

MODELLING STRATEGIC HUMAN CAPITAL MANAGEMENT TO ATTAIN SUSTAINABLE DEVELOPMENT: A CASE STUDY OF NESTLÉ, NIGERIA PLC

By

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Abstract

This research sought to investigate various variables that may be considered as best practices in the process of strategic human capital management. This is because of the need of businesses to acquire sustainable development with the dynamic nature and changes in the business environment. Factors such as the covid-19 pandemic have stimulated changes in the market and some businesses are having a hard time adapting and maintaining a competitive edge. The research employed a descriptive research design to source findings on the tested hypothesis that involved four variables; selective recruitment, fair compensation, appropriate training, and employee security. The paper also described the applicability relationship of the role of these variables in ensuring smooth organizational operations during the covid-19 pandemic. The findings indicated that hiring experienced and qualified candidates, health security for employees, appropriate training and fair compensation has been key in maintaining organizational sustainability. The target population were 5 managerial employees and 100 operational employees for the organization to justify the findings information from secondary sources which was used to support the findings. The discussion detailed the critical role that these variables play in enabling strategic human capital management which is concluded as the best approach to sustainable development. Findings showed that strategic human capital management is employed throughout the whole lifecycle of an employee and in order to increase the productivity of training employees with respective programs was recommended.

Keywords: Nestlé Nigeria ; Sustainable Development; Strategic Human Capital Management; Covid-19; Implementation

Introduction

The covid-19 pandemic has been described as a threat in the business world. Business-based organizations have declared the need to bypass this hurdle. One of the recognized possible approaches to this situation is the employment of human capital management strategies. Various past pieces of literature have viewed human capital as a very critical input in production and management within an organization. Modeling this input tactically may provide a solution for the current business conditions as a

result of covid-19 and other related pandemics that may arise due to the dynamic nature of the world. The worth of this paper is to pivot various businesses that are being blown by the resulting current conditions rooted in the ongoing pandemic. Some businesses especially small-sized organizations have failed to provide a sustainable development reaction towards the situation and this has resulted in uncertainties and possible temporal and permanent market exists. The project will aim to investigate the effectiveness of strategic human management in ensuring sustainable development based on the current pandemic situation. The discussion will be based on the case of Nestlé Nigeria. Multinational., a beverage company in Nigeria and one of the largest foods and beverage companies in Africa. The research will also establish the relationship between SHCM and sustainable organizational development. They are various ways of SHCM deployment and so the paper will also focus on the best practices in the process of implementing SHCM in an organization.

Organizations have been affected by the current ongoing covid-19 pandemic and for this reason, there is a need for sustainable development. The discussion endorses strategic human capital management as a tactic to attain sustainable development. The SHCM will be able to sustain businesses with changes in the internal and external changes in the business world.

Nestlé Nigeria PLC is one of Africa's biggest businesses in foods and drinks. Nestlé has provided their customers with enjoyable high-quality nutritional food products in Nigeria for over 57 years. The business manufactures and distributes many famous brands like Milo, Maggi, Nescafé, Nestlé Pure Life Golden Morn. The organization has more than 2,300 direct workers, 3 production locations, 8 offices, and a Head office in Lagos. Nestle aims to improve the quality of life and create a better future. The firm helps society and ensures its business' long-term prosperity.

The research objectives for this study includes:

- i. Point out Covid-19 implications on business organizations.
- ii. Establish how the identified implications can be tackled by human capital management.
- iii. Provide evidence on the likelihood of strategic human capital management on ensuring sustainable development.
- IV. Identify the implementation of strategic human capital in Nestlé Nigeria. FMCG. Multinational., including the current practices.
- V. Identify the effectiveness of the SHCM process in Nestlé Nigeria. FMCG. Multinational.
- VI. Point out best practices in the use of SHCM.

