

Hr policies and procedures with pestle business essay



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Jack Cohen's dream of creating an international global supermarket produced gave birth to a global name Tesco. Tesco plc, the third largest retail store in the world with its headquarters in Cheshunt, Broxbourne, Hertfordshire, England United Kingdom.

Jack Cohen formed the brand name Tesco when he bought a shipment of tea from T. E Stockwell; Jack Cohen used the first three letters from T. E Stockwell's name (tes) and the first two letters of his surname (co).

Tesco is public limited company with 4, 811 locations worldwide, revenue of £62. 54 billion, operating income of £3. 41 billion and 472, 000 Employees.

Tesco operates under four banners of Superstore, Extra, Metro and Express, selling more than 50, 000 food products, which includes clothing and other non-food items.

Tesco has expanded its business horizon from Groceries, consumer goods to financial services, telecoms, energy and many more.

Tesco plc. Board of Directors

David Reid – Non-executive Chairman

Patrick Cescau – Senior Independent Director

Philip Clarke – Group Chief Executive

Richard Brasher – CEO – UK & ROI

Andrew Higginson – CEO – Retailing Services

Tim Mason – Deputy Group CEO and CEO Fresh & Easy

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Laurie McIlwee – Chief Financial Officer

Lucy Neville-Rolfe CMG – Executive Director (Corporate & Legal)

David Potts – CEO – Asia

Gareth Bullock – Non-executive Director

Stuart Chambers – Non-executive Director

Karen Cook – Non-executive Director

Ken Hanna – Non-executive Director

Ken Hydon – Non-executive Director

Jacqueline Tammenoms Bakker – Non-executive Director

Jonathan Lloyd – Company Secretary

Tesco plc. Corporate Social Responsibility (CSR) initiatives

1. Introduction

“ Corporate Social Responsibility makes sound business sense. The key to our approach is our integrated business system, where environmental and social performance is managed alongside financial performance. This means we have a year-on-year program of focused action to drive improvement.” – Terry Leahy, Group Chief Executive, Tesco in “ Tesco CSR Review,” 2001-02

Corporate Social Responsibility (CSR) at Tesco (UK’s largest retailer and one of the top supermarket operators in the world) is an important part of its

corporate structure. Tesco's CSR initiatives across several internal and external activities include local regeneration projects, being environmentally conscious, and community issues. A special focus is given to recycling, use of organics, use of energy and water, as well as its charity and community initiatives. These efforts reflect in its day to day activities.

Every year Tesco publishes its 'Corporate Social Responsibility Review' outlining its approach, implementation and policies in the coming year and the accomplishments in the past year. (Refer Tesco Corporate Responsibility Review 2007 - CSR KPIs on page 12) Tesco's CSR strategy is basically "to earn the trust of our customers by acting responsibly in the communities where we operate, by maximizing the benefits we bring and working to minimize any negative impacts." Tesco's board members discuss the CSR strategy with performance reviews every quarter. The board and the executives receive quarterly updates on CSR performance, using which future risks and opportunities are evaluated...

2. CSR Approach and Initiatives

Tesco is of the view that it has a major role to play in promoting health food among its customers and strives to make health food available at affordable prices. The company has adopted several initiatives over the years to fulfil its responsibility to society. These include charity, fund raising for a cause and promoting education. These efforts are not limited to the UK but extend to other countries in which Tesco operates.

PESTLE Analysis

There many factors both internal and external that affect the way businesses operate in its environment; it is very important for entrepreneurs to be aware of these factors and take them into account the impact those factors will affect in the way businesses operate. The best way to understand these factors is by using PESTLE analysis is.

According to Morrison Mike “ PESTLE analysis is a useful tool for understanding the “ big picture” of the environment in which you are operating, and the opportunities and threats that lie within it.” With good understanding of the environment in which business operate (external to your company or department), one can take advantage of the opportunities and minimize the threats”. (Morrison Mike 2009).

PESTLE which stands for (Political, Economic, Social, Technological, Legal and Environmental) are useful tool in measuring the business environment. By measuring these external factors in the business environment, it will help the business organisation to understand the risks related with market growth or decline. PESTLE analysis is often used within a strategic SWOT analysis (Strengths, Weaknesses, Opportunities and Threats analysis). Figure 1 below shows the six factors of PESTLE analysis.

