

Merger of cadburys and kraft | hr analysis



**ASSIGN
BUSTER**

Cadbury being one of the top lead and almost 200 years old confectionery company having chocolate, gum and candy brands in the portfolio , with a power of making brands like Cadbury, Trident and Halls, that people love.

John Cadbury, in 1824 started cocoa and chocolate selling shop in Birmingham. Since then the business kept expanding over time around the world, and today operates in more than 60 countries, with over 35000 direct and indirect suppliers and having more than 45000 employees

Cadburys HR department

Cadbury operates in more than 60 countries all around the world. Each of the factories has its own HR department that deal with the demand of the workers of the region according to their local situations and demands.

Like all other HR departments, it deals with the efficient and effective utilization of resources available. The HR department actively takes care of the following:

- Recruitment of new staff that must have good skill level or past experience of working at factories of similar kind.
- Provision of training to new and existing staff so that they are fully equipped with knowledge of any new equipment or procedure brought in and will be able to use it efficiently.
- Helping the existing workers with problems that they may have at work place.
- The problems that Cadbury's HR department is most likely to face are:
- Potential employees have in adequate skill or knowledge creating a skill gap.

- Other factories create competition among staff and creating a deficiency of new staff.
- Increase in staff turnover in different situation affect production

GUEST MODEL:

Through statistics and evidences we can easily identify the active management at Cadbury that not only seek betterment of its business but continuously strives for development for the people it holds and for the people that looks forward in joining hands with the company.

In this way the Guest model fits in the best with the company's strategies and outcomes.

The Cadbury's powerful organizational policies can be understood by any good marketer through the managerial decision it takes in the market all over the world. The utmost emphasis on human resource development has helped Cadbury to gain the loyalty of its employees. The employees that are working with the company have created a good will of the company in market such a way that new graduates seek opportunity to work with the company. (Cadbury)

The proactive approach of providing equal opportunities to the workers for their development and encouragement packages that the existing employees are enjoying helped to maximum decrease in the turnover and absenteeism percentage. The flexibility employees get during their tenure help them enjoy their work. The organizations communication system is well operated. The management gives a platform to its employees and not only that, they assure the employees that they have a devoted audience that will

welcome whatever they place upon that platform. This strategy has helped tremendously that it has not only reduced the grievance level but have also again helped in the reducing the absences.

Thus, all the statistics, feedback of employees and consumers and the well known company's market reputation indicates the company's conformance best with the Guest Model.

KRAFT:

ABOUT KRAFT:

A US manufacturer, Kraft, being the second largest food company with approximately \$ 50 billions revenue, doing business in more than 160 countries.

A company that grew out of cheese whole sale and delivery business started in Chicago in 1903 by James L. Kraft. It later on incorporated as Kraft Bros, & Co. in 1909. It acquired Philip Morris Cos in 1988 and later on renamed it as Altira Group Inc., in 2003.

THE CULTURE:

At Kraft, being open and inclusive a simple concept to follow that has become a part of their core company value in action and that guides their behavior.

“ Being open and inclusive is critical to creating a delicious work experience for our employees and business partners. And it's the foundation of our strategy to build a high-performing culture.” (Kraft's management)

Their business style:

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

Two words open and inclusive has become the core code of all the business Kraft do everyday, from training and development programs to the accountability in leadership objectives.

THE HR PERSPECTIVE:

The Kraft believe in attaining heights through their diverse workforce is one of the modern day technique. Kraft's Human resource approach revolves around the same perspective. The management claimed to be providing equal opportunities and rights to different races and color people working at Kraft.

At Kraft, following key points are emphasized and are followed religiously:

Provision of training for every employee to value the diversity creating a sustainable culture of welcoming differences and values.

Their diversity-focused council aligns objectives with the business strategies in order to enhance the impact.

HARVARD MODEL:

Kraft Foods Company fits in with the Harvard model for HRM. The reviews, feedbacks and statistics indicated that the company emphasis on the company as a whole with respect to its employees. The Kraft management is working with the situations of the world's market in formulation of policies and making organization wide decision. It works in interest of all the members i. e. stakeholders, of the company. Although the model is weaker than the others and has a fair vulnerability to Unitarianism but it is a much more appropriate model of reference.

