

# Human resources management: overview

[Business](#), [Human Resources](#)



## Introduction

How Does the health of the employment relationship impact on the overall success of an organization?

The health of the employment relationship at Tesco is a dynamic and at times ambiguous role within the organization that interlinks the employee with departmental contacts and coincidentally, at times, others within the organization. Generally, the aforementioned employee relationship does apply to the organizational worker, such as the sales clerk at a retail store. These employees will operate within the organizational framework of their inherent role, such as customer interaction and customer checkout. The employment relationship is therefore a function of the employee relationship and is subject to the relative happiness of the employee within their position and with the organization. The organization selected for this analysis is Tesco Plc., which is, “ Great Britain’s biggest private sector employer.” (Partnership delivers the goods at Tesco, 1999)

The organization is the employee base and the managerial and executive leaders that run the operations. The pyramid description of the organization is true for most organizations. The majority of the employees are at the bottom of the organization and do the grunt work of the business, such as the actual sales transactions or the actual tire change, for example. In a more complex and technical organization, the grunt work may be programming and the organization may be made up of programmers. At Tesco, the workers are going to be the retail staff that must attend to customers and ensure the floor operations are attentive to customer needs. With regard to organizational effectiveness at Tesco, “ Tesco Human

<https://assignbuster.com/human-resources-management-overview/>

Resources director for retailing service Therese Procter and CIPD strategic adviser Lee Sears regarding the role of the development of business organizations which include ensuring that the companies goal is met at every stage of the business process and engaging the employees toward the companiesgoals.” (Orme, Procter, Sears, 2009)

Tesco inherently makes an attempt to engage their employees to create a sense of belonging to the organization and reinforce their importance to the underlying operations. At every stage of the business process, company goals are met. The employees are therefore empowered to create an organization that is reflective of their work. The employee engagement is dynamic in many aspects but primarily because the organization employs a wide range of people. “ Plans of Tesco to open stores in early 2005 that would employ long-term unemployed people in deprived areas in a bid to recruit staff from a wider labor pool and create new markets for its business. Tesco guarantees them a job providing they complete a training course lasting eight to 10 weeks. The company has found its policy has improved retention, with 55 percent of staff taken on through the scheme staying for at least six months.” (Hope, 2004)

As aforementioned – Tesco’s organizational attempt to hire the unemployed is a policy designed to motivate by indoctrinate the Tesco way as is predicated on the Tesco training program. “ Tesco will ring-fence a significant number of the 11, 000 jobs it expects to create this year for the long-term unemployed. After announcing a 10% rise in annual profits to 3.1bn last week, Hayley Tatum, Tesco’s UK personnel director, said that where

stores were located in high areas of unemployment, the retailer would put aside jobs for who have been out of work for more than 12 months.” (Baker, 2009) The decision by Tesco to reserve 11, 000 jobs for individuals out of work for more than 1yr and living in a high unemployment area is an example of enhancing the employment relationship by enabling the new hire with an immediate opportunity to contribute to the organization.

### SOCIAL IMPACT OF CORPORATERESPONSIBILITY

The social impact via corporate responsibility by providing opportunity to the individuals ostensibly who have the least opportunity available to them is a policy that increases the effectiveness of the employment relationship by enabling loyalty and therefore sustainability. “ The news came as the jobless total soared to 2. 1 million, according to official statistics released last week. So far, the retailer has taken on 3, 000 long-term unemployed people through Jobcentre Plus using the government’s Local Employment Partnership (LEP) scheme. Tatum said potentially thousands more could be hired in this way as 200 new Express stores and 30 larger stores would be opened this year.” (Baker, 2009)

### TESCO’S EMPLOYER RELATIONS HISTORY

The crux of the employee relationship is inherently established on trust which extends into loyalty. As the employee gains trust into the organization, the level of loyalty one contributes into the organization will rise. “ If the store is in an area of high unemployment, we will try to ring-fence more jobs for LEP’s,” (Baker, 2009) Enabling the long-term unemployed as new hires

will also reinvigorate the local economy and enable new hires to spend at the store and become customers as well as employees. The combination seeks to improve and stabilize employment relations and to bolster the consumer base and the quality of service of Tesco. “ Tesco is working up plans for a regional distribution centre of around 500, 000 sq. ft. in Havering, east London. The LDA had hoped to reserve the site for hi-tech manufacturing, but said that it would soften its stance to bring “ long-term employment” to the site. The agency is thought to look favourably on Tesco’s proposal as it could create as many as 500 jobs.” (Tesco ready to chill in Havering, 2009)

Tesco’s UK personnel director described the LEP’s as a function of enabling the organization to make hiring decisions, but does not guarantee a job. “ Tesco was the only employer to offer those who complete its LEP scheme the guarantee of a job at the end. In March, McDonald’s said it would offer those on its LEP scheme the guarantee of an interview.” (Baker, 2009) Tesco has a market advantage by guaranteeing a job after completing the LEP program whereas competing businesses may not receive the same level of hire given the probability of obtaining a job as less than with Tesco. McDonalds for example, may not have the same level of employer relationship as does Tesco with their employees. If an employer can guarantee a job after completing the LEP then intuitively the most qualified individuals within that job market will seek that particular job via the LEP program.

