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Improving Training and Development In Tesco

Introduction to Tesco

Tesco can be said to be a global leader in the retail business. It is one of the leading world retailers. The company started using the trading name TESCO in the 1920s and since the group has expanded in many ways venturing in different markets and with interest in different sectors.

Over the years, Tesco has recorded growth which has been achieved through different strategies. The company has adopted its growth strategy which has been implemented in four different parts. One has been emphasis on the growth of Core UK business in order to expand internationally. This growth has allowed that company to position itself in food and non-food sectors based on retailing services.

Over the years, the company has witnessed financial fortunes which have been reflected in its growing sales. Sales have risen from 22. 6 million pounds in 2001 to 43. 1 million pounds in 2006. This has been achieved through growth strategies which have seen the company expand its retail outlets and at the same time enter into new markets with high growth potential.

At the same time, the company has experienced growth in profit. Its profit margin has continued to grow in line with its growing sales. Its profits have increased from 1, 322 million pounds in 2001 to 2, 280 million pounds in 2006. Currently the company has more than 3, 262 stores in Europe and Asia. It is also planning to open some 574 more stores in its traditional market.

In the UK the company has implemented a growth strategy which has seen it emerge as the market leader in all its areas of operation. The growth strategy in the UK has taken a multi-format style with different investments in different areas of operation. The company has considered UK as a competitive market which can help it to expand to other international markets.

Apparently its competitive edge in the market has been enabled by various approaches that it has taken to position itself in the market. One of that approaches which has been a great success has been through the introduction of a club-card programme. This has helped the retail chain to acquire and maintain new customers. Indeed the emergence of Tesco as a leader in the UK market can be attributed to various strategies that that company has taken all aimed at consolidating its market.

Lets us look at its international markets. In Europe and Asia, Tesco has been able to consolidate its operations in about 11 marketing regions. In these international markets, it has emerged as a market leader in five countries. It has also used a multi-format approach in the international market as well investing in diverse areas of operation in the market.

One of its great successes in the international market has been through the use of local offer which is formatted to match the responses of local customers. It has carried out different promotions and offers in the local market which helps it to keep on course with competition in the local international market. Its success in the international market has been

achieved through the use of different approaches same as those which it has employed in the UK market.

Looking at its diverse products, Tesco has registered a growing non-food market share in the UK and in other international market. It has recorded that non-food sales are growing faster than its core operations. One of its great successes in the non-food market has been the launch of Tesco Direct which specializes in non food market. It has various retailing services which are offered to different customers. They include Tesco. com, Tesco personal Finance, and Tesco Telecoms.

In total Tesco employs more than 450, 000 people working in its business operation around the world. It aims to deliver a consistently strong customer offer for every visit and every transaction by putting emphases on the group's core purpose.

Its core purpose of operation is to create values for customers to earn their life time loyalty. This purpose is delivered through its values which states that " no one tries harder for customer" and " treat people how we like to be treated". These values have helped the group to win many customers in the local and international market. It has also been able to retain all these customers.

Tesco has emerged as a leader in different areas especially the area of clothes and retailing of wines. Its clothe retailing has been recording an annual growth of more than 20% which is also reflected in other areas of operation. It has pioneered in major areas of operation.

In 2003, it launched Tesco mobile phone brand which marked its entry in the growing communication market. In the same year it had launched Tesco Home Phone.

In 2004, it launched Tesco Broadband and in the same year it became the first supermarket store to introduce Glycaemic index labelling in the market. This was in response to the rising lifestyle diseases. These are some of the happening which has put Tesco as a supermarket chain of choice to many people. There are others as well which have left a mark in the market.

In its operation it has been able to enter into strategic alliances with other supermarkets where it has been penetrating the market. In 2001, it entered into a strategic relationship with American supermarket Safeway Inc in order to take Tecon. com home shopping model to the US market. Such alliances have helped the company to expand at a faster rate than other supermarkets.

Hence we can say that Tesco is one of the leading supermarket chains in the world. Its position in the market has been contributed by the strategies which it has adopted. These strategies can be summarised in four dimensions. One is its focus on the UK as its core market. The other is its focus on the international market and response to the needs of the local people in the local market. The other has been its focus on non-food items in the market where it has excelled in selling clothes, DVD and CD's as well as in food items.

The last strategy has been its focus on retailing services where it has been able to respond to the changing lifestyle needs of its customers through new products and services.

But this growth would not have been achieved if Tesco had not focused on its employees. As employees we feel that Tesco has done a lot to help in the development of its workforce. As with the labour theories, the labour force is one to the most important capital that the business invests.

A skilled labour force can be a source of competitive advantage for any business which other competitors in the market can find difficult to replicate in order to match with the company. Development of labour force should be seen as one of the most important function that is bestowed upon the human resource department. Development of the labour force must not be seen as a burden to any company but rather as an investment same as that it makes on any product.