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

The decisions the company have made over time had given us the idea that the company works in between constraints and choices that made the company a successful and still growing one. The influence of company itself on the unique contribution within the environmental and organizational parameters not only depicts the management as the real actor but also confirms its conformity with the model. The hr perspective also indicates the active HRM the company has that gives the 4 C outcome that is obvious enough through the employee's feedbacks that have been reviewed.

In the last the model gives three types of long term consequences i. e. individual based, organization based and societal level. At individual (employee) level, the psychological rewards a worker receives in exchange for efforts. At organizational level, increased effectiveness that ensures the survival and growth of organization. These two levels in turn, enable the societal level as; these two levels make its possible for fully utilization of human resource available and thus, societal goals like employment and growth are easily attained.

STRATEGIC HUMAN RESOURCE MANAGEMENT:

CADBURY:

Strategic human resource management aims at the improvement of the way human resources are managed strategically within organizations, with the definitive goal of improving organizational performance, as judged by its impact on the organization's declared corporate strategy, the customer or shareholders. It is a philosophy of people management based on the belief that human resources are uniquely important to sustain the success of a business. It can also be defined as the process of linking the human resource

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

functions with the strategic objectives of the organization in order to improve performance.

Strategic human resource management involves the linking of HRM with the strategic goals and objectives of the organization in order to achieve a progressive business performance and achieve an organizational structure that promotes innovation and flexibility. Strategic HRM according to text published in 2004 has emerged as a major approach to improving the competitive advantage of the firm. The strategic management is concerned with policy decisions effecting the entire organization, overall objective being to position the organization to deal effectively with its environment. Strategic HRM aims to provide a sense of direction in an often turbulent environment so that organizational and business needs can be translated into coherent and practical policies and programs. It provides competitive advantage over the others. (Malik, 2009)

The goals and objectives of HRM are aligned with the strategic objectives and plans of the organization.

The case referred presents a clear picture of an organization that works with clear business objectives i. e. to deliver shareholder performance. The company works with the aim at dividends.

The company policy works with the vision that the people it holds are the most important asset that not only works for the company but also integral in achieving the desired goals. Through different papers and journals we saw that the management is managing its human resources in a contingent manner. Thus, we can say that they are following the contingency approach.

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

Many advocates of the contingency theory of SHRM a company can only be effective if its policies and strategies align with the other key factors and strategies of the firm. According to journal HR must be closely integrated into the planning process of a firm. They also believed that a firm can achieve success if it is able to develop HR policies and practices that complement and support other HR policies and practices and other elements of the organization's strategic plan. (TME)

Thus it is evident enough in the case that Cadbury considers its people as a source of competitive advantage and believes that they work as the main contributors to the company's success. The company also seeks and welcomes changes. The goals and objectives are clear and in order to achieve the goals and set objectives it must be aligned with the efforts of its people. The only way to observe such a trend is through Strategic Human Resource.

As the company requires active and effective communication with its human resource and it plays the most important role in the company's approach, and in conveying all the policies, plans and strategies so that people at work can synchronize their efforts.

The mere fact that Cadbury Schweppes has an HR director on the main board and that HR is represented at every regional business unit make it obvious that the company recognizes the strategic importance of human resources and takes HR issues and concerns seriously. (Cadbury)

Cadbury is a resource based company. The company core competencies make it a resource based company. Cadbury's unique strategies and policy,
<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

the working conditions and the development opportunities it provides to its employees that in turn becomes the key asset or its edge over its competitors. (TME)

KRAFT:

Kraft unique style of providing training and development opportunities at all level and point of time during an employee's tenure makes it a best fit, best practice based company. Through analysis we can see that all the employees from top to bottom have a particular thing to be on that position. The core strategies that are followed at Kraft begin with the aim of building a high-performing organization (Kraft Foods). The provision of best fit entitles an employee for his reward in terms of promotion or training or even other means of rewards and appraisals. It also provides the top management the opportunity of enjoying a decentralized decision making power. The best fit eventually leads to best practice where a good healthy employee who is psychologically satisfied through rewards and encouragements strives to work for better tomorrow.

