

Human Resource Management

BMMB7007

Improvement of an HR priority area

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Executive Summary

In this report, we looked at the strategic management at JD Sports PLC and its influence on its employee's wellbeing. Specifically, JD Sports should change their strategies so that their workers can happily work for the company without any physical stress or mental stress. Through the research, it is clearly understood that JD Sports have to do some major changes in their work policy and strategies and are better ways to achieve employee wellbeing and small changes for employee's wellbeing won't change a lot for the employee's current conditions.

What is recommended

- Narrow down the communication gap between an employee and an HR officer, appreciate constructive feedback from the workers, promote autonomy, give everyone a voice, and have positive communication.
- The set of rules and regulations being implied on the employees should be considered by the main company HR instead of factory or warehouse operators.
- HR should have a routine visit schedule and communication with the employees to avoid malpractice by any of their employees or factory or warehouse operator.

Methodology Used

The recommendations are based on the following sources:

- JD Sports PLC Annual Report 2021
- JD Sports PLC Annual Report 2020
- JD Sports PLC Non-Complaint Report 2021
- Published public articles
- Articles published by reputed news channels.
- Published articles on the website

What the report covers

- **Page 1, Introduction.** We discuss the current issues faced by the employees at their work related to their wellbeing and mental health in the 21st century.
- **Page 2, Company Overview.** Briefing about the company.
- **Page 3, Data Gathered.** This section provides details regarding the data collected and the method used.
- **Page 6, Conclusion.** Concluding on the data gathered and highlighting the main issue.
- **Page 7, Recommendations.** Provide recommendations along with the specific path to implement.
- **Page 9, References.** Sources from the data gathered.

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Introduction

According to a survey conducted by a non-profit healthcare provider, 42% of UK businesses have lost their employees due to poor mental wellbeing support provided by their companies. Wherein 25% of those companies claimed they also lost their most valued and top talent due to poor mental wellbeing. (Lloyd, 2021)

During Covid-19 the UK PLC 2021 Workforce Health Report highlighted that poor mental health was the most common cause of loss of working with the absences averaging three times as long due Covid-19 related issues and 54% of employees who take leave for two or more days due to mental related issues go on to leave their jobs. (Wickens, 2021)

GOOD SHAPE UK LIMITED, a wellbeing and performance service, gathered some data from their proprietary workplace absences database which includes records for around 750,000 employees and found out in 2021 UK workers took more than 319 million days off work for illness and injury which estimated to £43 billion and counting to their employers. (Wickens, 2021)

Despite having extensive research done on psychology, healthcare, human resource management, and sociology, workplace health and employee wellbeing is still an ill-defined concept and elusive. Impact leading to poor employee performance, absenteeism, and sick leaves causing reduced quality of service delivery and a massive loss to the employers. (Clarke & Hill, 2012)

Company Overview

JD Sports PLC is a Clothing and Sports Accessories company founded in 1981 with its headquarters established in Bury, England, UK. Currently, the company employs 61,053 employees as per their annual report released on July 2021, with revenue at £3.9bn in 2021. The HR team operates from the HQ and has the assistance of smaller colleague welfare, support, and training teams after which the HR team reports to a higher department called Environmental, Social and Governance Strategy Committee (ESG), which then further reports to the Group Boards. (GROUP, 2019) (JD Sports Fashion PLC, 2021)

Strategic Analysis of Employee Wellbeing in JD Group

JD Sports PLC released its annual report for the year 2021. In their non-compliance report, they have mentioned that they are facing some issues in their factories, where there are workers are exploited and employee's wellbeing is an issue. The JD Sports factory in Pakistan is forcing workers to work for more than 13 hours a day. They are justifying this practice by reasoning that during pandemics they have lost time to manufacture and deliver their product during and after lockdown. When the company was questioned about this practice by the operator of the factory, he replied that this practice to work more than 13 hours a day will continue even after lockdown and will run until they cannot work to their full potential. The factory was closed for 6 weeks during May/June 2020 due to the pandemic. This issue is categorized as a critical issue by the company officials, who once a year visit their factories for inspection. This shows a lack of management by the company. This is causing the worker to work under a lot of mental stress and physical exhaustion. (JD SPORTS PLC, 2021)

The Pakistan factory is not the only JD Sports factory having issues with employee wellbeing and management, but the non-compliance report also mentions an issue in its factory functioning in India where the Child Labour Policy was considered inadequate and did not define a proper break, the working hour for young employees and did not mention any duty limitations for the young workers. This represents a severe lack of concern regarding child labor and again leads the young worker into excessive mental and physical stress. (JD SPORTS PLC, 2021)