This has been the case for Tesco where there has been massive investment on the development of the labour force. In Tesco everything has been education first. In deed it has carried out different programs on the development of its labour but there are various areas which the company can improve in its labour development polices. This paper will look closely at programs that Tesco has implemented in its labour force development in order to understand the improvement that can be made to the program.

It will at look various literatures which on labour development and link this closely with what have been happening in Tesco and finally it will be able to

give various recommendations that can be improved in the labour development.

Literature Review on Training and Development

Training and development is one of the most important aspects of improving the quality of employees in a company. The quality of employees and their development can be achieved through training and education and is seen as a major factor which determines the long term profitability of a business. In a company has to retain a competitive labour force, it must be ready to invest very hard in training and development of the employees. This is inline with the fact that skilled and competent employees can go a long way in increasing the productivity of a business.

Many businesses have had the notion that training should be considered as necessary for new employees only. This is a mistaken fact. Ongoing training is necessary in order to help the current employees to keep with the changing needs in the market. Refresher courses for current employees help them to bring about new ideas in their work which is very beneficial to the company. Training and development serves many purposes.

It helps the company to create a pool of readily available and adequate personnel for replacement who may leave or otherwise move up in the organisation hierarchical order. This means that the organisation will not take time to recruit new employees to replace those who are leaving the organisation in case of retirement or for other reasons. This is because it will take a new employees time to settle to their work unlike an employee who is sourced from the company and who understand the operations of the

organisation, its culture and its values and purposes. (Pogson and Tenant 2005, p. 56)

Training and development enhances the ability of the company to adopt and use new and advanced technologies because its staff has been taken through vigorous training and are abreast with the new technology. If a business has to remain competitive in the market, it must be ready to adopt new technologies in the market. This is because the market is changing very fast and any business has to maintain that kind of dynamism in the business as well. With a skilled labour force the organisation will be able to use emerging technologies in the market. It will not need to hire new employees every time it needs to use a new technology. (Pogson and Tenant 2005, p. 90)

Training and development of the labour force helps to build an efficient, effective and highly motivated team. This is important as it helps the company to carve a competitive niche in the market and helps to improve the morale of the employees. Many people have viewed healthy remuneration as necessary for development of labour force but on the contrary there is need for the company to implement training of the employees in order to keep up their morale since they get more skills to perform their duties which makes their work easier and interesting. An efficient and effective workforce is one of the factors necessary to keep a company ahead of others since it becomes easy to coordinate the operations of the company.

Training and development also helps to create an adequate human resource which can assist in expansions of the company to new programs. If the company has to venture in new markets or diversify its operations, it must have enough human resource in form of a competitive labour force which understand the values of the company. It will take time for new employees to settle in business in the new programs which may delay the success of the newly initiated programs.

Researches have proved that training and development assist in various ways. It has benefits ranging from increased productivity, reduced employee turnover, increased efficiency from financial gains, and decreased supervision for employees. It helps the employees to develop a sense of self-worth, dignity and wellbeing since they consider themselves an asset to the company.

According to Malcom Knowles adult learning theory, it is clear that training and development should be focused toward enhancing the experience of the adult employees. Training should be aimed at helping the employee practice their learning in their daily practical work in business. As such there are two approaches to training and development. This is on the job training which involve learning of skill through experience at work and off-job training which involves learning through attending course or through promotion within the business.

On the same note new workers in the business should be given an induction program to help them become acquainted with the company. On job training is delivered to employees as they continue with their daily work which ensures

that they don't lose their time learning. It also allows the employees to practice what they are learning. On-job training includes orientations, job instruction training, apprenticeships, internships, job rotation and coaching. (Eseryel 2001, p. 3)

Off job training can be inform of lectures, special study films, television conferences, case studies, simulation, and others. This form of training tends to be more focused but it is costly and leads to loos of time. The company must com up with a proper evaluation mechanism which will help it to evaluate the employees in order to assess the effectiveness of the training. This should also help the business to come up with ways in which it can improve training for the employees as well.

Data Collection

This study was aimed at assessing training and development of employees, to assess its effectiveness and propose ways in which it can be improved. Tesco as used as a case study where employees from the company were interviewed to get more insight on the programs which the company has put in place to enhance training and development for the labour force.

In the study, managers and employees were both interviewed. This ensured that the study assessed the perception of both employees and the managers about the current programmes that have been put in place for training and development. The study also assess the value both managers and the employees attaches to the training and development program and the position of the company on the need to train and develop its labour force.

In data collection, both face to face interviews were secured to human resource managers of the company as well as three other line managers. A face to face interview was also granted for 5 employees working in different department in the organisation and working in different capacities. However a questionnaire was mailed to the president of the company who gave the position of the company on the need for labour development since we could not secure a face to face interview owing to his busy schedule.

The other data collection means was from secondary source where we reviewed various programs that have been put in place at Tesco for training and development. The study also reviewed various literatures on training and development of employees and its benefits to the company and employee.

