

Component 2 - Individual Report:
Contemporary Human Resource Challenges and HR Practices at
Marks & Spencer (M&S)

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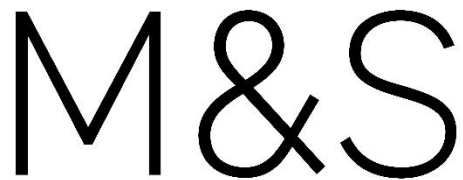
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1. Introduction

This report evaluates how *Marks and Spencer (M&S)* can address some of the key human resource challenges they are facing due to technological advancements, recruiting and retention, and Diversity, Equity and Inclusion (DEI). It critically analyzes present HR practices that uphold these priorities and how they can be applied by departmental managers in an effective way. Another aspect of the report is the role of these HR practices in employee engagement, the long-term sustainability and organisational performance in the UK retail sector (Carbery and Cross, 2025).



2. Explanation of Key Factors

2.1 Adapting to Technological Advancements

Marks and Spencer (M&S) is a retail company based in the UK, which operates in one of the most competitive markets in the digital age where market competition has made it essential to digitally transform their operations to remain relevant and competitive. The organisation is more and more relying on digital platforms, data analytics, automation and e-HRM systems to enhance workforce planning, communication with employees and service delivery. However, with fast-paced technologies, there are organisational challenges as employees have to continuously learn new digital skills and managers have to adjust the usual HR processes to the technologically oriented ones (Sen, 2020).

Technology also evolves the role of an employee and their expectations. If the staff failed to adapt, the staff may exhibit decreased staff confidence, decreased productivity and resistance to change. So, the HR has to compromise technological investment and constant learning on the one hand and employee support and successful change management on the other hand. By effectively coping with digital transformation, M&S can enhance decision-making, operational productivity and long-term competitiveness and retain the interest of the employees (Carbery and Cross, 2025).

Table 1: Organisational Impact of Technological Advancement at M&S

Technological factor	HR challenge	Organisational impact
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Digital HR systems	Employee digital capability gaps	Improved efficiency but requires continuous training
Workforce analytics	Data interpretation and workforce planning	Better strategic decision-making
Automation	Employee resistance to change	Higher productivity but potential job insecurity

Source: Sen (2020) and Hamilton and Sodeman (2020).

2.2 Talent Acquisition and Retention

The UK retail sector still manages to experience labour shortages, high employee turnover and changing workforce expectations, making talent acquisition and retention a major organisational issue for M&S. Hence, higher quality employer brand and strategic workforce planning is required in order to attract top quality talent as opposed to focusing on recruitment activities (Cheese, 2021).

Employee retention is also vital since it's costlier to hire a new employee and with the loss of an experienced employee, it negatively impacts the efficiency of operations and the quality of customer service. M&S therefore needs HR practices that will improve the employee's learning, promotion, wellbeing and engagement. Good retention enhances stability of the labour force as well as advancement of organisational performance and growth of business sustainably (Pandey et al., 2024).

2.3 Diversity, Equity and Inclusion (DEI)

Since generally inclusive work places are more innovative, staff more committed and better in organisational performance, the importance of Diversity, Equity and Inclusion (DEI) has become a strategic focus for organisations. In the case of M&S, fair recruitment, equal access to career development, inclusive leadership and workplace policies to eliminate discrimination are the key elements of DEI. Through the practices, employees will feel respected and valued, irrespective of their background, which will increase their motivation and involvement (Marsh-Davies and Blackburn, 2025).

Poor DEI initiatives can result in reduced employee morale, higher rates of turnover and a poor company reputation. In contrast, an inclusive culture promotes teamwork, innovation and quality decision-making, by bringing other perspectives into the workforce and preventing the creation of homogeneous thinking. In this way, technological innovation and talent management and DEI

must be seen as interrelated and can be used to improve employee engagement, organisational performance and long-term sustainability (Ki and Sakaki, 2026).

3. Evaluation of Contemporary HR Practices

3.1 Digital HR Systems and Workforce Analytics

At M&S, integrated digital HR systems with workforce analytics can further their digital transformation. With the help of these technologies, HR managers can automate hiring, track employee output, detect skill deficiencies and enhance workforce management with real-time information as opposed to relying on intuition (Sen, 2020). Managers can also make decisions more responsive to labour shortages and evolving business requirements through data-driven decisions, which enhance organisational agility.

