

Examining the managing of employee performance in iceland



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1. Introduction:

The main purpose of this assignment is to show how HR department of Iceland works to manage performance of its employees within the organisation. The organisation that I have selected to clearly the outcomes of this assignment question is Iceland supermarket. It is the British supermarket chain known for its frozen foods range and 'clear cut' prices. Each of the 660-plus Iceland stores in the UK focuses on offering shoppers a wide range of frozen foods such as frozen prepared meals and frozen vegetables. Consumer durables such as freezers and refrigerators can also be found in the supermarket's larger stores.

The first Iceland store was opened for business in November 1970 by Malcolm Walker and his business partners in Shropshire after they managed to raise £60 to cover one month's rent. After being fired from their day jobs at Woolworths, the partners put all their efforts into developing the Iceland food retail business, and started off by specialising in loose frozen food.

The main reason behind selecting this organisation is that I have a big opportunity to access the information and data of the organisation as I am working in this organisation since 2006. my personal experience and high probability of information access encouraged me to select this organisation.

2 Work Objectives for Colleagues:

Performance Management is a cyclical process aimed at improving performance (eg: achievement of business objectives). The objective of a work objective is the clear communication of expected performance. The

work objectives should be clear, measurable, and time-tied. Hence, at Iceland following work objectives for colleagues can be explained.

To increase the satisfaction level of customer by 50% by the end of 2010: this objective is made to enhance the work colleagues skill and efficiency of work. This objective is targeted to achieve by providing training to the staff, rewarding for good performance, providing some motivation class etc.

To provide service fast, by 2 times of current speed, and co-operative service, better than other retailers, to its customers at the Till: This is the objective which Iceland wants to achieve to enhance the productivity of organisation and again increase the satisfaction level of its customers. This objectives wants to reduce the waiting time of customers before served at till.

To fill the Shelf with products if the back stock is inside the warehouse as soon as possible or if not, try to face up the shelf so that it will look clean, tidy up and filled. This objective is setup to assure that customers will not feel that Iceland is running out of stock and they do not need to return without the products they looking for.

Reduce the number of complain by 15% from customers by the end of 2010: As customer satisfaction is main issue at every business. The reduction in number of complains is directly proportional to increase in satisfaction of customers. So, to grow and become more competitive in the retailer industry, this organisation has setup this work objective.

To make store clean (including till), maintain rotation of products while filling products, and provide safe and secure environment for both internal as well as external customers.

3. 0. Evaluation of method used in Iceland to Inform colleagues to deliver the objectives:

These objectives which have been setup in above task have to be informed to the colleagues clearly in order to obtain commitment of them toward the objectives. the organisation uses various kinds of method to carry out this process. Strong communication is used to inform the target of team members. There is monthly meeting with staffs including the department managers. Different department (like frozen section, FFPP, Grocery, wine & spirit, Audio Bar etc) has different meeting with their own staffs including department manager. In this meeting, manager aspect some feedback from the staffs after the meeting. this techniques are very effective for communicating goals and objectives related to the sales target. In every two week there is tool meeting with personal manager and cashier's front line staffs and other floor staffs (i. e. sales assistant) one by one (KC, 2001). Duty manager is responsible for forming plan for whole day which includes all the activities to be carried out during the day. This strategic planning is shared among all the morning shift employees every day but this process is conducted under the name of warm-up session. All the staffs are required to perform the assigned activities properly, according to the pre-plan. Notice board communication is maintained in front of the Personal Manager's office so that each and every employee (no matter what time they start their shift) will be updated with all the news and plan that Iceland has formed.

Information about everyday activity plan, review of employees (conducted in every 6 weeks), every week sales report, gap between plan and actual performance, CSR of Iceland etc are displayed on the notice board. Growth and development is posted to the each employee by letter via post. Informal communication is very useful tool that is used by every managers to get commitment from his department staffs toward the goals and objectives of the organisation (Khadga, 2006).

3. 0 Monitoring.

It is almost impossible move alone in this competitive market and Monitoring is very essential component in the strategic planning and implementation process. It is essential because it provides a crucial feedback loops within the cyclical process of policy-making. It enriches the relevant information on the basis of performance and environment taking future reference indicating the key challenges and opportunities. Evaluation gives the percentage of achievement and usefulness of applied strategies which is also a type of testing the system.

It also helps to identify and establish what is happening now, what may happen in the future and then compare these trends against existing policies and targets to determine what needs to be done.

Evaluation and control information must be relevant to what is being monitored.

Evaluation and monitor consists of performance basis data and activity reports.

The undesired result let operational manager to correct the employee activities and also let to think about the applied strategies. Then new strategy monitoring process is outlined here below.

