

Approaches of Cadbury Schweppes Company to manage its human resources and business strategies

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Abstract- The purpose of this research paper to highlight the issues related to management of human resources when work culture in the organisation changes. This paper focuses on Cadbury Company stressing on the business strategies followed by it to successfully manage change management. In every organisation human resources are the key assets as they involve in planning, organising, directing and controlling human activities of staffing, compensation, development and maintenance. This paper also highlights the reasons behind the Cadbury Company's strategic human resource management policies like decentralisation, decoupling, management of cultural differences and so on. This will help the marketers and human resource managers in identifying the approaches to manage human resources and business strategies and implement the same in changing business scenario. Since, it is the urgent need of every organisation to understand that human resources are the most indispensable tool and wastage of such resources is detrimental for society.

Index Terms- Culture, Human resources, Human resource management, Strategic human resource management

I. INTRODUCTION

Cadbury Schweppes has a history of being a traditional, family company, caring for its employees by providing benefits, excellent working conditions and welfare rights. As it has grown the culture has been maintained through the involvement of Human Resources strategically throughout all levels of the company.

“During the period 2004-07 the goal of Cadbury was "to deliver superior shareholder performance. Instead of having more people, employee objective.”

It is clear that within the culture of the company they look for a certain degree of aggression in their leaders. It is important to highlight that the HR Director is also on the main board of directors as it guarantees that HR strategies are represented at the top level of the company.

The HR Function is supporting the Business Strategy at Cadbury's in many ways. From top to bottom and bottom to top. The HR function is apparent in all aspects of the business including the HR director on the main board. The HR Link is extremely important to the business. For the company it is essential to take into account people's considerations.

The company clearly focuses on its employees. It has done this by creating a unique culture within the organization where people enjoy their work and feel proud to be a part of the company. The company programme managing for Value was aimed at increasing how the company could be more profitable. This programme helped employees to understand the importance of being results focused. By developing a new culture rather than using an existing one was a strategy of HR. This brought about a sense of ownership by everyone.

The company culture also promoted working collaboratively with the programme working better Together. One of HR's biggest goals is to unlock the potential in its people, by using a joint problem-solving approach.

II. MODELS OF SHRM OF CADBURY

In assessing Cadbury's approach to managing its human resources:

- ♦ It is important to firstly analyze Cadbury Schweppes to establish if it has a high or low commitment to HR strategies.
- ♦ There is a set of components that indicate the degree of commitment a company has towards HR strategies.
- ♦ When a company has a high commitment to HR strategy it is argued that human resources can create high levels of uncertainty for its managers.
- ♦ The organization cultures within Cadbury Schweppes indicate that the company has shared values and an emphasis on problem solving.
- ♦ The employees are encouraged to be profit driven and must be results' focused. They do this by incentive share schemes open to everyone with a permanent contract.
- ♦ This strategy reinforces and motivates the employees to see that the company does well. The share schemes can be very lucrative for the employees.

Example 1: It was clear from the survey conducted last year where over 90 percent of the employees had said they understood the business's purpose and values and that they were proud to work for it. Involving the employees and ensuring that they have a good understanding of the purpose has been key to the success of the business.

Example 2: Company's commitment to HR is after their purchase of Adams in 2003; they went through a major reorganization in the business and formed a more decentralized structure and way of operating the business. HR has had an important role, instead of choosing one or the other existing

cultures they looked for the kind of culture for a winning business.

- ◆ The company's emphasis on getting more from its people. The program growing Our People was said to be an important fact in recent successes by unlocking the potential of people at levels within the business. Andrew Gibson, the HR Director (GB and Ireland) emphasized the need to get the most out of the people by motivating them and creating a coaching approach.

Having a link through HR to the main board is extremely important it's important for the people considerations and allows HR to be well informed of all business issues on a global and local level. The company's commitment to HR is evident in its top-down programs and bottom up initiatives.

III. FOUR MAIN GOALS OF A STRATEGIC HUMAN RESOURCE MANAGEMENT APPROACH

- ◆ Strategic integration,
- ◆ Commitment of the employees to the organization,
- ◆ Flexibility in structure and
- ◆ Functions and high quality of goods and services.

IV. THREE MAIN DIMENSIONS OF HRM IN CADBURY

- ◆ Commitment,
- ◆ Flexibility and
- ◆ Quality enhancements

They are important factors for low staff turnover, adapting to change and productive job performance. This model was implemented in Cadbury Schweppes in 1977 with the programme called Managing for change where the three A's were talked about.

Accountability which was taking ownership, adaptability which was about coping and adapting to change and aggressiveness which was being results focused.

There are many SHRM models. The best practice and best fit views are two traditional models but the new trend is the **resource-based approach**. This model is different because it first addresses the organization internally and its potential for developing ways of exploitation. Cadbury Schweppes follows a combination of approaches. The strong HR presence indicates clearly the best practice approach but they are also resource-based. This approach focuses on internal personnel and their abilities and capabilities.

