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Analysis of Nescafe UK

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1. Introduction

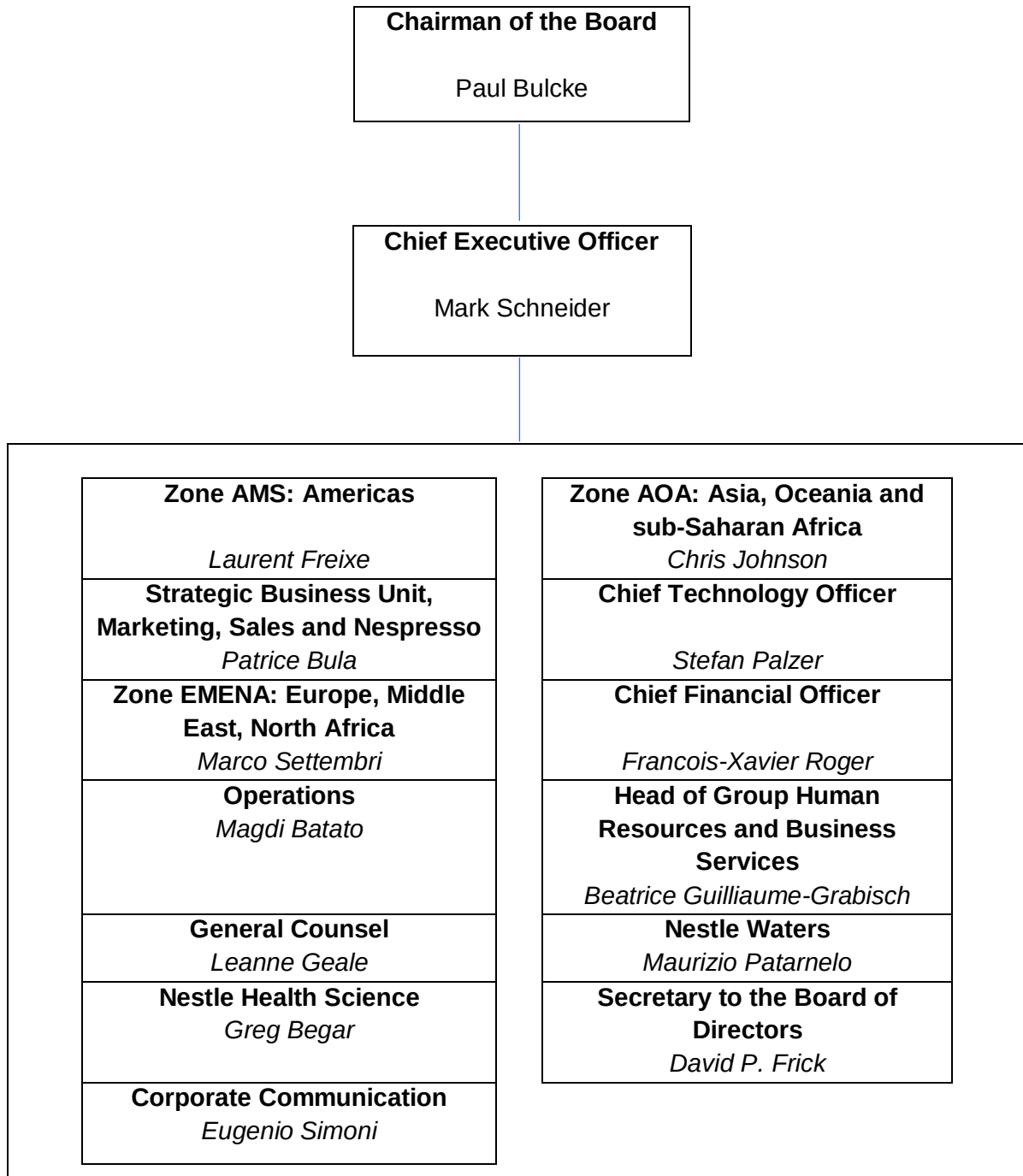
The aim of this assignment is to make an analysis of the outside and inner business environment of Nescafe UK. The assignment would also present the goal, the mission and the values of the company. In addition, would further be present PESTEL and SWOT Analyses of Nescafe UK. It would be explained the role that is played by the employees' belonging to Nescafe in the achievement of the goals set by the company. The study would also investigate the importance of HR managers in the organisation and his role in increasing the employee satisfaction and engagement level.

