

Synopsis of tesco as a company business essay



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Tesco is the largest UK based supermarket and the world's third largest grocery retailer with stores across Europe, USA and Asia. Tesco has a well-established and long-term strategy for growth. Tesco has net profits of around £3 billion before tax. The objectives of the strategy are:

Tesco was founded in 1919 by Jack Cohen selling groceries in the markets of London's East End. Tesco brand first appeared in 1924 when Cohen bought stocks of tea from T. E. Stockwell. They combined their names to form - TESCO. In 1929, the first Tesco store opened in North London. Since then Tesco has expanded rapidly by opening more new stores and retail services, while adapting to consumers' needs. In 1961, Tesco Leicester entered the Guinness Book of Records as the largest store in Europe. In 1968 Tesco opened its first superstore in Crawley, West Sussex. By the 1970s Tesco diversified into other products and opened its first petrol stations in 1974.

In 1992, Tesco launched its slogan 'every little helps', followed by the Tesco Value range in 1993 and the Tesco Club card in 1995, helping Tesco to overtake Sainsbury's as the UK's largest food retailer. Tesco.com was launched in 2000, followed by Tesco broadband in 2004 and Tesco Direct in 2006. Tesco's Personal Finance Acquisition was completed in 2008.

Tesco has now over 2,200 stores with 280,000 employees in the UK. From 1994 to 2007 Tesco expanded overseas by opening stores in Hungary, Poland, the Czech Republic, Slovakia, Rep. of Ireland, Thailand, South Korea, Taiwan, Malaysia, Turkey, Japan, China and US under the name 'Fresh & Easy'. Last year Tesco announced plans to establish cash and carry business in India.

TASK 2: Literature Review

Differences between human resource management and personnel management

Human resource management (HRM) is defined as a strategic and coherent approach to the management of an organisation's most valued assets - the people working there who individually and collectively contribute to the achievement of its objectives. (M Armstrong)

Personnel management (PM) is concerned with obtaining, organising and motivating the human resources required by the enterprise. (M Armstrong)

The concept of HRM places greater emphasis on:

Integration with the business strategies rather than focusing on delivering basic services such as recruitment and training

Adopting a management and business-oriented philosophy

Using unitary approach rather than pluralist approach

Treating people as assets (human capital) rather than costs

Personnel management is workforce-centred, directed mainly at an organisation's employees covering issues such as:

Finding and training them,

Arranging for them to be paid ...

Satisfying employees' work-related needs,

Dealing with their problems and

Seeking to change management action that could produce an unwelcome employee response.

HRM is “ resource-centred, directed mainly at management needs for human resources (not necessarily employees) to be provided and deployed.

Demand rather than supply is the focus of the activity.

There is greater emphasis on planning, monitoring and control rather than mediation between employee and employer.

Role of human resource (HR) practitioner

The main roles of HR practitioners are:

The strategic role

To formulate and implement forward-looking HR strategies that are aligned to business objectives and integrated with one another.

To contribute to the development of business strategies.

To work alongside their line management colleagues to provide on an everyday basis continuous support to the implementation of the strategy of the organisation.

The business partner role

As business partners, HR specialists share responsibility with their line management colleagues for the success of the enterprise and get involved with them in implementing business strategy and running the business.

The change agent role

HR specialists act as change agents, facilitating change by providing advice and support on its introduction and management.

The internal consultant role

As internal consultants, HR practitioners work alongside their clients in analysing problems, diagnosing issues and proposing solutions.

The service provider role

As service provider, HR practitioners provide services to internal customers.

The guardian of values role

HR practitioners may act as the guardians of the organisation's values and ethical standards concerning people. They point out when behaviour conflicts with those values or where proposed actions will be incompatible with them.

Role and responsibilities of line managers in HR practices

HR can initiate new policies and practices but the line managers have the main responsibility for implementing them. Line managers can achieve better ownership if:

- The practices benefit them.
- They are involved in the development and the testing of the practices.
- The practices are not too complicated, bureaucratic or time-consuming.
- Their responsibilities are defined and communicated clearly.

