

Contemporary Human Resources Challenges at Next PLC

Component 2: Individual Report

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1. Introduction

Next plc is a major UK retailer operating stores, online channels, distribution activities and its Total Platform services for other brands. To perform well, Next needs many different employees across customer service, warehouses, technology, buying and management. This report examines three HR challenges that affect each other: adapting to technological advances, attracting and retaining talent, and strengthening diversity, equity and inclusion (DEI). It then evaluates contemporary HR practices that could address those challenges and looks carefully at how departmental managers can implement them quickly and effectively. The analysis uses Next's current position alongside professional HR guidance and then gives practical recommendations.

2. Explanation of Key Factors

Technological change affects both Next's business model and the abilities expected from employees. The company's websites, apps, warehouse-management systems and order-routing software support almost every part of its operations (Next plc, 2026a). Next is also expanding automation and artificial intelligence (AI). Its technology teams already use co-pilot tools and large language models, while divisional directors are responsible for finding useful AI applications. This approach can help teams find useful new ideas because managers understand their own processes. However, progress may be uneven between departments and employees may not receive consistent training.

For HR, the challenge is wider than buying new software. Roles must be redesigned, skills gaps identified and employees supported through change. Workers may fear job loss, increased monitoring or being unable to learn new systems. Next states that AI is unlikely to displace existing employees because growth may absorb efficiency gains, but it may reduce future recruitment (Next plc, 2026a). Poorly managed change could therefore weaken trust and engagement. In contrast, reskilling staff and involving them in technology decisions can

improve productivity, service quality and adaptability. For lasting success, Next must invest in its employees as well as its systems.

2.2 Talent acquisition and retention

Next competes for retail, logistics, digital and leadership talent. Each of these job areas has different problems: frontline roles may involve unsocial hours and repetitive work, while technology specialists can choose from employers offering high salaries and flexible conditions. Recruitment difficulties can cause understaffing, heavier workloads and poorer customer service. Turnover also creates repeated advertising, selection and training costs and removes valuable knowledge.

Retention is influenced by fair pay, recognition, wellbeing, career progression and the quality of line management. Next has useful foundations. Its latest report describes role-specific and individually tailored training, a Head Office Learning Hub and a strong record of internal promotion. Approximately 42,000 employees were invited to its anonymous engagement survey, and the engagement score was increased slightly (Next plc, 2026a). Nevertheless, an overall score can hide weaker experiences in individual stores or warehouses. The CIPD (2025a) argues that the talent management should connect attraction, development, engagement, retention and deployment with business strategy. Next therefore needs a consistent employee value proposition while adapting support to different workforce groups. Effective talent management would protect service, productivity and succession pipelines, whereas if too many employees keep leaving, the business may struggle to grow.

2.3 Diversity, equity and inclusion

DEI means employing people from different backgrounds, ensuring fair access to opportunities and enabling people to feel respected and able to contribute. It is both a legal and organisational issue. The Equality Act 2010 protects people from workplace discrimination across characteristics including age, disability, race, religion, sex and sexual orientation (UK Government, 2026). As well as following the law, inclusive organisations can access a wider talent pool, understand diverse customers and improve decision-making.

Women form a majority of Next's overall workforce: its year-end figures show 34,083 women and 15,098 men. However, women held only 18 of 52 operational director and other senior-management posts, showing that workforce diversity does not mean everyone has the same chance to progress. On 31 January 2026, Next also missed two of three UK Listing Rule board-diversity targets, although planned appointments were expected to correct this after year-end (Next plc, 2026a). Current strengths include inclusive-leadership training, employee networks, listening circles and Disability Confident Employer status. The challenge is ensuring these initiatives change everyday decisions rather than existing only on paper. If employees see unfair recruitment, promotion or treatment, engagement and reputation may suffer. Genuine inclusion can strengthen belonging, innovation and long-term access to talent. It can also improve customer understanding in a fashion retailer serving people with different identities, ages, needs and preferences. Equity is therefore a performance issue as well as a matter of fairness, law and reputation.