All these practices are observed in Kraft's foods operations making it Best Fit, Best Practice based company.

LITERATURE REVIEWS:

Kraft wins BBC Big Challenge Award for Gloucestershire (Kraft Foods, 2006)

Kraft Foods today announced that it has won the BBC Big Challenge Health Works Award for Healthiest Large Employer in the BBC Radio Gloucestershire area. This award is presented to employers who have made health in the workplace one of their top priorities in 2005 and beyond.

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

Kraft won the award for its commitment to creating a working environment that encourages and supports employees in their efforts to lead a balanced, active and healthy lifestyle. Since its launch in July 2004, Kraft's employee wellbeing programme has offered advice on living a healthy lifestyle, supported activities that promote wellbeing such as pilates and yoga, provided healthy options in its staff restaurants, and offered all employees the opportunity to obtain periodical health checks through the company's occupational health team.

The programme also demonstrates Kraft's commitment to being a global leader in Health and Wellness, and its vision to ' Help people around the world to eat and live better'.

Christine Harrop, Occupational Health Sister at Kraft Foods won the BBC Big Challenge Unsung Hero Award for Gloucestershire - an award presented to employees who have done something to inspire and encourage their colleagues to lead healthier and fitter lives.

Christine won the award for her commitment to the health and wellbeing of Kraft employees, and her role over the past 18 years in participating and encouraging Kraft employees to take part in the annual London to Brighton Bike Ride. Christine regularly manages to recruit up to 60 employees to participate in the initiative and has raised thousands of pounds for the event's chosen charity, the British Heart Foundation.

Commenting on the two awards, Jim Beaty, HR Director stated " It's a terrific achievement and recognition for the efforts of all employees who have contributed to the success of the employee wellbeing programme."

<https://assignbuster.com/merger-of-cadburys-and-kraft-hr-analysis/>

Kraft Foods Names May to Global Human Resources Post. (Busniess Wire, 2005)

NORTHFIELD, Ill. — Kraft Foods Inc. (NYSE: KFT), a global leader in branded foods and beverages, announced today that Karen May, 47, is joining the company in October as Executive Vice President, Global Human Resources. May will provide leadership for all of Kraft's human resources disciplines, including benefits, compensation, diversity, facilities management, labor and employee relations, human resources strategy, safety and security, and talent management.

She will report to Roger Deromedi, Chief Executive Officer of Kraft Foods, and join the Kraft Executive Team. May replaces Terry Faulk, who is retiring after more than 38 years with the company. She will work closely with Faulk to ensure a smooth transition, prior to his retirement at the end of the year.

“ We will truly miss Terry's vast experience and sound judgment,” said Deromedi. “ I want to thank him for his many significant contributions to Kraft throughout his long and distinguished career, and wish him and his family the very best in his retirement.”

“ Karen's broad range of experiences and thorough understanding of the Human Resources function will serve her well in this role,” Deromedi noted. “ I'm confident that she'll play a key role in driving Kraft's transformation to a more consumer-focused, innovative and nimble company in the years ahead.”

May joins Kraft from Baxter International, Inc., where she has been Corporate Vice President of Human Resources since 2001. She joined Baxter in 1990 as

Director of Corporate Audit and held several positions of increasing responsibility, including Vice President of Corporate Audit and Vice President of International Finance. In 1998, she became Vice President of Global Talent Planning and Staffing at Baxter and, prior to her most recent assignment, was named Vice President of Human Resources in 2000.

May began her career in finance, with PricewaterhouseCoopers. She has a BS in accountancy from the University of Illinois at Champaign-Urbana.

Kraft Foods markets many of the world's leading food brands, including Kraft cheese, Maxwell House and Jacobs coffees, Nabisco cookies and crackers, Philadelphia cream cheese, Oscar Mayer meats, Post cereals and Milka chocolates, in more than 155 countries.

CONCLUSION:

After all the research it can be concluded being key players of same consumer good category companies, and apart from the merger or acquisition, both the companies have their own unique set of competitive advantage over each other.