Figure 1

Advantages of PESTLE Analysis

Simple framework.

Facilitates an understanding of the wider business environment.

Encourages the development of external and strategic thinking.

Can enable an organisation to anticipate future business threats and take action to avoid or minimise their impact.

Can enable an organisation to spot business opportunities and exploit them fully.

Tesco plc Human Resources and Procedures

It is a huge challenge and task to manage 470, 200 staff in a business organisation, as a result of this Tesco Human resources use their Personnel teams to ensure that managers across the business have the world-class skills and tools to meet the needs of both the staff and their global customers by shaping business processes around talent, performance management and learning.

According to information taken from Tesco website, Tesco's profits have soared 20% in the last year, taking them to a record 2 billion and setting a new breakthrough for UK business. Every employee at Tesco has the opportunity to understand his or her individual role in contributing to the Tesco core purpose and values. This requires an innovative induction programme that caters for different cultures, styles of learning and varying commitments to the job.

Tesco plc. PESTLE Analysis

Political factor: The political factor has influenced the way Tesco plc manages employment, by giving more priority to jobs. Tesco employs large numbers of; student through its graduate programmes, which includes office

programmes. Tesco employment policies also cover disabled people and elderly staff.

Economical factor: This is one of the critical factors affecting the way Tesco operate, the global recession is slowing down the growth, increase in unemployment, which decreases the effective demand for many goods, adversely affecting the demand required to produce such goods; and minimising profit for many business organisation including Tesco.

The good news is that, this does not have huge impact on affect Tesco Human Resources and its procedures, with the help of graduate programmes and office programmes; Tesco is able to train and employ more people.

Socio-Cultural factor: The busy daily work schedule for customers and aging population is increasing customers demand for foods and non-foods items with many customers prefer one-stop and bulk shopping in varieties of foods and non-foods items. In order to accommodate this new social changes, Tesco plc is focusing more to make available in its entire outlet all foods items and non-foods items to meet the needs of its customers for organic products.

Technological factor: Tesco has invested heavily on technology which has influenced the development of many of the Tesco products. Customers have access to many electronic point of sales (EPOS) machine in all Tesco plc outlets which make it easier for them to shop conveniently. Tesco is one the retail stores that introduced self-service point of sales machine to speed up payment option for customers.

Legal factor: With various government legislations and policies, for example, Food Retailing Commission (FRC) suggested an enforceable Code of Practice should be set up banning many of the current practices, such as demanding payments from suppliers and changing agreed prices retrospectively or without notice (Intel Report, 2004). Such legislation has a direct impact on the performance of Tesco. As a result of this, Tesco plc introduced a price reduction to their consumers on fuel purchases based on the amount spent on groceries at its stores.

Environment Factor: This is really affecting the way Tesco relate with their customers because of environmental wastes like packing that customers use. Government has introduced new strategy for sustainable consumption and production to cut waste, reduce consumption of resources and minimise environmental damage. The latest legislation created a new tax on advertising highly processed and fatty foods. The so-called ' fat tax' directly affected the Tesco product ranges that have subsequently been adapted, affecting relationships with both suppliers and customers.

Summary

From the above Tesco PESTLE analysis, Tesco's HR policies and procedures have established a productive recruitment and training environment for their employees.

Effective employees training from top to bottom will help employees to be more committed to the organisation, because they see themselves being valued by the organisation and part of the overall strategy. This is then felt

by the consumer, with a higher level of service, which gives the organisation added value.

Tesco Effective HR training and development have also help managers to perform their role more efficiently, it has also helped and allows employees control of their career path, with the choice of whether they want to move up the ladder or not. Tesco's intentions are to uphold this increased emphasis on staff training and to integrate this learning fully into the organisation.

Conclusions

In conclusion, regardless of the global recession it absolutely vital for business organisation to invest heavily on employee's training and development. Tesco's long term strategy is to continue to place value on employee training and to integrate this value into the culture of the organisation.

It is very clear that the huge investment of Tesco plc into employees' training and development has been successful and has produced good results. This has been a contributory factor to their increase in profits.

Tesco plc needs to do more on employees training and development and other business organisation need to emulate Tesco Human Resources policies and procedures in order to be successful.