3. Evaluation of Contemporary HR Practices

Next should connect recruitment, learning, performance, absence, turnover and DEI information through an integrated digital HR system. Dashboards could show skills gaps, turnover hotspots and training completion by department. Predictive workforce planning could estimate staffing needs during busy periods and identify roles changed by AI. The main benefit is that decisions can be made faster and supported by evidence. The CIPD (2024) explains that people analytics can improve retention and EDI and measure HR's contribution. This would help Next target resources instead of applying the same intervention everywhere.

However, data does not explain every cause. A turnover pattern may reflect transport, workload or management behaviour, so managers must combine statistics with interviews, surveys and listening groups. Employee monitoring may also feel intrusive, while incomplete diversity data can create misleading conclusions. Algorithms trained on past decisions may repeat existing bias. Next should therefore appoint a data owner, complete equality and privacy impact checks, give employees clear explanations, and allow human review of automated decisions.

Technology must be supported by a structured reskilling programme. A skills audit should compare present capability with future needs, followed by short digital modules, coached practice and protected learning time. Next's existing Learning Hub provides a useful base. The benefit is that internal employees gain opportunities while Next reduces external recruitment costs. The limitation is that training completion does not prove competence; practical assessments and performance evidence are needed.

3.2 Employer branding, workforce planning and retention

Next should present a realistic employer brand built around development, internal promotion, fair reward, inclusion and employee voice. Current evidence, such as executive directors having progressed from within and employee share schemes, can make this promise credible (Next plc, 2026a). A clear promise about what employees can expect could attract applicants who value progression, but branding will fail if the advertised experience differs from daily work. Candidate and leaver feedback should therefore test whether the promise is genuine. Recruitment should support long-term organisational performance instead of simply filling an empty job (CIPD, 2026).

Strategic workforce planning should map critical roles, expected demand, retirement risks and digital skills gaps. Next could build internal talent pools, apprenticeships and succession plans, while using realistic job previews and skills-based selection externally. The CIPD (2025a) recommends removing barriers through inclusive recruitment and building in-house development programmes. These practices reduce emergency hiring and help the business run without disruption, although forecasts can become inaccurate when customer demand or technology changes quickly. Plans should be reviewed quarterly rather than treated as fixed.

Keeping employees also requires action from local managers. Stay interviews, regular one-to-ones, predictable scheduling where possible, recognition and visible career routes can address problems before resignation. Next's survey is useful, but managers need results by function and must report what changed afterwards. Rewards should combine competitive

pay with development, wellbeing and flexibility because different groups value different benefits. These measures can raise engagement and reduce replacement costs. Their limitation is that they require management time and cannot compensate for excessive workload or poor supervision. Retention indicators must therefore be examined alongside absence, safety, grievance and workload data.

3.3 Inclusive recruitment, DEI policy and leadership development

Inclusive recruitment should use accessible adverts, clear essential criteria, structured interview questions, diverse panels where practical and consistent scoring. Reasonable adjustments must be offered throughout selection. Skills-based assessment can widen access because it focuses on capability rather than personal similarity or unnecessary experience. Anonymising early applications may reduce some bias, but it cannot remove bias later and may conceal evidence of unequal outcomes. Next should audit selection rates at each stage and review any unexplained differences. This reflects the wider HR principle that people-management practices must remain aligned with organisational needs (Armstrong and Taylor, 2026).

DEI policies need measurable objectives covering recruitment, promotion, pay, development and employee experience. Next's networks and inclusion training are positive, but mandatory training alone can become something managers complete without making real changes. Managers should practise inclusive case scenarios, receive feedback and be assessed on team outcomes. Sponsorship and transparent promotion criteria could address the fall in female representation between the total workforce and senior management. Targets can focus attention, although rigid quotas may create resistance or perceptions of unfairness; the aim should be fair opportunity supported by evidence.