Literature Review

Sustainable development is now the fundamental concept of national, regional, and organizational long-term development (Rodriguez & Walters, 2017). Sustainable organization development happens when its external environment and internal subsystems are actively taken care of to reinvent its supporting capabilities. Its development objectives take consideration of connections with its stakeholders, environmental care, and collaboration within particular, employee relations. One path to sustainable development is through innovations that are different but can only guarantee a company's sustainable growth and contribute to the sustainable development of the economy as a whole. Creativity and innovation, both on the micro, macro, and social levels are of crucial significance. Taking into consideration creativity in the Structure of human capital, it validates its significance in promoting innovation. Strategic thinking may be seen as the initial step to innovation since creative ideas can be successfully implemented. However, it should not be overlooked that innovation is not every consequence of a creative process, since in the decision-making process many ideas are certainly not accepted.

Companies must acquire the skills and competencies needed for the adaptation and reorganization of their environment in response to continuous market and technological changes. The management, strategy, and organization of human capital and the business are thus important components. The growth of economics and individual companies include human capital as a very significant element. There is a significant connection between human capital investment and the organization's economic changes. More entrepreneurship and initiative. The employees of companies who represent a significant resource and capital of a company are one of the main elements of boosting innovation. These assets add to the value of a business to a considerable degree, since human actions effectively achieve specified strategic goals. Because of increasing competition, they are not only a key resource for businesses but also a foundation for distinguishing between companies. At a time when the creation of social capital is given more attention, the concepts of employee responsibility are a crucial element. Good working conditions and a pleasant staff environment directly influence the creativity, efficiency, and loyalty of workers. Organizational managers should concentrate on providing circumstances to boost creativity and enable organizational learning, production of knowledge, and innovation growth. The potential of workers is essential to utilize properly, to invest in their growth, to encourage them to accomplish corporate goals, and to establish excellent connections between employees and friends. A lot of variables contribute to the creativity and innovation of workers. The more information on creative and inventive processes, the more productive a company's people resources and the greater its knowledge capital and its innovation capital.

The existing literature is well established on the topic hence that it recognizes the contribution of strategic human capital in achieving sustainable development for any organization. This creates a foundation for this research in establishing best practices in implementing SHCM. The literature also

declares that the implementation of SHCM depends on the consideration of various factors that this paper aims to identify. The research aims to provide a further understanding of the effective adoption of SHCM.

Concept of Strategic Human Capital Management

Strategic HCM is a human-centered approach to HR that combines several processes of human capital into one: recruitment and integration, wage and benefits, employee management, and performance management. An organization may profit from more efficient and cost-effective personnel management procedures by the use of appropriate human capital management methods.

Employees are treated as an investment as essential to strategic HCM. To accomplish this, all aspects of the life cycle from recruiting to pension must be taken into consideration. An organization's human capital management tactics will never be as successful as they might otherwise be without taking these considerations into account that the paper will set discuss.

Importance of strategic HCM

Human resources have been long overdue. Now it covers a whole approach for managing human capital—focused on your greatest investment—employees, both technology and thinking help you manage and grow employees throughout the life cycle with effective human capital management. Some benefits of strategic human capital management include:

- Strategic management of human capital is not only an instrument to support an individual worker's development. It may also assist to optimize the culture, the process of departments, and the performance of organizations, if a business seeks to improve its human resources strategy, maintain talent, and boost productivity, it is the solution to adopting a strategic human capital management plan(Ozel& Bayraktar,2018).

- The management of human capital plays an essential role in guiding new staff to the system. Boring and useless inductive programs cause confusion and staff loses interest in the company ultimately. Do not burden anybody with superfluous information, entering the company, such modest efforts are a major step forward in melting the ice amongst team members.
- Human Capital Management enables workers to train and make them essential resources for the company. To encourage workers in their work to attend specific courses or online programs. It is tough to sustain long-term employees who do not brush up on their abilities from time to time. Calculate reading habits. In addition, the Internet is one of the best choices to stay up with the newest advancements.
- The management of human capital allows for the open communication of ideas between subordinates and superiors. Employees have direct access to the management, thus there is no space for misunderstanding or uncertainty. Half of the issues are evaporated by discussion among peers.
- Human capital management allows personnel to employ the appropriate individual for the right job. Human capital management. Talent acquisition is an individual's most important role in representing vertical human resources.
- Management and superiors do not have to devote much of their time and effort educating anybody who knows about his duties and obligations already. Human Capital Management is useful to attract the appropriate organizational personnel (Ozel& Bayraktar,2018). Employ people who deserve to be part of the system. The process of managing human capital includes the recruitment of the appropriate individual; it is oriented towards the system and makes them comfortable with their level.

