

Innocent drinks was formed management essay

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Innocent Drinks was formed in 1998 by Richard Reed, Adam Balon and Jon Wright BBC NEWS Business, 2010. The general idea of the company was to produce 100 fruit, with no water, sugar, concentrated juices or preservatives (GMID, 2012). It is also a firm that is synonymous with healthy lifestyles and ecological ethics. Innocent Drinks is now the leader of the smoothie market (see Appendix 2) in the UK, with the Coca-Cola Company owned a 58% of the company's stake (GMID, 2012). Moreover they sold their products in supermarkets, local shops, coffee shops and several other outlets.

Furthermore Innocent drinks are now sold in ten European countries (Fast Track 100, 2012). Innocent shows a big interest to achieve the five-a-day in order to improve public's health. Thus, the company is working with Government consultants and nutrition specialists in order to find ways to promote fruit consumption (Marketing Week, 2011). They have shown a big interest about charity and according to the company's official website they donate 10% of their profits to the charity, the majority of which goes to the innocent foundation. Foundation is currently supporting sixteen partner projects mainly in countries where innocent drinks supplies its fruit. They focus on agricultural, because company believes that people should use the natural resources in order to enable a better future (Innocent website, 2012 b). The company emphasise that it is workers show respect for the environment and all the fruits used are 100% eco-friendly produced (Innocent website, 2012 b). Additionally the company have won many awards such as World Juice Award Foodnews World Juice Award for best new product (Apple Juice) on 2011 and Marketing Week Effectiveness Award for New Product of the Year (Kids) on 2010 (Innocent website, 2012 b). In general, smoothie market had a growth in sales and the forecasts were <https://assignbuster.com/innocent-drinks-was-formed-management-essay/>

positive until 2007. However due the economic crisis the consumers modified their shopping list and the revised forecast are not encouraging for the future according to Mintel report in 2009 (see Appendix 1).

Figure 1: Business excellence model (Adapted from University of Cambridge Publications, 2012)http://www.ifm.eng.cam.ac.uk/uploads/Research/CSP/Modified_Large.png

The business excellence models are frameworks that when operated within an organisation can help to focus ideas and action in a more methodical and structured way that should guide employees to increase their performance. Moreover those frameworks help the company to introduce its HRM practices and also apply them more effectively.

HRM Practices-Best Practices

According to Marchington and Wilkinson (2005), “ best practice HRM is capable of being used in any organisation, irrespective of product market situation, industry, or workforce”. There are many activities which human resource is focused on. Examples of HRM practices are recruitment and selection, training and development, employee wellbeing, negotiation, health and safety, payment and reward etc. (Foot and Hook, 2011). The two human resource practices that the Innocent focus on are the “ Training and Development” and “ Payment and Reward”.

Training and Development

Figure 2: Interaction between different levels of development requirements and the wider corporate planning process (Adapted from Investors in People, 2012 a)

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There are several methods to achieve the employee's progress which are usually extent according to sector and size of the company. The progress within the company can be individually or team based. Additionally the employer has to take into consideration that the development starts from the organisation then moves to the department and finally to the individual (Figure 1). Moreover there is a several methods for the company when it is considering the training and development of both decision-making and non-decision making personnel. The firm can give emphasis to formal training procedures and self-development in order to achieve an improved standard for its employees. The table below illustrates information about the most effective methods for employees to learn. It is remarkable that the majority of them prefer to learn in the work place which Innocent provides during the induction compulsory programme. Employees prefer to learn during the work period instead of self-study through courses and work experience.

Method

Percentage

On the job

41

Formal Courses

21

The experience of work

15

Coaching/ Mentoring

10

Informal help from colleagues

7

Other

4

E-learning

2

Self-study in own time

1

Table 1: Most Effective way for people to learn (Adapted from CIPD, 2007)

The Innocent Company engages this HRM practice and supports it in several ways in order to encourage its employees to work to in the maximum level of their ability. Thus, those practices can act as examples of ways of maximising employee performance.

