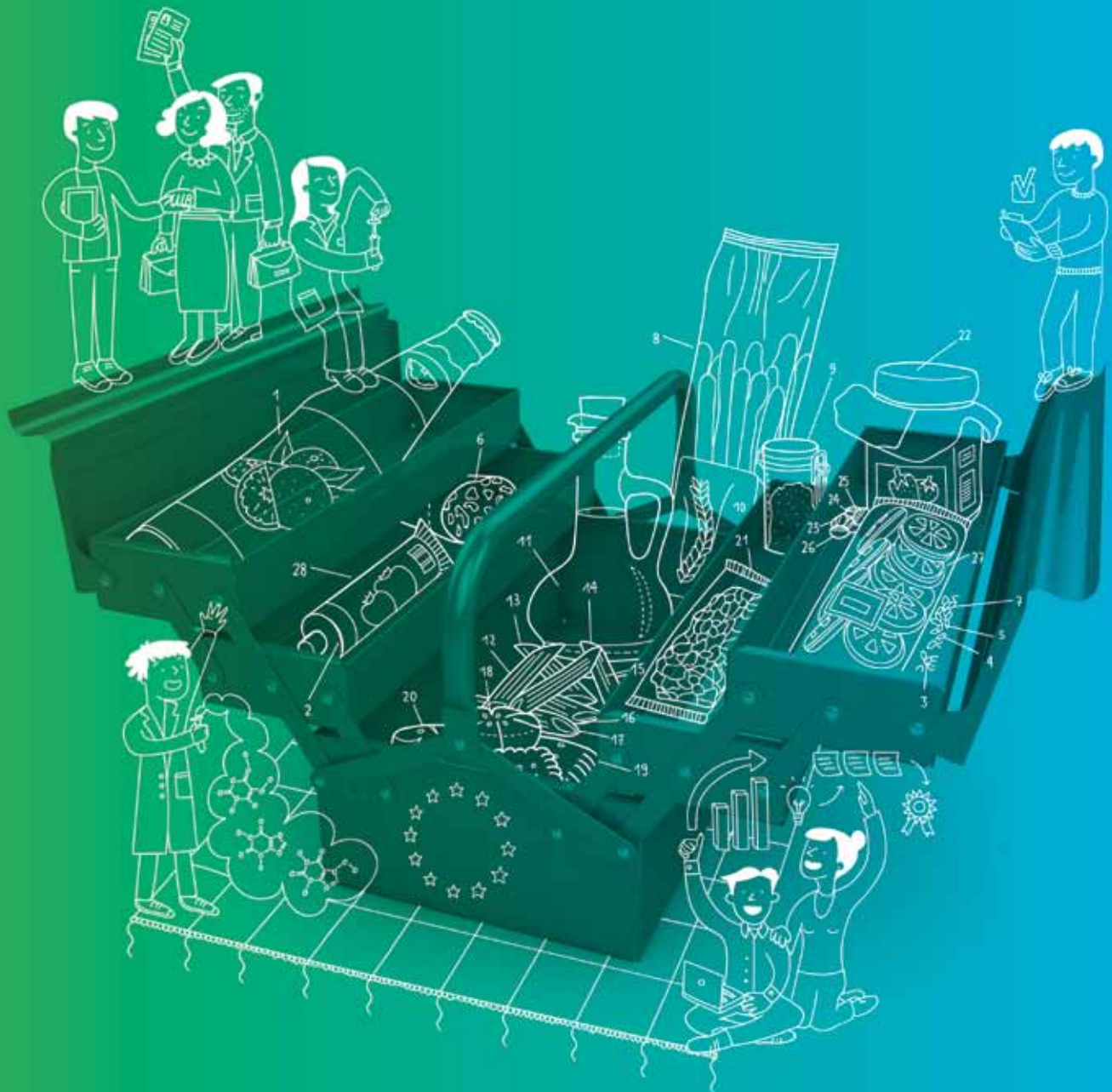




# CASE STUDY REPORT:

## NESTLÉ YOUTH EMPLOYMENT INITIATIVE, NESTLÉ EUROPE

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## KEY POINTS

- *The food and drink sector is one of the biggest employers in European industry.*
- *Nestlé is the only food and drink company having officially adopted a transnational plan for youth recruitment, in line with EU policy objectives to promote employability.*
- *Corporate management has committed to hire 10,000 young people and 10,000 apprentices between 2014 and 2016. Nestlé countries have over-performed on their targets. The plan will be renewed beyond 2016 with equally ambitious targets.*
- *Nestlé has been pioneering the introduction of “dual learning” with local administrations and education providers across Europe.*
- *The involvement of workers’ representatives was ensured at all stages of the initiative through the Nestlé Works Council. This approach could be better integrated through social dialogue mechanisms which should be encouraged.*
- *The initiative has transfer potential. Other companies can draw from it and adapt it to their own needs.*

## BACKGROUND

### THE EUROPEAN FOOD SECTOR

With its total turnover of EUR 1,244 billion in 2013, the European food and drink sector is the largest manufacturing sector in the EU, accounting for 1.8% of EU GVA<sup>1</sup> and 15% of EU manufacturing industry turnover. The EU’s 5 largest food and drink producers account for 66% of this total turnover. The European food sector provides employment to around 4.2 million people, making it the EU’s leading employment sector.

Germany, France, Italy, the UK and Spain are the largest EU food and drink producers by turnover. The industry is an essential part of national economies, and employment in it exceeds 15% in more than half of member states. The main players in Europe by global sales are Nestlé, Unilever, Heineken, Danone, Lactalis, Diageo, Royal Friesland Campina, Arla Foods, DSM and Carlsberg.

