

**Student name :- Gagan Sapariya**

**Student ID :- 2106641**

**Module name - Human Resource Management**

**Module code:- LCMB7000**

**Lecturer name :- Dr. Gladius Kulothungan**

# L

## Table of Content

|                                            |    |
|--------------------------------------------|----|
| Introduction                               | 3  |
| Literature Review                          | 3  |
| The People Value Chain Model               | 3  |
| Tesco PLC                                  | 5  |
| The High-Impact HR Model                   | 6  |
| Tesco Plc                                  | 7  |
| Justification of Choice                    | 8  |
| Impact of Covid-19 and Brexit Deal         | 8  |
| Brexit Deal and Tesco Plc                  | 8  |
| Covid-19 vs Tesco Plc                      | 9  |
| Strategy development and Critical Analysis | 11 |
| Conclusion                                 | 11 |
| References                                 | 13 |

## Introduction

As per Olson *et al.* (2018), A Human Resource Manager is required to manage the **assets** of an organisation efficiently. This involves recruitment, selection, training and hiring of new employees in an organisation. It shall also encompass remuneration packages to employees, benefits and allowances, ensuring health safety factors of existing as well as recruited employees. As per Thissen *et al.* (2020), The Brexit deal is one of the changes in the economies of the UK and European Union that has restricted employment opportunities for UK citizens in Europe in the form of more travel permits. The deal is meant to decrease trade barriers, including both tariff and non-tariff trade barriers. However, it has resulted in a net decrease in the population of the EU by 12% between 2019 and 2020 (Hervey *et al.* 2021). According to statistical forecasts, it is expected to increase by the same frequency over the period. However, it is well anticipated by the **Chairman of the Office for Budget Responsibility** that the UK economy shall slow down in the long run due to EU trade agreements by 4%. Also, more impact shall be observed by the UK due to Brexit than the Covid-19 outbreak in the long run. The pandemic created a shortage of social and human capital. It instilled demotivation and stress among workers, employees or even senior personnel. An organisation needs to render support and motivation to its employees in order to bring a stable situation in tough times for all (Wolor *et al.* 2020).

The researcher shall identify models for human resource management based on theories and references. The researcher shall analyse the impact of Covid-19 and Brexit on the resource policies of Tesco Plc. After the analysis is done, a strategy for managing resources shall be cited.

## Literature Review

The researcher shall describe **two** recent theories of Human resource management and prove the impact of the Covid-19 outbreak and Brexit on HR policies. The researcher will illuminate the impact of various aspects of the two events on human resource policies.

## The People Value Chain Model

The People Value Chain was developed in early 2021 and is known as EY's People Value Chain Model. It is considered for putting emphasis on long term development and value creation (Qamar *et al.* 2021). It focuses on **four** important aspects for achieving the purpose of the model.

**Financial Value:** The Model aims to create financial value by serving its stakeholder's interests and ensuring the smooth running of businesses.

**Customer Value:** It is focused on creating Lifetime Customer Value and customer loyalty through sustained and continued delivery of quality services.

**Societal Value:** The model aims to uphold the societal aspects by considering the effect of externalities has on the internal working conditions for their staff. It shall also include recruitment, retention and proper compensation packages for employees.

**Human Value:** The model also brings into light the importance of human capital and its linking with the job of managing human resources. It shall include safety norms, policies and code of conduct for employees, performance incentives, etc.

The Value Chain Model is based on people's aspects. It has **three** core components.

**Digital People Team:** Digital people are meant to automate administrative and operational tasks. The team is responsible for innovating services by designing and shaping elements of such services.

**People Services:** Business performance depends upon the people it has hired and the services that are offered to the clients. Management can hire consultants or experts for valuing the services delivered and polishing minute details. This shall ultimately result in value creation.

**Virtual Global Business Services:** The third component is the global scalability of a business virtually. It refers to working in a diverse environment, including different cultures across the world. Working with colleagues belonging to a different culture should become part of the work culture (Weidemeyer, 2020).

