

Marks and spencer employee relations



Marks and Spencer's has been one of the largest retail markets in the UK and the employee relations that exist within the company have both positive and negative aspects. Marks and Spencer's employee relations have always been influenced by the conventional system of industrial relations. The company now has 65000 employees all around the world out of which 80% of the staff works directly on the sales floor. M&S is amongst the top 6 retail suppliers in the UK and have extended their operations in 29 different countries. Most of the stores are mainly franchises but it also owns a huge number of stores in Hong Kong. The profit turnover of M&S is close to 7.3 billion. M&S not only caters to clothing but has also widened the market by offering other products that range from furniture to food and financial services. (Marks and Spencer, 2000)

Initially there were problems and issues with the employee employer relationship and hence the company had to adopt a different employee relation approach. The company adopted some changes and principles within the management such as:

- Change in working hours
- Competitive rate package
- Employee discounts
- Pension schemes
- Bonus and extras (Yvonne, 2010)

Change in work timings: With the introduction of Sunday trading in the UK, Marks and Spencer had to create flexible shift timings in order to work on Sundays. Most of the staff work 36-38 hours per week and currently some of the staff work more than normal work schedules. (Yvonne, 2010)

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Competitive performance related rate packages: The salaries are frequently matched with the market to keep up with the changes in the market.

Employee discounts: The staffs and employees of Marks and Spencer's receive a discount of 20% on all the purchase made.

Pension: Marks and Spencer's provide secure retirement benefits for its employees if they have worked in the company for more than a year. The company also provides additional health and dental care for its employees. They also provide SAYE for all the employees across the world. (M&S, 2007)

The company is not represented by any trade union. The employee relation of M&S is taken care by the Human Resource Management (HRM) and it is closely aligned to the business objectives and strategies. The trade union in the UK is the most influential association for protecting employee's rights. In 2001, Marks and Spencer's had announced closing down stores in Europe especially Belgium, France, Germany, Portugal and Spain. The company had planned to close down some of the stores in Europe as a part of cost cutting measure which would help in saving 250 million GBP in 2006-07.

The UNI commerce and the national trade Union had raised concerns and had tried to reverse the company decision as it had breached the laws. The Marks and Spencer staff members and the trade union had demanded to reverse the decision to close the stores in Europe and also to initiate and establish talks with the trade union. The trade union actions (TUC) had advocated Marks and Spencer to revisit and change some of the employment policies and practices. Currently Marks and Spencer's are not under any governed trade unions. In 2005, trade union ` which mainly

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focuses on employee relations mainly in the retail sector had started campaigning and informing the employees and staffs of M&S about the advantages that trade union can add and also serve the employees with vast knowledge. (Georgina, 2006). To deal with these employee related issues, Marks and Spencer had hired a consultation company “ Business Involvement Group” (BIG) (HRM in Marks and Spencer, nd)

The stakeholders involved in the employee relations processes of the Organization:

M&S has always been known for having strong human resource strategies with the help of Human Resource Management (HRM). The HRM helps in laying down strong internal policies and procedures which helps in achieving business objectives of the company. The managers in M&S are allowed to adopt appropriate strategies that will help in improving the company’s productivity. M&S HRM policies also help in contributing to commitment and loyalty of the employees. The HRM also initiated a new change in the company to help the employees and staffs change their attitude towards how they work and perform. Therefore, M&S had commenced feedback sessions with its employees on the performance and the areas of improvement and these constant interactions with the staffs had helped the company in changing and developing new skills, increase competence and improve productivity.

What is the orientation of the organization to industrial relations? If it's not unionized, how does M&S maintain communication with the employees?

M&S follows a sophisticated paternalistic approach which refuses to recognize any trade unions but they have strong internal HRM policies which will help in ensuring that all the employees' goals and grievances are taken care of without the involvement of the trade union organization. M&S also have a network of elected employee representatives known as BIG (Business Involvement Group) which aims at resolving issues that affect the employees. BIG provides an opportunity to voice their individual opinion, concerns and grievances. The employees also have a great opportunity to positively affect the organization by providing ideas which will help in improving the working conditions and the productivity of the employees. Every store across the globe has BIG representatives who are usually elected by their staff members to help the other employees resolve the issues. The national BIG aims at-

Better communication between management and staff

Continuous development of the employees

BIG also aims at engaging the employees in discussing and debating the various changes that are required which can change the employee's working condition and improve efficiency. M&S also have a wide range of learning and development which helps the employees to grow with the company and also achieve their goals. (M&S, Employee Handbook, 2009)

How does M&S handle collective grievances?

