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An Analysis on Primark

PRIMARK®

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EXECUTIVE SUMMARY

This report evaluates the HRM priority area of managing equality, diversity, and equity within the context of Primark, a leading global fashion retailer. The report identifies the reasons why managing these issues is a priority area for the organization, the current weaknesses in Primark's approach, and the impact these weaknesses have had on the organization. The report also provides feasible recommendations for how the HR function can improve the priority area in Primark.

The benefits of a diverse and inclusive workforce are clear, ranging from increased creativity and innovation to improved financial performance and employee engagement. However, Primark faces several challenges in this area, including a lack of diversity at the senior management level and gaps in training and development programs.

This report recommends several feasible solutions, such as implementing unconscious bias training, creating mentorship and sponsorship programs for underrepresented groups, and improving data collection and reporting on diversity metrics. By implementing these recommendations, Primark can create a more diverse, equitable, and inclusive workplace that attracts and retains top talent, better connects with its diverse customer base, and improves its financial performance and sustainability.

Overall, this report provides a comprehensive analysis of managing equality, diversity, and equity in Primark and offers practical solutions to improve the organization's approach to these critical issues. By prioritizing diversity and equity initiatives, Primark can enhance its reputation, attract and retain top talent, and ultimately improve its financial performance and sustainability.

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CHAPTER I: INTRODUCTION

The management of equity, diversity, and equality has emerged as a crucial priority for enterprises all around the world. The advantages of having a diverse and inclusive workplace are obvious, and they include enhanced creativity and innovation as well as better financial results and employee engagement (Gilmore and Williams, 2013). But managing equality, diversity, and equity successfully is frequently easier said than done, and firms must overcome a number of obstacles to build a truly inclusive and diverse workplace.

This research offers a critical assessment of Primark, a prominent international retailer of clothing, with regard to the priority area of managing equality, diversity, and equity. The report will outline the organization's priorities for managing equality, diversity, and equity as well as the areas where Primark currently falls short and the effects these areas have had on the company.

The study will also include workable suggestions for how Primark's HR division can enhance the priority area. These suggestions will be based on the individual circumstances of Primark and take into account the opportunities and difficulties specific to that company.

Overall, this research aims to give a thorough examination of Primark's management of equality, diversity, and equity as well as practical suggestions for how to strengthen the company's approach to these important topics. Primark can improve its financial performance and sustainability by putting the suggestions made in this study into practise. By doing so, it can build a more varied, egalitarian, and inclusive workplace that draws and keeps top talent. It can also better connect with its diverse consumer base.

CHAPTER II: PRIMARK OVERVIEW

Primark is a well-known fashion retailer, operating in the UK, Ireland, Spain, Portugal, Germany, the Netherlands, Belgium, Austria, France, Italy, the US, and Poland. Under the name Penneys, Primark was established in Dublin, Ireland, in 1969. The owner of Primark is Associated British Foods (ABF), a large international food and retail corporation (Business & Human Rights Resource Centre, n.d.). Primark has more than 390 locations worldwide as of September 2021, with a major chunk of those being in the UK and Ireland (Primark Corporate, n.d.).

Primark has about 70,000 employees worldwide, the majority of whom work in its retail locations (Primark Corporate, n.d.). The business, which uses a fast fashion business model and makes frequent deliveries of new products to stores, is known for selling stylish apparel and accessories at reasonable costs.

A dedicated HR team at Primark manages the HRM function. ABF has a robust HR function that oversees employee engagement, training and development, diversity and inclusion, and ethical trade, according to the company's 2021 annual report (ABF Corporate, 2021). With a position at the executive level, the HR department is effectively represented inside the company. According to the report, the organisation is dedicated to fostering a supportive and inclusive workplace culture and making investments in its employees.

CHAPTER III: MAIN BODY

Human resource management (HRM) has emerged as a crucial component of business success in the present global economy. As a result, HRM has gained importance among many businesses, including Primark. Managing equity, diversity, and equality is one of Primark's key HRM priority areas. This research provides a comprehensive assessment of this key area in Primark by outlining its advantages, current problems, and effects on the company. Also, doable suggestions for enhancing this priority area will be given.

3.1 Equality, Diversity, and Equity

Due to several factors, managing equality, diversity, and equity is a crucial priority area for Primark.

First off, Primark is aware that the diversity of its personnel is crucial to the company's success. The organisation may access a variety of viewpoints, abilities, and experiences by hiring personnel from a variety of backgrounds, which fosters innovation and creativity (Cox, 1994).

Second, Primark prioritises managing equality, diversity, and equity since it is consistent with its corporate social responsibility (CSR) obligations (Jones and Comfort, 2018). Managing diversity and equity is among the ways the organisation recognises, on its website, that business has a responsibility to advance fairness and equality in the workplace (Primark, 2019).

Thirdly, managing equality, diversity, and equity is a top concern for Primark since it strengthens its standing as a company that values social responsibility (Associated British Foods, 2019). The social and ethical policies of the businesses that consumers support is becoming more and more important in the contemporary business climate (Eswaran, 2019). Primark can improve its reputation, entice, and keep customers, and set itself apart from rivals by effectively managing diversity and equity.