But, the digital HR systems will only be effective in cases the employees and managers have proper digital capabilities. Overreliance on technology can decrease personal interaction, generate privacy-related issues and opposition among employees who are unaccustomed with digital systems (Hamilton and Sodeman, 2020). Therefore, M&S needs to incorporate technology and continual training and communication for the best possible employee acceptance and value.

3.2 Employer Branding and Employee Retention Strategies

M&S' good employer brand will help them attract good people in the UK competitive retail sector. Career development, employee well-being, flexible working and learning opportunities have a positive impact on the organisation's reputation as an employer of choice and strategic workforce planning (Cheese, 2021). The practices still have positive impact on job satisfaction and retain employees to the organisation.

However, these benefits won't solve retention problems in cases where employees' career growth is inadequate or management practices are inconsistent. Effective leadership, performance management and regular feedback to employees must therefore be used as retention strategies in order to have a lasting effect (Carbery and Cross, 2025). Engagement programs with workforce planning in the long term make organisations more stable than only the recruitment action (Rahman, 2026).

3.3 Inclusive Recruitment and DEI Leadership Practices

M&S will have access to a bigger talent pool by adopting inclusive recruitment practices, and improve the organisation's fairness and innovation. Structured attempts to attract and select, and unbiased recruitment, along with equal development opportunities, provide workforce diversity

and improve organisational performance (Marsh-Davies and Blackburn, 2025). Also, inclusive leadership will encourage teamwork as employees from different backgrounds are given the same roles to play in an organisation and decision making.

But when the managers are not committed on a day-to-day basis through their leadership behaviours, DEI efforts can turn out to be symbolic. Organisations often have unmeasurable and unaccountable policies which are not likely to cause a sense of change (Rusilowati et al., 2025). Therefore, DEI objectives need to be linked to the performance of the leadership, and employee involvement and regular assessment of their performance to ensure a consistent progression and sustainable growth (Ki and Sakaki, 2026).

Contemporary HR Practices for M&S

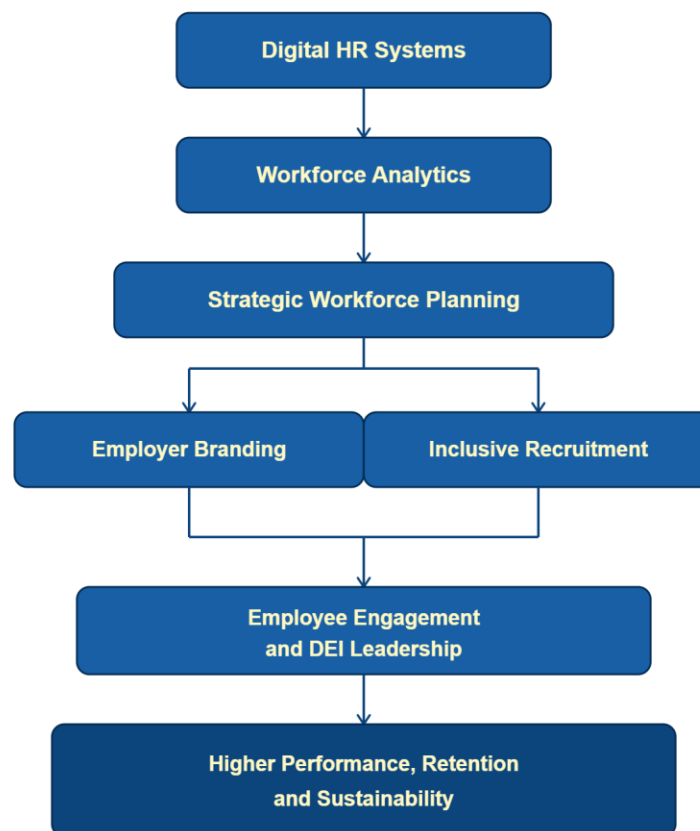


Figure 1: Contemporary HR Practices for M&S

Source: Sen (2020), Cheese (2021), Carbery and Cross (2025), and Marsh-Davies and Blackburn (2025).

