

ANALYSIS OF THE STAFFING PROBLEM IN NESTLÉ

As a multinational company, Nestlé can follow one of the approaches to the international staffing (Perlmutter, 1969): ethnocentric (with the decisions made by managers from headquarters and subsidiaries managed by staff from the home country), polycentric (with the subsidiaries managed by the host-country national, who are promoted in positions at the headquarters and with the parent-company national rarely transferred to foreign subsidiary operations), geocentric (having a global approach to the operations and with a particular focus on the individual's abilities rather than nationality) and regiocentric (with managers responsible for particular geographic regions and having autonomy in the regional decision-making process).

Nestlé's international human resource management is based mainly on the geocentric approach, with the best managers, with international mindset and best qualifications, recruited from inside and outside the company, occasionally sent on short overseas assignments to gain knowledge and experience on different ways of doing things (Branine, 2011). This strategy encourages the effective cooperation and resource distribution across the subsidiaries. The highly-skilled managers share their knowledge, learning and best practices with the other employees from the subsidiaries located in different countries. For example, a manager from the headquarters is sent on an assignment in Singapore; during its assignment, the manager is able to share the organizational values of the company with the local employees, helping them to better understand the company's mission and objectives and inspiring them towards improving their performance in their job. However, the human resource management may face challenges related to increased immigration controls, due to the host-country government's attempt to promote the employment of the own citizens. Other issues are related to the high costs involved in the training and relocation process, as well as to the long waiting times to obtain the approvals and permits needed for the foreign nationals. This strategy also involves a large number of parent-country national, third country national and host-country national, which need to be sent in the foreign countries to support the staffing policies, which reduces the independence of the management of the subsidiaries in the process and may cause conflicts between the two parties (Downling, Festing and Engle, 2017).

The recruitment and selection process are a major challenge for Nestlé, especially in the countries with a shortage of skilled employees or in the countries with low unemployment rates, as the company is looking to source only candidates with relevant skills, experience and

adherence to the Nestlé principles (Nestlé, 2012). For instance, in the United States, the firm experienced difficulties in attracting top talent, as the unemployment rates are low, while in Malaysia and Singapore, which rely mainly on the migrant expert's inflow, Nestlé was facing problems in achieving the business objectives, due to the weak pool of skilled individuals (LinkedIn Corporations, 2021). An additional risk is associated with the tendency of the international managers to focus on the standard hiring practices, ignoring the specificities of the foreign countries (Edwards and Rees, 2017). The recruitment of Nestlé is done using mainly its 'Careers' website (globally), but also through university campuses advertising (for example, in China, Germany, United Kingdom, etc.), internal promotion or use of external recruitment agencies (Li, 2015). The applications are assessed against the job requirements and skills needed for the role and the successful candidates are invited to an interview. The current employees of the company are usually promoted in higher positions, in accordance with their skills and firm's necessities (Sasson, 2016).

With the impact that Covid-19 pandemic had on the organisations, the recruitment and selection process of Nestlé has moved towards the virtual environment, relying heavily upon digitisation. However, the processes are different in different countries. For instance, the e-Recruitment system used in Germany by the company presents more features effective in the selection of the candidates, than the application process used in the United Kingdom, which included the necessity of answering pre-screening questions (Buchenscheit, Moser and Müller, 2020). Apart from being a time consuming and costly process, it does not offer a guaranty that the persons selected possess the most suitable skills for the job; likewise, the number of qualified applicants may be insufficient to evaluate, even if the company has advanced selection systems in place.

The employer branding is another challenge in attracting and retaining the top talent. Nestlé is rated as being among the best companies to work for (Dabirian, Kietzmann and Diba, 2017). This fact may play an essential role in the Asian countries, such as India or China, for example, where, as a foreign company, it may be difficult to find the qualified workforce needed due to the developed level of economy of the country, as well as due to the high competition for talent in the local labour market (Dowling, Festing and Engle, 2017).

Another major challenge for Nestlé, linked to the staffing issue is represented by the selection of the expatriates sent on the international assignments. Nestlé has over 400 expatriates showing willingness to relocate and accept the challenges in different countries