EY has highlighted upcoming trends in HR policies that can be seen in 2021 and thereafter. There shall exist a hybrid work model for the demand of **empathetic leadership style**. Employees are expecting organisations to address health, safety and security issues. The agenda of top organisations should include diversity, inclusion, well-being and belonging. Learning skills and building careers shall converge to a point. The focus should compulsorily shift from **activities to the outcome**. The HR function needs to focus on operating horizontally by considering a shift

from process or function centred activities to an integrated process of togetherness of employees and customer experience.

## Tesco PLC

It is a UK based supermarket retailer that fairly utilises the core of the model in its HR practices. The organisation ensures training and development, communication, rewards and benefits linked to targets and consultations. Tesco provides for the development of its human capital and ensures employment opportunities through various employment drives (Zhongming *et al.* 2021). Such practices help it to retain and recruit such employees that ensures professional appearance in front of customers and show themselves a part of the team. During Covid concerns, Tesco ensured “Food For All” by announcing flexible hours for shopping. The organisation also empathised with its employees by allowing sick pay for symptomatic or test positive. They also announced 16,000 new permanent roles in August 2020.

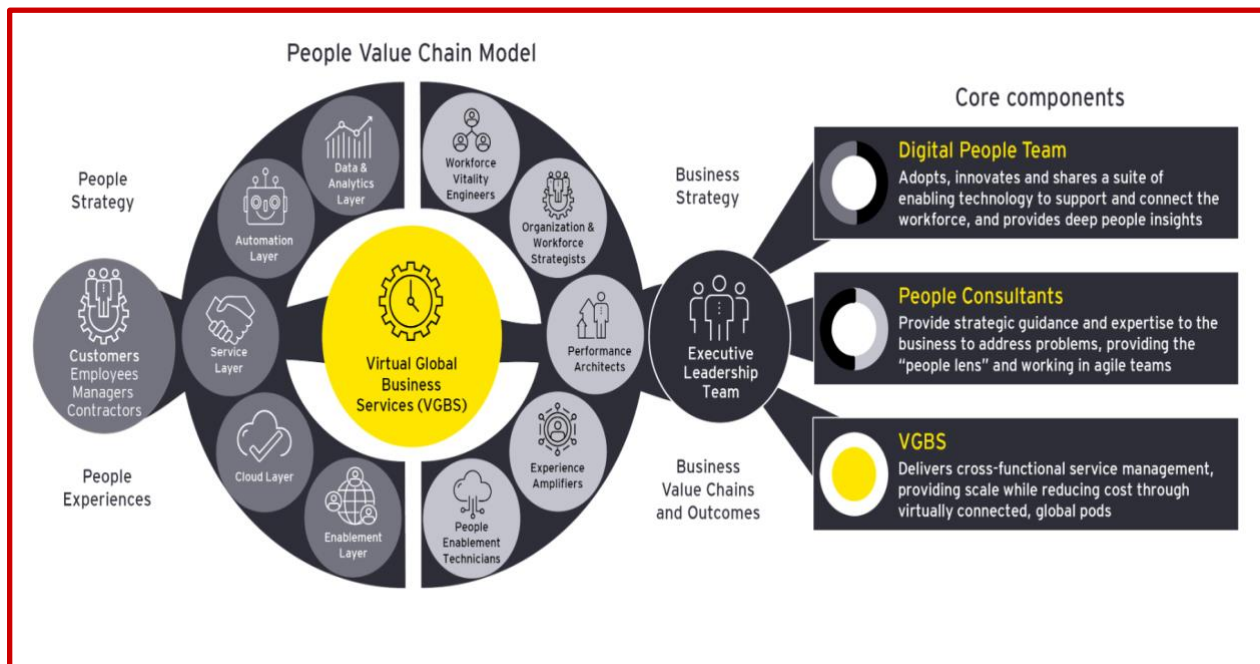


**Fig 1: The People Value Chain Model**  
(Source: Qamar *et al.* 2021)

## The High-Impact HR Model

The High Impact HR Model describes how the key functions of an HR manager can be impactful and bring more success to the organisation. It aims to streamline innovation, adaptability and expertise in the HR function (Antony and Merila, 2019). It consists of **four** elements.

