

# Tesco hrm and its evolution business essay

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Task 1 - HRM approach Distinguish between ' personnel management' and ' Human Resource Management' approaches, and explain the role of HRM manager / practitioner (including details of tasks / activities / responsibilities etc.)

**Personnel Management** - Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks. In this respect, personnel management encompasses the range of activities that are to do with managing the workforce rather than resources. Personnel Management is more administrative in nature and the Personnel Manager's main job is to ensure that the needs of the workforce as they pertain to their immediate concerns are taken care of.

**Human Resource Management** - With the advent of resource centric organizations in recent decades, it has become imperative to put " people first" as well as secure management objectives of maximizing the ROI (Return on Investment) on the resources. This has led to the development of the modern HRM function which is primarily concerned with ensuring the fulfillment of management objectives and at the same time ensuring that the needs of the resources are taken care of. In this way, HRM differs from personnel management not only in its broader scope but also in the way in which its mission is defined. HRM goes beyond the administrative tasks of personnel management and encompasses a broad vision of how management would like the resources to contribute to the success of the organization.

**Difference in Approach** - The personnel management approach tends to attach much importance to norms, customs and established practices, whereas the human resource approach gives importance to values and mission. The personnel management approach also concerns itself with establishing rules, policies,

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procedures, and contracts, and strives to monitor and enforce compliance to such regulations, with careful delineation of written contract. The human resource management approach remains impatient with rules and regulations, and tends to relax them based on business needs and exigencies, and aim to go by the spirit of the contract rather than the letter of the contract. An illustration of this difference in approach lies in the treatment of employee motivation. The personnel management approach holds employee satisfaction as the key to keeping employees motivated, and institute compensation, bonuses, rewards, and work simplification initiatives as possible motivators. The human resource philosophy hold improved performance as the driver of employee satisfaction, and devise strategies such as work challenges, team work, and creativity to improve motivation.

Roles of HR Practitioner / Manager (tasks, activities and responsibilities) -

Major roles of a human resource manager are explained below: Humanitarian

Role: Human resource manager should be able to explain moral and ethical obligations to employees. He should not treat human beings tool or machinery

Counselor: Human resource manager should be able to help employees with their marital, health, mental, physical and career problems.

Mediator: Human resource manager should be able to resolve problems by performing a peacemaker role and should be able to resolve conflicts

between or among individuals groups and management. Spokesman: Human resource manager should represent the company and as a spokesperson should give a clear and overall picture of his company. Problem Solver:

Human resource manager performs the problem resolving function of overall HRM and long-term Organizational goal. Change Agent: Human resource

manager should play the main role in introducing and implementing

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institutional changes and installing Organizational development programs.

Management of Manpower Resources: Mainly, Human resource manager works with leadership both in the group and individual relationships and maintain labour-management relations

### **Main Functions / tasks are:**

Manpower Planning Recruitment Compensation & Salary

Administration Benefits Development & Administration Training & Career

Development Labor Relations & Discipline Management Personnel

Movement Performance Management Payroll & Timekeeping Organization

Development Identify which of the approaches (HRM or personnel mgmt)

your chosen organization currently adopts and discuss how the chosen organizations approach to managing people has changed over recent years.

You should include discussions on how the line managers' roles and responsibilities have developed. My chosen organization for the subject study is TESCO. It is following a classical HRM approach. It is the largest retailer in UK as well as the third biggest in the world in terms of revenue.

Tesco is operating in 14 countries all over the world. There are 4, 331 Tesco stores and almost 470, 000 people working in the company across the world.

From HRM perspective this will be an ideal organization to analyse the various dimensions of HRM in practice.

