



## Jobs, apprenticeships, and traineeships: Nestlé's approach to help tackling youth unemployment

### Summary

Europe is in the midst of a youth unemployment crisis as one in four young Europeans (5.6 million people in total) aged 18 to 25 are unemployed. The International Labor Organization estimates that youth unemployment across Europe, the Middle East, North Africa, and Developed Economies reached 18.1% in 2012.<sup>1</sup> A lack of vocational and educational training schemes, unprepared job applicants, and a stagnant European economy are all to blame.

Concerned with these trends, Nestlé created the 'Nestlé Needs YOUth' program in late 2013, with the aim of hiring 10,000 young people and 10,000 trainees or apprentices below 30 years of age in Europe by 2016.

Furthermore, as part of the program, Nestlé joined forces in the course of 2014 with 200 other companies to form 'Alliance for YOUth', which mobilizes companies to commit to developing programs to provide meaningful work experiences, generate jobs, and offer training opportunities for more than 100,000 youth across Europe.

In light of the program's success in Europe and its relevance worldwide, the company is expanding this program globally. The expansion started in Mexico, reaching by October 2015 all the countries in Zone Americas, including the USA.

*"When talking about sustainable development, we must keep in mind that employment is a key element of social integration and economic development. Yes, we will need to feed an additional 2 billion people over the next few decades, but we will also have to create jobs for them. To Nestlé, the jobs dimension is as important as the environmental dimension."*

Laurent Freixe – Executive Vice President Nestlé S.A., Head of Zone Americas (United States of America, Canada, Latin America, Caribbean)

### Company background

Headquartered in Vevey, Switzerland, Nestlé is a nutrition, health and wellness company that manufactures and distributes food and beverage products. Founded in 1866, Nestlé's product portfolio includes powdered and liquid beverages, water, milk products and ice cream, prepared dishes and cooking aids, and pet care, among others. The company

<sup>1</sup> International Labor Organization (ILO). *Global Employment Trends for Youth 2013: A Generation at Risk*. Geneva 2013

earned over CHF 91.6 billion in 2014, while employing 339,000 people across 197 countries.<sup>2</sup>

## The skills gap

### Vocational and educational training schemes (VET) schemes

4.5 million European youth are unemployed while more than 2 million vacancies are open. This clearly shows a skills gap.

On-the-job education like training programs or apprenticeships has proven to be highly effective in helping students transition to jobs. The European Alliance for Apprenticeships, a multi-stakeholder platform that facilitates the quantity and quality of apprenticeships, promotes VET systems across Europe. Nestlé joined the Alliance in 2013.<sup>3</sup>

Most countries in Southern and Eastern Europe no longer offer VET schemes, making them more vulnerable to youth unemployment. On the other hand, countries like Switzerland and Germany have maintained VET programs and experience lower youth unemployment rates today.

### Employability

The skills required to identify attractive opportunities and submit applications are often underdeveloped in graduates. Even the most educated and best skilled job applicant can miss an opportunity due to a poor CV or interview. Supporting the under-25 work force segment in searching for jobs, preparing CVs and cover letters, managing their internet presence, and securing an interview has great potential for bolstering youth employment.

## The Nestlé Needs YOUth program

In 2013 Nestlé committed to a three-year program to tackle the European youth employment crisis. The program is based on a four-pillar approach aimed at direct recruitment, apprenticeships and traineeships, employability, and supplier engagement. The company's overall goal is to offer 20,000 opportunities for European youth across all of their businesses and offices through the following means:

- **Get Hired (Direct Recruitment)** – Nestlé will hire 10,000 Europeans younger than 30 by 2016.
- **Get Skilled (Apprenticeships & Traineeships)** – Nestlé will offer at least 10,000 apprenticeship and traineeship positions by 2016.

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<sup>2</sup> Nestlé Group. *2014 Nestlé Quick Facts*. 2014

<sup>3</sup> European Commission – Employment, Social Affairs & Inclusion. *Policies and Activities: European Alliance for Apprenticeships*. 10/09/2015.  
<http://ec.europa.eu/social/main.jsp?catId=1147&langId=en>

- **Get Support (Employability)** – Nestlé will deliver “Readiness for Work” workshops and programs throughout Europe, including career counseling at schools and colleges. Employees will be encouraged to volunteer their time to help conduct these activities.
- **Get More Opportunities (Engage Our Suppliers)** – Nestlé will partner with its business partners to build the ‘Alliance for YOUth’, creating the foundation for its partners to develop their own programs similar to ‘Nestlé Needs YOUth’.



### The benefits for Nestlé

With the work outlined above, the company aims to underscore its commitment not only to support the future of the young generation but also to continue to invest and create growth in Europe.

Supporting young people in their transition from education to work, the company develops the next generation of Nestlé employees and leaders, replaces the generation of retiring “baby boomers”, and expands the diversity of the talent pipeline.

Through the Nestlé needs YOUth initiative, the company is raising its brand profile as an employer of choice (“good place to work”) and providing valuable opportunities, including promoting cooperation across markets. In turn, this increases the organization’s productivity and ultimate growth.