**The Digital Workforce:** It is one of the most important and common pillars of any recent model. It is meant to go for digital transformation if the organisation is not digital. If the organisation is digital and requires empowerment, then this component of the model deals with the same.

**HR customers:** HR customers are meant to showcase their experience to the current and newly hired employees for the betterment of the learning experience.

**Fluid interaction among components:** The model brings more liquidity in interaction levels among various layers of hierarchy and is the most powerful component of the model.

**Workforce Insights:** Applying HR and digital analytics, an organisation can develop insights into the workforce. This shall be useful for developing strategies and implementing them (Tang *et al.* 2020).

If the HR function operates as per the laid down principles of the model, HR shall operate as a High-Impact HR in an organisation that shall lead to the achievement of success. The model also prescribes ways and means of improving the current ways of working to the model. This shall include the following **4Cs framework**:

- **Capacity**
- **Capability**
- **Community**
- **Credibility**

According to Manalo and Manalo (2020), the enterprise needs to adopt strategies to conquer disruptions in society, the working conditions and the environment. This shall include consideration of changing demographics, state of the economy, competitive nuances, demand and supply interplay in the changing market, digitisation, etc., which adds to the disruption factor.

**Deloitte**, through this model, focuses on the need to achieve sustainable business performance. It is of the view that HR is the only function that is capable of operating in such circumstances ensuring success for the entity. Therefore, HR must follow this model to bring high impact in ways

and means of achieving the objectives of an entity. They need to ensure efficient, effective and quality delivery of services.

### Tesco Plc

It wanted to know the views of its employees on the issues they are facing and how they are overcoming them. This **bottom-up** approach of HR managers builds a high impact on not only its employees but also on its competitors. Managers gather feedback through various modes for the development of the company. Face-to-face interviews, staff question time, use of the in-house internet and annual staff surveys are some of the team exercises of Tesco. It also analyses the current work processes to ensure immediate remediation. It has devised HR practices such as paying higher wages to employees so that valuable assets could be retained for long.