### YOUTH UNEMPLOYMENT

The economic crisis has caused a huge increase in unemployment across Europe, hitting the young especially hard. Youth unemployment rates are generally much

higher than overall unemployment figures, sometimes even double or more. According to Eurostat, the youth unemployment rate in Europe was around 22% in 2015, and was above 24% in 2014 when Nestlé started its ‘Nestlé needs YOUTH’ initiative. Looking at the countries within the scope of this case study, Spain tops the youth unemployment charts with 50% in 2015 (56% in 2013), followed by Italy with 41% (40% in 2013), Portugal with 31% (38% in 2013), France with 24% (25% in 2013) and Poland with 22% (27% in 2013).

17% of Portuguese young people have stopped studying, making it even more difficult for them to enter the labour market. This is one of the reasons why Portugal has one of the highest youth emigration rate in the EU (around 110,000 people in both 2013 and 2014). In Poland, only 34% of people under 25 are in employment, even though paradoxically many Polish factories have a dramatic need to hire qualified vocational school graduates. The fact that unemployment is still rising in some countries despite an increase in job opportunities reflects job matching problems, possibly related to mismatches in the skills/educational qualifications required for certain jobs.

## COMPANY PROFILE

Nestlé is the world’s largest food and beverage company in income terms, with revenues reaching CHF 91.6 billion (EUR 75.4 bn) in 2014. Nestlé owns 442 factories in 86 countries, has operations in 197 countries and employs 339,000 workers (175,000 in its factories and 164,000 in administration and sales departments).

The company has several operating segments: Zone Europe (CHF 15.2 billion in 2014) which also includes the Middle East

and North Africa from 2015; Zone Americas (CHF 27.3 billion in 2014); Zone Asia, Oceania and Africa (CHF 18.3 billion in 2014); Nestlé Waters (CHF 7.4 billion in 2014); Nestlé Nutrition (CHF 9.6 billion in 2014).