### **TESCO – HRM and its evolution**

The Tesco's strong values guide the HRM in business and help them deliver the core purpose – to create loyal and valuable customers. Initially Values created in 1997 after discussions with thousands of staff based on their feedback and what they thought Tesco stands for, and what they wanted the

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TESCO business to be. After Ten years, TESCO revisited the Values to cater to new business challenges and feedback from their staff and the major focus was how the TESCO will be in future and these were re-launched in 2009 across the Group. TESCO success majorly depends on customer/people: the people who work with them and the customer visit their stores. No matter where in Ireland or India, Turkey or Thailand, TESCO Values let people know what kind of business they are working for and let the customers know what they can expect from them. Tesco works in an environment which is based on respect and trust, TESCO believes in customer satisfaction as they like to treat their customer in the best way possible so that they will come back to them. Even TESCO team does not mind going extra mile to help their customer if that's rewarding. By living the values TESCO create a good place to work and deliver great service to its customers.

### **Line managers' roles and responsibilities developed on following pillars:**

No one tries harder for customers and treats people how we treat. No one tries harder for customers: Understand customers. Be first to meet their needs. Act responsibly for our communities. Treat people how we like to be treated: Work as a team. Trust and respect each other. Listen, support and say thank you. Share knowledge and experience.

### **Task 2 – Recruitment and Selection**

Outline the HR planning process undertaken by your chosen org. and discuss how this compares to the ' theory of HR planning as identified in the HR Planning lesson of the RDI study materials.

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## **HR Planning Process undertaken by TESCO and its comparison with RDI study materials**

Designing the Human Resource Management System: The most important aspect of human resource planning that there is a proper human resource management system is in place to handle the process. The overall aim to have human resources goals in line of organizational goals. The system is in charge of human resource plans, policies, procedures and best practices.

Environmental Analysis: This is the first step in the HR planning process. The process is to understand the context of human resource management. It is very important that Human resource managers understand both internal and external environments of an organization. External environment include the general status of the economy, industry, technology and competition; labour market regulations and trends; unemployment rate; skills available and the age and sex distribution of the labour force. Internal environment include short- and long-term organizational plans and strategies and the current status of the organization's human resources. Forecasting Human Resource

Demand: The aim of forecasting is to determine the number and type of employees needed in the future. Forecasting should consider the past and the present requirements as well as the future organizational directions.

Analyzing Supply: Organizations can hire personnel from internal and external sources. There are various methods to keeping track of internal supply. A forecast of the supply of employees projected to join the organization from outside sources, given current recruitment activities, is also necessary.

Reconciliation and Planning: The final step in human resource planning is design an action plans. These plans should be acceptable to both top management and employees. Plans should be

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prioritized. Key players and barriers to success must be identified. Some of these plans are employee utilisation plan, appraisal plan, training and management development plan and human resource supply plan.

<http://www.ukessays.com/essays/general-studies/human-resource-practices-at-tesco.php#ixzz2RvqsNITR> Compare and contrast the recruitment and selection processes of two organizations operating in different industries - one organization should be your chosen organization as identified in Q1 plus another organization of your choice. Your comparison should include details of how equality and diversity is achieved in each of the organizations recruitment and selection processes.

## **Recruitment and Selection - TESCO**

Workforce planning is the process of analysing an organization's likely future needs for people in terms of numbers, skills and locations. It allows the organization to plan how those needs can be met through recruitment and training. It is vital for a company like Tesco to plan ahead. Because the company is growing, Tesco needs to recruit on a regular basis for both the food and non-food parts of the business.

## **Recruitment / selection - Enterprise Rent a Car**

Selection is the process of identifying the best candidate for the role in question. This is important as the candidates who apply may not always have the correct set of skills and competencies required by the business. Enterprise seeks competencies in its recruits both for an immediate job role and also for development over the longer term to support the business growth. HR managers often use standard documentation in order to match job roles with personal qualities and skills. These include: The job description

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- this summarises a job role within an organization and lists the main tasks. A person specification - this highlights the characteristics a candidate needs for a post, as well as the desirable qualities the company is looking for.

Enterprise combines the person specification within the job description by using a skills and competencies framework. The Enterprise selection process offers candidates several opportunities to show their best in different situations: To screen candidates, Enterprise recruitment managers compare the online application forms (which reflect candidates' CVs) to the skills and competencies the role needs. Candidates then have an initial face-to-face interview with an Enterprise recruitment manager. This is followed by an interview with a branch manager. From this, selected candidates are invited to an assessment day. The assessment day is a standard part of the Enterprise recruitment process. Candidates take part in practical exercises, including role-play, as well as individual and group activities. Role-play is a valuable way of testing core skills like communication and customer service. Enterprise can assess a candidate's performance by different methods and in different work related tasks. This makes the selection process fairer. Areas tested include customer service skills, flexibility, sales aptitude, work ethic, leadership and teamwork. The assessment day ends with another interview with a senior manager in order to make the final selection.

