

Executive summary of the nestle company business essay



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Business is a never ending race and in the fast running world of business, there is variety of products and shops, showrooms, setups and etc. The main purpose of this report concerns the research managing conflicts in organization. The organization that is chosen for our research report is ' NESTLE'. Data and observation analysis, recommendations for managing conflicts is also discussed. The methods used for collecting data for this report are surveys, questionnaires, personal observations, personal interviews, newspapers, internet etc.

In the first section, we had given an introduction about the chosen organization ' NESTLE" and then a brief description about nature of conflict in the organization and its various types and causes of conflict.

The second section is consists of literature review, in which we had discussed the theories and research papers of different researchers where they explain about conflicts and its causes in an organization and moreover how an organization can prevent those conflicts with best possible solution.

The third section comprises of research methodology, research nature, data collection techniques and sampling method.

In section forth we have scrutinized the primary data by different graphical and statistical tools.

In final section we have given possible conclusions along with recommendations.

CHAPTER # 1

1. 1: INTRODUCTION TO NESTLE

Nestle was founded in 1866 by Henri Nestle with headquarters in Vevey, Switzerland. It has employed around 250, 000 people and has factories or operations in almost every country in the world. It is one of the world's biggest food and Beverage Companies. The Company's priority is to bring the best and most relevant products to people, wherever they are, whatever their needs, throughout their lives.

1. 2: PURPOSE OF RESEARCH

The purpose of the research is to find the variable which has leads towards conflicts in Nestle Organization. The main purpose of the research is, firstly, to identify the causes of conflicts in Nestle and, secondly, to manage conflicts in Nestle organization.

1. 3: BACK GROUND OF THE STUDY

All of us experience some type of conflicts in our daily lives. Tensions, antagonisms, and frustrations always occur when people work together. There are disagreements, perhaps even fights, between employees and the supervisor or between co-workers. Aside from personality clashes, people simply have different viewpoints about the way things should be done.

The main purpose of conducting the research is to find out the conflicts, and finding the ways to manage and solve them in an organisation. In this context we have got the opportunity to conduct our research on one of the top organization's (Nestle).

1. 4: DEFINITION OF CONFLICT

Conflict is defined as the state of discord caused by perceived or actual opposition of needs, interests and values. A conflict can be internal or external. The concept of conflict can help to explain many social aspects of life such as social disagreement, fights between individuals, groups, or organizations and conflict of interests.

In political term “ CONFLICT” can refer to revolution or struggles, war, that may involve the use of force named as armed conflict. Without proper social resolution, conflicts in social settings can result in stress among stakeholders.

When an interpersonal conflict does occur, the effect of it is often broader than two individuals involved, and can affect many associate individuals and relationships, in more or less adverse and sometimes even humorous way.

Conflict as taught for graduate and professional work in conflict resolution which is defined as “ when two or more parties, with perceived incompatible goals, seek to undermine each other’s goal-seeking capability”.

One should not confuse the distinction between the presence and the absence of conflict with the difference between co-operation and competition. In competitive situations, the two or more individuals or parties have mutually inconsistent goals, either party try to reach their goals it will undermine the attempts of the other party to reach theirs. Therefore, competitive situations by their nature cause conflict.

However, conflict can also occur in cooperative situations, in which two or more individuals or parties have consistent goals, because the manner in which individuals or party tries to reach their goal can still undermine the other individuals or party.

A clash of values, interest, actions often sparks a conflict. Conflict also refers to the existence of that clash. Psychologically, conflicts exist when the reduction of one motivating stimulus involves an increase in another, So that a new adjustment is demanded. Even when we say, there's a potential conflict we are implying that there is already a conflict of action though a clash may not yet have occurred.

1. 5: NATURE OF CONFLICT

Conflict may constructively be viewed as resulting from differing belief systems, varied perspectives on the situation and values resulting from participant's accumulated life experience and conditioning, differing interests and objectives. Effectively dealing with conflict requires the expression and management of participants' varying interests, belief systems, perspectives and values.