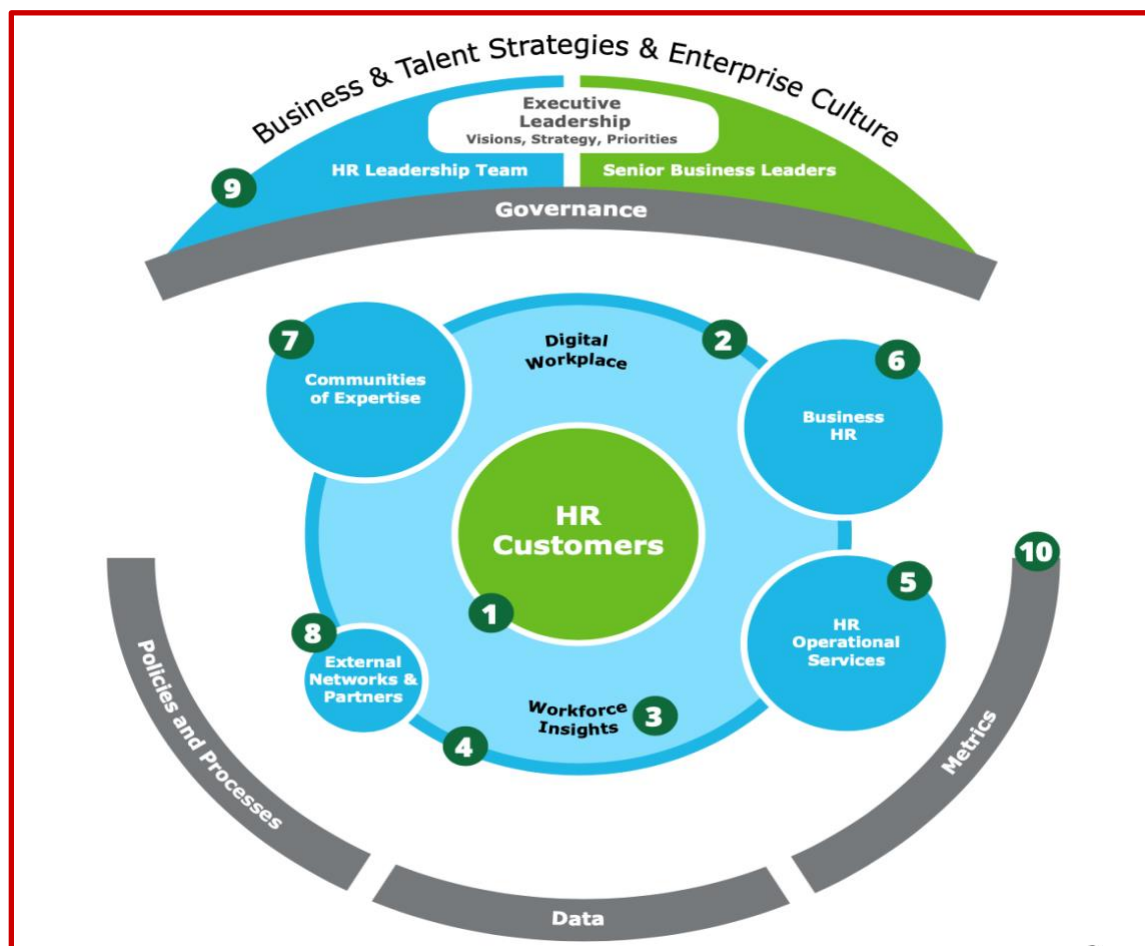


Fig 2: The High-Impact HR Model

**(Source: Manalo and Manalo, 2020)**

### **Justification of Choice**

The researcher shall choose Tesco Plc for identifying the impact of covid-19 and Brexit deal on the people resourcing strategies which were affected to an extent due to sudden changes in the external environment and required strategy development. Tesco seems to be one of the largest retailers in the UK who have been affected due to the two events but has developed strategies for combating it.

### **Impact of Covid-19 and Brexit Deal**

The researcher shall produce important details of the effects of the given scenario on the resources and normal working of the organisation. The researcher shall identify the impact of the two events on Tesco Plc. Accordingly, the researcher shall emphasise resource strategies to address the given scenario and analyse its implications.

### **Brexit Deal and Tesco Plc**

- Tesco reported in the media that Brexit is a challenge and not a crisis. Tesco points out that Northern Ireland, being of the UK and dependent on supplies from the EU, is facing supply issues from Europe. Trading arrangements came into effect from 1st January with a grace period of 3 months ending on 31st March. Tesco ensures the settlement of supply shortages by the end of the grace period. Ready meals are said to have been affected due to supply shortages and lesser shelf life. However, Tesco had been able to assure strong availability during the Brexit transition period due to its strong supplier relationships (Ferne and Sparks, 2018).
- Supermarkets of the UK feared introducing new norms that may render the system unworkable. Tesco, along with Sainsbury, Co-op, Iceland, Asda and Marks & Spencer, wrote to the Cabinet Minister Michael Gove on the seriousness of new certification requirements in April. The government replied that it had formed a dedicated team for working with the Supermarkets, the Northern Ireland Executive and the food industry. IT shall ensure smooth functioning of the flow of goods in the market. But Tesco indicated that "teething problems" will be one of the consequences, and that can be expected out of

new norms. Food products entering the ports of Northern Ireland from Britain shall be subjected to certification requirements.

- But the issue was also of higher prices that were consequential. The government said that even if the variety is not available, the quantity shall be maintained. Tesco's Chairman also warned that if the deal is not struck by the UK, then higher prices for food items will become common. A no-Brexit deal shall be possible with some food items being stocked in the storage facilities (Hoinaru and Năstase, 2019).