Diversity in TESCO and Enterprise Rent a Car's selection / recruitment process - Both Enterprise and Tesco recognises that the communities it works in are diverse and constantly evolving. In addition, each individual has skills and potential that can help these organizations to realise their goals. Tesco's diversity and inclusion strategy ensures that 'everyone is welcome' and that the systems are in place to help people reach their potential. This strategy helps Tesco

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find, train and employ the best talent from all parts of society, particularly groups that may otherwise be under-represented, for instance, young wheelchair users. Enterprise strategy helps to create a workforce that reflects the same diversity as is found in society. This means it better reflects Enterprise customer base. The business wants to attract and keep the best people so it works hard to make Enterprise a great place to work. By encouraging employees' development, Enterprise works to ensure all colleagues - wherever they work - can fulfill their potential. A strategy that supports its people and is good for customers is therefore one that is good in helping Enterprise to provide better service in a competitive market.

<http://businesscasestudies.co.uk/enterprise-rent-a-car/recruitment-and-selection-at-enterprise-rent-a-car/selection.html#ixzz2RvzDxWs5>In your opinion how successful is the 'interview' selection process in place within your chosen organization? Identify two alternatives to the interview that are available for HR practitioners to use in the selection process and discuss their suitability for your chosen organization. Importance of Interview - An interview may be defined as a formal conversation with someone, designed to extract information or assess their suitability for a position. Job and selection interviews are necessary in order for the employer to get first hand information and knowledge about the employee as well as for the employee to know more about the employer and also get more information about the organization before joining them. TESCO Interviews - TESCO places great importance on interviews as they are really interested in getting accurate and essential information about the candidates and also established a good rapport with the prospective employees. TESCO settle the

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various terms of employment with their prospective employees during the interview process.

TESCO, after screening process conduct oral interview at the last stage of the recruitment process before employment is offered to the candidate. The Interviewer would also like to sell the company and her image at a premium to the applicant in order for them to know why it is absolutely imperative for them to know why they have to get employed by the company. TESCO having more than the required number of qualified applicants suitable for a particular job resort to job interview in order for them to sort out those candidates best qualified and suited for the job and place them into various departments and sections within the organization. Another essential reason why TESCO conduct interviews for prospective employees is to judge and evaluate the suitability of the candidates for the job, basing this on the job and organization manpower requirements.

### **Alternatives of Interview**

Employment Testing - Employment tests are an objective method of evaluating whether candidates possess the requisite skill set and knowledge to successfully perform in a given role. Many research studies conducted over the past twenty years have indicated that the results of cognitively-based assessments (e. g. math proficiency or word usage) are highly accurate in predicting future performance in those jobs where these skills are critical for success. Behavioral testing is also important as it adds the dimension of cultural fit and work style, thereby providing a 360° perspective of each candidate. Knowledge Testing - Knowledge testing is used to test a candidate's knowledge with regard to specific skills needed to perform the

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job successfully. In contrast to pre-employment testing, knowledge tests are most appropriate to use when a new employee will need to apply those skills immediately rather than being trained after hire. Licensing exams, such as that required to become a financial advisor, would be an example of a knowledge test. Knowledge tests may also be in the form of situational assessments in which candidates perform the job during a trial period that can last from a few hours to a full day.