Firstly, the introduction of an induction programme is necessary of a smaller company, whereas a grater company might be providing series of training programmes (Investors in People, 2008). Innocent provides two week induction programme in addition to other courses. For example the Innocent Drinks Company provides two compulsory training programs for its

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employees such as the innocent academy and the innocent business academy. However, the company provides optional programmes such as “Managing your own development” and “Building expertise in what you do” (Innocent website, 2012 b).

Compulsory courses:

The innocent academy: This is a two day compulsory programme which helps the employee to familiarise with the work environment. This induction course equips the employee with uncomplicated tools and ideas. The general aim of this course is to help the new member of the company to be more valuable and efficient to the workplace. Moreover this is a great opportunity for the employee to meet people who may work way with on a daily basis. Furthermore the employee can listen to the older employees and get a general idea about working in Innocent (Innocent website, 2012 b).

The innocent Business Academy (IBA): This is an additional two day course. The company’s plan is to teach core business skills to its future employees, for example project management and financial skills. This course occur during the first year at innocent, in case of the employee is at manager level or beyond (Innocent website, 2012 b).

Optional Courses

Managing Your Own Development: These courses run during the year. They are optional courses designed to give to the employees’ additional information, guidelines and useful tools in order to managing their ideas, strategies and strengths in addition to planning the next move (Innocent website, 2012 b).

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Building expertise in what you do: The Company is divided to many small teams. Each team has an aim to do its best to hold the Innocent to the highest level. For example sales team focuses to the methods of negotiation, and technical team focus on the latest methods for keeping the drinks safe from bacteria and microbes. Moreover some other teams have to study for professional exams in order to improve their skills (Innocent website, 2012 b).

Payment and Reward for Employees

According to CIPD (2009), approximately a quarter of employers have a reward strategy in their company. Based on Investors in People (2012 b), there are several ways of rewarding people such as one-off bonus payments for personal performance, commissions, performance related pay, profit related pay, competency based pay, employee share scheme, benefits and non financial approaches.

One-off bonus payments for personal performance: In addition to salary each employee can get an extra bonus for the achievement of the annually goals.

Commission: This reward refers more to the sales team. The commission price depends on their achievement of effective selling methods.

Performance related pay: This method reflects not only outcomes or output but also actual performance in the work (MacKenna and Beech, 2008).

Increases level of basic pay based on overall personal performance, rather than as a one-off payment.

Profit related pay: The employees' pay and bonuses may be straight related to the company's profit or the achievement of effective targets. Principally employees would be given a motivation to work harder, and in high profit times for the company they will earn the rewards, though in bad times they would share the company's collapse. However it is possible for the employer to design a strategy in order to protect the employees when profits decreased (MacKenna and Beech, 2008).

Competency based pay: Rewards can based on employees' work, skills and attitude, and not only when the goal has achieved because sometimes is out of their control in several circumstances.

Employee share scheme: Frequently used to link performance and long service to possession of the company. The method of offering share ownership to employees can include an individual financial value in the success of the company, as a part owner as well as an employee benefits.

Non-financial approaches: This is an excellent performance and a motivation to take on more responsibility might make the employer to think a possible promotion or extra responsibility for an employee.

Innocent adapts this HRM practice, and support the general idea of "Payment and Reward". This practice is designed to motivate employees to work to the best of their ability and consequently is an example of method to maximising employee performance.

The company organises meetings every week and the employees have the chance to talk about the topics which arise. Based in Innocent Drink

company people who contribute more in the company get the highest salary and rewards. Every year the salary of each employee is reviewed and based on the annually high performance is rewarded by increasing ability to receive. Moreover the “ PRP Bonus”” is an annually reward (Innocent website, 2012 b). If the yearly goals are successfully reached all the employees has the chance to share in the success. Furthermore all the employees have a private health care as well as life assurance and critical illness cover. Additionally there are tax saving schemes in order to help people to save money where possible through tax saving system, for example they run the childcare coupon scheme (Innocent website, 2012 b). An once a year scholarship is offered by the company for an employee, in order to work in one of their foundation projects. Moreover the company organised different clubs such as massage, cake club and Cheese Club. The best employee of the month has to wear hat or tiara and many cups of tea. Finally there are free smoothies for every employee, free breakfast and a weekly beer party every Friday (Innocent website, 2012 b). The company wants to create a friendly environment for its employees in order to increase the productivity and the will for work.