The product range is divided into 7 groups: Powdered and Liquid Beverages (CHF 20.3 billion in 2014); Milk Products and Ice Cream (CHF 16.7 billion); Prepared Dishes and Cooking Aids (CHF 13.5 billion); Nutrition and Health Science (CHF 13.1 billion); PetCa-

<sup>1</sup> Gross Value Added

re (CHF 11.3 billion); Confectionery (CHF 9.8 billion) and Water (CHF 6.9 billion). Key Nestlé brands include: Maggi, KitKat, Gerber, Toll House, Milo, Nesquik, Nestea, Pure

Life, Perrier, S. Pellegrino, Nescafé, Nespresso, Friskies, Purina, Buitoni, Herta, Lean Cuisine, Dolce Gusto, Chocapic, Stouffer's, Nestlé Ice Creams, Nido, Dreyer's and Carnation.

NESTLÉ SUBSIDIARY	FACTORIES	REVENUES (EURBILLIONS)	EMPLOYEES
EUROPE	136	21,3	95.600
NESTLÉ FRANCE	23	4,9	16.765
NESTLÉ ITALY	15	1,9	5.522
NESTLÉ SPAIN	12	2,1	5.374
NESTLÉ PORTUGAL	4	0,46	1.937
NESTLÉ POLAND	10	0,65	4.527

## CHALLENGES

Nestlé has a long tradition of recruiting young people directly from schools or universities. It invests in them, building up their capabilities and developing their careers, while embracing their diversity of cultures, traditions and opinions. According to Management, in the current economic context, Nestlé felt they could do more to address youth unemployment. Two of the biggest challenges facing the food and drink industry in general are its lack of attractiveness (often associated with low-skilled jobs and poor wages and working conditions) and the need to maintain its demographic balance.

In response to Europe's youth unemployment crisis, Nestlé set up a European

steering committee composed of HR and business leaders to develop a long-term commitment for Europe, calling on all European Nestlé countries to develop their own actions in line with the Nestlé European plan. The project is part of "Creating Shared Value", a package of 38 commitments regarding the company's long-term impact on society.<sup>2</sup>

Nestlé management also considers it essential to take the necessary steps to promote an image of a modern industry that uses state-of-the-art technology and provides career opportunities for a wide range of people with different skill levels, from production workers to systems engineers, nutritionists and digital champions.

## NESTLÉ INITIATIVES AT EUROPEAN LEVEL

Nestlé launched its "Nestlé needs YOUTH" (NNY) initiative in November 2013<sup>3</sup> with the main objective of improving the employability of

young people. Laurent Freixe, Head of HR Zone Europe at that time, led the initiative which involves business leaders from all countries and

HR teams (mainly recruiting teams and those in charge of maintaining contacts with educational organizations and schools).

The NNY initiative is based on four pillars:

- Hiring 10,000 young people aged below 30 across Nestlé sites in Europe and in all functions by 2016
- Offering 10,000 apprenticeship and trainee positions across Nestlé sites in Europe by 2016
- Creating "Readiness for work" (RFW) programs for schools, colleges and Nestlé sites across Europe, including such aspects as interview training, CV cleaning, job market tips, etc.
- Setting up the second stage of the NNY initiative, the so-called "Alliance for Youth"<sup>4</sup> (A4Y), launched in 2014 together with 200 business partners<sup>5</sup> across Europe to develop joint and individual initiatives to provide work experience, internships and training opportunities to 100,000 young people. According to Nestlé management, the company has already hired 20,000 young people in jobs and apprentice positions in two years (including more than 10,700 jobs, 5,800 apprenticeships and 2,800 readiness-for-work positions) in the context of NNY initiative and created 50,000 job opportunities together with its partners in one year in the context of A4Y. Nestlé has also pioneered the introduction of "dual learning" (on-the-job training + classroom studies) schemes in countries without such a tradition (e.g. Spain, Italy, etc.) or where this best practice had disappeared (Poland, Hungary, Slovakia).