#### SAFEGUARDING PRODUCTIVITY & INCREASING NEW HIRES

To provide further safeguard to prevent against the hire of individuals that may harm the corporate culture or that may constitute a ‘ bad hire’ requisite

to the violation of one or more corporate rules.” The graduate recruitment process of Tesco PLC, a British international grocery and general merchandising retail chain, has been revamped to address the problem of a growing number of unsuitable candidates being invited for interview. The company has introduced the Talent screener software programme, which analyses applicants’ suitability for a role, at the first stage of recruitment. The system, made by WCN, rates candidates on a traffic-light scale from red, which means not suited, to green, which means highly suited.” (Chubb, 2007) The talent screener provides a system to identify the best candidates based on established criteria. Reduction of error with regard to bad hires will propel the organization further and faster than if enabling hires that are not fully integrated with the system. The talent screener is the backup or the mitigating factor with regard to the use of the LEP program.

The talent screener will enable such practices as their major recruiting initiative to hire for the marketing department. Marketing is a higher level organizational role than what is on the floor and likely will involve advertising initiatives and soft sales skills. “ The retailer aims to fill more than 40 marketing vacancies, including head of online marketing for F&F and marketing manager for Clubcard. The drive is part of Tesco’s bid to redefine its marketing approach, in a strategy dubbed internally as ‘ One Voice.’ The project, believed to be designed by UK marketing director David Wood, is designed to improve coherence across Tesco’s businesses. ‘ As it has all these new marketing executives coming in, it wants to try out a new initiative, and ensure Tesco speaks with “ one voice”, said a source close the retailer.” Barnes, 2013) The improvement of coherence across all of Tesco’s

business lines will provide the most comprehensive integration effort to unify the organization within the framework of the company underlying employment relationship strategy. The organization wishes to speak with one voice and to reduce the stigmatism of ‘ the bad job’ or the role that no one wants in the organization by unifying the importance of all jobs into one singular voice.

#### EMPLOYER RELATIONS ISSUES AT TESCO

Alternatively, there is a history of employer relations issues at Tesco, to which statistically, almost all organizations will have some issues with their employees. For example, the case of *Miss Gaurilcikiene v Tesco Stores Limited* purports Tesco Stores violated the discriminatory workplace law that protects employees from discrimination. “ This case deals with an appeal on the grounds of a procedural irregularity made against a judgment in the employment tribunal. Miss Gaurilcikiene, a Lithuanian, raised a grievance alleging that her colleague’s behaviour towards her at work amounted to race discrimination. The grievance letter was sent by email to Tesco’s head office and copied to the area personnel manager. When she did not receive a reply to her grievance, Miss Gaurilcikiene presented a claim to the employment tribunal alleging that Tesco’s failure to deal with her grievances amounted to victimization and/or direct race discrimination.” (*Miss Gaurilcikiene v Tesco Stores Limited*, 2013)

The *Miss Gaurilcikiene* case against Tesco is indicative of a weakness in Tesco’s employer relationship model as potentially there could be racial discrimination and thus policy violations that create underlying issues with

the employee base. If employees begin to feel their work environment is potentially bigoted or prejudiced in any way, the perception of the organization may change and employees may lose trust in the internal members of the organization. The internal members are to refer to the organizational members at the bottom of the pyramid, or the employees that do the organizational work, such as, direct contact with the customer and with the produce, as in handling and shipping.

An example of Tesco's business operations rendering human resources mishap is the meat labeling and unfair employment practices. "Reportedly, Tesco has called on Unite to put up after Union to take on the retailer due to country of origin meat labeling and unfair employment practices. It cites that Unite, which held protests in December 2008, believes Tesco's use of imported meat would result to down conditions among meat sector workers." (Goldstein, 2009) The down conditions are to infer the workers will be laid off until further notice given the employment practices are being scrutinized in court. This case coupled with the allegations from the previous case indicate there, at times, is a discrepancy between the actual employment practices of the organization as viewed upon by employees or vendors and the expectation of the organization with regard to their employer relations.

