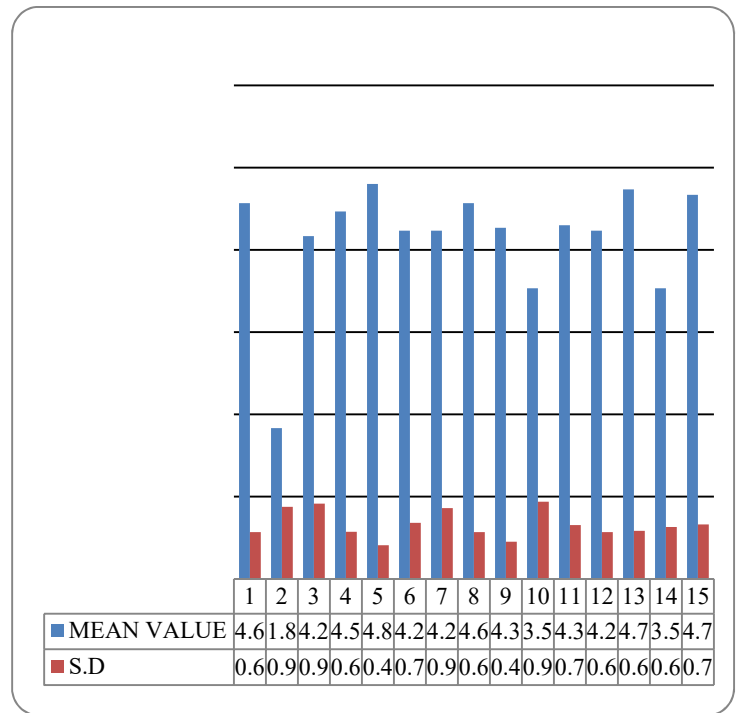
Nestlé’s overarching principle is that each employee should have the opportunity to develop to the maximum of his or her potential. Nestlé do this because they believe it pays off in the long run in their business results, and that sustainable long-term relationships with highly competent people and with the communities where they operate enhance their ability to make consistent profits. It is important to give people the opportunities for life-long learning as at Nestle that all employees are called upon to upgrade their skills

in a fast-changing world. By offering opportunities to develop, they not only enrich themselves as a company, they also make themselves individually more autonomous, confident, and, in turn, more employable and open to new positions within the company. Enhancing this virtuous circle is the ultimate goal of their training efforts at many different levels through the thousands of training programs they run each year

**5. Data Analysis and Interpretation**

To analyze HR training and development, I turned to the application of questionnaires to a sample of 30 employees of three organizations that research was conducted. Under these questionnaires, the following findings were found in the questionnaires individually.

**Mean values of ages of employees at Nestle Ltd.**



**Explanations of each question:**

1. In this question ,most of the employee encircle the option of strongly agree, because training makes the employee’s performance and org spent money on employee’s training so they consider training is a part organizational strategy.

