**OPERATIONS MANAGEMENT IN THE FOOD INDUSTRY: A REPORT BASED ON NESTLE**

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**Introduction:**

In this assignment, Nestle organisation has been chosen to conduct the management and operation. Management of the organisation needs to follow some basic principles in order to manage the overall concept of the organisation. However, operation management helps to understand the business administration as a whole in order to achieve the best efficiency from the staffs (Cen *et al.* 2015, p.96). The main objective of the operation management is to convert the service and materials intro finished goods to maximise the profitability. This study has two sections applying the management and operation management of the organisation Nestle. The main objective of the study is to understand the function of the leaders and managers within an organisation with focussing the behaviours, characters, traits of them. This study provides the sufficient knowledge about the management and operation management. In this study, secondary data source has been taken to conduct the assignment.

**Background of Nestle:**

Nestle is a food company in UK and it has headquarter in Switzerland. It has spread their business worldwide. According to the measurement of the revenue, Nestle is considered as the largest food company in the world. It produces various types of foods, like, baby foods, medical food, breakfast items, health drinks, dairy products etc. most popular Nestle brands are Nespresso, Nescafe, Kit kat, Maggi etc ([Nestle.co.uk](http://nestle.co.uk/). 2016). The product quality of this company is very influencing for the consumers. The demand for its products is rising rapidly. The leadership and management of this organisation are discussed in the following task as the development of the organisation depends on the leadership and management of the organisation.

**Task 1:**

**a. Defining and comparing the different roles and characteristics of a leader and a manager**

In food industry, the managers and leaders play different roles in case of production. In the industry, leadership involves into choosing the clear vision of the organisation. In our organisation, Nestle, the vision is to grow our business, while decoupling our environmental footprint from our growth and increasing our positive social impact ([Nestle.co.uk](http://nestle.co.uk/). 2016). Our leaders and managers both play important role in developing the vision and reaching the goal of the organisation.

The leader of a team is responsible for providing the knowledge and skills to the team members. The team members are also supported and motivated by the team leader. The experience of team leader can help them to achieve the goal easily. The team member's safety responsibility is completely the responsibility of the team leader in the workplace. The product quality assurance is the responsibility of the team leader. The leaders in the organisation also play the administrative role by keeping track of budgets to produce financial reports. He has to maintain the regular communication between the interrelated departments to plan and execute the production goals efficiently.

On the other hand, the managers of the organisation have wide variety of roles and responsibilities. Dean (2015, p.45) stated that, they are responsible for organizing, managing and coordinating all of the daily functions within the interrelated departments. Like leaders, they do not monitor the service providers’ work; but they have to maintain the knowledge of laws and regulations to overcome the ethical issues in workplace. The consumer satisfaction and employee satisfaction are two important responsibilities of the managers. The managers must handle the sudden situations in workplace such as, consumer’s complaint regarding the product quality or employee strike efficiently. According to Flack *et al.* (2012, p.704), the ultimate difference between leaders and managers is that team members follow the leaders while people work for the managers.

**b. Examining the role of a leader and the function of a manager with instances**

Recently in UK a product of our organisation, the FDA has identified Maggi as a degraded quality product. The customers also supported that the product is not satisfying their needs and they have been frightened to consume this product as the scientists identified that Maggi contains the harmful materials. Therefore, there is a chance of cancer in the consumers of this product. In this case, the customers are questioning the quality assurance. Therefore, it is the liability of the leader. The team leader should manage his team properly to maintain the quality assurance of the product. More skill and knowledge is needed for the team members to improve the quality of the product. It is also the problem of quality control, which is the responsibility of managers of our organisation. It is the manager's duty to review the quality of factors involved in the production of a product before supplying it to the suppliers. The managers should also inspect the product to determine the defects of the product.

In case of any strike of employees, the managers only can handle this efficiently. The team leaders are not liable to take the responsibility of this situation. Sometimes the team members bring strike by following the team leaders also. In that case, the leaders have no role. Therefore, the managers can only resolve the problems of the team members to manage the workplace environment.

**c. Applying theories and models of leadership approach**

Leadership models help the leaders to influence the team members, managers, suppliers and consumers. There are three models, situational leadership model, system leadership and contingency. In this context, situational leadership and system leadership are considered in some situations of our organisation.

Dr. Hersey develops situational leadership model in the late 1960s. It provides the flexibility of the leadership and ways of easy executing process. In our organization, the team members of a product innovation project have faced the lack of information and proper execution of the technology. Situational leadership model can help to handle this situation by four steps.

Diagnosis: At first, the problem should be diagnosed by the team leaders, which they are trying to resolve.

Adaptation: The leaders according to the contingencies of the situation should check the behaviour of the team members.