Overall, DEI becomes effective when accountability, data and daily behaviour reinforce the written policy.

4. Critical Evaluation of Managerial Implementation

To act quickly, everyone must understand their responsibility rather than leaving every action to HR. The Board should set priorities and resources, HR should provide standards and expertise, and each departmental manager should own delivery within their team. A 90-day action plan could begin with baseline measures, employee consultation and manager training, followed by pilots in one store, warehouse and office function. Piloting reduces the risk of an expensive organisation-wide failure, but urgency must not become rushed implementation that excludes employees or weakens data protection.

Leadership accountability should be built into objectives. Managers could be assessed on unwanted turnover, internal progression, training competence, engagement and fair recruitment outcomes. Measures should be interpreted together: a manager could reduce turnover by avoiding necessary performance conversations or meet diversity numbers without creating inclusion. For this reason, numbers must be supported by employee comments and experiences from surveys, focus groups and grievances. Senior leaders must challenge poor results and recognise genuine improvement.

Communication should explain why change is needed, what will happen, how data will be used and where employees can ask questions. Two-way briefings, short videos, team meetings and anonymous feedback would reach Next's varied workforce better than email alone. Local change champions can demonstrate new systems and report barriers. However, communication without visible follow-up damages trust. Managers should publish a simple 'you said, we did, we could not' response after consultation.

Monitoring should use a monthly dashboard with agreed baselines and targets, supported by quarterly reviews. Useful measures include time to hire, offer acceptance, early turnover, regretted turnover, internal-fill rate, skills-assessment results, engagement, absence, promotion rates and selection outcomes by demographic group. Data should be segmented carefully and small groups protected to preserve confidentiality. Managers must investigate causes instead of treating correlation as proof.

Workplace culture will show whether the changes are truly working. Next promotes honesty, respect and encouragement, but pressure to meet sales or operational targets may push people priorities aside. Senior leaders must model inclusion, protect learning time and act consistently when behaviour conflicts with policy. Barriers may include manager resistance, limited digital confidence, workload, weak data and fear of AI. These can be reduced through practical training, phased delivery, technical support and employee involvement.

Employee networks and listening circles can identify barriers that senior leaders may miss. Their strength is giving employees voice and informing policy design. Their weakness is that under-represented staff may carry unpaid emotional work or fear speaking openly. Participation should be voluntary, recognised and linked to a documented response from leadership. Managers must make participation accessible across shifts, locations and job levels, rather than hearing mainly from office employees. Confidential channels are also needed for people who do not feel safe speaking in a group.

Departmental managers are essential because employees experience HR policy through everyday scheduling, feedback, development and promotion decisions. Effective implementation therefore combines central consistency with local responsibility.

5. Conclusion

The three challenges facing Next are closely linked. Technology can improve productivity but creates skills, trust and job-design issues. Strong attraction without development and supportive management will not secure retention. A diverse workforce will not provide full value unless progression and daily treatment are equitable and inclusive. Next already has important foundations, including internal promotion, learning resources, employee listening and inclusion initiatives. However, these practices need stronger integration, local accountability and careful measurement. The best approach should use evidence while still putting people first: analytics should identify problems, while employee voice and managerial judgement explain them.

6. Recommendations

Next should: (1) introduce an integrated people dashboard with a named data owner and equality and privacy safeguards; (2) complete a company-wide skills audit and provide

protected reskilling time for roles affected by AI and automation; (3) create quarterly workforce plans and internal talent pools for critical retail, logistics, digital and leadership roles; (4) require structured, accessible recruitment and audit outcomes at every selection stage; and (5) give departmental managers measurable 90-day objectives for retention, progression, engagement and inclusion. Progress should be reviewed quarterly by senior leaders, communicated to employees and changed when the evidence shows that a solution is not working.

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