Fourth, managing equality, diversity, and equity is a top focus for Primark since it increases worker motivation and engagement. Employee motivation and commitment to their work are more likely to be high when they feel that they are being treated fairly and equally (Marchington et al., 2016).

3.2 Current Weaknesses

Primark faces several difficulties managing equality, diversity, and equity despite the advantages that have been recognised.

The absence of diversity in top management is one of Primark's major shortcomings in managing equality, diversity, and equity. Because the top management team at Primark consists primarily of men and comes from a similar background, there is less diversity in viewpoints and ideas when making decisions (Nishii, 2012). Also, the absence of diversity at the senior level may lead to blind spots and biases in decision-making, which may harm the organization's attempts to promote equity and diversity (Hopgood, 2020).

Second, maintaining diversity and equity in its hiring and selection procedures presents difficulties for Primark. Although the company has attempted to hire people from a variety of backgrounds, it is still difficult to make sure that the hiring process is fair and balanced (British Fashion Council, 2019). Unconscious biases, for instance, may have an impact on the selection process and lead to underrepresentation of some groups. Also, some applicants may experience bias or discrimination during the hiring process, which could harm how they view the company and reduce their dedication and involvement (Murphy, 2011).

Finally, managing diversity and equity in its training and development programmes presents difficulties for Primark. There are still gaps in the organization's efforts to accommodate the particular needs and viewpoints of employees from varied backgrounds, despite its efforts to offer training and development opportunities for its staff. Employees from minority backgrounds, for instance, might not have access to similar developmental chances as their counterparts, which could impede their ability to advance in their careers and develop (Tyler and Vachhani, 2020).

3.3 Impact of Weaknesses in Managing Equality, Diversity, and Equity

Primark's shortcomings in managing equity, diversity, and equality have a negative effect on the company. First off, the organization's capacity to make wise and just judgements has been hampered by the lack of diversity at the senior management level. This can lead to a lack of representation for particular groups and have a detrimental effect on staff engagement and morale (American Psychological Association, 2023).

Due to difficulties in the recruitment and selection processes, some groups are underrepresented in the organisation. This may restrict the variety of viewpoints and backgrounds present within the firm, which may have a detrimental effect on both innovation and creativity.

Overall, Primark's shortcomings in managing equality, diversity, and equity can have a detrimental influence on the company's brand by lowering employee engagement and increasing turnover rates. Additionally, if these flaws are not addressed, the business may face legal and regulatory problems.

3.4 Why does this need improving; what are the current shortfalls?

In recent years, Primark has been under fire and controversy for their stance on equity, diversity, and equality. The business is alleged to have promoted immoral and unethical activities, exploited people in its supply chain, and failed to maintain a diverse and inclusive workplace. When a Bangladeshi garment factory that produced clothing for Primark collapsed, killing over 1,000 people, the firm experienced a major public outcry. This incident made it clear that Primark needs to strengthen its supply chain management and assure moral and ethical business standards.

Also, the corporation has come under fire for the lack of diversity in its personnel. Women make up 77% of the company's entire workforce, but only 28% of senior management positions, according to its 2020 Annual Report. About 12% of the company's employees identify as non-white, and only 5% of them hold top management positions, hence there is little ethnic diversity within the organisation (Primark Ethics, 2019).

Due to a number of issues, including ineffective policies and practises, poor training and education, and a lack of commitment from senior management, Primark now struggles to manage equality, diversity, and equity. Due to the lack of emphasis on diversity in the company's hiring and selection procedures, there is a dearth of individuals with a variety of backgrounds (GOV.UK, 2018). The company's training and development programmes also don't address issues of diversity and inclusion, which leaves workers unaware and ill-informed. The senior management of the organisation has not shown a strong commitment to advancing diversity and inclusion, which has led to a lack of accountability and responsibility for fostering an inclusive work environment.

3.5 What impact is this deficiency having on the performance/effectiveness of the organization?

Primark's poor management of equality, diversity, and equity has a number of detrimental effects on the effectiveness and success of the company. First off, the company's lack of commitment to diversity and inclusion harms its reputation and brand image. Customers today are more conscious of social and environmental issues, and they expect businesses to follow moral and ethical standards (CIPD, 2022). When Primark ignores diversity and inclusion issues, it damages its reputation and risks losing clients and money. The company's creativity and innovation may suffer from a lack of diversity and inclusion in the workforce (Pelled and Xin, 1999). While they bring a variety of viewpoints and experiences to the table, diverse teams are more likely to provide innovative ideas and solutions, according to research. Primark's lack of diversity may lead to a constrained range of ideas and viewpoints, making it more difficult for the business to adjust to shifting market trends and customer preferences.

Finally, a lack of diversity and inclusion can affect the productivity and happiness of workers. Stress, burnout, and turnover are more likely to occur in workers who believe that their identities and backgrounds are not acknowledged or respected. This could lead to decreased production, higher hiring and training costs, and a negative effect on the bottom line of the business.