3. Employment Law-Legislation

According to CIPD (2012), employment law refers to the legal rights of employees and employers. A range of employee rights are protected by employment law. Those regulations are either provided by European Union or by UK government. European Union can make suggestions for employment law and its members can vote against or can enact them. However some common employee rights such as those that encourage

improvements related to health and safety must adopted by all members , including those members who vote against them (Foot and Hook , 2011). Moreover a general role which applied to all EU countries is the regulation which specifies to a maximum of 48 weekly working hours (Foot and Hook, 2011). According to the Equality Act 2010, no employee has to be discriminated about age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity (ACAS, 2010). This law became to practice in October 2010 (ACAS, 2010).

Two examples of the Equality Act 2010:

Employers have to design policies to encourage equal opportunities (Foot and Hook, 2011). They also have to train and inform the managers and the employees and ensure that no discrimination is occurring in the work environment (Foot and Hook, 2011). According to the Equality Act 2010, it is illegal for employers to discriminate because of anything of the above (ACAS, 2012). Discrimination is divided in four categories. Firstly, direct discrimination occurs when an employer or employee treat someone less positively because of their actual or perceived sex or because of the sex of someone with whom they relate. Secondly indirect discrimination can happen where the company has a policy, training or actions that apply to all employees, but particularly disadvantage employees of a specific sex (ACAS, 2012). Thirdly, harassment occurs when unnecessary behaviour related to sex has the reason or consequence of violating a person's dignity or creating an unapproachable, antagonistic, humiliating, embarrassing or unpleasant environment. Fourthly victimisation is the unreasonable behaviour of an

employee who has made or supported a criticism about sex discrimination (ACAS, 2012). As well as sex discrimination, race discrimination occurs under four categories. Race discrimination can occur because of colour, race, nationality, citizenship, ethnic or national origin are illegal (ACAS, 2012).

Innocent:

Innocent aligns with the equality act and also it respects people from different races. For example, Innocent Foundation is currently supporting sixteen projects principally in countries where Innocent drinks get its fruit (Innocent website, 2012 b). They give work to the local people with an agriculture focus in order to motivate them to use the natural sources. This move shows respect and equality between employees. Moreover, Innocent provides work opportunities for both genders with equal pay, thus the company engaged with the Equality Act 2010. No evidence was found about discrimination or similar action from any employer at Innocent.

Recommendations-Ideas for Improvement

The company has to think about children nutrition (see Appendix 2), in order to decrease its high acid and sugar levels (Nexis, 2012). Innocent can organise conferences about sugar and acid levels and through the “Training and Development” HRM practice can develop employees’ knowledge about this key issue for a company which claims that it is selling healthy drinks. Through this action the firm can improve its general reflection and also can show respect to the consumers.

An additional recommendation can be the cooperation with a health promoting organisation or restaurant instead of McDonald’s with which the <https://assignbuster.com/innocent-drinks-was-formed-management-essay/>

company had cooperation the last five years (see Appendix 2). The cooperation with McDonald's had a bad reflection to the consumer and the firm can essentially represent its first idea which was the production of healthy drinks (Marketing Week, 2007 b). In order to succeed this cooperation the company has to encourage its personnel and motivate them through the different HRM practices such as " Payment and Reward".

5. Conclusion

To conclude Innocent applies the current HRM practices and current legislation effectively. According to their website and the information which are provided by the company employees are working in a friendly environment and they have many options to improve their performance through the HRM practices. Furthermore the company shows respect to the different race and gender, thus they follow the current employment law and especially the Equality Act 2010. Moreover by following the recommendations, the company can develop its functioning through employees' ideas and actions as the business excellence model illustrates (Figure 1).

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7. Appendices