But this isn't the first time JD Sports have management issues and employee wellbeing negligence as in the year 2016 Channel 4 managed to pull over a sting operation on JD Sports warehouse in Rochdale. The results which they obtained were worse than they assumed. During this sting operation, the competition company of JD Sports was already facing crises as they were caught exploiting their workers, resulting in the mental and physical exhaustion of their employees. But the JD Sports warehouse seemed worse than Sports Direct. The warehouse operator had incorporated a punitive strike policy wherein after 3 strikes the employees are directly fired from their job. This strike policy is half as generous in contrast to their competitor Sports Direct which operates their factories under six strikes then out policy. The strike system had some arguably harsh conditions. For example, 2 strikes for carrying a mobile phone in the warehouse, 1 strike for wearing a hoodie, 1 strike for wearing branded clothes, and direct dismissal if found sitting due to exhaustion during your duty hour. The footage captured in the sting operation showed the Team leader threatening the employee who was the

person conducting the sting operation that if he is seen sitting during his duty hours he would be fired from his job. (Jenkins(B), 2016) (Jenkins(C), 2016) (Jenkins(A), 2016)

Even after practicing such hard rules and regulations some of the employees who join to work for the warehouse were not given any legal contract which means they were having zero job security and the warehouse fire them anytime they want to. (Jenkins(A), 2016) (Jenkins(B), 2016)

JD Sports started to practice zero-hour contracts wherein the employees can come to the job at their convenient time slots but this contract also gave the recruiter the right to dismiss any employee without any prior notice, giving zero job guarantee and all this with a minimum wage of £7.20 per hour. (Jenkins(D), 2016)

After Channel 4 released the sting operation video they also showed the same video to the former Business Secretary Sir Vince Cable who said that this behavior was disproportionate, oppressive, and exploitive. The company not knowing about the strike policy being implemented shows serious concerns for the working of its HR department. (Jenkins(B), 2016) (Jenkins(A), 2016)

But even after everything was said by the Business Secretary the damage was done for the company after the release of the report by Channel 4 JD Sports suffered a heavy loss in its market value by 7% to 10% and they were mentioned in the top fallers in the FTSE 250. The company not only lost the value of its shares, but the report left a scar on companies' market reputation and public perception. (BBC News, 2016)

This illustrates the damaging effects a brand can suffer after ignoring employee happiness and welfare. It's quite puzzling to hear and see businesses are avoiding happy workplaces even though it pays the dividend. Happy workers mean more enthusiastic workers which means more productivity, engagement, and very few sick leaves. Thus, being it could be argued that it pays to invest in workplace happiness. A happy worker tends to have a more positive attitude to face difficulties, is more approach-oriented, and is more engrossed in their work activity, and perceived happiness will reduce the negative impact in the human resource and organizational outcome. A report published in the Laughology blog shows how a happy working environment and positive feedback tolerance policies can affect the wellbeing of employees in the company. (Davies, 2017) (Santhanam, Srinivas 2020)

Even after so many years past the Channel 4 report, JD Sports PLC is still struggling with its strategic Human Resource Management policies. The company is still greatly struggling to promote a positive communication environment where constructive feedback is acknowledged certainly. The company is still struggling to set up proper support structures to help their workers to ease their jobs. This is resulting in the stress of the entire workforce behind the production, manufacture, and storage and driving them towards more mental and physical stress than needed. The problem with the company is that its strategy, values, and goals are not properly communicated to its entire team. This in fact could be the reason, why certain employees are stressing out themselves more. This results in more severe problems where some of the employees are using advantages from this situation and gaining more authoritative control over their subordinates and then ill-treating them. This shines over the other problem of the company that everyone is not given a voice to communicate their problems and issues. Which keeps on building more stress on the employees resulting in them performing poorly in their jobs and duties. (JD Sports Fashion PLC, 2021) (Britton, 2016) (Jenkins(C), 2016)

In a recent news article published by Manchester Evening News, a worker reported that the managers in the JD Sports PLC Head Office were not at all following the rules implemented by the company during the Covid-19. The worker states the managers were “Still Hugging” during the pandemic even though there was an outbreak of the virus at the Head Office of JD Sports PLC. This shows the lack of positive communication in the company and the fact that the worker had to report the issues to the news channel instead of approaching the company official certainly indicates that JD Sports PLC is still lacking to acknowledge the constructive feedback given by its staff. The worrying part is even after the outbreak of the pandemic some of the managers were seen acting irresponsibly in the office which constitutes severe negligence to the health concern in the office and could have led to severe health issues among workers who were not at all aware of these issues. Thus, mentally stressing each worker to look after themselves in the office they have been working in. (Miller, 2020) (Halle-Richards, 2020)

