



Red Stripe Beer



This case was compiled by the Arthur Lok Jack Graduate School of Business in collaboration with the United Nations Development Programme (UNDP) Guyana as part of a study of progressive Caribbean businesses.

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Abstract

Through their Graduate Internship Programme, Red Stripe set out to create a reliable pipeline of talent for itself and the Jamaican economy, especially in the face of a declining pool of engineering graduates.

The Company

Red Stripe Beer, 'Jamaica's iconic brew', has been around since 1928. Its creators, Desnoes and Geddes, established a brewery in Kingston (Surrey Brewery on Pechon Street) to brew Red Stripe, which at that time was a darker and heavier blend.

In 1938 Paul Geddes and Bill Martindale perfected today's award-winning lager. The Red Stripe brand has a stronghold in Jamaica and is considered to be the beer of the Island. In 1958, the old brewery was replaced with a more modern plant at Hunt's Bay, which was considered at the time to be the most modern brewery in the Caribbean.

According to a website publication on Red Stripe¹, when the Island gained independence from Britain in 1962, a columnist for The Daily Gleaner wrote *"the real date of independence should have been 1928, when we established our self respect and self confidence through the production of a beer far beyond the capacity of mere Colonial dependents."*

¹ <http://www.beercollections.com/Breweries-Mexico/Red-Stripe.htm>

The Motivation

Over the past few years, the pool of talented Jamaican graduate engineers has been declining². As a result, Red Stripe has faced increasing difficulty in securing local engineering talent. Adding to the problem has been an obvious shortage of individuals with working experience in world-class multinational Fast Moving Consumer Goods (FMCG) company.

This situation provided quite a challenge for Red Stripe. As a globally trading company, it must have ready access to talented individuals who possess functional skills as well as leadership and managerial capabilities, if it is to maintain and improve its competitive position. It was with this in mind, and understanding the need to develop productive work for Jamaican youth, that the company launched its Graduate Internship Programme.

Red Stripe partnered with the University of the West Indies to develop and grow an accessible pool of skilled individuals who could meet the specific needs of the company as well as positively contribute to the Jamaican and wider Caribbean labour force. This would not only allow them to meet their engineering resource needs but would also play a key role in their pursuit to become the 'Most Admired Company' in Jamaica.

² <http://www.beercollections.com/Breweries-Mexico/Red-Stripe.htm>

At the end of the training programme graduates would be equipped with essential functional and leadership skills that could be utilised in careers outside the company if they did not receive permanent employment within the organisation.

Taking Action

In 2001, Red Stripe initiated its Graduate Internship Programme, initially seeking talent in the area of 'Demand' (Sales and Marketing). Shortly after, the programme was expanded to recruit 'Supply' (Production) graduates.

The Internship Programme is highly competitive. After extensive and careful screening, individuals are short-listed against specific academic and behavioural measures. The selection process involves face-to-face interviews with an interviewing panel and the use of an Assessment Centre.

The Internship spans 20 intensive months. It is a paid training programme in which the interns are rotated through three different areas of their discipline. Each rotation lasts six months. The interns receive coaching from an assigned functional supervisor as well as functional leadership team. In addition, they are assigned a mentor who is a senior manager within the business, but not necessarily someone from their particular discipline. There is a comprehensive programme to review progress with regular one-to-one meetings and formal quarterly reviews, which determine the development plan for each intern.

In the last six-month rotation of the programme, the interns are each assigned a final project requiring them to research a real issue that the business is facing and make recommendations in that regard. This project is then presented to a group of senior managers from across the business. Interns are assessed on the content of their recommendations, ability to use relevant business concepts, capacity for problem solving and critical thinking, as well as their presentation styles.

The development of the intern during the programme is critical and a number of activities facilitate this. Interns are sent to various training programmes such as High Performance Coaching (HPC) workshops and the Diageo Way of Brand Building (DWBB) seminars. Each intern also completes a 360-degree feedback, which feeds into his or her development plan.

Interns receive a competitive salary, which is benchmarked against other local management trainee programmes. In addition, they receive benefits that include medical insurance, life insurance, product allotment, subsidised lunches, reimbursement for company travel and a company bonus.

In the initial stages of the programme there was apprehension from regular staff members who were concerned that the interns would take their jobs or deprive them of promotion opportunities. This resulted in a lack of willingness to share and to provide support to the interns. Management overcame this challenge by having face-to-face meetings between the functional heads and their team, and by assuring the staff that the interns were not meant to replace other employees but to complement them. Furthermore, the company ensured that a strong focus was maintained on the development of the other staff members.

To date the programme has been very successful in meeting its stated objectives. Of the first batch of eight interns, six completed the programme and received permanent employment with the company. Of the second batch of eight, seven completed the programme, and four received permanent employment, one was hired temporarily and two found employment outside the company.

Individuals who have completed the programme are in demand among local companies. Some are even offered jobs before they have completed their internship. However, Red Stripe is generally the preferred employer and they usually only leave if the company is not able to offer them long-term employment. As for the individuals who have remained in the company, they have been performing extremely well with

some of them being identified to participate in programmes aimed at fast-tracking their career development.

Along the way Red Stripe has learned its own lessons, such as the importance of recruiting individuals with the right attitudes, and the importance of clearly communicating the programme to the wider business so that the proper support can be galvanised.

Business Benefits

The business has gained significant benefits from the skills, loyalty and energies of its interns. In dealing with the interns, managers

have also had to demonstrate patience in training and developing the young talent - a skill that can be used to develop others in the organisation. Additionally, as a result of the programme itself, the organisation has developed a solid database with potential top class recruits who can be drawn upon as vacancies arise.

Vision for the Future

Though the Graduate Internship programme started with recruiting for the 'Demand' side of the business, it was soon expanded to include the 'Supply' side. It is envisioned that the Internship Programme will also be expanded to incorporate other functional areas of the business, for example finance, in the very near future.