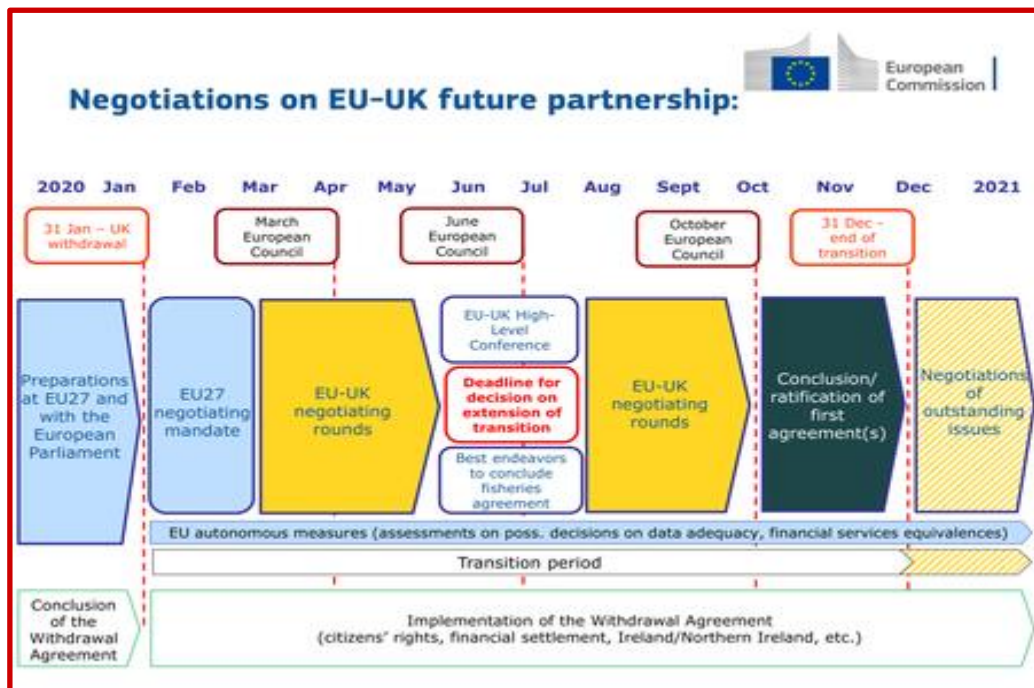


**Fig 3:** Brexit Deal effects

(Source: Thissen *et al.* 2020)

## Covid-19 vs Tesco Plc

Tesco Plc reported a profit in the pandemic attack with \$82.776 million, which is a slight dip from \$84,331 million in 2019 (Budiman *et al.* 2020). The supermarket giant earned sufficient levels of operating profits in the pandemic. A decline of about 15% in operating results could be sustainable. The costs incurred for engaging more workers in the organisation and the covid arrangements increased their operating costs much higher. About 50,000 new workers joined the organisation, and 20,000 became permanent. Online services and click-and-order became popular with the

people of the UK. However, opening physical stores and provision of online services required extra investment in the pandemic. Additional care facilities for delivery personnel had to be incurred. Tesco also handed its tax relief of 585 million pounds to the British Government. Tesco benefitted from changing the food habits and work preferences of people during the covid times. Many organisations handed money given to them as financial support by the UK government after earning handsomely. Tesco reported its gross sales to rise by 7% amid the Covid-19 outbreak, where its online sales saw a hike of 77% to 6.3 billion in the UK. About 26.8% rise in profits was recorded in September 2020 due to online sales (Rosnizam *et al.* 2020).

