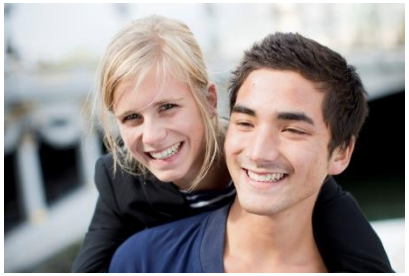
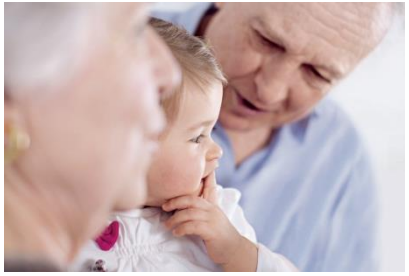




Nestlé at a glance

- CHF 89.5 billion in sales in 2016
- 328,000 employees in over 150 countries
- 418 factories in 86 countries
- Over 2,000 brands
- 1 billion Nestlé products sold every day

Our purpose

Enhancing quality of life

and contributing to

a healthier future.

The Nestlé story

Henri Nestlé

1867

1905

1866

George H. Page
Anglo-Swiss Condensed Milk Company

1929

1938

1947

1960s

1970s

1980s

1990s

2000s

2010

2011

2012

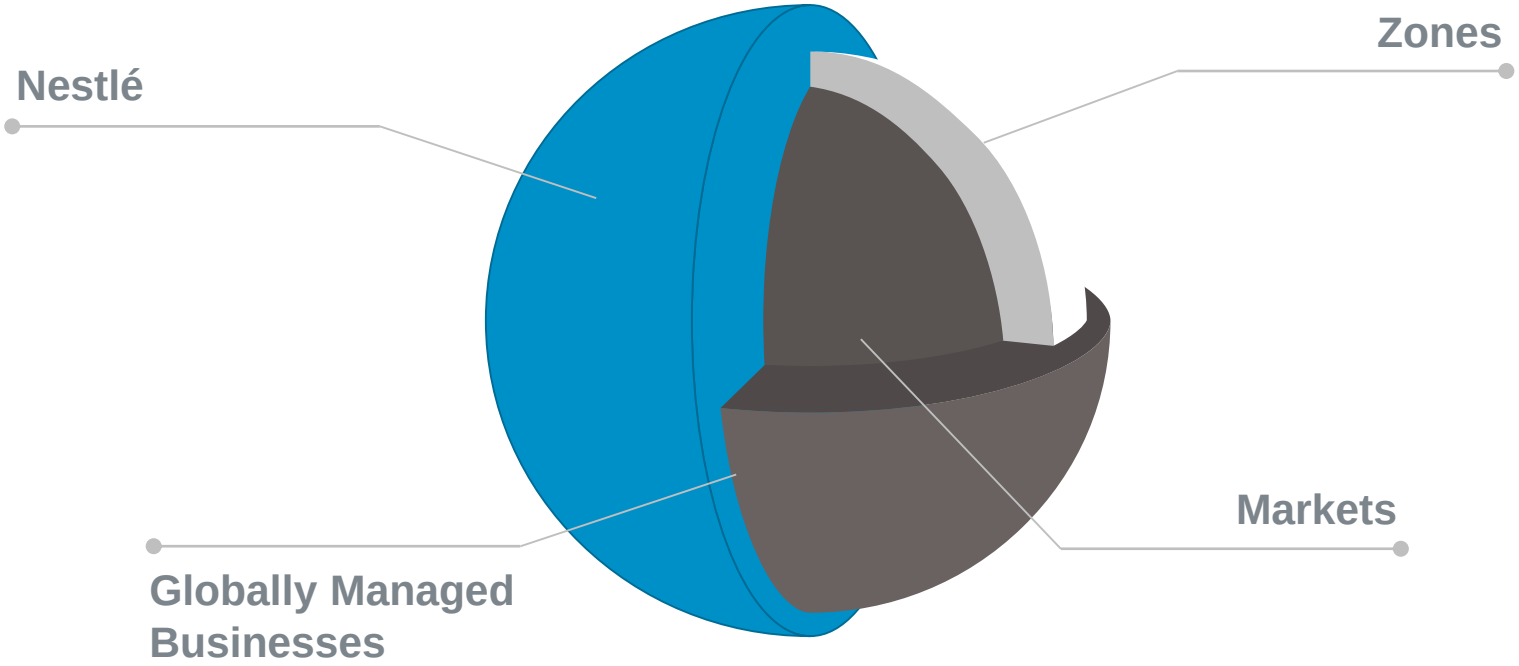
2014

Wyeth Nutrition

Nestlé Skin Health

Nestlé Health Science

SIMPLE COMPLEXITY



OUR CHALLENGE

Ensure that:

