TESCO | Every little helps

THE TIMES 100

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Recruitment and selection at Tesco

CURRICULUM TOPICS
- Workforce planning
- Recruitment
- Skills
- Selection

Introduction

Tesco is the biggest private sector employer in the UK. The company has more than 360,000 employees worldwide. In the UK, Tesco stores range from small local Tesco Express sites to large Tesco Extras and superstores. Around 86% of all sales are from the UK.

Type of store	Customer benefit
Express	Convenience and value. Fresh local food.
Metro	Convenience in town and city centres. Lots of food lines.
Superstore	A wide range of non-food lines, such as DVDs and books.
Extra	A wide range of food and non-food, including seasonal items such as garden furniture.

Tesco also operates in 12 countries outside the UK, including China, Japan and Turkey. The company has recently opened stores in the United States. This international expansion is part of Tesco's **strategy** to diversify and grow the business.

In its non-UK operations Tesco builds on the strengths it has developed as **market leader** in the UK supermarket sector. However, it also caters for local needs. In Thailand, for example, customers are used to shopping in 'wet markets' where the produce is not packaged. Tesco uses this approach in its Bangkok store rather than offering pre-packaged goods as it would in UK stores.

Tesco needs people across a wide range of both store-based and non-store jobs:
- In stores, it needs checkout staff, stock handlers, supervisors as well as many specialists, such as pharmacists and bakers.
- Its distribution depots require people skilled in stock management and **logistics**.
- Head office provides the **infrastructure** to run Tesco efficiently. Roles here include **human resources**, legal services, property management, marketing, accounting and information technology.

Tesco aims to ensure all roles work together to drive its **business objectives**. It needs to ensure it has the right number of people in the right jobs at the right time. To do this, it has a structured process for recruitment and selection to attract applicants for both managerial and operational roles.

Workforce planning

Workforce planning is the process of analysing an organisation's likely future needs for people in terms of numbers, skills and locations. It allows the organisation to plan how those needs can be met through recruitment and training. It is vital for a company like Tesco to plan ahead. Because the company is growing, Tesco needs to recruit on a regular basis for both the food and non-food parts of the business.

Positions become available because:
- jobs are created as the company opens new stores in the UK and expands internationally
- vacancies arise as employees leave the company – when they retire or resign – or get promotion to other positions within Tesco
- new types of jobs can be created as the company changes its processes and technology.

GLOSSARY

Strategy: long-term business plan of an organisation.

Market leader: the business that has the largest share of the market, measured by sales (value or volume).

Logistics: the orderly movement and storage of goods throughout the supply chain i.e. from raw materials to finished goods.

Infrastructure: the structure of an organisation – its people, systems, organisation and processes.

Human resources: the function within business responsible for an organisation's people. This function deals with workforce planning, recruitment, training and pay issues.

Business objectives: the ends which an organisation seeks to achieve by means such as budgeting tools and strategies.

Workforce planning: estimating future human resource requirements and ensuring the firm has right number of people, in the right place, with the right skills at the right time.

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GLOSSARY

Appraisal: an assessment of an individual's progress. A manager meets with a subordinate to review their work and agree on future objectives.

Skills: specific abilities, attributes and techniques.

Competencies: areas of activity in which a company or individual is particularly strong, e.g. research and development, communication.

Job description: a document setting out the key responsibilities and tasks involved in performing a particular job.

Person specification: details of the personal qualities an individual will need to perform a particular job.

Tesco uses a workforce planning table to establish the likely demand for new staff. This considers both managerial and non-managerial positions. In 2008/09, for example, Tesco calculates that to support its business growth there will be a demand for around 4,000 new managers.

This planning process runs each year from the last week in February. There are quarterly reviews in May, August and November, so Tesco can adjust staffing levels and recruit where necessary. This allows Tesco sufficient time and flexibility to meet its demands for staff and allows the company to meet its strategic objectives, for example, to open new stores and maintain customer service standards.

Tesco seeks to fill many vacancies from within the company. It recognises the importance of motivating its staff to progress their careers with the company. Tesco practises what it calls 'talent planning'. This encourages people to work their way through and up the organisation. Through an annual **appraisal** scheme, individuals can apply for 'bigger' jobs. Employees identify roles in which they would like to develop their careers with Tesco. Their manager sets out the technical **skills**, **competencies** and behaviours necessary for these roles, what training this will require and how long it will take the person to be ready to do the job. This helps Tesco to achieve its business objectives and employees to achieve their personal and career objectives.