Through the integration of participants' perspectives, belief systems, interests and values, conflict and conflict resolution play important roles in individual and social evolution and development. Conflict arises when one or more participants view the current system as not working. At least one party is adequately unhappy with the position, that they are willing to own the conflict and speak with the hope of being able to influence the situation to

arrive at an improved condition. Conflict may be sight as a process we put ourselves through to attain a new condition and self definition.

Through conflict we have opportunities to be artistically self-defining. If nothing else, conflict allows us in future to do things differently. Through the resolution of conflict, we can evolve and redefine ourselves, our community, our relationships our society and our world.

1. 6: LEVELS OF CONFLICT

1. 6. 1: Inter divisional conflict

Inter divisional conflicts exists between the perceiver and another individual within the organization. Although the other person does not need to be aware of the conflict, the perceiver of the conflict situation recognizes the present or future impact conflict can have on job performance.

1. 6. 2: Intra group conflict

Intra group conflicts occur between perceiver and his or her immediate group within the organization. The immediate group can consist of work team, department or union. Whether fully or only superficially aware of the conflict issue, the perceiver realizes that the conflict can directly or indirectly affect job performance.

1. 6. 3: Inter group conflict

It arises between the perceiver's immediate group and another group within the organization. Again, the perceiver's involvement may not be critical, but he or she must be aware of the situation and the potential impact the conflict can have on work performance.

1. 6. 4: Organizational conflict

Organizational conflict is a state of disagreement caused by the actual or perceived opposition of needs, values and interests between people working together.

1. 7: TYPES OF CONFLICT

A conceptual conflict can rise into a verbal exchange or result in fighting.

Conflict can exist at a variety of types. These are

Community conflict

Diplomatic conflict

Emotional conflict

Environmental resources conflict

Group conflict

Ideological conflict

Interpersonal conflict

Inter-societal conflict

Intrapersonal conflict

Organizational conflict

Religious-based conflict and Workplace conflict .

1. 8: CAUSES OF CONFLICTS

1. 8. 1: Authority relationship

Authority Relationship conflicts occur because of the existence of strong pessimistic emotions, misperceptions or stereotypes, poor communication or miscommunication, or repetitive negative behaviors. Authority relationship problems often increase disputes and lead to an unnecessary rising spiral of destructive conflict. Supporting the secure and balanced expression of perspectives and emotions for acknowledgment (not agreement) is one effective approach to managing relational conflict.

1. 8. 2: Management style

For any organization to be effectual and efficient in achieving its goals, the people in the organisation need to have a common vision of what they are determined to achieve, as well as clear objectives for each individual, group/team and department. Management style also needs ways of recognizing and resolving conflict between people, so that conflict does not become so serious that collaboration becomes impossible. The management of any organisation needs to have ways of keeping conflict to a minimum and of solving problems caused by conflict, before conflict becomes a major obstruction to work.

Management style helps to avoid conflict where probable and organizing to resolve conflict where it does happen, as rapidly and smoothly as possible.

1. 8. 3: Communication barriers:

Conflict will be greater when barriers to communication exist. If parties are separated from each other physically or by time e. g.; the day shift versus

the night shift-the opportunity for conflict is increased. To illustrate suppose a company employs only one plant supervisor, who works the day shift and leaves orders at the beginning of each week for the workers on the night shift. By the end of the week, however, these orders have been only partially carried out. The supervisor cannot figure out why. Obviously, the supervisor absence from the night shift has posed a communication barrier, which in turn causes decreased output. As Bryans, P, Cronin argued in 1984 that Space or time separations could promote isolated group interests rather than advance a common effort towards joint goals.

1. 8. 4: Personal factors

1. 8. 4. 1: Behavioral

The way emotional experience gets expressed which can be verbal or non-verbal and intentional or un-intentional.