2. Company overview

Nescafe is well-known brand of Nestle S.A – global and multinational company, which operates in food and beverage industry. The key product of this brand is the instant coffee. The goal of Nescafe is to provide a positive impact on everyone across the world by growing sustainable coffee. The mission of Nescafe is to make great tasting coffee for its customers to enjoy every day. The values of Nescafe are to provide high quality coffee that can be trusted by its customers. The organisation ensures that their vision, mission and values are attained by ensuring that quality is prevalent in each step of the process of creating their coffee. The customers of Nescafe include all individuals who consume coffee as a beverage and the key products offered by the company are different types of coffee of high quality.

Nestle company uses the matrix structure of organisation. The objective of the matrix structure is to enable the organisation to seek after a transnational strategy and get the advantages of separation from worldwide learning and from cost decreases from higher enterprise among divisions inside every product group (Hill, Ch., Jones, G., 2009).

General organisation of Nestle S.A.



(Source: Nestle.com)

3. PESTEL and SWOT Analysis

PESTEL Analysis

Factors	Impact
Political	• The uncertain influence of Brexit on the operations of Nescafe in the UK (Nestle.com, 2019).
Economic	• The rise in the rate of inflation to 2.4% has had a significant influence on the cost of products and profits earned by the company (Ons.gov.uk, 2019).
Social	• The changing demands of consumers towards health alternatives have had a significant impact on the industry as well as on Nescafe UK (Nestle.com, 2019).
Technological	• Increase in technological innovations for the management of personnel, operations and production functions have had a significant influence in the beverages industry (Nestle.co.uk, 2013).
Environmental	• Environmental Protection Act 1990 (Legislation.gov.uk, 2019) has led to the conduction of operations in a sustainable manner thereby increasing the cost of production.

Legal	• Equality Act 2010 safeguards the rights of employees and enables them to receive equal compensation and appropriate rights in the workplace (Gov.uk, 2019).
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Table 1: PESTEL Analysis

(Source: Adopted by Rastogi and Trivedi, 2016)

From the above table it can be observed that conduction of a PESTLE analysis is an effective manner in which the impact of the external environment on the productivity and operations of an organisation can be identified. It has been ascertained by Dhingra *et al.* (2016) that the uncertain nature of the impact that Brexit would have on organisations operating in the UK is a factor that is beyond the control of the businesses. The economic factors that influence the productivity and profits earned by Nescafe UK is the high rate of inflation at 2.4% showing that the profits earned by the organisation would have a negative impact due to the same (Ons.gov.uk, 2019).

The changes in the demands of consumers towards healthier alternatives for coffee would influence the profits earned by Nescafe in the UK market. It has further been identified that the Equality Act 2010 safeguards the rights of employees within a workplace and ensures that there is no discrimination as well as equal pay (Gov.uk, 2019). Nescafe is required to follow the laws in order to ensure that the employees working within the organisation are not exploited and work towards improving their working conditions. It has also been identified that Nescafe UK has taken actions to conduct their operations in a sustainable manner in order to reduce the harmful impact that the organisation has on the environment (Nestle.co.uk, 2019).

SWOT Analysis

Strengths ● Nescafe UK is a highly renowned brand. ● The brand has a strong research and development department that is accountable for ensuring that the employees within the organisation are satisfied. ● The brand has an efficient marketing strategy that makes it easier to enter new markets.	Weaknesses ● The structure followed by the brand is non-distinguished which leads to lack of a proper organisational structure and delays in the decision-making process. ● Nescafe UK faces indirect market competition from its competitors in the UK market.
Opportunities ● Nescafe UK has a huge opportunity to explore joint partnership with other brands to diversify its range of products. ● The brand can further establish its online presence and improve its brand image which would increase its equity and reputation.	Threats ● The threat of new competitors into the UK market is significantly high for Nescafe. ● The increase in the cost of goods would reduce the profit margins of the brand.

Table 2: SWOT Analysis

(Source: Adopted by Phadermrod *et al.*, 2019)

From the above table it can be determined that the brand image of Nescafe is an additional strength which has enabled the organisation to successfully increase its scale of operations. It has also been observed that the investment made by the organisation in its research and development department have led to an improvement in the operations and efficient management of the performance of its employees. It has been influenced by Phadermrod *et al.* (2019) that identifying the internal weaknesses of an organisation leads to better

utilisation of the strengths possessed by the company. By effectively exploring the available opportunities to improve the company's image and reputation, Nescafe would be able to successfully overcome the threat associated with new entrants in the UK market.

4. Discussion

Explanation of the role played by employees within the organisation to achieve organisational goals

Organisational goals include strategic objectives that the management of an organisation establishes to reach desired outcomes from the efforts that have been put in by their employees. As per the views of Aguenza and Som (2018), the employees of an organisation play an crucial role in the achievement of the goals set by an organisation. It has been identified that the key role that is played by employees within an organisation for the purpose of achievement of goals involves an increase in their productivity along with engagement levels by working collaboratively.