V. KEY TO SUCCESS OF CADBURY

The key to successful HR support to an organization is developing a culture flexible and encouraging employees to be adaptable to change. With an open-minded outlook improved performance becomes achievable. Communication between management and employees is of great importance and the need for involvement in the decision making process. Also it should

be stressed the importance of listening to the employees too. HR needs to support the change with training, workshops and constant communication. HR support should focus on the company culture and having caring values and developing a sense of belonging and team work.

VI. TRENDS IN THE MANAGEMENT OF HR FUNCTIONS

- ◆ **Auditing performance**, Auditing Performance has the objective of ensuring that the investment in personnel can be justified. This is used for setting up agreements and targets for the HR role within the company. Cadbury Schweppes uses this strategy of auditing performance to invest in its people and to set budgets bringing added value to the company.
- ◆ **Devolution** of HR activities is important for a more business led response to employee related issues. Devolution is when some of activities normally carried out by HR department are given to line managers or locations away from the head office. Cadbury Schweppes has indeed followed this trend reaping the benefits since the days of Managing for Value was launched in 1977 by John Sunderland.

According to Hall & Torrington (1998) devolution includes certain activities such as work organization, training, recruitment and selection, appraisal and employee relations. There are many benefits with devolution.

One important benefit is enhanced ownership something very important to Cadbury Schweppes in their culture. It enables empowerment by management and a higher degree of flexibility in the decision making process. This flexibility has brought about improvement in the relationship between personnel and line managers.

A possible disadvantage of devolution could be that it is seen as having less commitment by top management to HR issues and integration of HR policies.

- ◆ **Decentralization** of the human resource functions amongst other business activities. In their period of greatest change, in 2004, they went through a major reorganization, they moved to a decentralized organizational structure basing it on five global regions. A principal advantage of having decentralized activities is to be more flexible in terms of the speed at which decisions can be made.

It is based on Human resource Role-Assessment Survey by Dave Ulrich and Jill Corner to analyze. HR is used to improve employee needs, improve operating efficiently and aid with the process of change. HR is involved in many programmes.

Example: the working better together framework to help working collaboratively with the decentralized structure. The company scores highly in the area of adapting to change where it has tried to create a unique culture between the businesses. By producing this culture and involving everyone in the process gives everyone a sense of ownership.

VII. EVALUATION OF CADBURY HUMAN RESOURCE PRACTICES

In evaluating the success of Cadbury Schweppes and their HR strategies and more recently Cadbury Schweppes Adams. A general overview of company wide strategic HR planning provides evidence that supports a balanced approach in the strategic planning of HR resources and functions. Several examples can be highlighted such as business focus, results orientation and performance enhancement has been addressed by the policy of auditing performance.

The number one goal of 2004-7 was "to deliver superior shareholder performance" The auditing of performance and the adoption of coaching approach to unlock existing employee potential which gave rise to the Growing our People programme which was deemed to be one element in the success of the company in the last three years. The focus on behaviours and unlocking the potential of employees at different levels of the business paid dividends and obviously resulted in enhanced performance.

One particular area targeted for improvement is the lack of attention directed at poor performance as felt by the employees which is to be tackled by yet another programme denominated Passion for People which specifically tackles the mechanics of managing performance.

The company demonstrates a balanced approach in the area of human resource management with a strong focus upon achieving business objectives and delivering superior shareholder performance while at the same time involving and committing employees at all levels within the business to a programme of performance optimization and adaption to change. The inclusion of both strong business strategies along with commitment, partnership and involvement strategies involving employees has strongly contributed to the development of the Cadbury's Schweppes culture rather than simply adopting an off the shelf or more generic solution to fit their requirements.

VIII. CONCLUSION

In conclusion Cadbury Schweppes has a high commitment to HR Strategy throughout the company. This is emphasized in the company structure with HR appearing on the board of directors and its focus on the people aspect of its company and their collective involvement and interest in the success of the business.

Cadbury Schweppes has had to cope with change throughout its history. Recently with the acquisition of Trebor Bassett and Adams in 2003. The organization has been continually changing and adapting. This ability to adapt to change has to be a quality of all of their employees. The company has run programmes to help their employees embrace, instead of fear change.

Cultures bind an organization. They give unity of purpose and also motivate and stimulate employees. It is vital that any organization takes time and gives consideration to the culture they wish to develop. A resources orientated culture within an organization is more productive than a traditional culture without clear employee goals.

According to Paul Bate (1992) there is an important relationship between organizational culture and effective organization problem solving. Bate's model of culture is used to measure an individual's attitude to organizational life. In Cadbury Schweppes they clearly show the attitude of conservatism, which is the receptiveness to learn and experiment. Within the organizational culture, it is essential to welcome all aspects of positive change.

Cadbury Schweppes has had a culture of commitment to its staff in return for loyalty and has been results orientated for many years. With the new acquisitions in 2004 they had to involve all relevant managers and develop a new culture, a unique culture that would allow for a more harmonious relationship between the existing and new staff. The benefits of creating a new culture would facilitate the integration of different groups.

The company has managed this change very effectively with HR playing a very important role in the success of managing change within the organization.

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