Another allegation of worker exploitation was rendered by Driving Edge. "Tesco has launched an investigation into the suspension of a shop steward at its Manchester depot amid claims of workers exploitation. CM revealed last week (CM29 June) that T&G shop steward Adam Gietkowski, employed by agency Driving Edge, had been suspended, allegedly for criticizing the



agency's treatment of Polish workers at the supermarket's Wincanton-run RDC. A Tesco spokesman says: " Tesco has a code of conduct that governs how our suppliers deal with their employees, and we take alleged breaches very seriously. We will be contacting Driving Edge to investigate this matter thoroughly. Driving Edge MD David Richardson says that while an employee was suspended, it was not for the reason claimed by the T&G. " The current employment contracts we offer at Middleton are very competitive and we don't have significant labour turnover at the sites," he adds. " Any issues that have been raised as a grievance have been dealt with through the company's grievance procedure." (Carter, 2006)

The allegation again supports that Tesco has operations that are potentially misaligned with their employer relation mission of integration into one voice. The health of the employment relationship given the specifics to the case files of the lawsuits filed against the company does indicate there are inappropriate employment practices at the company that have hindered the ability to work for some of the members of the company. The lawsuits appear to describe the inferior treatment of the workers given the parameters of the of the worker exploitation claims posed against Tesco. The worker exploitation claims from a shop steward often arise due to the poor work conditions or the lack of pay relative to the work requirement. Tesco has a code of conduct with regard to how they deal internally with employee breaches of policy. But does Tesco have a code of conduct with regard to how they treat their employees employed by other agencies?

**CONCLUSION**

The health of the relationship is inherently based on the employee opinion of the employer and therefore the employer acts as a facilitator of its own employee relations by enabling their workforce to perform at or above their potential and more toward their ability. The Tesco relationship as a function of their hiring practices is to enable a population that may not generally have a job if not for the work programs that enable the jobs. Therefore, Tesco has an employee base that may be somewhat disgruntled or have the propensity to be disgruntled with regard to potential workplace treatment to which workplace violations are filed in response to the subpar working conditions.

The conditions at Tesco appear to be conditional to the operations of the underlying business. This is to say, Tesco has a sales floor that seeks to enable the flow of goods and sales within a timely fashion. The health of the employee relationship to that regard appears to be strong and without issue. The main issue appears to be with the potential for racial discrimination and to the treatment of non-employees that are agency hires that contractually work for Tesco. The work relationship and employer relations with agency workers are often neglected and not part of the underlying human resources contract that is enforceable with regard the hires made by Tesco's Human Resources Department. The lack of worker's rights to the agency employee is an issue that has arisen in court via the law suits filed by plaintiffs. The issue of the health of Tesco employment relationship and its impact on the overall success of an organisation has been positive with regard to Tesco's ability to grow their organisation and to increase the value to their shareholders. If the health of Tesco's employment relationship had been ineffective or with major human resources violations, class action law suits or

similar activity would have occurred. The isolated incidents that have occurred in the past at Tesco appear to be specific to each case and perhaps Tesco has improve upon these areas of employer-employee relations and have prevented further issues in the future.

## References

Baker, K. (2009). Tesco to reserve new jobs for unemployed. *Personnel Today*, 19.

Barnes, R. (2013). Tesco in hiring drive to boost marketing team. *Marketing* (00253650), 5.

Carter, B. (2006). Tesco investigates shop steward's suspension. *Commercial Motor*, 204(5185), 6.

Chubb, L. (2007). Why green means ' go' for Tesco. *People Management*, 13(25), 12.

Goldstein, S. (2009). Tesco challenges Unite over food origin label claims. *Packaging News*, 2.

Hope, K. (2004). Tesco to recruit in deprived areas. *People Management*, 10(25), 11.

*Miss Gaurilcikiene v Tesco Stores Limited*. (2013). *Employers Law*, 8.

Partnership delivers the goods at Tesco. (1999). *IRS Employment Review*, (686), 4.

Pickard, J. (1998). Retail giants view temping as past its sell-by date. *People Management*, 4(12), 14.

Manchester takes HR into next generation. (2009). *People Management*, 15(25), 8-9.

Sonne, P. (2012, February 22). Tesco Job Sparks Outcry. *Wall Street Journal – Eastern Edition*. p. B7.

Tesco jobs at risk after Eddie Stobart takeover. (2012). *Truck & Driver*, 8.

Tesco ready to chill