1. All Nestlé businesses have access to and the capability to work with People Analytics to drive better people decisions

2. Analytics are useful and actionable in the business

3. Any Nestlé business can engage with People Analytics

PEOPLE ANALYTICS @ NESTLÉ

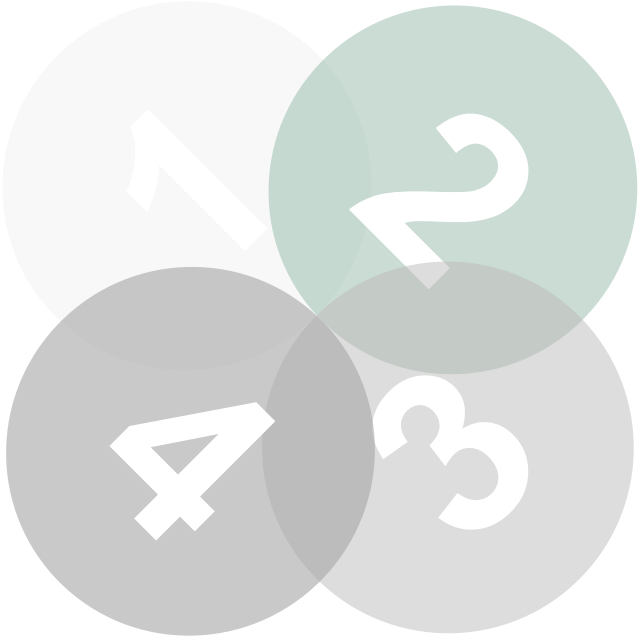
1 ORCHESTRATING PEOPLE STRATEGY AND PLANNING

Supporting the execution of the people strategy through tools and frameworks incl. Strategic and Operational People Planning

2 ANALYTICS: DESCRIPTIVE AND PREDICTIVE

Measuring the impact of HR intervention and megatrends

Using statistical models and reasoning to address top workforce concerns



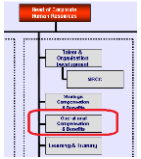
4 GOVERNING PEOPLE DATA STANDARDS

Managing the compliance with and governance of change process to Nestlé's People Data Standards

3 PEOPLE MEASUREMENT: KPI'S AND DASHBOARDS

Measuring progress against strategic priorities through dashboards and automation.

Nestlé's Reward Journey to Maturity

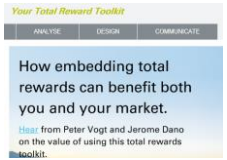


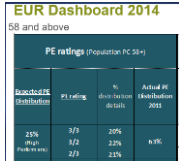
Creation of Operational C&B (2009)

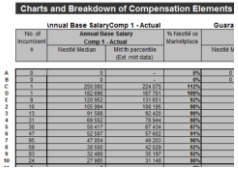
Creation Induction Program to Teach New C&B Managers (2010)

Creation of Maturity Profile (2011)

Creation of Total Rewards Policy (2012)







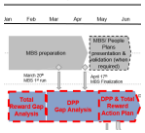
Creation of Total Rewards Toolkit (2014)

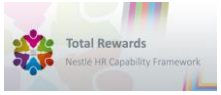
Argumentation for better PE Distribution (2013)

Evolution of Nestle Salary Review Mgmt Tool NSRM (2013)

Creation of Operational Manual to help C&B Managers to Interpret TRP (2012)

Living Wage Project (2014-16)





Nestle Total Rewards System 2015-2016

Creation of Teaching Site for Managers (2014-2016)

Total Rewards as Strategy Topic (2015-Present)

Creation of TR Capabilities (2016-2017)

Pay Analytics Toolkit (2017)

Measuring Reward Maturity

Nestlé & I

- Rewards received increased favourable score in 2016
- + single digit % on 2014 survey results, + double digit % on 2012
- Single digit % above High Performing Companies norm

- Rewards Maturity has positive correlation with
  - Performance distribution levels
  - Leadership Effectiveness scores
  - Rewards scores
  - Profitability

Nestlé

PAY ANALYSIS

Q HOW DO WE MONITOR FOR FAIR PAY PRACTICES

Pay equity analysis checks the current payroll against the compensation philosophy.

SOLUTION

Interactive, web-based application that enables local C&B to investigate Pay Equity through linear regression.