1. 8. 4. 2: Physiological

It's defined as the bodily experience of emotion. The way emotions make us feel in comparison to our identity.

1. 8. 4. 3: Cultural values

Culture tells people who are a part of it, " Which emotions ought to be expressed in particular situations" and " what emotions are to be felt."

1. 8. 4. 4: Physical

This escalation results from " anger or frustration."

1. 8. 4. 5: Verbal

This escalation results from “ negative perceptions of the annoyer’s character.”

1. 9: WAYS OF ADRESSING CONFLICTS

There are basically five ways of addressing conflicts which were identified by Thomas and Kilman in 1976. These are

1. 9. 1: Accommodation

One’s party surrenders its own needs and wishes to accommodate the other party.

1. 9. 2: Avoidance

Avoid conflict by ignoring it, changing the subject, etc. As an expedient means of dealing with very minor, non-recurring conflicts or Avoidance can be useful as a temporary measure to buy time. In many cases, conflict avoidance involves severing a relationship.

1. 9. 3: Collaboration

Working together can find a mutually beneficial solution. Collaboration can also be inappropriate and time-intensive. When there is not enough respect, trust or communication among participants for collaboration to occur.

1. 9. 4: Compromise

Finding a centre point where each party is partially satisfied.

1. 9. 5: Competition

Take the one's point of view at the potential expense of another. It can be more useful when achieving the one's objectives outweighs one's concern for the relationship

CHAPTER # 2

2. 1: LITERATURE REVIEW

Different researchers have published their reviews on conflicts in the organization. We are viewing two best reviews of the researcher's articles.

Mr. Philips in 1982 threw light on some of key conditions, which may lead to serious organizational conflicts; he gave his views in the book named as "Community in Organization". According to M Phillips certain social relationships characterized various kinds of conflict behavior. Each one could occur in your work area. The more aware the managers are of these conflict settings, the better are the chances of correcting them and running a smooth operation. Mr. Philip identified communication as problem in his research. The causes of conflicts are structural factors, authority relationships, common resources, goal differences interdependence, jurisdictional ambiguities, specialization, status-inconsistencies, personal factors, communication, conflict management style, cultural differences, emotions, perception, personalities, skills and abilities, values and ethics. The researcher found a possible solution; it is obvious that a perfect communication system is unlikely. But also perfection like rationality will not be achieved; organizations do have mechanism by which they can attempt the communication system as clear as they can. Philips also suggested that

there are such devices available which can reduce the distortion and complications in communication process and suggested that communication recipients should be aware of the biases of the message senders and protect their own counter biases as protection devices.

James M Leif & John M Penrose in 1997 in the book Business Strategies & Skills 5th Edition explained the nature of organizational conflicts identify the causes of conflicts i. e. Structural Factors, Common Resources , Goal Differences , Interdependence , Jurisdictional Ambiguities, Inconsistencies , Personal Factors Communication barriers, Conflict management style , Cultural differences , Emotions Perception, Personalities, Skills and abilities, Values and Ethics, Behavioral and Physiological Cognitive. The researchers say that it is possible to avoid conflict by having mechanism such as voting to make decision without the disagreement of consensus. They also find that behavioral regulation fail to match the individual need of employee, conflict is bound to occur.

In 1995 B R Siwal in his research “ Resolution Strategies to Conflict” describes that conflict is a necessary and integral part of effective problem solving and realistic discussions. It is core sound of decision making because disagreement is the best vehicle for enlargement the perspective, discovering alternatives, and motivating creative interaction among each member. The effects of disagreement, though, depend on how it is administer by team members. Conflict can be integrative and constructive or it can be distributive and disruptive. When mismanagement occur, conflict can demolish team effectiveness, when handled well it can deeply enhance the quality of team work and make members sense proud of their work in <https://assignbuster.com/executive-summary-of-the-nestle-company-business-essay/>

the team. Training in the nature of conflict and the ways of managing it is an imperative need of all the people who participates in problem solving groups, such as those that make up work teams. The negative association of conflicts wants to be dispelled and substitute with more practical conceptions that made the justifiable distinction between disruptive and constructive conflict. When team members see that conflict can be a positive strength in conversation, they are better prepared to take up effective proposal attitudes and behaviors in trouble solving situations. Further more the differences between integrative and distributive conflict can help them learn how their own behavior contributes to the atmosphere of the team which they belong.