Nestlé has also developed internal strategies to decrease the generation gap by developing the transmission of collective skills in two ways:

- Increasing the number of tutors from the older workforce to support new factory apprentices
- Developing reversed mentoring programmes to allow young people to coach older workers in digital skills

During the first year of the A4Y the main activities were:

- Providing 50,000 training and job opportunities
- Organising 5,400 readiness-for-work activities
- AIM's<sup>6</sup> signing of the European Youth Forum initiative "Skills for the future" aimed at providing quality internship and apprenticeship programmes<sup>7</sup>
- Launch of the Facebook-hosted digital platform "All4YOUth" (made by youth for youth), interactively offering education, jobs and services<sup>8</sup>
- A workshop and panel debate in Brussels with A4Y apprentices and trainees, parliamentary assistants and youth organisations to discuss achievements and future actions
- Launch of the Readiness for Work toolkit<sup>9</sup> (available in 14 languages) with contributions from Nielsen, Axa and White&Chase to help young people in their search for work through a range of tools and insights
- Nestlé became a founding member of the European Pact for Youth<sup>10,11</sup>, created by CSR Europe<sup>12</sup> and the European Commission with the objective of working together with businesses, youth organisations, education providers and other stakeholders to reduce skills gaps and increase youth employability by introducing "dual learning" schemes

The national-level NNY and A4Y activities impact all European countries. In this case study we focus on the initiatives implemented in France, Italy, Portugal, Poland and Spain.

<sup>2</sup> <http://www.nestle.com/csv/what-is-csv/commitments>

<sup>3</sup> <http://www.nestle.com/jobs/graduates-entry-level/youth-employment-initiative>

<sup>4</sup> <http://www.nestle.com/media/newsandfeatures/alliance-youth-employment-european-challenge>

<sup>5</sup> The founding partners of the A4Y are Adecco, Axa, Cargill, Chep, DS Smith, EY, Facebook, Firmenich, Google, Nestlé, Nielsen, Publicis, Salesforce, Twitter, White&Case and some 200 local partners

<sup>6</sup> European Brands Association

<sup>7</sup> <http://www.aim.be/news/article/skills-for-the-future-initiative-to-improve-youth-employability>

<sup>8</sup> <https://www.facebook.com/All4YOUth-352140378327151/>

<sup>9</sup> <http://www.empresa.nestle.es/es/trabaja-con-nosotros/iniciativa-empleo-juvenil/materiales-all4youth-busqueda-empleo>

<sup>10</sup> [https://ec.europa.eu/commission/2014-2019/thyssen/announcements/speech-launch-european-pact-youth-csr-europe-enterprise-2020-summit-bozar-brussels\\_en](https://ec.europa.eu/commission/2014-2019/thyssen/announcements/speech-launch-european-pact-youth-csr-europe-enterprise-2020-summit-bozar-brussels_en)

<sup>11</sup> <http://www.csreurope.org/pactforyouth>

<sup>12</sup> The European Business Network for Corporate Social Responsibility

# NATIONAL IMPLEMENTATION OF NESTLÉ INITIATIVES

## PORTUGAL

The main players involved in the initiatives are the country manager, Jordi Lach, the HR team (mainly the recruiting department) and line managers and senior leaders in Employer Branding activities. The NNY Initiative was launched in Portugal in 2013 with the objective of providing 500 opportunities to young people below 30 by 2016. To date, the Portuguese subsidiary has integrated 457 such people: 271 direct contracts and 186 traineeships. Additionally, under the “Readiness for Work” pillar, Nestlé Portugal has organized and participated in 75 events involving 1,585 students and 121 active Nestlé ambassadors.

The A4Y initiative was launched in Portugal in June 2014 together with 15 local partners with the aim of providing 8,000 job and training opportunities by 2016. The company is concentrating on three areas:

- Promoting “dual education”: The agreement between Nestlé Portugal and Escola de Formação Profissional de Aveiro set up a three-year apprenticeship (VET<sup>13</sup>) programme (between 4,000 and 4,500 hours per student) combining technical education with on-the-job learning (at least 30% of the total course) at the Avanca factory
- Strengthening relationships with universities and students’ associations (mainly support structures for graduate job-seekers) reaching more than 3,000 young students
- Organizing workshops to develop youth employability (the so-called “CV Clinics”)

## ITALY

The NNY target for Italy is to provide 1,080 opportunities (new hires, apprenticeship and trainee positions) to young people below 30

by 2016. In the past two years, 1,110 young people have benefited from this program (544 in 2014 and 566 in 2015) through different types of contracts signed directly with Nestlé.