3.6 What are the benefits?

3.6.1 Benefits for the organization

As a result, there may be an increase in client loyalty and income as well as the company's reputation and brand image. 41% of customers prefer brands that are dedicated to diversity and inclusion, according to a 2019 Accenture study (Accenture, 2019), and 41% are likely to switch to a competitor if they believe a brand is not diverse or inclusive. Hence, Primark can draw in and keep customers who value these ideas by exhibiting a commitment to diversity and inclusiveness (Nast, 2018). Second, increasing diversity and inclusion can result in a workforce that is more inventive and creative. Since they bring a range of viewpoints and experiences to the table, diverse teams are more likely to produce original and creative ideas. As a result, Primark will be better able to remain ahead of its rivals and adjust to shifting consumer tastes and market trends.

3.6.2 Benefits for employees

This might result in a workplace that is more friendly and inclusive. Workers who feel appreciated and respected are more likely to be content with their work and feel more devoted to their employer (Carbery and Cross, 2019). This can lead to decreased turnover rates, fewer hiring and training expenses, and a more reliable and qualified workforce. A more varied and inclusive leadership team may result from increasing diversity and inclusion. This could lead to increased chances for workers from different backgrounds to advance into senior positions as well as a wider mix of viewpoints and experiences at the top of the business (Konrad, Prasad and Pringle, 2006).

3.6.1 Benefits for other organizational stakeholders:

A more moral and environmentally friendly supply chain might come from it. Primark should make sure that its suppliers are treating their employees fairly and ethically by encouraging diversity and inclusion. Primark can also make sure that its business isn't causing social or environmental problems like exploitation or discrimination. It might result in more confidence among investors (Preuss, 2022). Investors nowadays are more willing to support businesses that exhibit a commitment to diversity and inclusion because they are becoming more conscious of the significance of social and environmental issues. Enhancing fairness, diversity, and equality can help Primark draw in and keep investors that

support these ideas. Local communities may also profit from it (Tyler and Vachhani, 2020). By fostering diversity and inclusion, Primark can generate a positive impact on the areas in which it operates and contribute to a more diverse and inclusive society.

CHAPTER IV: CONCLUSION

Managing equity, diversity, and equality is, in summary, a crucial HRM priority area for Primark. Although the organisation understands the advantages of managing diversity and equity, it nevertheless faces a number of difficulties in this area, including a lack of diversity in senior management, difficulties in hiring and selecting employees, and gaps in programmes for training and development.

The reputation of the company as well as employee retention rates may suffer as a result of these flaws. Primark should prioritise increasing diversity at the senior management level, implement unconscious bias training for recruitment and selection, develop personalised training and development programmes, and regularly monitor and evaluate diversity and equity efforts as a way to improve managing equality, diversity, and equity within the company.

CHAPTER V: RECOMMENDATIONS

There are various doable recommendations that the HR department at Primark might adopt to enhance this priority area, according to the analysis of the existing situation and the discussion of the advantages of managing equality, diversity, and equity. The following are these suggestions:

4.1. Implement diversity training and education programs.

The management and non-management workers of Primark could gain from the implementation of diversity education and training programmes. These initiatives should aim to inform staff members about the value of diversity, equity, and inclusion while also arming them with the information and resources they need to recognise and resolve workplace diversity-related problems. These courses ought to cover subjects like unconscious prejudice, cultural sensitivity, and inclusive leadership. All employees should be obliged to complete the training and education programmes, and managers should also be expected to complete further training.

4.2. Establish diversity and inclusion taskforce.

To oversee the execution of diversity programmes and track advancement, Primark might create a diversity and inclusion taskforce. Representatives from all areas of the organisation, including management, HR, and staff from various divisions, should be on this taskforce. The taskforce should be in charge of creating action plans, conducting routine diversity audits, and keeping track of how well diversity objectives are being attained. Incorporating diversity efforts into the company's culture and operations will be made possible thanks to this.

4.3. Expand recruitment sources.

To access a larger pool of varied individuals, Primark should diversify its sources of recruitment. In order to advertise job openings and encourage a more varied pool of applicants, this could entail working together with community organisations, academic institutions, and job centres. The employer should also make sure that any language used in job advertisements is inclusive and non-discriminatory. This will raise the application pool's diversity and increase the likelihood of hiring a more varied workforce.

4.4. Introduce diversity metrics.

To track its progress towards achieving its diversity objectives, Primark can implement diversity measures. This could involve keeping track of the workforce's diversity, including that of management roles as well as diversity in terms of race, gender, age, and handicap status. The business should assess the success of its diversity initiatives and programmes, as well as staff retention and satisfaction rates. This will give a clear picture of the steps taken to achieve diversity goals and point out areas that could use improvement.

4.5. Foster an inclusive culture.

Through promoting open communication, teamwork, and respect for diversity, Primark should promote an inclusive workplace. This could involve establishing employee resource groups, conducting surveys on diversity and inclusion, and providing management with regular diversity training. The business should make sure that all workers receive fair and equitable treatment and have access to opportunities for professional progression and development regardless of their background.

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