

Problems at perrier



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Troubled Waters: Problems at Perrier Introduction Perrier, a French company who produces sparkling mineral water, with once a promising future, is now struggling to stay relevant and turn reputable profits. This paper will address key reasons for the decline in regards to resistance of change from employees and management, and then propose strategic planning concepts to address identified resistances. Change is Coming In 1989, Perrier was at the top of their game and their employees were reaping the benefits with pay increases and additional vacation time.

They worked less than forty hours a week, yet earned higher incomes than the industry average (Tomlinson, 2004). Then the winds of change came blowing in. Half of Perrier's sales were generated from overseas sales to the United States; however, when minute traces of benzene (a gas) were detected in one of the imported bottles, sales rapidly declined. Struggling to stay afloat and with looming bankruptcy, they became a target for takeover by Nestle - one of the largest food producing companies in the world, but more importantly, a successful bottled water producer. Resistance to Change If you want to make enemies, try to change something. " - Woodrow W.

Under new management, the Perrier brand remains to struggle with probability. They produce less product than either of Nestle's other two factories. Yet, attempts by management to make necessary changes are met with disdain from the employees; who majority of are under union contracts with the CGT. The General Confederation of Labour represents 93% of Perrier's work force (Tomlinson 2004) and its members view actions taken by management as provocation, so they rise up to meet suggested changes with strong opposition.

Yet are such closed-minded views helping their cause? Management forewarns that lack of cooperation and development is endangering the future of the Perrier brand and their attempts to communicate this need have not been successful. By trying to motivate competition, management placed the competitor's brand in the employee cafeteria. Although the intent was to entice employees to accept change and become cohesive with management, its effect fell short of the mark. Employees perceived the action as threatening causing the opposite effect.

Who's On First? The actions above demonstrate a lack of communication and planning from both sides. Could it be argued the employees did not understand where management was taking their beloved company? That they were not resisting change, but the lack of clarity as to what that change would entail? This idea states that "employee's resistance is usually not technical change but social change—the change in their human relationships that generally accompanies technical change" (Lawrence, 1969). It is human nature to resist that which we do not know.

Management failed to give a clear vision of the changes needed and in doing so created more stress for employees and themselves. Management cannot take full blame for Perrier's failed relations. As union employees, all negotiations channel through CGT. Management's goals are company based; however, CGT is of the "what's in it for me" mindset. Stating "Nestle can't do whatever it likes", Jean-Paul Franc, head of CGT at Perrier, demonstrates that employees do not grasp the severity of their situation. Without profitable and productive development, their jobs will no longer be available.

Yet, they continue working fewer hours for the same pay while mocking management's attempts to motivate with hostile backfire. I would venture such attitudes and actions are not tolerated for non-union employees.

Visualizing Change There are as many philosophies for successful change as shoes in Imelda Marcos closet. However, my belief for effective change is one that involves a collaboration of everyone. As a manager, I can visualize where I want my team to be in the upcoming year and how I believe we will get there; however, if my employees are not on board with my goals or better yet, are not even aware of them, then how will we be successful? Can employees be self-motivated and drive their company's success while at the same time increasing their own? Do all companies need 'top-down' management? No. In fact, a program at the Large Hadron Collider (LHC) at the European Organization for Nuclear Research (CERN) in Geneva, Switzerland could hold some ideals we can all put into practice. They have created a Collaborative Management Model that is not only working, but is profound. "There are no directors. No CEOs or presidents. No corner offices.

In fact, the main building is cylindrical, with every office the same size. The leader of each experiment is called the 'spokesperson,' and a 'resource coordinator' tracks the allocation of money and people. "... LHC leaders create the framework for people to share and contribute. Gathering spaces throughout CERN serve as giant 'water coolers' where ideas can be shared. Different perspectives are valued, and decisions are made with input from everyone (Holly, 2009). This model defines what we want most from our employees and employers... trust. Trust that we can and will do the task before us.

To implement such a drastic philosophy as LHC did above would be to abandon the old styles of management and embrace a vision of ‘ equal ownership’ within our companies. Nestle’s business model (manufacturing) may not support as drastic a collaborative method as mentioned above; however, to turn the declining Perrier division around, they do need sustainable changes. Those changes must involve collaboration between management and employees (union and non-union). Management must gain the trust of the staff and provide them with the facts of their situation while outlining a clear vision of how they can turn in around.

Perrier employees must take ownership of their actions and invest in their company to help drive success. One way Perrier could do this is by engaging in ‘ roundtable discussions’ – where management and employees will gather in smaller groups to discuss and generate new ideas. Such practices are reporting high marks from the Human Resources industry, “ The nice thing about a roundtable is that there isn’t a right or wrong answer; we aren’t focused on educating to a specific point or coming to an agreement. It is an opportunity to discuss experiences, challenges, opportunities, and shared questions” (Lamoureux, 2009).

This style allows employees to gain direct access to management and feel they are being kept informed of their company’s actions. By keeping the sessions small, shorter in length and informal, employees tend to engage and become forward thinking. For managers, these sessions allow them to keep a pulse on employee relations while promoting a positive agenda to their team. Over time, such successful roundtable meetings will build trust between the two groups and their goals for the company will closer align.

Conclusion In conclusion, Perrier is a modern day example of changes being implemented across the world.

How those changes are implemented and received will continue to vary greatly. No one management style is the right way, otherwise, there would be no need to write as many development books or have such courses as this one. However, managing change is an everyday activity; it will take effort and time to develop and reap the benefit. For a company to help its employees embrace change, it must celebrate its success and re-examine its failure. “ There is no motivator more powerful than frequent successes” (Shaffer and Thomson).

The first step is to simply take one! Works Cited Holly, K. (2009, May 20).

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