In the context of A4Y during 2015, Nestlé Italy and partners organized 65 Employer Branding events involving 6,300 young people. These included joint activities with the partner Chep (to select 2 neo grad engineers for a cross-company internship at the San Pellegrino Campus); CV Clinics and a recruitment drive together with the partner GiGroup (67 new graduates on a 4-day assessment); promotion of A4Y in schools and universities; student tours of the Assago headquarters and Nestlé factories; and University Career Days at the Bergamo Faculty of Engineering (to launch the RFW toolkit in collaboration with Nielsen, DS Smith and GiGroup).

Also needing to be highlighted is the Technical Job Masters project (“Maestri di Mestiere”) involving Nestlé technicians, technical and vocational school teachers and the consultant Openjob Metis. The project addresses 4th-year students at technical and vocational high schools with a view to improving their professional skills through traditional and on-the-job lessons (dual learning) in 8 Nestlé factories across Italy. Some 200 students were involved just during the first quarter of 2015.

## POLAND

The main players involved in Poland are the HR Department and its recruitment team and many Nestlé employees. Nestlé Poland has also received strong support from influential Polish institutions and the media, including the Ministry of Education, the Ministry of Labour & Social Policy, the Polish Association of HR Management (PSZK), vocational schools, the Governmental Agency Supporting Vocational Development (OHP)

and the well-known newspaper “Gazeta Wyborcza”.

The main NNY targets in Poland are 360 employment opportunities for young people below 30 by 2016 and 400 apprentice and trainee positions by 2016. The results of the Polish initiatives have been boosted by support from official institutions and the media (over 1,000 publications in Polish media on Nestlé Poland). Almost 1,300 employment opportunities for young people were created in the first year of the initiative, including 354 internships and traineeships, far exceeding the objectives for three years. The company organized some 330 activities such as workshops and lectures and managed to involve partners such as Raben, Ovopol, General Motors, Alupol and Toyota Material Handling. Thanks to Raben’s participation they developed such important measures as an on-going cooperation with 9 vocational schools, an increase in apprenticeships (regular and summer ones), student visits, patronages and the “entrepreneurship week” (450 students from vocational schools were given the possibility to visit the company and take part in interactive workshops).

Nestlé participated in a national project called “Work” organized by Gazeta Wyborcza and supported by the Ministries of Education and Labour. Thanks to this project, a new university objective was established, aimed at preparing young people to find their first job, and the VET system and good practices were promoted throughout the country. As a result of Nestlé’s VET commitment, its Ice Cream factory in Namysłów has been providing VET for local students from the local Mechanics School since 2008. The aim is to prepare people to take up technical positions (mostly electricians), while ensuring that knowledge is retained in the organization and recruitment needs are met.

## FRANCE

The main players involved in France are business leaders, HR teams and many Nestlé

France volunteers. The main targets of the French NNY initiative were:

- To recruit 1,200 young people below 30 across France sites and in all functions by 2016
- To provide 1,800 apprentice and trainee positions by 2016
- To create RFW programs for schools, colleges, universities and Nestlé sites
- To help prevent early school-leaving, 50 Nestlé volunteers joined the NGO “Energie Jeunes” to reach out to 2,500 school-children in underprivileged suburbs

Nestlé France exceeded the recruitment target in just two years (instead of the three years planned) and attracted some 1,600 apprentices and trainees in the same period. The company established monthly workshops to prepare around 300 young unemployed and students in Noisiel and successfully influenced AXA to join A4Y and set up the same program. More partners joined A4Y in 2014 (Euroserum, Limagrain, Sogec, Uniteam) and 2015 (Groupe Avril and FM Logistic) and BNP Paribas will follow in 2016.