- They are provided with the guidance, support and training required to implement the practices.

Human resource planning

The need for HR planning

HR planning determines the HR required by the organisation to achieve its strategic goals. HR planning at Tesco aims to ensure that the organisation has the right number of people with the right skills needed to meet forecast requirements. It also ensures that people with the right type of attitudes and motivation are available, who are committed to the organisation and engaged in their work, and behave accordingly.

The process of HR planning

Scenario planning: Making broad assessments of future developments in the organisation's external environment and in the organisation itself and their likely impact on people requirements.

Demand forecasts: Estimating the organisation's future needs for people by reference to corporate and functional plans and forecasts of future activity levels.

Supply forecasts: Estimating the supply of people to the organisation by reference to analyses of current resources and future availability, after allowing for wastage.

Action plans: Deciding on what action to take to deal with shortages or surpluses of people.

Recruitment process in two organisations

Recruitment is the process of finding and engaging the people the organisation needs.

Recruitment planning

A recruitment plan covers:

Number and types of employees required to cater for expansion or new developments and make up for any deficits.

Sources of candidates.

Plans for tapping alternative sources.

How the recruitment programme will be conducted.

Recruitment process at Tesco plc:

At Tesco, HRM is regarded as an important activity, covering everything from recruitment to management development. The company aims to increase the number of training schemes and further develop its recruitment programmes so to provide the customer the benefits of a well recruited, well trained staff.

For the Graduate Schemes, Tesco has planned to recruit 200 successful University leavers for 2010/11 intake. Applications are opened from September 2009, including Tesco Telecoms and Environmental Engineering.

For the A-Level Schemes, 18 year's school leavers have to follow a 12 month's course in management that involves a store familiarisation programme of 3 weeks and a leadership and technical training.

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The Scheme, for those with 180 UCAS points offers candidates a 6 month's management programme.

Recruitment process at McDonalds:

McDonald's is a franchise business. It is the largest food service company in the world with more than 30, 000 restaurants serving more than 47 million people each day in 121 countries.

Recruiting and selecting and appointing all new staff are under the operations department in McDonalds

Training at McDonalds:

The franchise system provides training for the franchisees, managers and their employees, usually done both at the franchisor's home office and the franchisee's place of business. This training prepares them in all facets of the business, including: purchasing and inventory maintenance, handling customer complaints, dealing with employee matters, etc. The level and length of training will vary from system to system.

Interview as a selection technique

The aims of an interview

- The purpose of an interview is to obtain the information required to decide on the extent to which candidates fit a person specification for the job. An interview can be described as a conversation with a purpose. It is a conversation because candidates should be induced to talk freely with their interviewers about themselves, their experience and their careers.

- Such a meeting enables judgements to be made by the interviewer on whether the candidate will fit the organization. Although these judgements are entirely subjective and are often biased or prejudiced, they will be made.
- But the conversation has to be planned, directed and controlled to achieve the main purpose of the interview, which is to make an accurate assessment of the candidate's suitability for a job.

Procedures involved in an interview:

Interviewing arrangements: The candidate should be informed about the location and time for the interview and the next step after the interview.

Preparing for the interview: Study the person specification and the candidate's application form and/or CV, and identify those features of the applicant that do not fully match the specification so that these can be probed more deeply during the interview.

Planning an interview: Consists of: welcome remarks; getting information on the candidate to assess against the person specification; provide candidates information about the organisation and the job; provide candidates information about the organisation and the job; answering questions from the candidate; and closing the interview with an indication of the next step.

Types of interviews: Decide on which types of interview to be used.

Timing the interview: For routine jobs, 20 to 30 minutes maybe enough while for demanding job one hour my be necessary.

Interviewing techniques: Starting and finishing; asking questions.

Selection interviewing skills: Establishing rapport; listening; maintaining continuity; keeping control; note taking.