According to Omotayo (2015), managers of an organisation play a vital role in ensuring that all employees work together for achieving the goals that have been developed by ensuring that appropriate tasks have been assigned to employees. The managers are further responsible for the setting of goals which are designed to increase employee engagement and motivation. It has been determined by Bottomley *et al.* (2016) that without the active participation of employees, the achievement of organisational goals in an efficient manner would be impossible.

Importance of training and development in organisations

Identifying areas of weakness of employees and providing them with essential training is an essential part of the development of a highly efficient workforce. It has been observed by Leder *et al.* (2016) that provides for continuous training ensures that the productivity levels of employees remain high and their skills remain updated.

Increased employee performance

Developing training programs for employees that require the same leads to a rise in their performance which therefore leads to increased workplace productivity. As opined by Saleem (2015) training provides a better understanding of the expected outcomes that are desired from an employee leading towards the building up of a strong sense of responsibility and confidence about one's job role. It has been identified that Nescafe as part of Nestle, provides continuous and ongoing training and development programs that aim to improve the performance of its employees by providing adequate support and care. Nescafe UK provides training for the development of personal along with career skills that increase their satisfaction and morale levels (Nestle.co.uk, 2019).

The importance of the role of HR within Nescafe UK

The purpose of Nescafe UK Human Resource Management is to give competent direction to line managers with intention to convey outstanding business results by improving the outcomes of their employees (Nestle.com, 2012). One of the key roles of the HR manager is to ensure that the employees working within an organisation are being treated equally and have suitable opportunities that work towards the achievement of organisational goals.

The HR manager is responsible for ensuring that the performance of employees is best possible. The HRM of Nescafe identify training requirements of employees and developing effective programs that are aimed for the development of personal as well as career skills. According to Aleks *et al.* (2019), an HR manager is required to develop appropriate measures to improve the performance and satisfaction levels of employees of an organisation by preparing adequate programs for their development.

Another essential role that is played by the HR manager of Nescafe UK is facilitating clear communication within the organisation. It has been observed by Jacobs *et al.* (2016) that an organisation is required to remove internal communication barriers that cause a challenge for efficiently achieving the goals set by the organisation. This enables an increase in the smooth functioning of operations along with a rise in the satisfaction levels of employees.

Some of the core skills and knowledge required for the role of HR Manager

Decision making

An HR manager is required to undertake decisions with respect to the identification of recruitment and training needs. It has been ascertained by Noe *et al.* (2017) that a good HR manager is one who is able to successfully hire the best person for the right position. This leads to the appropriate identification of talent which positively increases the productivity of an organisation.

Organisational

An HR manager is required to oversee the performance of employees, develop plans to improve employee relations. It has further been observed by Ali and Akter (2018) that an HR manager is required to possess organisation skills in order to effectively manage the responsibilities that are needed to be managed by them.

Budgeting

The key responsibilities of HRM further expand to ensure that appropriate budget is allocated for performance appraisal, social developmental activities along with training and development programs. It has been observed that the skills associated with limiting the expenditure associated with strategic planning and budgeting are considered an integral part of the skills required for being an effective HR personnel.

Training and development requirements

The training and developmental requirements for improving the performance of HR personnel working within an organisation would involve ascertainment of areas that require improvement (Appendix 1). According to Akey *et al.* (2017) an HR professional is required to receive ongoing training in order to stay updated with the latest developments in the field of HRM which would enable better management of resources of an organisation.

5. Conclusion

From this study it can be concluded that the employees of Nescafe work collectively for the purpose of attaining the goals of the organisation. It can also be concluded that the HR professionals employed in Nescafe UK play a essential role in ensuring that the employees are satisfied and provide their best performance. It can further be concluded that the HR professionals are responsible for efficiently identifying the training along with developmental needs of the employees working in the organisation in order to improve their personal along with professional skills. According to SWOT and PESTEL analysis It has been established that Nescafe is required to take appropriate measures in order to be prepared to face the negative as well as the positive impact of the internal and external factors prevalent in the business environment. The company is also required to be prepared for the purpose of addressing the uncertain impact that the external business environment has on its operations.

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Appendix 1 - Training and development plan of Nescafe UK

Purpose	Methods	Expected Time
Using updated performance management tools	On the job training	1- 3 weeks
Improving the decision-making skills	Interactive sessions and activities	2-4 weeks
Improving organisational skills	Interactive sessions and on the job training.	4-6 weeks