Davor Dujak in 2008 describes in his research that in every organization conflict encounters on a daily basis. The conflict cannot be avoided but it is probable to manage them in a way that we identify them on time. It is essential to constantly track the organizational signals which position to their existence. If Organization does not respond accordingly, this can lead to the condition that conflict itself manages the organization. One of the more important determinants of productivity, performance and efficiency and finally the job satisfaction is also the conflict as an independent variable of organizational behavior. By systematic research of organizational behavior we want to make a positive influence on the dependents variables, but first we have to realize and get a good approaching to the individual elements of organizational behavior.

In 2004 Melanie Lewis describes in her research that if conflict managed poorly or avoided, it can be very costly to an organization. If managed well, <https://assignbuster.com/executive-summary-of-the-nestle-company-business-essay/>

conflict presents an opportunity to uncover significance and promote a healthy work place. Many organizations are finding that their conflicts management systems have been good by financial investments, generating a healthy return. In addition they are recognizing the value of many less substantial benefits (lower turnover, increased efficiencies, improved morale and improve public relations). A precise four phased process assessment, design, implementation, operation and evaluation helps organizations design effective conflict management systems to gather the maximum benefit of conflict system. Moreover this four phased approach strongly encourages the team actually to seek to understand and incorporate the needs and interests of all affected constituency, and creates an environment in which the benefits of the system can be effectively communicated, implemented and administered.

In 2010 De Dreu C. K describes in his research that conflict is a multidimensional with both relationship and task forms. Hence it is expected that if they change the managing type of conflicts, it will play an important role in organizational performance. While if organization did not manage good, the conflict will play a negative role. However the researcher discussed only two types of conflicts in his research namely affective and task conflict in order to play better role in organizational performance.

After studying the reviews of different researchers, we will take help from different researches but our group decided that we will follow the research of " M Philip" because they dictate information about factors which are important for identifying conflicts and understanding the meaning of conflict

and how it influences the organizations internal environment in solving problems.

CHAPTER # 3

RESEARCH METHODOLOGY

3. 1: Research type:

The type of research that we are conducting is applied research because it is conducted for a particular organization. Applied research is practical applicability of research tools on a particular organizational situation.

3. 2: data collection

We will be collecting our data by using two sources which are as follows.

3. 2. 1: Primary data

Our primary data is collected through conducting interviews and designed questionnaires from managers and employees of Nestle.

3. 2. 2: Secondary data

The secondary data is collected from past records of Nestle and books along with business articles to support our recommendations and suggestions.

3. 3: Sample size

During this survey we have taken responses from a Sample size of 30 which is further divided into two groups. We also conducted survey from 10 managers and 20 employees. The sampling type that we used is non random sampling technique because we want to get information from every third employee and manager of Nestle organization. Our survey is in questionnaire

and interview form, so our questionnaires consist of open ended and close ended questions. We have conducted unstructured interviews, asked from the respondents to get more information.

CHAPTER # 4

ANALYSIS

4. 0: INTRODUCTION TO DATA ANALYSIS

Data analysis is a practice in which the raw data is ordered and organized in order to extract useful information from it. The process of organizing and thinking about data is the key to understand what the data does and does not contain. There are varieties of ways in which people can approach data analysis, and it is infamously easy to manipulate data during the analysis phase to push certain conclusions. There are different methods for analyzing the data for example surveys, charts, frequency tables, graphs and personal observations etc.