Employees	Managers
set out ambitions, targets and training goals	identify technical skills, competencies and behaviours needed for the next step help employees to develop a training plan and new targets

An important element in workforce planning is to have clear job descriptions and person specifications. A **job description** sets out:

- the title of the job
- to whom the job holder is responsible
- for whom the job holder is responsible
- a simple description of roles and responsibilities.

A **person specification** sets out the skills, characteristics and attributes that a person needs to do a particular job.

Together, job descriptions and person specifications provide the basis for job advertisements. They help job applicants and post-holders to know what is expected of them. As they are sent to anyone applying for jobs, they should:

- contain enough information to attract suitable people
- act as a checking device to make sure that applicants with the right skills are chosen for interview
- set the targets and standards for job performance.

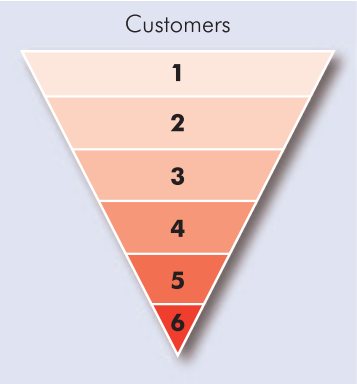
At Tesco these documents are combined:

Job description	Job	Non-food manager
	Reports to	Store manager
	Area of business	Stores – all non-food areas
	Job purpose	• To drive business improvements and performance in non-food. • To coach and develop the non-food team to give customers the best service.
Person specification	Skills	• Leadership skills, such as influencing others and decision making • Operating skills, such as managing staff and stock management • General skills, such as communication, planning and problem solving

Job descriptions and person specifications show how a job-holder fits into the Tesco business. They help Tesco to recruit the right people. They also provide a benchmark for each job in terms of responsibilities and skills. These help managers to assess if staff are carrying out jobs to the appropriate standards.

Skills and behaviours

Tesco's purpose is to serve its customers. Its **organisational structure** has the customer at the top. Tesco needs people with the right skills at each level of this structure.



There are six work levels within the organisation. This gives a clear structure for managing and controlling the organisation. Each level requires particular skills and behaviours.

- **Work level 1** – frontline jobs working directly with customers. Various in-store tasks, such as filling shelves with stock. Requires the ability to work accurately and with enthusiasm and to interact well with others.
- **Work level 2** – leading a team of employees who deal directly with customers. Requires the ability to manage resources, to set targets, to manage and motivate others.
- **Work level 3** – running an operating unit. Requires management skills, including planning, target setting and reporting.
- **Work level 4** – supporting operating units and recommending strategic change. Requires good knowledge of the business, the skills to analyse information and to make decisions, and the ability to lead others.
- **Work level 5** – responsible for the performance of Tesco as a whole. Requires the ability to lead and direct others, and to make major decisions.
- **Work level 6** – creating the purpose, values and goals for Tesco plc. Responsibility for Tesco's performance. Requires a good overview of retailing, and the ability to build a vision for the future and lead the whole organisation.

Tesco has a seven-part framework that describes the key skills and behaviours for each job at every level in the company. This helps employees understand whether they have the right knowledge, skills or resources to carry out their roles.

Attracting and recruiting

Recruitment involves attracting the right standard of applicants to apply for vacancies. Tesco advertises jobs in different ways. The process varies depending on the job available.

Tesco first looks at its internal Talent Plan to fill a vacancy. This is a process that lists current employees looking for a move, either at the same level or on promotion. If there are no suitable people in this Talent Plan or developing on the internal management development programme, Options, Tesco advertises the post internally on its **intranet** for two weeks.

For external recruitment, Tesco advertises vacancies via the Tesco website www.tesco-careers.com or through vacancy boards in stores. Applications are made online for managerial positions. The chosen applicants have an interview followed by attendance at an **assessment centre** for the final stage of the selection process. People interested in store-based jobs with Tesco can approach stores with their CV or register though Jobcentre Plus. The store prepares a waiting list of people applying in this way and calls them in as jobs become available.

For harder-to-fill or more specialist jobs, such as bakers and pharmacists, Tesco advertises externally:

- through its website and offline media
- through television and radio
- by placing advertisements on Google or in magazines such as *The Appointment Journal*.

Tesco will seek the most cost-effective way of attracting the right applicants. It is expensive to advertise on television and radio, and in some magazines, but sometimes this is necessary to ensure the right type of people get to learn about the vacancies. Tesco makes it easy for applicants to find out about available jobs and has a simple application process. By accessing the Tesco website, an applicant can find out about local jobs, management posts and head office positions. The website has an online application form for people to submit directly.