Coming to a conclusion: Candidates should be assessed against their knowledge; skills; competencies education; qualifications; training; experience; and overall suitability.

Alternative selection methods:

Selection tests: They provide more valid and reliable evidence of levels of intelligence, abilities, aptitudes, personality and attainments than can be obtained from an interview. It is best to combine them in a selection procedure with structured interviews.

Assessment centres: They provide good opportunities for candidates to decide on the extent to which candidates fit a person specification for the job. The focus is centred on behaviour; group exercises and one-to-one role-play are used to predict behaviour on the job; several candidates are assessed together to allow interaction; several assessors and observers are used to increase the objectivity of the job.

Work samples: Candidates are asked to take on mini-jobs in a selection situation where they can be assessed, for examples - by a typing test for keyboard skills; role-playing; group decisions; presentations; or reports.

Selection practices and procedures in two organisations compared to best practice

Selection at Tesco involves choosing the most suitable people for a vacancy, while keeping the laws and regulations of employment. Tesco uses screening

as part of the selection process to ensure that those selected candidates for interview match the job requirements. Tesco selectors start screening by first looking carefully at each applicant's curriculum vitae.

Tesco uses several stages in the process of selecting candidates:

- After passing the screening a candidate attends an assessment centre.
- The managers run the assessment centres in stores.
- Applicants should go through either team-working activities or problem solving exercises.
- An interview then is carried out for those candidates approved by assessment centres.
- Line managers responsible for the job offer have to participate in the interview to ensure that the candidate fits the job requirements.

Selection at McDonalds: Selection is quite different from Tesco in the way that there are no screening and assessment centres. Here the manager only conducts an interview to identify an applicant's potential to be a successful McDonald's employee.

- McDonalds prepares an interview guide to help the company forecast the applicant's past behaviour and its influence on his future performance.
- The questions look for actual events or situations based on behavioural evidence in the applicant's life history that fits with the specification for the job.

- Candidates are rated on their responses and those who earn the highest ratings are selected for the job.

Process of job evaluation and the main factors determining pay

Job evaluation is important in the reward management as it deals with equal pay for work of equal value.

Approaches to job evaluation

Job evaluation can be analytical or non-analytical.

Analytical job evaluation schemes: Process of making decisions about the job value, which are based on a process of breaking down the whole jobs into a number of defined factors such as responsibility, decisions and the knowledge and skill required. It is systematic and judgemental.

Non-analytical job evaluation schemes: Enables the whole jobs to be compared to place them in a grade or a rank order - they are not analysed by reference to their factors.

Choice of approach: Analytical job evaluation is the most common approach to job evaluation. The two main types of analytical job evaluation schemes are the point-factor schemes and analytical matching.

Point-factor job evaluation scheme:

Jobs are broken down into factors.

Each factor is divided into a hierarchy of levels.

Evaluators consult job description.

A maximum point score is allocated to each factor.

The total score for a factor is divided between the levels to produce the numerical factor scale.

The complete scheme consists of the factor and level definitions and the scoring system. This comprises the 'factor plan'.

Points are allocated to jobs under each factor.

The separate factor scores are then added together to give a total score, which indicates the relative value of each job and can be used to place the jobs in rank order.

Market pricing

Jobs can be also valued by their market rates - market pricing.

- Market pricing is the process of obtaining information on market rates to inform decisions on pay structures and individual rates of pay.
- It is called 'extreme market pricing' when market rates are the only means to decide on internal rates of pay and relativities, then conventional job evaluation is not used.

Reward systems

A reward system consists of policies, processes, practices and procedures that combine to ensure that reward management is carried out effectively for the benefit of the organisation and its employees. Examples of reward systems are:

Total reward

Total reward includes a combination of rewards, namely financial rewards such as basic pay, contingent pay, employee benefits; and non-financial rewards, which arise from the work itself. These rewards are linked together and treated as whole.