Theoretical framework

The theory behind the research assumes that Nestlé Nigeria is doing well amid the pandemic as a result of focusing on strategic human capital management that is achieved on factors such as:

- Selective hiring.
- Provision of security to employees.
- Fair and performance-based compensation.
- Training employees in relevant skills.

Selective recruitment helps to avoid expensive personnel turnover and improves the level of morality and productivity of top employees. To assess fitness, management must establish, before starting the recruiting and selection procedures, a set of criteria for each job

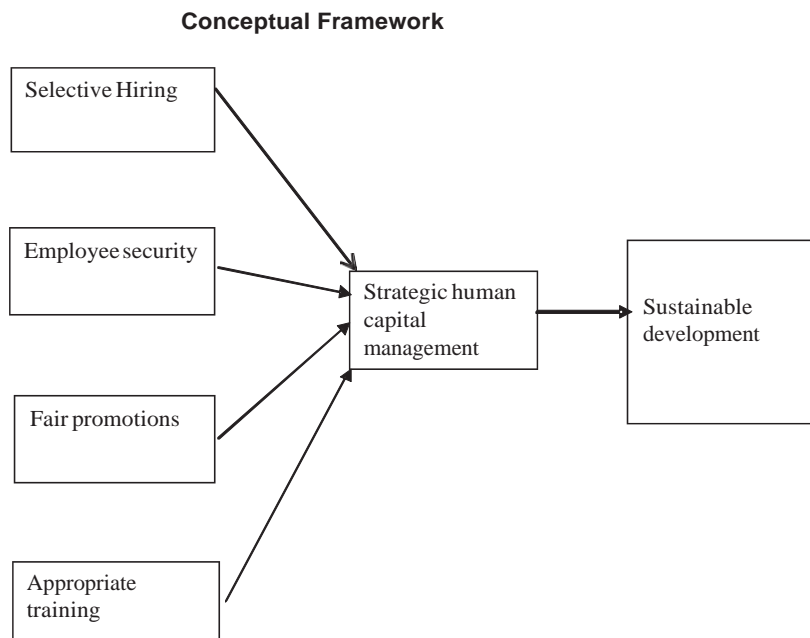


Fig1. Conceptual Framework of the Research

Source: Authors Conceptualization, 2021

Methodology

The design of the research refers to the plan and the research structure used for finding relevant answers to research questions. A case study on Nestlé Nigeria was included in this research. FMCG. An intense examination of a person, institution, or phenomenon is a reference to case studies. A descriptive research approach was used for the investigation. Descriptive research is a systematic, empirical investigation in which the researchers do not have direct influence over independent variables as they have been apparent, or reflect the state of events and validate results utilizing quantitative analysis descriptive study is about how what and what is linked to certain previous events that have impacted or affected a current situation or occurrence(Vaske, 2019). This is consistent with the objective of the study in its attempt to explore NestléNigeria's strategic management of human capital. The study variables were already and without control, I chose the descriptive research approach. This approach also provides the benefit of this research to gather original data to describe the population that is too big to be directly observed for general purposes. Descriptive surveys collect single-shot data and are thus cheap and efficient (Vaske, 2019). The questionnaire and interview schedule used in data collection research is also compatible with descriptive surveys.

The research targeted 5 managerial administrators of Nestlé, Nigeria PLC, and 100 operational employees. This made a total target population of 105 individuals. The target population includes a 60:40 ratio of male to female. Sampling is a method for choosing individual people or a subset of the population to draw statistical conclusions and to estimate characteristics of the entire population. Researchers in market research extensively utilize different sample techniques to prevent them from researching the whole population to get relevant information. The research employed a probability sampling technique. Probability sampling is a sanitate method in which a researcher identifies several criteria and randomly selects people. With this

selection parameter, everyone has the same chance of becoming part of the sample. The criteria included gender and role at the organization either managerial or operational. The sampling technique then took a simple random sampling approach. The Simple Random Sampling method is one of the finest probability sampling methods for saving time and money. It is a dependable technique of collecting information, in which each population member is selected by chance alone. Each person is equally likely to be selected to become part of a sample. While data was collected using schedule interviews and research prepared questionnaires.