In terms of VET, Nespresso France and CFA Stephenson have set up a VET program with the aim of improving employability, competitiveness and productivity among students, preparing them to apply for customer support, sales or deputy manager positions in retail networks, banks or service companies. The VET program lasts 2 years and combines on-the-job (more than 670 hours) and classroom training (465 hours) for 13 students.

## SPAIN

The targets of the Spanish NNY initiative are to offer 750 employment opportunities to young people and 600 training positions by 2016. As regards A4Y, Nestlé Spain expects an additional 1,000 young people to benefit from training and employment opportunities. During 2014 and 2015, 689 young people were recruited on various types of contracts.

As regards training, 236 young apprentices started programs at various sites and 225 university students joined training programs. Participants came from different backgrounds and had different skill levels (engineers, production technicians, marketing and sales, production line workers, etc.). The training initiatives include an exchange program to experience working for Nestlé in European countries with a low unemployment rate, for instance in the context of the German-Iberian Labour Mobility Program which covers technical apprenticeships and internships for students and graduates as well as young professionals. Thanks to this program, 5 young students and 5 engineers are training in Girona and at Nestlé Germany (4 young Portuguese are also benefiting from the same program).

The most important activity regarding A4Y is the agreement reached with DHL and the Spanish government to promote a joint “dual education” program in the supply chain field. Moreover, 10

local companies have also joined A4Y.

Other activities included workshops and CV Clinics for groups at risk of social exclusion, other CV Clinics with such partners as Nielsen and Saica, career counselling and workshops with Adecco for 50 children of sales employees, and lectures at universities in collaboration with Transportes Fuentes, Saint Gobain and Cargill.

As regards VET, Nestlé Spain has launched a new VET program at its Girona plant in cooperation with the vocational school “Institut Narcís Xifrà I Masmitjà”. The scheme combines theoretical and on-the-job training, enabling students to acquire professional experience. The program foresees 1,014 hours of training and benefits 16 students. The European VET Teacher Union ETUCE and EFFAT visited the scheme in April 2015 to learn about establishing a VET program, looking specifically at the collaboration with VET colleges.

## PROBLEMS ENCOUNTERED, LESSONS LEARNED AND SUCCESS FACTORS

Nestlé management both at European and national level considers the initiatives to have been very successful with respect to their targets, with the number of targeted employment opportunities exceeded in most countries. Business leaders and HR teams are pleased with the influx of young talent to the company, thereby helping to reduce youth unemployment. Efforts have also focused on better aligning VET programs with actual workplace needs. Finally, thanks to numerous outreach activities and workshops carried, the sector’s image has been enhanced. In the company’s view, the critical success factors are:

- Strong empowerment by the CEO of Europe and the involvement of all departments (especially HR but also Produc-

tion, Communication & Marketing and Supply Chain) at European level and in the countries

- Close cooperation with EU authorities to promote “dual learning” schemes through concrete actions and a partnership approach with food industry associations and government institutions at European and national level
- Collaboration with NGOs (e.g. in France), suppliers, clients and the media (e.g. in Poland)
- Strong identification and commitment of all employees with the programs
- The sharing of experience and best practices among European countries

The main problems encountered by mana-

gement are:

- The difficulty in linking up with the education sector which makes it hard to set up new apprenticeship schemes in the countries
- Improvable alignment between the vocational education system and actual work situations and needs in certain countries. For instance, there is no tradition of “dual training” programs in Spain and there is no “dual education” system in Poland, according to HR managers
- The popularity of VET programs and the sector’s image need to be further improved
- In some cases, budget constraints restrict the development of apprenticeship programs (e.g. France)

Cooperation between the public and private sector is crucial to create and offer jobs. That is why all HR managers expect public authorities to adopt a more active role, in the form of such concrete measures as: support and funding to link up the private sector with education providers with a view to setting up new apprenticeship schemes; public promotion of apprenticeship schemes among young people as a good first step towards a successful career; updating educational systems in some countries to better match labour market needs; greater flexibility in the labour market; and greater interaction between young students, professionals and companies.