*“The technological revolution brings with it new forms of working and communicating. Young people are prepared for it, and our company need to find ways of tapping their insights. Through ‘Nestlé Needs YOUth’, we also modernize and innovate our company in view of remaining relevant for new generations.”*

Laurent Freixe – Executive Vice President Nestlé S.A., Head of Zone Americas (United States of America, Canada, Latin America, Caribbean)

## The results

In a short time frame, 'Nestlé Needs YOUth' has made a substantial impact:

- **Get Hired (direct recruitment)** – In 2014 alone, the company hired 7,690 young people (i.e., 76% of the three-year goal) across their European operations.
- **Get Skilled (apprenticeships & traineeships)** – The company created 4,142 apprenticeship and traineeship positions (i.e., 41% of the three-year goal). Additionally, Nestlé has contributed to the development of factory apprenticeship schemes in Czech Republic, Slovakia, Italy, Spain, and Portugal. Nestlé also pioneered in terms of labor mobility programs (e.g. Iberia / Germany) and has also set up dual learning schemes for school leavers and at high school / university level (UK).
- **Get Support (employability)** – The company organized 1,677 “Readiness for Work” workshops thanks to 5,652 employees volunteering their time.
- **Get More Opportunities (engage suppliers)** – The company initiated the ‘Alliance for YOUth’ program, mobilizing close to 200 companies, FoodDrinkEurope, and AIM to develop similar initiatives to ‘Nestlé Needs YOUth’.

### Scaling up business action through Alliance for YOUth<sup>1</sup>

The ‘Alliance for YOUth’, initiated by Nestlé in 2014, is a business-driven program developed to address the European youth employment crisis. Around 200 companies pledged the creation of more than 100,000 jobs and training opportunities by 2017. Alliance members are also mobilizing their employees to conduct CV clinics, mock interviews, and counseling sessions. Lastly, ‘Alliance for YOUth’ partners are active members of the European Commission’s “European Alliance for Apprenticeships”, promoting VET schemes across the continent.

Founding companies include Adecco, AXA, Cargill, CHEP, DS Smith, EY, Facebook, Firmenich, Google, Nielsen, Publicis Groupe, Salesforce, Twitter, and White & Case.

The ‘Alliance for YOUth’ has also experienced great success in its first year. Of the 100,000 opportunities it aimed to create in three years, Alliance partners generated 50,000 youth positions already.

Key statistics from the first year of the program include:

- 34,000 regular and temporary employees hired
- 16,000 traineeships and apprenticeships offered to European youth
- 6,000+ ‘Alliance’ volunteers put on 5,400 “Readiness for Work” workshops, launched Readiness for Work toolkit available in 12 languages
- Launched “All4YOUth”, a new social platform on Facebook developed to help young people find jobs

*“After one year of activity, we can say that the “Alliance for YOUth” creates a new dynamic.” “More than 60% of the business partners have already improved youth recruitment practices and youth employability since they became involved in the Alliance.”*

Luis Cantarell, Executive Vice President Nestlé S.A., Head of Zone EMENA (Europe, Middle East and North Africa)

Due to the success of the ‘Nestlé Needs YOUth’ initiative, the company has launched the Nestlé Global Youth Initiative. It focuses on implementing or strengthening existing apprenticeship and traineeship programs; and on enhancing “readiness for work” activities (participation in job fairs, open days, CV clinics, etc.) in all markets where the company operates.

In the Americas, over the next three years, the company aims to hire 24,000 young people, open 7,000 apprenticeship and traineeship positions and implement readiness-for-work programs to reach over 900,000 people in total. Nestlé Mexico was the first market to adopt the initiative in February 2015. As of October 2015, all of the company’s Zone Americas (USA, Canada, Latin America, and Caribbean) had adopted and successfully launched the ‘Nestlé Needs YOUth’ initiative in their respective markets.



Although youth unemployment is a prevalent concern in the Americas, one of the major drivers for the youth initiative is the informality of the labor market in Latin America and the Caribbean, as over 27 million youngsters are working in conditions of informality.<sup>4</sup> With political and economic instability impacting many of the countries within the Zone, marginalized youth can easily fall prey to organized crime.

### Key success factors

- **Senior management commitment** – A three year program requires the steadfast, top-down commitment to the program for its duration.
- **Nestlé’s people** – Motivated and proud employees.
- **Effective communication** – Sharing of best practices, lessons learned, and program updates optimize resources and maximizes results.

<sup>4</sup> ILO news story, 22 April 2015 – [http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_362985/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_362985/lang--en/index.htm)

- **Identifying ‘Alliance’ partners with similar drivers/mindset** – Nestlé is committed to creating shared value through its business. In order to establish an effective ‘Alliance’ all members should have a similar values and objectives.
- **Engaging with the wide range of societal actors** – Governments, youth organizations, education providers, trade unions, etc.
- **Local regulatory & economy expertise/decentralized approach** – There is no “one size fits all” program that can be implemented across all borders. Collaborating with local branches and partners to address regulatory and economic nuances will optimize program effectiveness.

### More information

<http://www.nestle.com/aboutus/youth-employment>

<http://www.nestle.com/csv/our-people/youth-employment>

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