Interviews were organized with administrators of the organization with 3 open-ended oral questions and questionnaires with closed-end questions were distributed to the sample population. This was to save time and prevent data repetitiveness from the respondents. Each question was meant to capture various perceptions on why there was production devotion amid the pandemic crisis.

Part of the research included collecting frequency counts and to produce descriptive information and showing the overall trend of the results on the different variables under inquiry to be found. The usage of percentages and tables was included since they assist to summarize huge volumes of data while keeping the report reader pleasant. The interview data were reviewed attentively. The answers were adjusted for grammatical correctness, coherence, and accuracy. They were offered as quotes to triangulate data acquired by administering narrow-ended, qualitative instruments. The answers were sorted, categorized, and evaluated using statistical descriptions (tables, frequencies, percentages). Audio recordings from the interviews underwent transcription and were interpreted without any bias.

Data Presentation and Analysis

The managerial staff was interviewed with a series of two questions and a questionnaire of three questions and they responded as described below.

Question: Implications of Covid-19 Pandemic On The Business

From the interviews conducted it was discovered that nestle was on the verge of being affected by the pandemic but the organization was also well equipped to face the obstacles:

- Nestlé is at risk of losing billions in its food and non-alcoholic industry worldwide in 2020, but Nestlé has several advantages which may enable it to manage the consequences of the pandemic.
- Nestlé's sales were prospective to be affected by the pandemic, particularly in Western Europe and North America this is due to various imposed restrictions.

Factors pivoting the organization through the pandemic

- Employee cooperation.
- Trained, experienced, and strategizing human resources.
- Risk management planning

Table 1: Does the organization employ strategic human capital management?

Response	Frequency	Percentage
Yes	5	100
No	0	0
Unaware	0	0
Total	5	100

Table showing managerial employees to the awareness of strategic human capital management.

Is strategic human capital management employed partially or fully throughout an employee lifecycle?		
	Frequency	Percentage
Fully throughout the lifecycle	4	100
Partially	0	0
Unaware	0	0
Total	4	100

Table showing how SHCM is employed through an employee life cycle. According to the table, the organization employs human capital management fully throughout the lifecycle of an employee. 100% of the employee confirmed that the strategic human capital management is deployed throughout the employee lifecycle.

SHCM practices that have manifested an important role through the pandemic

- i. Training employees has been crucial since it has equipped them with skills to maneuver around the obstacles.
- ii. Recruiting experienced, skilled and qualified employees that play a role in scheming and strategizing operations during the covid-19 pandemic.
- iii. Motivated employees, working through the pandemic has not been easy but the employees have managed to stay motivated and this is likely from the fair compensation plan.
- iv. Employee security includes a health security plan that should take care of sick employees and medical care that may also be from a result of covid-19 infections.

Findings from Operational Staff

The results from the distributed questionnaires were interpreted as below:

Has the trained offered been helpful during the pandemic?

	Frequency	Percentage
Yes	88	88
No	10	10
Don't know	2	2
Total	100	100

Table showing responses on the applicability of training skills during the pandemic.

The table above can be interpreted as 88 percent of the employees have applied skills acquired from the training they received and 2 percent are not sure if they have applied it yet.

Does the compensation plan cover risks and hardships that may occur as a result of a pandemic?

	Frequency	Percentage
Yes	92	92
No	0	0
Not sure	8	8
Total	100	100

Table showing the response of the staff on the organization's compensation plan.

The results show that 92% of the staff acknowledge that the compensation plan provided by the organizations covers hardships and risks that may occur as a result of the covid-19 pandemic and 8% of the employees are not sure.

Are there any personal skills and qualifications that have comein handy in strategizing for pandemic planning for smooth operation?

	Frequency out of 50	Percentage
Yes	20	40
No	13	26
Not sure	17	34
Total	50	100

Table showing the response of staff on the applicability of personal qualification and skills

The above table indicates that 40 percent of the employees have applied personal skills and qualifications that were considered during recruitment, 26% have not applied the skills while 34% of the employee are not sure.