### THE VIEW OF UNIONS AND REPRESENTATIVES

The unions represented on the Nestlé European Works Council (EWC) initially responded positively to the youth employment initiative, though demanded that its implementation be closely monitored and quantified. Representatives from certain countries

have noted an increase in apprenticeships and traineeships over the last two years (France, Spain and Poland, for instance) and would like to see such initiatives having a long-term perspective. They think that short-term employment policies will not be fruitful.

They are of the opinion that the involvement of worker representatives can be improved:

- Prior to the initiative being launched: At national level, there were briefings on the project, but no social dialogue as such; an exchange of views (in some form or another) only took place in countries where unions were more engaged (social dialogue practices are country- and context-specific, and depend on specific industrial relations experience).
- During and after the initiative: worker representatives need better qualitative and quantitative information on the working conditions of young new-hires, for instance on trainee remuneration or the length of contracts. To assess the impact of the initiatives, it is necessary to be able to compare the workforce of each subsidiary and its working conditions before and after the implementation of the programs through objective data. Unionists are calling on management to adopt a transparent policy in this respect. While quality standards and criteria are set at corporate level, they seem to be not always well communicated across the organization to worker representatives.

Furthermore, experienced workers leave the company and are replaced by younger ones without any overlap: unions and EWC representatives are recommending that further initiatives on mentorship and integration be adopted in countries where they do not exist.

The unions and EWC members see youth

employment as a top priority challenge that would benefit from social dialogue input at all levels. Social dialogue is essential to enhance the results of such programs and to better match not just employer needs but also those of young

people and professionals. Involving worker representatives would boost the credibility of the Nestlé initiative, especially as certain stakeholders and competitors are presenting it as a mere public relations exercise.

## TRANSFERABILITY OF THE PROJECT

According to Nestlé management, A4Y is a good example of a pan-European business initiative. The collaboration between Nestlé and other companies demonstrates the transferability of many proposals to various national settings throughout Europe. The project led Nestlé to establish agreements and partnerships with such stakeholders as FoodDrinkEurope, EFFAT, AIM and ERT<sup>14</sup> to promote apprenticeship schemes. The joint RFW actions and training opportunities developed together with partners and Nestlé suppliers are an interesting way of transferring the experience gained in setting up “dual training” schemes. The success of the initiative has prompted Nestlé to launch the Nestlé Global Youth initiative<sup>15</sup> with the objective of attracting new talents

to the company throughout the world. The programme, based on principles similar to the European initiative, was launched in Zone Americas in February 2015, and Asia and Africa will follow.

Lessons learned: exchanging information with, consulting and participating trade unions and worker representatives at all stages of the initiative are key to supporting the transferability of such good practices. They encourage social partner commitment to a particular course of action, while making the latter jointly responsible for the subsequent outcomes.



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- Virginia Campanelli**, Talent Recruiting and Employer Branding Manager for Italy and Malta
- Mariola Raudo**, Head of Recruitment and HR Business Partner at Nestlé Poland, Coordinator of Nestlé Youth Employment Initiative in Poland
- Cécile Delestre**, Talent Acquisition Director and Project Manager of “Nestlé Needs YOUTH” for Nestlé France
- Maria Castelló**, Project Manager of “Nestlé Needs YOUTH” for Nestlé Spain

#### Worker representatives:

- 1 representative from NWSE Vittel-Contrex, France
- 1 representative from PTC Beauvais, France
- 1 representative from Purina, France
- 1 representative from Nestlé Italy
- 1 representative from Nestlé Poland
- 1 representative from Purina, Poland
- 1 representative from Nestlé Spain
- 1 representative from Nestlé Sevares, Spain
- 1 representative from Nestlé Germany
- 1 representative from Nestlé Hungary
- 1 representative from Nestlé UK
- 1 representative from Nestlé Netherlands
- 1 representative from Nestlé Belgium
- 1 representative from Nestlé Romania

<sup>14</sup> <http://www.ert.eu/>

<sup>15</sup> <http://www.nestle.com/media/newsandfeatures/nestle-global-youth-initiative>