### **Task 3 – Monitoring and rewarding employees**

Evaluate the process of job evaluation within your chosen organization and provide details of the main factors determining pay. Job Evaluation - Job evaluation can be defined as 'a method of determining on a systematic basis the relative importance of a number of different jobs'. Job evaluation is often used when: determining pay and grading structures ensuring a fair and equal pay system deciding on benefits provision - for example, bonuses and cars comparing rates against the external market undergoing organizational development in times of change undertaking career management and succession planning Reviewing all jobs post-large-scale change, especially if roles have also changed. Types of job evaluation - As mentioned by CIPD, there are two main types of job evaluation: analytical schemes, where jobs are broken down into their core components, and non-analytical schemes, where jobs are viewed as a whole. Analytical schemes - These offer greater objectivity in assessment as the jobs are broken down in detail, and are the ones most often used by organizations. Examples of analytical schemes include Points Rating and Factor Comparison. Points Rating - The key elements of each job, which are known as 'factors', are identified by the

organization and then broken down into components. Each factor is assessed separately and points allocated according to the level needed for the job.

The more demanding the job, the higher the point's value.

**Factor Comparison - : Factor Comparison is similar to Points Rating, being based on an assessment of factors, though no points are allocated. (CIPD)**

**Non-analytical schemes - These are less objective than analytical schemes, but are often simpler and cheaper to introduce. Methods include job ranking, paired comparisons and job classification.**

**Job ranking - This is the simplest form of job evaluation. It is done by putting the jobs in an organization in order of their importance, or the level of difficulty involved in performing them, or their value to the organization.**

**Job classification -This method is also known as job grading. Before classification, an agreed number of grades are determined, usually between four and eight, based on tasks performed, skills, competencies, experience, initiative and responsibility. Clear distinctions are made between grades. (CIPD)**

Tesco uses Non Analytic type of job evaluation. To be specific it uses job classification to pay and reward it employees. This was conclusion is drawn from the Tesco website. At Tesco every job is graded. This grading is carried out on the basis of the job specification. This job specification includes the skills, competences and experience required for that particular job. The level of responsibility attached to a particular job for example a duty manager at Tesco is responsible to run the shift at the shop and not involve in stacking

shelves, where as in contrast to that a customer service assistant will only be required to stack shelves, assist customers and not be involved in running of the business unit. This clearly indicates Tesco is using Job Classification system for job evaluated. On this basis Tesco has devised its pay and reward structure. Read more: <http://www.ukessays.com/essays/general-studies/human-resource-practices-at-tesco.php#ixzz2RwEg8An6>

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Explain how your chosen organization measures and monitors the performance of its employees.

### **Monitoring performance:**

Performance management is the systematic process by which an organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals. Employee performance management includes: Periodically rating performance in a summary fashion  
Developing the capacity to perform  
Continually monitoring performance  
Rewarding good performance  
Planning work and setting expectations, <http://www.ukessays.com/essays/general-studies/human-resource-practices-at-tesco.php#ixzz2RwEquWYx>

Give details of the system in place within your chosen organization to reward employees and assess the benefits / limitations to each different system identified.

**Reward System at Tesco - Below mentioned are some of the employee rewarding systems deployed at Tesco:**

**Share our Success: Tesco runs 3 Share Schemes**

**Shares in Success: employees receive shares in business after completing 1 year of service and at the end of financial year.**

**Save as you earn: Employees get a chance to save 50 pounds every 4 weeks for 3-5 years after one year of service. This money can be redeemed as tax free bonus after the completion of period or can use the cash whenever they want.**

**Buy as you earn: Employees can buy shares at market price which helps in saving tax and national insurance.**

**Staff Privilege Card: Staff loyalty card that gives 10% discount and Club card points on most Tesco products.**

**Pension: pension provision and life assurance scheme that will provide financial protection for family.**

**Leisure Time: Tesco have negotiated discounts and special offers that are available exclusively to Tesco staff. There are discounts on theme parks, holidays and gym membership that are available all year round.(Tesco Careers)**