We have analyzed our data through frequency tables and bar charts.

4. 1: FREQUENCY TABLE

Frequency table is one of the important concepts in mathematical statistics and a good analyzing tool. A table divided into cells by category with counts for each category in each cell. It is a kind of display of a given data, in which the frequency of each data item is found. The frequency of a data item is the number of times it occurs in the data set.

4. 2: BAR GRAPH

A graph consisting of parallel, usually vertical bars or rectangles with lengths proportional to the frequency with which specified quantities occur in a set of data. A bar graph is a pictographic version of statistical data in which the independent variable can attain only certain discrete values. The dependent variable may be discrete or continuous. The most common form of bar graph is the vertical bar graph, also called a column graph. This type of display allows us to:

Compare groups of data, and

To make generalizations about the data quickly.

4. 3: ANALYSIS OF QUESTIONNAIRES

4. 3. 1: FROM MANAGEMENT

1) More than the desired output of the employees make can be harmful to the organization?

a) YES b) NO

Variables

Codes

Frequency

Yes

01

9

No

02

1

Table: 4. 3. 1. 0

Graph: 4. 3. 1. 0

2) There is a free flow of communication among the employees:

a) YES b) NO

Variables

Codes

Frequency

Yes

01

10

No

02

0

Table: 4. 3. 1. 1

Graph: 4. 3. 1. 1

3) Employees are properly informed about decision taken?

a) YES b) NO

Variables

Codes

Frequency

Yes

01

7

No

02

3

Table: 4. 3. 1. 2

Graph: 4. 3. 1. 2

4) There is a consistency among the management policies:

a) YES b) NO

Variables

Codes

Frequency

Yes

01

8

No

02

2

Table: 4. 3. 1. 3

Graph: 4. 3. 1. 3

5) Key post should be through:

a) Direct Appointment

b) Promotion

Variables

Codes

Frequency

Direct appointment

01

8

Promotion

02

2

Table: 4. 3. 1. 4

Graph: 4. 3. 1. 4

4. 3. 2: FROM EMPLOYEES

1) From how long have you been working in this organization?

6 months

1 year

3 years

Or more than 3 years

Variables

Codes

Frequency

6 months

01

4

1 year

02

2

3 years

03

10

Or more than 3 years

04

4

Table: 4. 3. 2. 0

Graph: 4. 3. 2. 0

2) What kind of boss do you like to work with?

Friendly

Competent

Leant

Difficult

Variables

Codes

Frequency

Friendly

01

17

Competent

02

3

Leant

03

0

Difficult

04

0

Table: 4. 3. 2. 1

Graph: 4. 3. 2. 1

3) Which type of leadership's style do you like the most?

Autocratic

Democratic

Variables

Codes

Frequency

Autocratic

01

18

Democratic

02

2

Table: 4. 3. 2. 2

Graph: 4. 3. 2. 2

4) How does your management is doing the evaluation among the employees?

Performance base

Merit base

Variables

Codes

Frequency

Performance base

01

18

Merit base

02

2

Table: 4. 3. 2. 3

Graph: 4. 3. 2. 3

5) Which management level should be responsible for problems between employees? Choose any of the following

Top level

Middle level

Lower level

Variables

Codes

Frequency

Top level

01

2

Middle level

02

17

Lower level

03

1

Table: 4. 3. 2. 4

Graph: 4. 3. 2. 4

Q6: How do you communicate the unforeseen problem with your manager or general manager?

Answer: Most of the respondents suggested that they like to meet the general managers directly for any unforeseen events.

Q7: Do you think your organization should involve the employees in decision making? And why?

Answer: Most of employees consider that their managers are capable of taking right decisions and there is no need of involving employees. While few of them suggested that it can be a source of new and creative ideas.

Q8: What can you suggest for a better management system?

Answer: Most of the employees have no idea about it. Few of them believe that friendly environment and better salaries can improve management system.