Are you satisfied with the current level of employee security covering employee's damage in line of work?

	Frequency out of 80	Percentage
Fully satisfied	22	27.5
Satisfied	40	50
Not satisfied	18	22.5
Total	70	100

Table showing the response of staff on the satisfaction of the current employee security.

The above table shows the response of operational staff on the current level of employee security. 27.5% of the employee claimed to be fully satisfied while 50% are satisfied and 22.5 are not satisfied.

Discussion of Findings

It is very apparent that safety at work is essential to every employee, but it is also of equal importance for the company. Safety at work implies the security of earnings for an employee, which means lower stress. A worried worker is less productive at work and may also create many long-term consequences, such as depression. For example, established job stability means fewer employee sales, which reduces hire expenses and improves the company's overall growth. The establishment and maintenance of employee safety mean basically that the business recognizes that the structure management is only as good as it has done. Therefore, the long-term success of the working environment will be improved by excellent job safety and stability (Ozel & Bayraktar, 2018). Whether it seems that the contemporary gig economics and remote workings are the stuff of the past, they have become much more essential than ever. An organization can increase your production while lowering the expenses of your company if your workers are to be stable to continue working with the organization. The safety of jobs leads to greater employee participation. Safe work will enhance the efficiency and productivity of the employee. It may be expensive to recruit and take time and effort substantially. Employment security will imply decreased staff turnover and less recruiting need. Employee occupational security may enhance the financial statements of the company, primarily because of lower recruiting costs. This will enable an organization to attain sustainable development.

The hiring of employees in the management of human resources is vital to the success of a business. This is true especially in small companies, which have a greater degree of influence on the fortunes of their employees. Developing a solid process of HR selection may assist make sure your firm recruits qualified, loyal staff to help you achieve your objectives and this is

playing a great role in strategic human capital management. Productivity increased. To get the greatest performance in an organization you have to have the abilities required by employees in various workstations. In this manner, employees are not going to spend hours attempting to find out procedures they ought to know previously. The more qualified your staff, the more efficient they are and the more they can manufacture or produce.

Promotion or career progression is a way of giving a greater proportion of jobs, a higher payroll, or both to an individual inside a business. Not only is a promotion good for workers, but it is also very important for employers or company owners. It enhances the morality of promoted workers, increases their productivity, and improves the company's total profitability. Fair promotion is not a method to provide more duties, it is a significant tool to motivate and encourage employees. This results in high levels of production and avoids a loss of precious and essential staff.

Fair promotions and compensation recognize and improve employee performance, ambitions, and hard work: One of the most essential advantages of employee promotion is its recognition and recognition of your workers' performance and hard work and its worth. If the efforts of an employee are appreciated, it tends to work more and to continue to enhance its performance, which in turn works for the company. A promotion also enhances employee ambition and promotes their enthusiasm for achieving their goals and your company's objectives (Al-Suraihi, 2021).

Training is essential to the growth and success of the company. It is productive for an organization's managers and workers. If you have good training, an employee will be more efficient and productive. Improve employee's morale. Workplace safety and employee satisfaction may be achieved through training. The better the employee is pleased and the higher the morale, the fewer absence and turnover the less he contributes to

organizational success.

The practices of selective hiring, employee training, fair compensation, and provision of satisfying employee security improves morale among employees and increases productivity. These practices enhance a strategic human capital management plan that in turn provides an organization with sustainable development.

Conclusion

The implementation of human capital management in the process of achieving sustainable development depends on various factors. These factors include skills, compensation, employment security, and training. According to the research conducted with a descriptive research methodology, these factor saves an organization resources, increases employee retainment, increases work morale and productivity. In the process of adopting the SHCM, the whole process should be adopted in the full lifecycle of the employee. Nestlé, Nigeria PLC has been operating strong amid the pandemic, and greatly this has been due to the employee's cooperation. This has been enhanced by strategic human capital management that is put in place that caters for practices such as selective hiring, fair compensations, employee training, and employee security which as described above can increase employee morale.

Recommendations

- i. Developing efficient training programs that align with the organization's goals and provide problem-solving skills.
- ii. Improving organizational communication
- iii. Enhancing employee work life.

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