Communication: Collaboration between the team members and leaders should be strong which can help the leaders to provide more information and training to the team members.

Advance: Ultimately, the solution to the problem is given by the leaders to improve the situation.

This model of leadership can help to maintain the awareness of the critical skills in workplace while working in high-performing entities. This also provides skilful management to the team members in any project.

On the other hand, the systemic leadership model combines both the management and organisation development (Fuller *et al.* 2016, p.674). This model includes that in an organisation a systemic leadership is required to flourish the organisation by maintaining the motivation in the workplace. This also states that the skill development of the leaders is most important part to maintain the culture and relevant system of the organisation. This also helps to raise the awareness of the managers and change the perception of managers. The benefit of this model is that it identifies the priorities of strategic leadership. This leadership model manages the internal and external environment of the organisation.

**d. Differentiating between the role of a leader and function of a manager**

The leaders set the goal of the company while the managers maintain the status quo. Leaders try to find new ways of working towards the success of goal. The focuses of the management are planning, budgeting, organising, controlling, coordinating, time management, decision-making and problem solving. While the leaders only focus on the project management, the performance management of the team members is done according to the leadership models (Giuliano and Ransom, 2013, p.379). Motivation, inspiration, persuasion, team management, training and mentoring are the main factors that are focused by the leaders in order to make a successful team. There are so many differences between the team leaders and management though both of them are the essential parts of an organisation to success the goals. The best leaders and managers maintain the quality of the product. The managers also consider the consumer satisfaction as the production system of Nestle is consumer oriented. They focus on the consumer preferences and the quality of the products is developed by the innovation by R&D team. In case of lack of management skill, the organisation must fail to achieve the quality product, as the quality control is the responsibility of the management. The quality assurance is the liability of the leaders, so they are also responsible for quality degradation.

**e. Assessing the strengths and weaknesses of different approaches of leaderships**

The situational leadership model has some strength and weakness. It is a useful model as it is frequently used for the skill development of the leaders. It is also applicable to the various types of organisational settings and it provides easy execution. The leadership effectiveness is achieved by this strategy. The flexibility or rigidity of the leaders depends on the decision of this model regarding the situation of the workplace. This approach has also some weaknesses as this has no justified assumptions and propositions to find the research objective. It cannot explain the development levels of subordinates over time. This model does not focus on the demographic features of the employees’ regarding the choice of the leadership structure (Grant, 2016, p.25). This is not appropriate for the leadership. The group settings structure is not appropriately discussed in this model, which is disadvantageous to leaders. The systemic leadership is very important when an organisation faces some issues regarding the consumer complaints, employee strikes or other ethical issues. There are some weaknesses as the systemic leadership model focuses on the systemic work of a group of workers. The agency has opposed the systemic leadership model and it forces on individual’s way of working. This model always considers the system and culture of the organisation, which is considered as its weakness. Some of the organisations cannot execute this model, as it needs strong communication technology. System issue can create most of the problems and there the managers cannot solve the problems personally by their skills.

**f. Critically analysing and evaluating the different theories and approaches to leadership in Nestle**

Situational leadership is the style that helps to develop the manager's style to adjust within the organisational context. In this scenario, the managers can influence the followers. It can be done in a systematic way that the leaders could tell the employees or followers in directing their works. Selling and coaching of the followers are the outputs that the managers want from the followers. Nestle organisation’s structure is flat and flexible that the management can control the broad span. The management takes help from the project team within the organisation. The responsibility of each stage of the management is defined clearly within the organisation and they prefer team working. Horizontal communication is conducted in assured structure having each personnel has responsibility. The organisation wants to reduce the bureaucracy and they share the responsibility in the organisation. In the hierarchy, they encourage the managers for accountability (Hassan and Hatmaker, 2015, p.1155).

**Task 2:**

**a. Explaining the approaches to operations management and the role of leaders and managers**

The operations management of the organisation manages the designing and controlling of the process of production of food products. Nestle is mainly producing the food products which must maintain the quality. The consumers of this type of products concentrate on the quality of the products. The production process should be more efficient to meet the requirements of the consumers. Operations management provides this efficiency to the production process. It is a crucial part of the organisation. Hempel *et al.* (2012, p.501) suggested that, it is concerned with the transformation of inputs into the required products by maintaining the quality level. Operations managers have the responsibility to process the inputs into outputs. They plan the uses of factors of production in production process effectively. Managers can develop the process by multiplying the skill of the employees in the organisation. The managers in operation management also do the value adding. The main objective of the operation management is to focus on the consumers’ preferences regarding the quality, price and durability of the products. The resources are scarce, so the producers always try to maximise their profit by cost minimising and limiting the usage of factors of production. The leaders and managers of an organisation use the scarce factors of production by the operations management efficiently. The four characteristics of the operations management are quality, cost efficiency, dependability and flexibility (Hill and Hill, 2011, p.444). This system provides the sustainability strategy for an organisation. The functions of the operations management are,

Location facilities for an organisation, planning designs and handling the material, designing of products, production process designing, production control, quality control of the products, Management of input and Maintenance management. Nestle company has focused on the maintenance and materials management as they are producing food products. Innovation process needs the maintenance management as up gradation of technology is essential for innovation. Improved technology can be executed by proper usage of equipments.