4. 6: INTER ORGANISATIONAL CONFLICTS OF NESTLE

The nature conflicts found out through the personal (unstructured) interviews and through questionnaire with the director & the manager of NESTLE Peshawar are as follows:

The first thing, which was found was the lack of training given to the employees, they said that in the organization, employees always have to work together in groups, and if some one feels that he/she cannot work within the group, then there is some problem with that employee, but at the same time they said that it is the organization's responsibility to teach the employees how to work together in groups through proper training. They

mentioned that without training the organizations might face serious types of irresolvable conflicts, which are definitely not fruitful to the organization.

The second main reason mentioned by the manager of the company was the " Selection Biases", he said that selection biases may also lead to conflicts within the company, and these conflicts are normally personal as well. The manager said that if in cases the top management interferes in the process of hiring the employees, they might select the wrong person for the right job.

On the other hand there may be serious conflicts going on between the manager & the top management on the issues of authority and responsibility balance. Further if the manager takes big decisions like job confirmation, & salary decisions, then, there may be conflicts, these must be taken by the top management.

The manager of NESTLE also raised the point of communication's problem. They believe that every information's must communicate from their tables.. If in any case any employee bypasses the manger, there may be a conflict between them. He also said that there is no need of any employee who bypasses the manager to access to the top management. Usually the organizations do have " Coordinators" who are directly answerable to the top management. He said that the manager will not be able to properly deal with him and conflicts between them will arise.

The manager said that young unmarried employees usually indulge in office politics and make conflicts among the employees. According to him only married and experienced persons should be provided with the jobs.

Racial problems also create conflicts among the employees. Bad attitude of the manager and arrogant nature of the boss is also one reason of conflicts.

The manager said that effective person but highly cooperative person would be proffered in place of an efficient but uncooperative one.

The manager presented the following ideas to prevent conflicts:

Contractual Jobs

Hire & fire system.

Authority to the manager

Some of them had a bit different views. He held the middle management's capabilities responsible for the conflicts within the organization. He also said that there is no relationship between the authority and reasonability with the conflicts. He proffered the autocratic style of management in the beginning, but it should be shifted to the democratic style in the later portions.

He said that although the centralized system slows down the process of working, but it will also decrease the conflicts between the employees. They said that, if you (Employee) have to be successful in the company, then you have to become a big " YES SIR".

He also mentioned that horizontal conflicts are more common. Super seeded persons normally indulge in making conflicts. He said that super seeded persons should be terminated in place of super seeding them. Dress code

can experience the resentment from the employees due to Ethnic affiliations to some dresses.

They was strongly in favor of “ Coordinator”, he said that a coordinator channels the communication process between the manager and the top management. He also gave the following ideas to prevent the possible conflicts in the organizations:

Promotions

Clear line of Authority

Not more than one employee from same Regional locations and same institutions/Universities.

CHAPTER # 5

5. 1: CONCLUSION

“ The Organizational Conflicts” is itself not a problem, but it is a serious symptom of some factors that are usually ignored while designing the organizational structures. From the literature review, theoretical framework, , taking samples (convenience) & analysis of the data gathered, some factors are identified that usually are the root cause of the conflicts.

Some of these are:

Ethnicity

Personal Jealousy

Arrogant behaviors (low temperament)

Communication problems

Due to the nature of the issue the responses from the top, middle & lower management were totally contrary with each other. For this purpose the structured interviews were conducted and intentionally the format of the questions in interview and questionnaires were kept same. That made the deductions possible by comparing the non verbal responses and the rephrasing the same questions two-three times to check the consistency of the replies.

The ethnic issue is the most important and it justifies the hypothesis. Due to ethnicity no sampled branch has been successful in implementing the dress code yet. Even though, all the respondents favoured it.

It is observed that employees belonging to NWFP are very low tempered.

Their frequency of jobs switching is higher than o