Training and development programs at Tesco

From the study, it was evident that Tesco has been in the frontline in enhancing the skills of its labour force through training and development. As commented by the vice president, Tesco is an innovative and energetic company that is in a highly competitive retail environment and hence to stay on top, it has taken learning and progression from within the company as core to its operation.

This means that the company attaches much value to its employees and recognizes the need to implement various training programmes for the employees. In deed training forms an important part of staff development for the company and all staffs is provided with an opportunity to develop their talents to the full. This means that Tesco recognizes the fact that its

employees have talents which need to be developed and which if well tapped can turn to be an asset for the company.

In line with its mission of serving its customers in a much better way, Tesco has implemented training programmes which seeks to inform its staff of its customer service objective. As line managers seems to suggest, it is usually good to remind the employees of the changing needs of the customers and different approaches that the company is using to keep in line with the changing customer needs.

There is an acknowledgment that the retail business environment is changing very fast and there is need for the company to strive to keep up with the changing environment. This can only be achieved through informing its workforce of the changing needs of the market in order to keep them more innovative to adapt to these changes. It comes out clearly that Tesco supports its workforce to achieve their full potential through access to various training programmes.

It has put in place Persona Development Programmes (PDPs) which ensures that they have the right skills to perform their jobs. Under this programme employees are able to access learning that is tailored to the personal development needs, ranging from induction and operation, leadership skills, to core skills. Employees are able to access training on core skill like project management, personal efficiency, effective meeting management, presentation skills and facilitation.

According to Tesco. com, under the above programmes, employees are able to enhance their performance efficiently in order to keep them competent in

the market. When employees become competent in their work, they turn to love it more which translates to high productivity for employees. This in turn translates to improved output for the company as a whole since it will be able to upgrade its customer service. It is clear that the company is geared towards enhancing customer service skills of its workforce.

In the training programme, the company has come up with various evaluation and award programme. All retail employees who complete basic training are awarded a bronze under the Bronze Award training scheme. This training also includes job-specific training, which forms a part of overall training frame work. From this training, the company aims to retain over 80% of the experienced staff and ensure that 95% of the retail staff is trained on the bronze training programme. At the same time, it ensures that 75% of the staff is trained on the silver standard training.

Training Foundation stress that in order to ensure that there is enhanced training for each and every individual, Tesco conduct talent spotting. Under this plan each and every individual employees has a career discussion with the specific managers in which they discuss and plan career progression. This criterion is used to come up with the talent pool under which all individual who have discussed with their managers about their carers are placed. It is from this pool that the company decides those who have worked well to development their talents who fill the future vacancies as they arise in the company. This talent pool is also used to identify cross-functional movement and development opportunities.

Tesco has been using its core operation in UK to train more people. Under this programme, the company trains local people from its international market who go back to head the operation of the company in their local market. In one example from our study we understood that Ryszard Tomarszewski returned to Poland and became the Company's first Polish Chief Executive.

This was after successfully completing development programme in the UK in which his training included looking over 250 retail shops in northern England. This has been given as one of the examples of Tesco efforts to train and develop its employees. In this regard Tesco has launched A-Level option programme in which it gave 100 young people an opportunity to join the program to fast track them to management in the year 2006. This is expected to continue in the subsequent years in order to tap the young talents.

To enhance its training, Tesco has set up Tesco Academy in which it has trained over 140 Tesco personnel in various courses leading to Trainer Assessment Programme (TAP) certification in the last three years. This academy offers training in business related activities. In the recent past the academy has undergone review in which it is hoped to implement new training strategies which will take in adult learning principles in order to make sure that it is more relevant to the Training Foundation which will deliver the training and certification programme.

Under the current approach Tesco has approached a number of trainers to be able to deliver internal training for the employees to make it more of on-

job training in order to save time for the company and make it cheap for the staff and the company. Tesco has been able to achieve Qualification and Curriculum Authority (QCA) accreditation for its in-house apprenticeship training scheme which means it has been able to achieve its internal training objective. Under this program Tesco has been able to develop its work force.

Ways to Improve the Training

From the study, it is evident that although the employees accepts that the company has done a lot on training the staff, there is still much that it has to do to improve its training program. One of the concerns from those interviewed was that the training is very slow and it takes some time for most of the member to get into the training program. This is owed to the large operation structure of the company and its large workforce. Although our research review that the company commits to train 10, 000 of its workforce every year, sometimes it is short of achieving this and some employees stays on the list for training for a long time.

Those interviewed even the manager acknowledge that owing to its large workforce there is need fro the company to carry out more optional development programme like offer an apprenticeship training or encourage the workforce to study for a qualification while still on the job. This means that Tesco must be committed to assist its employees to undergo this optional training program

Conclusion

Tesco has committed huge resource in its training and development programme. It has made steps toward achieving this and in real sense it has been the first supermarket to have its apprenticeship training programme

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accredited. This has been a great achievement for the company. But as it stands there are still some issue it has to resolve in its training program in order to accommodate all its labour force.

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