**b. Explaining the importance and value of operations management in gaining business objectives**

The values and importance of the operations management to achieve the goal of the business are discussed here. Operations management involves the designing, controlling and monitoring the production in an organisation. It also ensures to provide skilled workers in the production process. All the raw materials can be allocated in proper location in short time by operational management. It improves the management of the manufacturing system. This system is not only concerned with the production process of the organisation but also this focuses on the overall system. The operations management manages all the interrelated departments as the management improves the functions of the departments. The accounting department of an organisation is related to the operation management as it helps to predict costs appropriately. The prediction can help the organisation to take the marketing strategy properly. Operation management can help the organisation to manage the internal environment of the workplace. The legal issues are resolved by this management system. Therefore, failure of operations management can hamper the all over environment and departments of the organisation.

**c. Assessing the factors within the business that impact upon operational management and decision-making by leaders and managers**

The operational management faces the problems for some factors in the organisation. The employees are the first factor, which influence the operational management. Employees are not properly responding regarding the training provided to them. Inadequate funding is a problem for the management as the plan designs are needed more capital to execute it efficiently in the process of production. This fund is provided by the profits of the company. In case of failure of achieving the aimed profit, the company fails to provide the funding for plans. In this way, operational management fails. It needs up graded technology, which can be achieved by importing from other places. The collaboration between other places and clients is more important factor.

In case of decision-making by the managers and leaders workplace, environment and socioeconomic factors are factors that are more effective. The past socio economic factors are also considered by the organisations in case of decision-making. The vision and goal is affected by the market structure also.

**d. Evaluating the leaders and managers roles in improving efficiencies of operational management**

According to Mukherjee (2012, p.444), it is the duty of the managers and leaders to implement a business strategy, which can address the issues in the operations department of an organisation. The strategies need to be implemented based on the productivity of an organisation, its competitors and the need of the customers. In the case of Nestle, the main objective of the organisation is to satisfy the customers. As a result, the organisation needs to understand the factors that contribute to building the trust of the customers and gain a competitive advantage. The leaders and managers need to encourage the marketing team to conduct a thorough survey of the target audience. This can help them in understanding the mentality of the customers. Apart from this, the managers need to ensure that sufficient storage of ingredients is maintained regularly so that the company do not suffer from shortage of materials.

**e. Analyse how different factors that affect the business environment and wider community**

The factors that affect a business environment consist of both internal and external factors. PETTINGER (2007, p.25) stated that, the internal factors include the employees, customers and stakeholders while the external factors include the competition among the different industries, Government factors and economical factors. These contribute to judging the expansion and growth of a business sector. In the case of Nestle, these factors contribute in the decision-making strategies of the industry. Based on the business factors, the managers make the decisions that help in improving the business. The competitors of Nestle include established organisations such as Nescafe and Kit Kat. The products sold are quite similar in terms meeting the delight of the customers. As a result, the competition in the market plays an important factor for managing the operations department in the organisation. Apart from this, the efficiency of the employees also plays a huge role in the decision-making activities in Nestle.

**f. Critically evaluating application of operations management and factors that impact on the wider business environment for your organisation**

According to Winston *et al.* (2013, p.15), proper maintaining of the resources and its effective utilisation helps an organisation to gain a competitive advantage. This is because the competition in the market is fierce and every company competes to beat the other in terms of productivity and expansion. Apart from this, the Government regulations also contribute in changing the decisions relating to the manufacturing of the products. These contribute to changing the strategies that exist in an organisation. In the case of Nestle, the managers and leaders of the organisation consider these factors along with the changing tastes of the customers. Since the company aims to meet the satisfaction of the customers, it is necessary for the managers to make strategies related to the market. The UK Government is lenient in terms of allowing the manufacturing of all types of foods and beverages. However, the competition among the rival companies that play an important factor for the strategies adopted by the organisation.

**Conclusion:**

This assignment has been focused on the organisational operation management and leadership model. The role of the managers and leaders is considered as very important part for the organisation. In case of quality control operation management and leadership, models play most important role. Nestle is a company which produces consumer oriented products. Therefore, the consumer satisfaction is the main aim of this organisation.