GLOSSARY

Organisational structure: the way a business is organised into different functions or operational units, with lines of managerial responsibility.

Recruitment: the process of identifying the need for a new employee, defining the job, attracting candidates and selecting those best suited for the job.

Intranet: an internal computer network that can only be accessed by people within an organisation.

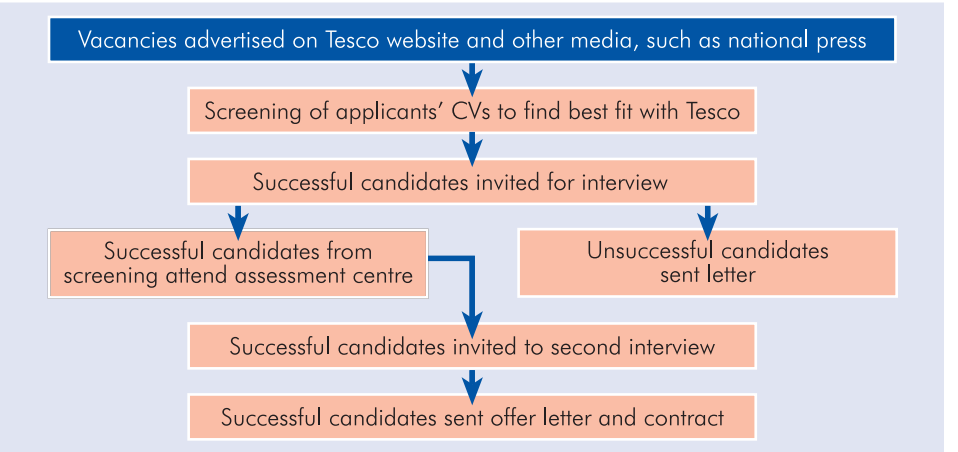
Assessment centres: the final evaluation and testing of candidates either by the recruiting company or externally on behalf of the recruiting company.

Selection

Selection involves choosing the most suitable people from those that apply for a vacancy, whilst keeping to employment laws and regulations. **Screening** candidates is a very important part of the selection process. This ensures that those selected for interview have the best fit with the job requirements.

In the first stages of screening, Tesco selectors will look carefully at each applicant's **curriculum vitae (CV)**. The CV summarises the candidate's education and job history to date. A well-written and positive CV helps Tesco to assess whether an applicant matches the person specification for the job. The company also provides a 'job type match' tool on its careers web page. People interested in working for Tesco can see where they might fit in before applying.

The process Tesco uses to select external management candidates has several stages.



A candidate who passes screening attends an assessment centre. The assessment centres take place in store and are run by managers. They help to provide consistency in the selection process. Applicants are given various exercises, including team-working activities or problem-solving exercises. These involve examples of problems they might have to deal with at work.

Candidates approved by the internal assessment centres then have an interview. Line managers for the job on offer take part in the interview to make sure that the candidate fits the job requirements.

Conclusion

Workforce planning is vital if a business is to meet its future demands for staff. It allows a business time to train existing staff to take on new responsibilities and to recruit new staff to fill vacancies or to meet skill shortages.

Tesco is a major international company with many job opportunities, including management, graduate, school leaver and apprentice posts. Tesco needs to have people with the right skills and behaviours to support its growth and development. Tesco has clear organisational structures, detailed job descriptions and person specifications. It provides user-friendly ways of applying for jobs and a consistent approach to recruitment and selection. This means it can manage its changing demand for staff.

Questions

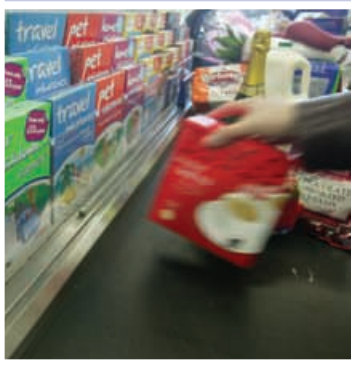
1. Define the terms recruitment and selection. How do these processes enable an organisation like Tesco to get the right people to fill its posts?
2. Describe how job descriptions and person specifications are helpful in the selection process? What other purposes might a job description be used for?
3. Analyse Tesco's methods of attracting and recruiting candidates. Outline what you consider to be the main strengths and weaknesses of one of these methods.
4. Evaluate the benefits for Tesco of using both interviews and assessment centres in the selection process.

GLOSSARY

Selection: the process of choosing which person to appoint from those that apply for a job vacancy.

Screening: a means of deciding which applicants should go forward to the later stages of a recruitment process.

Curriculum vitae (CV): a document setting out a job applicant's background, qualifications, experience and interests.



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