This reward system at Tesco is a highly motivating reward system. Most of its employees have a sense of belonging. It gives them a feeling that the company cares about them. The share scheme is the top of the rewarding system as it gives employees share in the business, thus employees know that if they perform better the company make profit and if the company makes profit they get higher dividends. Thus in turn they are motivated to perform better. This Type of motivation is called Incentive type of

motivation. The incentive theory of motivation: The basic concept behind the incentive theory is goals. When a goal is present, the person attempts to reach that goal. Incentives may be tangible or intangible. An intangible incentive may involve feeling good about oneself, while a tangible one may involve awards or something to give public recognition. Intangible incentives are also known as intrinsic rewards, while tangible incentives are also known as extrinsic rewards. Sometimes, one type of reward is replaced with the other. This usually happens when an intrinsic reward is replaced with an extrinsic reward. For instance, consider someone who becomes a doctor. At first, the person may have become a doctor because he or she enjoys being able to help people (intrinsic); later on, however, the reason for being a doctor may change to money

<http://www.ukessays.com/essays/general-studies/human-resource-practices-at-tesco.php#ixzz2RwFT1b58> Explain how Maslow's 'hierarchy of needs' can be applied in practice to reward systems within your chosen organization. Maslow developed his 'hierarchy of needs'. He said staff is motivated at five levels of need: to survive to be safe to be in a social group to gain respect To reach career goals. In 1959 Herzberg said that two sets of factors were central to motivation: Satisfiers – included promotion and responsibility Hygiene factors – such as decent working conditions – caused dissatisfaction when they were absent but would not by themselves motivate people. Tesco recognises good work and the value of its staff and provides good working conditions. Tesco motivates its staff in many ways – financially and non-financially. Good pay and conditions satisfy basic needs. Reviews and Personal Development Plans ensure that its staff is able to make progress and achieve higher goals. This benefits both staff and Tesco.

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## **Task 4 – Employment exit procedures**

Outline the exit procedures adopted by your chosen organization and one other organization of your choice.

### **Employee exit procedure**

This procedure applies to all employees leaving the organization on a permanent basis apart from those who have been dismissed after disciplinary action and agency staff (temps). After the notification of intention to leave or resign, Tesco follows following steps or techniques before the employees leave the organization. Retaining methods: Giving leave options, offering a better compensation. Exit interview: If the employee wishes to leave even after the managements retention offer the employee will have an exit interview with store manager and then personal manager. Understanding the reason of leaving. Checking work stress. Referencing: Giving him all the required documents and reference letter for the next job. Payment In lieu of notice: having his dues cleared in full but if any share options given to him. Return of property: Employee need to return all the Uniforms and Personnel protection equipment (PPE) given to him by the company. Pension arrangements on leaving: if employee is entitled for this he receives it. The Exit procedures followed by Tesco could be rated as standard exit procedure. The analysis of the exit process shows that Tesco is following all the necessary steps required to retain staff if possible or make the exit a well documented and easy process. On comparison with the guidelines for exit procedure available online, it could be concluded that the process is the standard process followed by all big multinational companies.

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practices-at-tesco. php#ixzz2RwF5DRCIProvide details of how your chosen organization creates the selection criteria for use in the redundancy process. Suggest improvements to the process and outline what, in your opinion, would be the best way to establish the selection criteria.

## **The criteria TESCO adopts in declaring an employee redundant:**

**business stops operating**

**business relocates**

**employees carry out work that is no longer necessary, e. g. due to the introduction of new technology**

TESCO redundancy is in to two main categories: Compulsory: It is a situation where TESCO has no options of saving jobs. While selecting employees in this category TESCO is objective, non-discriminatory and applied consistently. The different types of criteria that can be used to select employees for redundancy are: Skills, qualifications and aptitude - these can help keep a balanced workforce. Standard of work performance - with this method, TESCO uses performance appraisal systemAdaptability - it may be important for your business that employees accept different types of work as needs change. Attendance/disciplinary record. TESCO maintain this on a continuous basis. This help in taking redundancy decisions. Non-Compulsory: In this criteria TESCO will submit a proposal with it employees to take redundancy. In order to lower cost. This could be in the form of following. Voluntary redundancy: Employees are asked if they are willing to volunteer for redundancy and then select those to be made redundant from the resulting list. Early retirement: Employees who are above the age of 50 -55

are asked if they are willing to take an early retirement option with the company offering some compensation for the remaining years plus the retirement benefits. <http://www.ukessays.com/essays/general-studies/human-resource-practices-at-tesco.php#ixzz2RwFCTt1v>