M&S procedure is available for all the employees to address any issues, grievances and complaints. Work well programme was also introduced in M&S which help in creating and maintaining a productive and healthy environment. The grievance can be in any form such as workload pressure, employee employer relationship, roles and responsibilities, work stress, organizational environment or even personal relationship. In case, the complaint is with respect to a generic company policy, then the internal BIG will handle such issues. The employee's line manager provides all the necessary information to the local BIG and the local BIG flags the issue in the common forum with the national BIG. If the issue is collective and if the complaint is common among other employees, the national BIG contacts the policy owner or the HR to revise the policy and a written response will be sent to the employees who had raised the grievance. M&S believes in treating its employees with dignity and any form of discrimination or harassment will be dealt very seriously. The company has now 3500 BIG representatives covering all its stores. The company also provides workshops to the employees to help in performing the role better. (The Marks and Spencer WorkWell Programme, 2002)

How does M&S establish fair pay and conditions?

The company is periodically audited which is part of the "ethical trading initiative" which helps the company, government, trade unions and human rights department. The company believes in providing good working conditions and fair rates of pay. Development of standards between the company and the employees & suppliers help in achieving continual

improvement for the business. The employees and staff working in M&S are treated with respect and without violating the human right law. The company complies to the local government's regulations in the below areas-

- Working hours and working conditions
- Minimum age of employment provided
- Terms of employment
- Health and safety of the employees
- Free from discrimination
- Right to collective bargaining
- Rate of pay with par with the local labor law
- Regular checks in all production and sales sites are made periodically to ensure the working conditions of the employee are as per the rule (Ethical Trading , 2002)

If M&S is not unionized, how does it regard its relationship with the trade unions?

The company has 80% of its employee workforce as women and the company now is 98% unionized in Ireland and there are 2 collective agreements with 2 different unions- MANDATE and SIPTU. The governing reasons for M&S to have the company unionized are-

- Some of the management policies and procedures do not suit the local government as the culture of UK is not always compatible with the other countries.
- The conventional system did not help in the change strategy established by the business.

Marks and Spencer are not affiliated with any trade union currently in the UK but many trade unions have been convincing the company to permit trade unions within its operations. The government has also been involved very closely with the operations of Marks and Spencer as it is one of the largest employers in the UK. M & S has to comply with all the rules and regulations laid by the government. The company was also asked to submit a report on internal controls and risk management by the government and this had helped the company to detect some issues and obtain control. The company has also faced allegations from trade union called "UNITE" criticizing the employee relations implemented by the company. There have been a number of advantages for the employees owing to the partnership with the 2 trade unions in Ireland-

- Flexible working hours introduced for its employees to have a better work life balance.
- Profit sharing pension scheme has been introduced
- Better medical facilities available for its employees for free checkup
- Training and development in technical aspects, job analysis and problem solving areas which has helped employees improve their productivity and efficiency
- These changes have helped M&S ensure a positive feedback in Ireland and as a result have also attracted number of candidates for employment. (Marks and Spencer, 2000)

The problems in the company's industrial relations culture and practice?

The company should allow its employees to join trade unions because the company can discharge a separate internal team BIG working on employee relations which is not very effective. M&S also needs to realize that any decisions taken impact many of its own employees which can cause more fiction. The employee problems need to be addressed by a neutral governing body who are not affiliated to the company so that the employee's problems are addressed and necessary actions are taken. The pension scheme established by the company has also raised concerns among employees. The company has not matched up the profits directly to the employees and the pension scheme introduced by M&S was not taken well by the employees. The employee turnover is also high in Marks and Spencer as the employees are not satisfied with the working conditions, changes that take place within the organization and other factors. (M&S, 2007)

Recommendations:

The company needs to introduce a knowledge management process which can be an advantage for the employees and the company. This helps the company to handle the jobs effectively and efficiently. The company should also allow the employees to join trade unions as the internal consultation system BIG is not effective on employee relations. BIG representatives do have the technical competence to handle issues put forward by the employees. (Brunes, 2004)

M&S definitely need to work on the employee relations area as the competition within the retail sector is high and the employees play a very

important vital role towards contribution of a profitable company. Although the company provides a good remuneration package, refined human resource management strategies and good training & development for its employees, the external factors such as constant unconstructive media reports and from the trade unions make it difficult for M&S to provide good employee relations. (HRM in Marks and Spencer, n. d)

To obtain a good employee relationship, it is very essential for the M&S management to be involved. M&S need to have the below HRM approach-

- Good management leadership to take necessary decisions
- Clear understanding of policies and procedures by the management to prevent any conflicts arising.
- Management should also consider the employee involvement in case of any change in process
- M&S management should also build a good rapport with its employees by encouraging and motivating with rewards and recognition.
- M&S should also focus on improving the interpersonal communication skills of all its organizational members.
- Well defined strategy and contingency plans in place to handle any unforeseen event.
- More employee participation in various events so that it helps in improving the responsibility and commitment.
- M&S management to be more transparent with the policies and decisions made which will help in growth and development of the company (HRM in Marks and Spencer, n. d)

CONCLUSION:

M&S have been very successful in implementing changes in a very effective technique. M&S needs to build on its own strength and try to overcome the threats. M&S needs to understand the work related issues and try to work on them. Work Well Programme has cited that one of the biggest issues in M&S was the presence of good management.

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