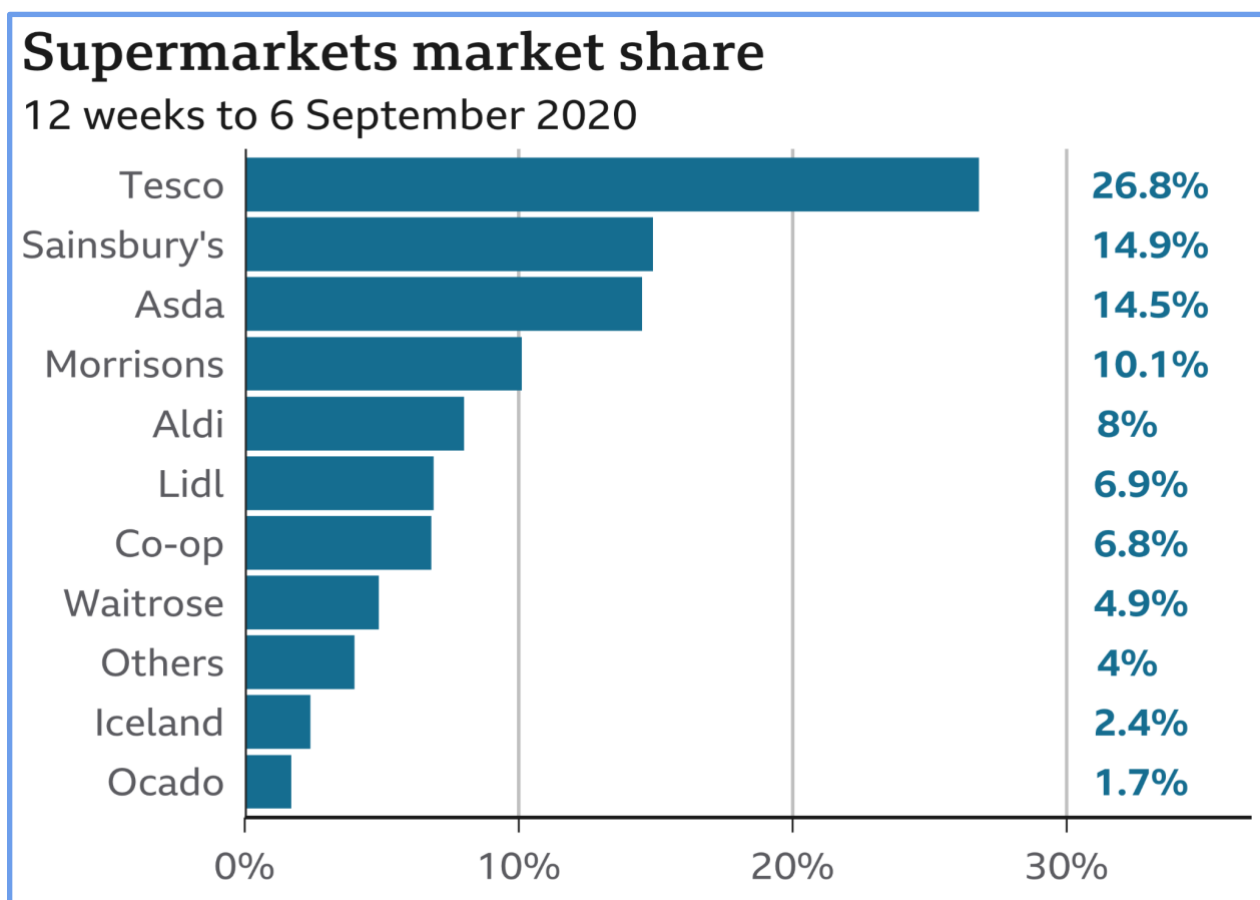


**Fig 4: Profits Rise by 26.8%**

(Source: Rosnizam *et al.* 2020)

The **People Value Chain Model** focuses on what behaviour the senior HR functions are required to achieve outcomes rather than activities. The HR function needs to focus on what skills to acquire, systems, tools and building a **digital team** for achieving timely action and delivery of

value in any situation. This **human-centric** belief shall bring more success and achievements in different fields. Tesco has survived through tough times and managed operational aspects by creating **financial value**.

## **Strategy development and Critical Analysis**

As per Mitra and Mehta (2021), the function should incorporate new policies for digitising working conditions in the organisation, especially **diversity in culture and inclusions**. EU's social policy focuses on combating discrimination and equal treatment of people at work across all member states, including the UK. It ensures free social mobility across its member states of EU citizens. Tesco needs to work on the policies and the treatment of its workers to ensure no form of discrimination and prejudice at work. Tesco might find it simpler to employ highly skilled employees of other EU countries (Verdin *et al.* 2020). This shall bring increased productivity, profitability and fresh flow ideas to the organisation.

Tesco became the first retailer in the UK for achieving the 1 million mark in a week. Tesco earned profits amid the pandemic and recruited 50,000 temporary staff for handling the physical stores as well as online orders. The team members were handling the shop floor with the finance team arranging other stuff. The finance team opted for remote working facilities. Tesco boasted of flexible work conditions for them ensuring work-life balance for them. He also pointed out that the communication is proper, and they empathise with each other. Tesco organises regular meetings with its staff and finance team. Tesco supported its colleagues through the situation in meeting crunches due to uncertainties in the economy.