For every assigned task for employee, Iceland sets best performance as standard for comparing it against actual performance to evaluate if the working done by employees is good or not. Following is standard way for monitoring and evaluation the employee performance (Shukla, 2001).

The definition of responsibility, that what is to be monitored and evaluated, which means going from broad to narrow analysis.

Then establishing the relationship between activities to carry out and available resources to achieve the stated objectives.

Then the formulated predetermined standards will be compared with this.

Regular observation should carry out and marking the activities on performance basis and prepare a report.

When exact performance will be summarised then compare with standard.

Take an initiative action to correct if necessary, which is called controlling. (McGee et al, 2005)

Top managers and operational managers need to specify what implementation processes and results will be monitored and evaluated.

Once the goal and objectives for work are setup by the organisation, it becomes important for it to monitor and evaluate the performance of the

employees working on it. Managers can use different techniques to monitor and evaluate their staffs performance.

At Iceland, the work assigned to the employees are monitored in one the the following ways.

CCTV camera is used for monitoring the activities of the cashier's working at Till as well as the activities of sales assistants are monitored under the CCTV if they are performing well or not.

The Report of till can be used to see the performance of the employee working at that Till. This report should be analysed after shift end of each employee so that report of individual cashier can be noticed.

Looking at every week sales report of individual department, it can be read that if the staffs of particular department are under performing or not.

Finding the number of customers re-visiting the store again.

Studying the complain rates from the customers about the staffs service or products quality.

Benchmark or comparing the company progress against similar kind of other company with the help of Cash and Carry.

Mystery check group to check the employees performance on the floor by testing their abilities.

Once the monitoring is done, it is important to evaluate according to the monitored data. From the CCTV camera the staffs discipline, personality,

attractiveness and his/her service quality to the customers can be identified and measured. Now performance of a particular employee can be identified by seeing sales report of his/her section, complain rate at that section as well as the till report if the employee works that till. CCTV and Mystery check can be applied to find the accuracy of employee work while serving the customers. This can also be evaluated by seeing at the complained rate against that employee. If there is no complain then well performance but if a lot complain, then it is like employee's underperformance. The performance management is another tool that Iceland is using to evaluate the performance of the employee via Performance appraisal.

4 Comparing the relevant legislation and regulation

The entire organisation need to follow the business ethics and rule while recruiting as well as while carrying out activities within the organisation. There should not be any kind of discrimination and difference between two employees of same level. All the staffs working at same level supposed to have or given equal rights to do things inside the organisation.

The equal Pay Act of 1970: Under law both men and women are entitled to equal pay. In addition to basic salary or wages pay is also deemed to include contractual benefits, such as pension contributions and bonuses. Under this law Iceland has setup constant pay for all employees working at same level.

The Race Relations Act, 1996: under this act, it is an offence to discriminate against a person on grounds of race, nationality or ethnic origin. This act is successfully implemented in the organisational culture of Iceland and therefore all are treated equally and all respect for other.

The Disability Discrimination Act, 1995: The Disability Discrimination Act is a piece of legislation that promotes civil rights for disabled people and protects disabled people from discrimination. This is why Iceland, create job opportunities for all human being and does not make any discrimination while recruiting and selecting candidates.

National Minimum Wage Act, 1998: Since April 1999 all workers in the UK have been entitled to a statutory national minimum wage (" NMW"). This covers all sectors of the economy, and all companies regardless of their size. This guide summarises the legislation (The National Minimum Wage Act 1998). The Iceland is following this Act and does not give any employee hourly pay less than NMW set by authority.

Working Time Directive, 1999: this act guarantees that each and every employee appointed as full time should be given 48 hours working hours in a week as well as there should be four weeks paid holiday in every year. Its employee wish to work extra or not. Iceland gives fulltime staffs 37. 5 hours per week and 20 hours for students per week to work and also it gives 4 week paid holiday every year to each employee.

Employment Relation Act, 1999: is an Act of Parliament of the United Kingdom. It made significant amendments in UK labour law to the Trade Union and Labour Relations (Consolidation) Act 1992. Iceland is under this act more popularly.

Performance and Feedback:

Evaluating the Quality system in a organisation: Ideally a business should not only be able to fulfil consumer needs at sensible prices but also to encourage <https://assignbuster.com/examining-the-managing-of-employee-performance-in-iceland/>

their own suppliers of goods to enhance their services. Iceland uses five elementary performance objectives in all its procedures, these are: Quality, Speed, Dependability, Flexibility, and Cost (Jordon, 1998). Hence, quality of Iceland can be observed with measuring following terms.:

Production- The service at Iceland are continuing to receive top positioning in customer surveys. The production of good standard and safe food has helped in achieving such a status. This has only aided in the success of the company (Ahmed, A., 2003, Coursework).