Create applications directly from R
No web development skills needed
Users can interactively look at results from the analysis

PAY ANALYSIS

1

UPLOAD DATA

Template file is provided

2

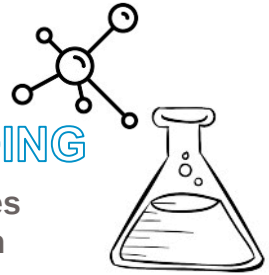
SETTINGS

Input year and market of interest

3

INSPECT YOUR DATA

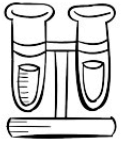
Take a look at the descriptive plots of the data



4

MODEL BUILDING

Decide which variables you want to include in your model



5

DIAGNOSTICS

Check the quality of the model

6

RESULTS

Interpret the results

Nestlé

PAY ANALYSIS

MODEL BUILDING Which variables should be included in the regression model?

*Accounting for **these** ● ● ● ● ● ● ● is **this** correlated ● ● ● ● ● ● ● with **this** outcome?*

Control variables	**Independent** variable	**Dependent** variable
job level seniority work experience	performance	pay

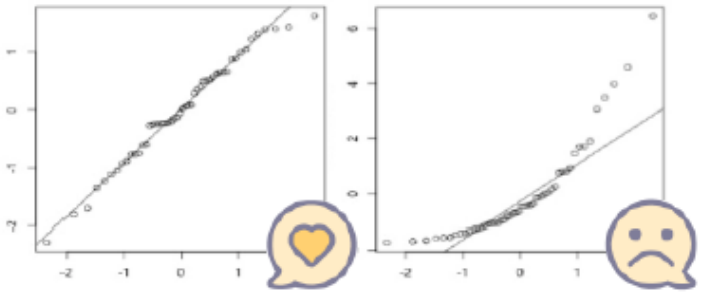
STEPWISE ALGORITHM

Aimed at improving the predictive ability of the model

ASSUMPTIONS CHECK

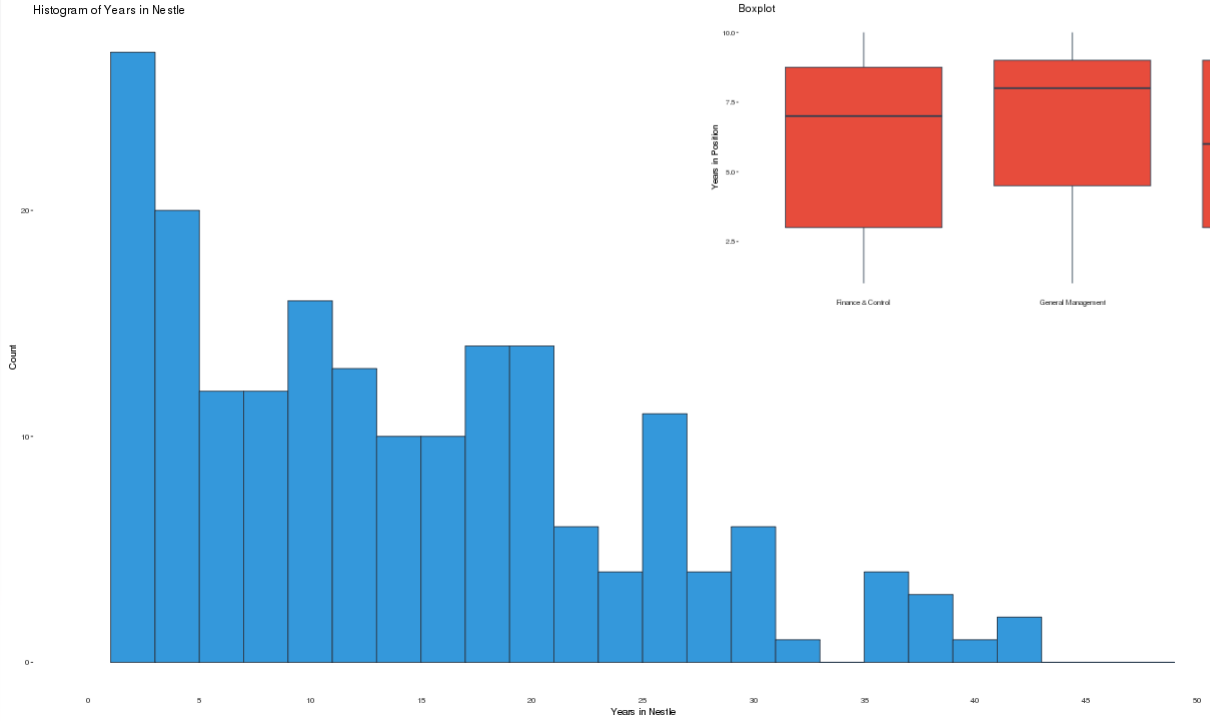
Diagnostic plots guide the user to decide whether the model is adequate