By exploring the **People value model**, the organisation may realise the capacity involved in resourcing the assets of Tesco. This shall bring more productivity in Tesco's operations, improvement of chances of achieving core objectives and enhanced 'people' experiences. The model has taught how an HR function can reinvent its present service delivery function and the changes required in pre-pandemic practices (Claus, 2019).

## **Conclusion**

The researcher has identified the literature for analysing the human resource policies of the chosen organisation, Tesco Plc. The researcher justified the choice of Tesco. The impact of the Covid and

Brexit deal on Tesco has been mentioned. Human resource policies and strategies in line with the models have been identified and used to indicate Tesco's strategy.

## References

- Antony, T. and Merila, A., 2019. How Do Companies Integrate and Adapt to the HR Business Partner Organizational Model?.
- Claus, L., 2019. HR disruption—Time already to reinvent talent management. *BRQ Business Research Quarterly*, 22(3), pp.207-215.
- Fernie, J. and Sparks, L. eds., 2018. *Logistics and retail management: emerging issues and new challenges in the retail supply chain*. Kogan page publishers.
- Hervey, T., Antova, I., Flear, M.L., McHale, J.V., Speakman, E. and Wood, M., 2021. Health “Brexternalities”: the Brexit effect on health and health care outside the United Kingdom. *Journal of Health Politics, Policy and Law*, 46(1), pp.177-203.
- Hoinaru, R. and Năstase, M., 2019. A balanced approach: Brexit from political and business perspectives. In *Proceedings of the International Conference on Business Excellence* (Vol. 13, No. 1, pp. 804-816).
- Manalo, H. and Manalo, M.R., 2020, September. Value-based High Impact HR: Drivers and Barriers. In *International Conference on Business Management, Innovation & Sustainability (ICBMIS)*.
- Mitra, N. and Mehta, K., 2021. Diversity and Inclusion—A Key Business Strategy. In *Creating a Culture of Diversity and Inclusiveness in India Inc.* (pp. 23-32). Springer, Singapore.
- Olson, E.M., Slater, S.F., Hult, G.T.M. and Olson, K.M., 2018. The application of human resource management policies within the marketing organisation: The impact on business and marketing strategy implementation. *Industrial Marketing Management*, 69, pp.62-73.
- Qamar, Y., Agrawal, R.K., Samad, T.A. and Jabbour, C.J.C., 2021. When technology meets people: the interplay of artificial intelligence and human resource management. *Journal of Enterprise Information Management*.
- Rosnizam, M.R.A.B., Kee, D.M.H., Akhir, M.E.H.B.M., Shahqira, M., Yusoff, M.A.H.B.M., Budiman, R.S. and Alajmi, A.M., 2020. Market Opportunities and Challenges: A Case Study of Tesco. *Journal of the Community Development in Asia (JCDA)*, 3(2), pp.18-27.
- Tang, L., Xie, Y. and Zhang, J., 2020, June. Effective Ways to Enhance Employee Experience in Human Resource Management of Scientific Research Institutes. In *2020 IEEE 5th Information Technology and Mechatronics Engineering Conference (ITOEC)* (pp. 801-804). IEEE.

Thissen, M., van Oort, F., McCann, P., Ortega-Argilés, R. and Husby, T., 2020. The implications of Brexit for UK and EU regional competitiveness. *Economic Geography*, 96(5), pp.397-421.

Verdin, R. and O'REILLY, J.A.C.Q.U.E.L.I.N.E., 2020. What future for gender equality policy in the UK after Brexit?. *NILQ*, 70(1), pp.1-15.

Weidemeyer, F., 2020. COVID-19: Which Critical Choices Should Businesses Make Next.

Wolor, C.W., Solikhah, S., Fidhyallah, N.F. and Lestari, D.P., 2020. Effectiveness of E-Training, E-Leadership, and Work Life Balance on Employee Performance during COVID-19. *The Journal of Asian Finance, Economics, and Business*, 7(10), pp.443-450.

Zhongming, Z., Linong, L., Wangqiang, Z. and Wei, L., 2021. People and societal concerns should come before profit, say industry leaders.