4. Critical Evaluation of Managerial Implementation

4.1 Leadership Accountability

The role of Departmental managers should also be considered and necessary steps should be taken so that the modern HR practices could be realized in M&S successfully. They should be the champions of digital transformation, employee development and inclusive working environment and demonstrate leadership behaviours at regular intervals. Accountable managers will have a better chance of gaining the trust of employees and enticing them to raise their commitment to organisational change (Carbery and Cross, 2025).

Leadership duty shouldn't be limited to goals setting. HR metrics such as employee engagement, retention, and digital skills and DEI should be used to measure against the managers. Linking this to leadership performance would further accountability and few HR initiatives would be impacted by short-term organisational projects, thereby enhancing their sustainability (Cheese, 2021).

4.2 Communication and Performance Monitoring

Effective communication enables employees to see the need of the HR change and why it is beneficial to both individuals and the organisation. Regular updates, employee feedback, and involvement of staff in decision making should be offered by managers during digital transformation and change in the workplace. Open communication promotes a better understanding of the situation, enhances the level of engagement among employees and reduces their opposition to new HR practices (Sen, 2020).

Also measure implementation through workforce analytics, employee survey, performance reviews and retention data, as well as through management. Such measures give the evidence of whether the HR initiatives meet their desired results and enable managers to make timely improvements. While monitoring with data can help with the decision-making process, an over-dependence on quantitative data may exclude employee experiences that are captured in qualitative feedback (Hamilton and Sodeman, 2020).

4.3 Organisational Culture and Implementation Barriers

A positive organisational culture will ensure successful implementation as employees will accept and embrace change if they feel that they are respected, valued and treated fairly. For digital transformation and talent management to become part of day to day life in organisations, managers need to increase interconnection, lifelong learning and inclusive leadership. This approach will help in retaining the staff and sustain business activities (Marsh-Davies and Blackburn, 2025).

Although these are the advantages, barriers to implementation can be encountered such as resistance of employees, lack of digital ability, resource limitations and lack of management dedication. Continuous training, open communication, involvement of employees and frequent assessment of HR performance can help managers minimize these challenges. Evidence-based decision-making and the supportive leadership approach will provide a more effective basis for successful HR implementation in the future than policies alone, as this will enable M&S to respond more effectively to organisational challenges.

Table 3: Managerial Actions for Effective HR Implementation at M&S

Implementation area	Managerial action	Expected organisational outcome
Leadership accountability	Set measurable HR objectives and review progress	Greater responsibility and improved HR performance
Communication	Regular briefings and employee feedback	Higher engagement and lower resistance
Performance monitoring	Workforce analytics, surveys and KPIs	Continuous improvement and evidence-based decisions
Organisational culture	Promote inclusion, learning and collaboration	Sustainable employee commitment

Source: Sen (2020), Cheese (2021), Carbery and Cross (2025), and Marsh-Davies and Blackburn (2025).

5. Conclusion & Recommendations

5.1 Conclusion

Technological change, labor attraction and inclusive labor are found to be mutually reinforcing drivers in M&S strategy, as digital HR systems and labor analytics provide improved operational efficiency, while the employer branding, employee engagement and inclusive approaches to hiring provide increased organizational capabilities and competitiveness (Sen, 2020). However, the practices can only be applied to create sustainable outcomes when managers are held accountable in their leadership, communicated, and continually reviewed implementation. Therefore, HR management should involve using technology, a leadership attitude that values and cares for people, and a culture of inclusion to guarantee business success.

5.2 Recommendations

According to the analysis, M&S needs to proceed with investing in digital HR systems and offer regular digital skills training to the employees and managers to enhance the adoption of

technology (Pandey et al., 2024). The employer branding provided by the organization can be enhanced by intensifying career development, wellbeing and employee engagement programmes to enhance talent attraction and retention (Rahman, 2026). Lastly, the departmental managers are recommended to create quantifiable DEI goals, measure performance of the workforce via HR analytics and provide open communication to ensure modern HR practices are practiced consistently and promote sustainable organisational performance (Marsh-Davies and Blackburn, 2025).

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