

Tesco case study essay sample

[Business](#), [Company](#)



Human Resources are very vital to any organisation special large organisation because it's difficult for director to communicate to their regular employees like sales assistant and supervisors, so this is when Human Resources management comes to effect. They make decision whether the organisations need independent contracts or hire employees from agencies to fill the needs in the organisation, recruiting or training employees to there best performance. These days, HR department in most companies is more involved and has a more hands on, active role in an organisation.

For this assignment I will describe the internal and external issues to be considered by an organisation in human resource. The organisation that I have chosen is Tesco.

Tesco is the biggest private sector employer in the UK with over 250, 000 employees and over 1, 800 stores. Tesco works hard to meet its customers' needs and that's the only reason Tesco is successful. Tesco has four different store formats, each tailored to customers' needs, and these four store formats are as following: Express, Metro, Superstore, and Extra. One of the reasons why Tesco is successful is because of its outstanding human resources department.

These are all the internal and external factors that have to be taken in to account when developing a plan.

Internal factors

Age profile

“ Tesco employs people with different ages. Tesco know how important it is to balance the age group of its employees, Tesco employees in the over-50 age bracket has soared from 13 per cent of its workforce in 1998”. Tesco has to take to account not to have many older employees because older employees come nearer to retirement age, that’s why Tesco majority employees are middle aged employees who are more qualified and experienced then younger employees but with younger employees they can pick up and learn from older employees who have been in the business longer.

([www. Tesco. co. uk/staff](http://www.Tesco.co.uk/staff))

Training needs

Tesco have to take to account the importance of training its employees who require certain training. Tesco identify individuals training needs by caring out appraisal, which then Tesco can plan training. By achieving in this employees will perform better and would be better suited to do a certain job than someone who isn’t trained. This is very important factor for Tesco to be considered and can have a number of benefits for example meeting the customer needs and maximising their profits.

Expansion plans

Tesco is already a huge organization scattered all around the world, however, it has more plans to expand and grow in other countries to raise the amount of profits. It wants to be more recognisable in other countries and wants to increase its profits and have more people invest in them.

However, if this is to materialize, then this would mean that Tesco have to employ more people to work these new stores.

Finance

Finance is one of the most important internal factors to be considered when planning. If Tesco does not have enough finance it will struggle and it will have restrictions and boundaries to work around, also this will affect the Tesco if it wants to invest in new markets and competitors will have the upper hand. This will have an affect on HR planning because they will have less money to spend on staff such as training and bounces and making work a better and safer environment.

External factors

Inflation

Inflation is now becoming more worrying for big supermarkets like Tesco.

Tesco know that it will be affected by the credit crunch. Customers these days are feeling the inflation as official figures showed that inflation hit a 16-year high record last month on the back of rocketing energy bills and a record 14.5 per cent increase in food prices. Tesco might step up the price war in an effort to stop cash-strapped shoppers defecting to discount rivals such as Aldi and Lidl to cut their weekly shopping bills. This is also another external factor that should be taken to account. This will have an affected on HR planning because when inflation hits an economy cost of living raises more than doubled so HR planning has to to into account that staff will

demand a higher wage or they will end up leaving the job which will have an affect on Tesco.

(BBC. co. uk/inflation)

Competition

Competition is a very important external factor and should be considered when developing a plan. We already know that Tesco is a very successful organisations and is know to be one of the UK's leading supermarket, but still it has to face its competitors like Asda, Sainsbury's and Morrisons. These are the main leaders in the food industry and they always try to increase they sales and profit. This can be very fundamental towards the business profits because big supermarkets are in regular price wars and Tesco might have to take costly decisions to keep up with the competitions. This will have an affect on HR planning because Tesco well have to compete with other competitors for staff especially when the economy is doing well, they might have to provide better packages or better retirement package to attract people in working for Tesco.

Taxes

“ Tesco is the UK's largest supermarket chain. With 260, 000 employees it is also the UK's largest private sector employer”. Tesco is expected to pay huge amount of money to government. Which government use it to pay for Public sectors like, Education, Health career, and finally on security. Also, they had to pay a large amount of tax for their corporation. This is for when they where legitimately registered at companies house as an official and

legal business. Tesco has to pay huge sum of Taxes every year and if Tesco are short of money, this will have an effect on HR planning because they won't have enough money to spend on Staff.

(www.Tesco.com/HR/url/202/%)

Government

Tesco has to be careful with following government Laws and regulation or it could be fine substantial amount money. Government set a numbers of Laws and regulation which should be conceded like The Equal Pay Act 1970 and Race Relations Act 1976 and finally The Sex Discrimination Act. HR planning will have to consider government laws when planning for staff they have to follow every law and regulation set by the government.

All of these internal and external factors play a role in developing the human resource planning for Tesco. These factors affected the planning process because Tesco had to put these factors into account and consider them in their human resource planning.