In the year 2019, Health and Safety Matters (HSM) published an article regarding 40 ambulances that were dispatched to JD Sports at the Rochdale site. It's worth noting that a spokesman for JD Sports said that not all the ambulances called were due to work-related injuries to workers. However, in the previous report of JD Sports PLC, they mentioned the ambulance was called due to poor working practices in the warehouse including staff being subjected to timed toilet breaks, invasive security checks, and very strict and exhausting targets. These are all malpractices by JD Sports PLC at their Rochdale warehouse and stressing their workers to a peak mental and physical stress. (Rose, 2019)

Conclusion

JD Sports PLC the company known for its branded sports apparel and clothing has some serious lack of a positive work environment where their workers are forced to work and are treated like prisoners with strict checking like an airport checking. This all shows that not all workers are happy to work for the company, thus reducing the productivity of the workers and having an impact on the company.

There are times in the company when their Group Board isn't aware of the warehouse operators' malpractices on the workers to improve their productivity. The company Group Board wasn't even aware of the strike policy being implemented in the warehouse and factories. This shows a serious communication gap between the companies Group Board and their factories and their warehouse operators.

The fact that a worker can't stand for their rights or can't give proper feedback for the operation of the company shows a lack of positive appreciation for constructive feedback and a lack of voice given to the workers.

Therefore, JD Sports need to set up a new work culture from the ground up. That way, they will be able to start fixing the flaws in their current system. Eliminating the flaws from a company of this operating strength is difficult but never impossible. If the recommended changes are made the company can reduce the flaws in their system and eventually slowly but steadily implement a healthy and positive company work culture where employees can happily work and achieve their full productivity.

The most important point to be considered here is that there is a huge gap between the communication of a worker with the company HR, and this gap needs to narrow down so that the problem faced by the workers can quickly and correctly reach the HR. That way, they can solve the problem as quickly as possible.

Recommendations

To overcome the problems faced by JD Sports they need to take a strategic approach for employee wellbeing from the ground itself. They need to redefine their HR working strategies and need to periodically consult with the employees, so that they get direct feedback from the employees and so that they can take decisions best suited for the scenario. So far, the company HR has decided on the behalf of the employees leaving employees out the pictures and therefore the decision just being a new rule been imposing on them, so instead of solving problems, it creates more problem in the future.

Some of the recommendations for JD Sports PLC are: -

- JD Sports need to change their policies and HR strategies for their warehouse and factories and instead of warehouse handling the employees' rules and regulations, JD Sports should allot a small regional team of HR for their Factories and Warehouse. The team should directly report to the main HR of the company, this eliminates the multiple steps employee's complaints must go through before directly reaching the Group Board and Company HR. So that they can understand workers' issues and problems on a priority basis.
- The Company HR should also have an annual routine visit to each of their factories and warehouses to avoid any malpractices on the worksite and to directly address any problem the workers are facing, which are not communicated to them through their subordinates. This encourages the worker to have their voice and stand up against any injustice done to them and the Company should know about it.
- The company should look after the hiring system of the employees. As some people are happier being autonomous than others. Also, only HR should have the right to make rules and regulations for the hired employees and not the factory or warehouse operators.
- The company should promote autonomy. They should let the HR team take some decisions on their own. Steve Jobs once said,
 "It doesn't make sense to hire smart people and tell them what to do"
The team leader shouldn't be burdened with the goals to achieve and strict ways to achieve the goals. Instead, let them know the goals only and let them make their decision on how to achieve the goals.
- If there's any problem with the way the team leader leads its workers, HR can always intervene. But letting the team leader choose how to complete the target decreases the stress on the team leader and then they can think of more ways to increase the productivity of his employees healthily.

- The company should provide development plans and career conversations so that employees can take control of their career development in the company and fulfill their skill gaps and would be more able to do their jobs more successfully.
- The company should add a flexible working hour policy where staff does their jobs on the schedule that suits their home life, this increases their engagement for the company and their jobs, leaving them with less mental and physical stress. But they still should surety of their job.
- Providing a range of benefits to choose from can help employees feel more in control.
- The company needs to put a proper support structure so that the workers can properly do their jobs.
- The company needs to change their working environment in their warehouse and factories and need to create a more positive environment in the factories and warehouse in both physical and aspect.

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