Speed- the speed of service at the till as well as at the floor is very good and customer when need to find some things, sales assistant takes them to the exact place where the stuff is placed. This makes best customer service at Iceland.

Dependability- Refers to being reliable and delivering products and services to the customers at the exact time agreed. This is attained by Iceland through the application of the Just in time system, along with highly skilled and trained team of employees.

(Peters, T., 1998) **Flexibility-** Iceland has the capacity to manipulate its manufacturing resources, it can create new foods varieties (either its own production or other companies product) for the consumers to choose from. They often produce these in small quantities which does not have any negative effect on the overall production process or food quality. This has ben applied by the company for several years now.

Cost- Generally speaking, consumers are seeking for products of low price, and this is reached by minimizing the cost of production and Iceland is known for its cost minimization now.

Colleagues' improvement

From the above performance audit for the employees, it can be noticed that recruitment and selection technique, motivating factors, and training to the employees are lacking from management side staffs i. e. staffs of Personal or HR department. Here, the management has to be very aware of these deficiencies as these play an important role in enhancing performance of organisational employees. Hence at the management or administrative level, following things should be improved

Strategies for employees selection,

Technique for training & development and

Ways for motivating the employees

Similarly, it can also be noticed from above performance audit, the shop floor employees or staffs are lacking in work commitment which is a very serious issue that must be dealt with soon as no goal and objectives can be obtained unless the staffs are committed toward it. People are not committed that's why, they are not paying attention toward increasing their knowledge base about product place and availability. In Iceland, when any customer comes to sales assistant for help about product place or information, then sales assistant feel scared and passes that customer to the supervisor or manager. Staffs here are not willing to learn, go and help customer and know the

product information for future. This can also be viewed as weakness of management level which are not able to motivate them and train them properly to be ready for it.

Hence these things can be seen very important to be improved in Iceland.

Feedback on their performance to the colleagues.

From the above analysis, following are the feedback or recommendation to the colleagues for their performance improvement.

Personal or Human resource department needs to see the recruitment, selection and development program very seriously. They should conduct all these key activities of HR very effectively so that quality human resources can be welcomed in the Iceland. After doing this staffs performance at HR department can be enhanced clearly.

Staffs working at Till should work fast and efficiently alone with nice co-operation and greeting to each customer. This way more customer can be attracted by well performance of staffs at Till.

Staffs at shop floor should be motivated to work in team and they also should be well committed to enjoy the job and perform their job responsibilities well. The colleagues should also committed to work in team.

Sales assistant should take customer to the place where the product is located in the store if the customer is asking for help in that. This activity can enhance the product knowledge and confidence. This is important characteristic for promotion.

Monitoring via CCTV should be taken seriously to evaluate the performance and give reward or promotion as this will be showing real picture of work activities of each employees. It should not be just for installation as it is now.

Other procedures for dealing with underperformance where appropriate.

There are a lot of ways managers handle under performing employees. Here are some suggestions of what to do to the underperforming staffs at Iceland.

Deal the problem right away. The longer one let them go, the harder it will become to deal with. This also lessens the impact on morale.

Fully examine what is going on with the employee. Sit down and talk with them about their performance. Do they need more training or retraining? Are there external factors in their life that could be causing the problem? Be sure you know what the problem is before you try and craft a solution. You may have a diamond in the rough, or you may just have a duck.

Does the employee know what is expected of them? Be sure to communicate expectations even to the point of putting it in writing what is expected of the employee. It makes sure the employee knows what is expected of them and gives One written documentation should One need to move to dismissal.

Keep a performance log on each employee and document everything. The good and the bad. It gives One a detailed chronological log of the issues and how One have addressed them. HR needs documentation and it helps protect One should issues arise at or after dismissal.

Follow-up often, at least every two weeks with the employee as One work one's way through progressive discipline. Make sure each time that they are fully aware of what the problems are and what the consequences are.

Document each meeting in the personal log.

During one's follow-up meetings ask the employee for solutions. Often employees are reluctant to discuss the true nature of what is causing their performance problem. For instance it may be that another employee is the source of their issues.

Follow one's HR department policies and use progressive discipline. If all efforts fail, terminate the employee. If I were in their shoes it would only take one meeting for me to correct the problem. If One have had numerous meetings, made the employee fully aware of the problems and the consequences and they still do not turn things around, terminate. It is never pleasant, but One must do what is best for the company, oneself and the employee.

Conclusion:

Hence, after completing this assignment, I have become familiar with the one important activity of the HRM called performance management. It has been found that performance management activities adopted at Iceland is well organised but still canbe improved in so many sectors like performance appraisal system at Iceland is not very effective as they both appraise and appraiser both do not have understand the value of performance appraisal.