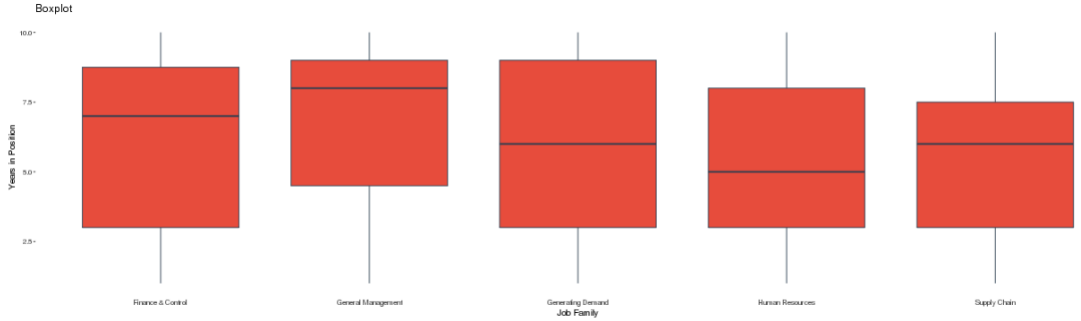
QQ-plot checks for normality of the error terms



Nestlé

PAY ANALYSIS

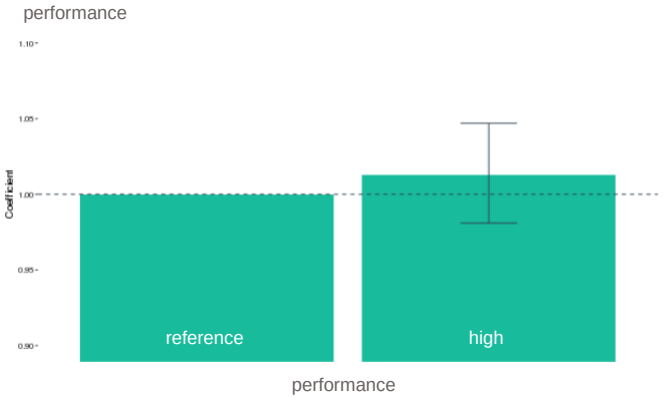




SIMULATED DATA

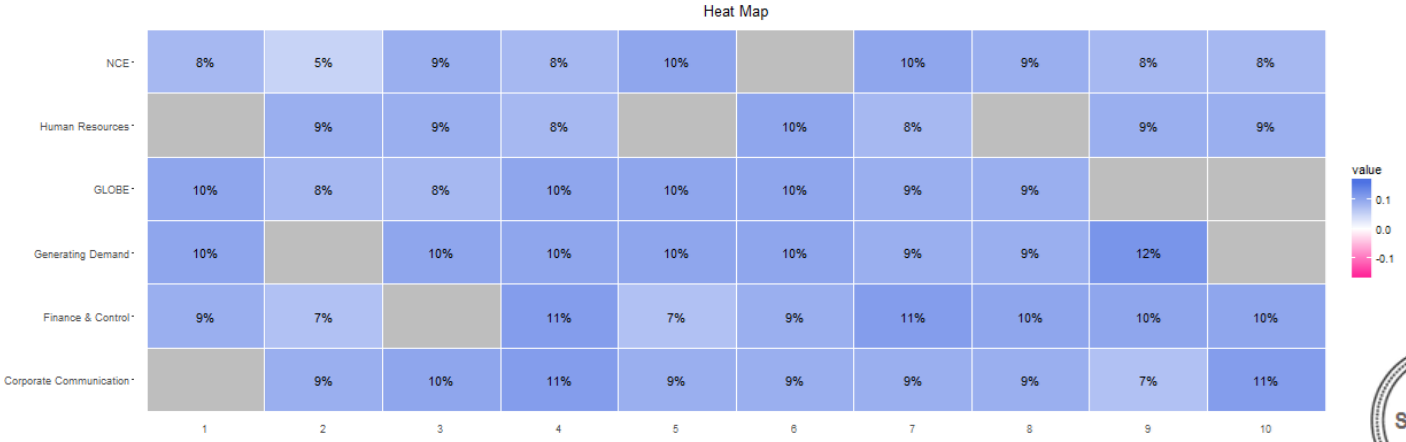
Nestlé

PAY ANALYSIS



Predictor	Estimate	95% Confidence Interval
High Performance	1.013	[0.981; 1.047]

High performers earn 1.013 times what the reference category earns. When controlling for the other variables in the model, the difference in pay between high performers and the reference group is not statistically significant.



SIMULATED DATA

Nestlé

Merci

Questions?

Feedback?

Get in touch!
@: jordan.pettman@nestle.com
: @jl_p
: linkedin.com/in/jordanpettman