Basic pay: Is the amount of money that constitutes the rate for the job. It varies according to the grade of the job or the level of skill required.

Contingent pay - Performance related pay: Additional financial rewards related to performance, competence, contribution, skill or experience that may be added to basic pay.

Employee benefits: They include pensions, sick pay, insurance cover, company cars and annual holiday pay.

Non-financial rewards: They do not involve any direct payment. They arise from the work itself, e. g. achievement, autonomy, recognition, and scope to develop skills.

Tesco employs over 285, 000 employees. They offer package of pay and benefits - childcare vouchers and two share schemes: ' Save as You Earn and Buy as You Earn'. Their ' Shares in Success scheme' rewards employees who work hard with free Tesco shares and their award-winning offers pension scheme, which consists of 160, 000 employees - building a pension based on their earnings and service.

Link between motivational theory and reward

The process of motivation

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Motivation can be described as goal-directed behaviour.

Types of motivation:

- Intrinsic motivation: The self-generated factors that influence people's behaviour which may arise from the work itself.
- Extrinsic motivation: This occurs when something needs to be done to motivate people.

Some people are self-motivated. However, most people need to be motivated to a lesser or greater extent. Organisations should provide high levels of motivation that can be achieved by using a range of rewards system in an attempt to satisfy employees' needs so that they are motivated to work.

Organisational approaches to monitoring performance

The aim of performance management is:

Empowering, motivating and rewarding employees to do their best.

Armstrong World Industry

It includes:

Reward and recognition: Creating structures that maximise recruitment, retention and motivation; obtaining the best performance from the people available.

Performance improvement throughout the organisation, for individual, team and organisational effectiveness

Managing behaviour - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

Organisations should continuously monitor their employees' performance so that they make their best contribution. The approaches should centre on understanding the purpose of an organisation and its structure. They place emphasis on the planning of work, technical requirements, principles of management and behaviour. Attention is given to the division of work, duties, responsibilities, maintaining specialisation and co-ordination, hierarchy of management and formal organisational relationships.

Tesco effectively controls the performance of their employees so that they can lead the UK's retailer. Tesco has a range of processes and techniques within their stores to monitor the performances of their employees. Tesco's managers monitor their employees and the organisation through: Planning and setting goals and objectives; establishing standards of performance; correcting mistakes and taking prompt action.

Exit procedures used by two organisations compared to best practice

Exit procedures at Tesco and McDonalds

On or before the employee's last day request a letter of resignation. This letter provides documentation of the employee's intention to resign, allowing the department to post and refill the position more efficiently. It should contain the last day of active work, the last day on payroll, and the reason for leaving.

Prepare a notice of termination terminating the employee, obtain authorising signatures.

Advise employee to:

As soon as possible on or after employee's last day, as appropriate

- Cancel telephone and IT system accesses.
- Cancel departmental computer passwords and computer accounts.
- Cancel employee's bank details.

Selection criteria for redundancy

The selection criteria used by the employer must be clearly defined so that they can be applied reasonably to each candidate.

Selection criteria for redundancy includes:

- Duration of service and experience
- How long was the employee absent from work (last in, first out).
- Measure of skills and knowledge
- Qualifications, aptitude and performance,
- Attendance and disciplinary records.

Conclusion

" The aim of human resource management is to ensure that the organisation is able to achieve success through people."

My findings reveal that the introduction of strategic HR policies at Tesco has broadens the scope of the business by expansion of new markets in UK and abroad.

Tesco's HR strategy is based on long term perspective that addresses about how the best return can be obtained from the human resources available now and in the future.

Tesco aims to get the right number of the right sorts of people in the right place at the right time and ethically getting rid of them when they are not needed.

Tesco creates an environment in which employees and others associates get the necessary knowledge, skills and attitudes.

Tesco manages the hard (structure, systems) and soft (culture, values) features of the organisation.

Tesco creates structures that maximise recruitment, retention and motivation; obtaining the best performance from the people.

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