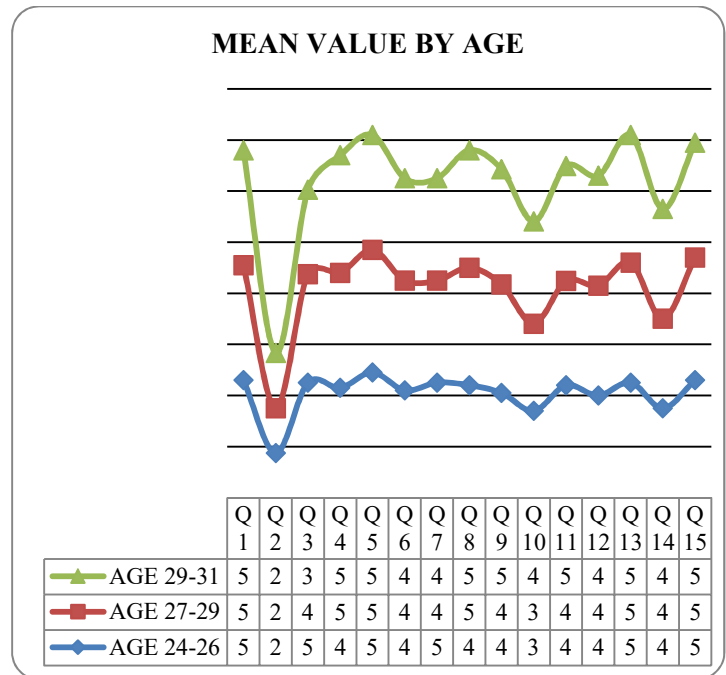


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2. According to employee’s explanation, people prefer on job training methods because they can learn more compare to off job training method.
3. Employee’s agree the induction training, it create a positive atmosphere, address any new job concerns, increasing comfort level and feeling of belonging etc
4. On job method gives extra coaching, job rotation, job instructional technique.
5. Most of the employee’s strongly agree with Training helps to improve employee relationship, employee get more employee from different sector of the company.
6. It shows every 3 months conducting training program in an organization it results in growth of the company as well as employee upgrading with new technology.
7. Most of the employee strongly agrees with training increases the motivation level. Training gives whole set of package like upgrading technology, increase motivation, under study etc.
8. Training gives more productivity is strongly agree by employees, because organization plan training for employee when employees are not at higher level, which results in more productivity of company.
9. Most of the employees are strongly agree (satisfied) with selection of candidates for training. When there is a need training of employee, training selection occurs based on their performance.
10. Employee’s strongly agree with training help to increases the productivity of both quality and quantity, at the time of training employee learn about product quality at all.
11. They agree with it but also they can learn about reduction in waste and spoilage, reduction supervisory burden, improvement in quality of products, improvement of production rate, and improvement in method of works.
12. It makes group efforts in decision making; individually they can show their standards of working.
13. Training makes developing team work and a leadership skill which is strongly agreeable, situation awareness,

communications, conflict management, decision making, leadership, team care.

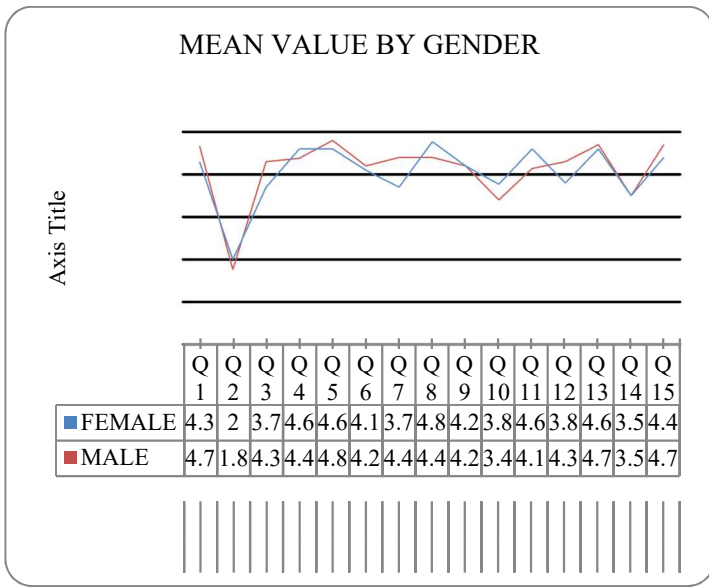
14. Employees are strongly agreed with present developmental activity, so there not necessary to change.
15. It strongly agrees by employees because the activity takes place in different sector in the company so employee relation rate is maintained



**Interpretation**

The above table shows the mean differences among different age groups working in the company. According to the table we can clearly say that there is a minimum difference between the means. This concludes that the employees in the company are mostly satisfied with their Training and Development program in their organization. There is slight difference of opinion among different age groups

**Mean Values of Gender of Employees**



**Interpretation**

From the above table we can understand that the mean values of the questions have minimum difference. This shows that there is slight difference of opinion between the opinions of the genders in the organization. They all have the same opinion about the training and development in the company

**6. Recommendations and Conclusion**

Since training and development has imposed positive impact on employee performance in context of nestle company, it can help create sustainable competitive advantage over other key players. Food processing company should develop a sound training and development process where the performance of employee is evaluated through transparent systems. Training must be based on need based analysis and returns should be collected statistically. It should be a continuous process.

This chapter discusses the conclusions drawn from the regression analysis and descriptive statistics. The trends in Human Resource Management practices throughout the world are changing dynamically. Nowadays, employers are more concerned about employee’s retention and controlled employees’ turnover than cost cut off. The need of employee’s retention has encouraged the

employers to pay attention towards employee’s development through training in order to keep them motivated. The core purpose of involvement in training and employee’s motivation is to improve employee’s performance resulting in enhanced organization’s performance.

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