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Executive Summary

This report examined Tesco PLC's stakeholder management strategies and evaluated how effective stakeholder engagement contributed to the company's overall performance. The analysis focused on Tesco's relationships with key stakeholders, including customers, employees, suppliers, shareholders, and local communities. The findings indicated that Tesco maintained strong stakeholder relationships through effective communication, consultation, collaboration, and commitment, which supported business growth and enhanced stakeholder trust (Tesco PLC, 2024). The report also found that Tesco invested in digital innovation, customer value, and sustainability initiatives through its Planet Plan, demonstrating its commitment to creating long-term value for both the business and society (Tesco PLC, 2024). Furthermore, Tesco reported Group sales of **£61.5 billion** and an adjusted operating profit of **£2.83 billion** during the 2023/24 financial year, reflecting the effectiveness of its stakeholder-focused business strategy (Tesco PLC, 2024). Based on these findings, the report concluded that effective stakeholder management had strengthened Tesco's competitive position and recommended that the company should continue improving stakeholder engagement and sustainable business practices to support future organisational success.

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Introduction

Tesco PLC is one of the world's largest retail organisations, having been established in 1919. The company operates thousands of stores across the United Kingdom, Ireland, Central Europe, and other international markets, providing groceries, clothing, financial services, mobile communications, and online retail services. Through Tesco.com and its well-established Clubcard loyalty programme, Tesco has enhanced customer convenience by offering personalised promotions, digital services, and flexible shopping experiences. In recent years, the company has expanded its investment in artificial intelligence (AI), data analytics, and digital technologies to improve customer satisfaction, optimise supply chain operations, and support strategic business decision-making (Tesco PLC, 2024).

As part of its digital transformation strategy, Tesco planned to introduce **Connect Plus**, an AI-powered customer loyalty platform designed to provide personalised product recommendations, digital rewards, and tailored promotional offers based on customers' purchasing behaviour. The platform was also expected to generate valuable customer insights to improve marketing performance, inventory planning, and operational efficiency. Because Connect Plus would involve significant organisational change and the use of customer data across multiple business functions, successful implementation would depend on effective stakeholder engagement throughout the project lifecycle.

This report evaluates the importance of stakeholder engagement in supporting the successful delivery of the Connect Plus project. It identifies the project's key internal and external stakeholders and analyses their influence and level of interest using recognised stakeholder management frameworks, including the Stakeholder Mapping Matrix and the Interest–Influence Matrix. The report also examines stakeholder roles, responsibilities, benefits, and potential challenges while applying **Freeman's Stakeholder Theory** to explain how stakeholder engagement contributes to project success, effective risk management, and long-term organisational value creation (Freeman, 1984).

SMART Objectives

Objective	SMART Objective	Timeline
Launch Connect Plus	Deploy and launch the AI-driven Connect Plus platform across selected domestic and international markets.	Complete the deployment and launch within 6 months.
Engage Key Stakeholders	Engage key internal and external stakeholders through structured feedback channels.	Throughout the duration of the project.
Increase Customer Adoption	Drive active customer adoption and platform usage of the new Connect Plus loyalty platform.	Reach the 30% adoption milestone within 6 months after the official launch.

The Connect Plus project has five SMART objectives to support successful implementation. The first objective is to deploy the launch of the Connect Plus in the selected markets in 6 months. Objective 2 is to achieve stakeholder engagement by holding monthly meetings and collecting regular feedback throughout the project. Objective 3 is to increase customer adoption by achieving at least 20% active platform usage within six months after launch.

Identification and Analysis of Internal and External Stakeholders

Stakeholder Identification

The stakeholders are relevant in the Tesco project of implementing newly developed AI-based tools. All stakeholders have various roles that affect the success of projects. Tesco ought to determine the stakeholders prior to the start of implementation. Early detection enhances planning, communication and decision making (Najjar, 2023).

Internal stakeholders are the Board, Project Manager, IT team, AI and Data team, Marketing, HR, Store Managers, Employees, Finance, Customer Service, and Legal and Compliance teams.

Stakeholder Type	Stakeholder Group	Roles and Responsibilities
Internal	Employees	Serve customers, manage stock, operate stores efficiently, maintain food safety standards, and uphold Tesco's values.
Internal	Management	Develop and implement business strategies, oversee daily operations, improve profitability, and ensure company performance.
Internal	Board of Directors	Provide strategic direction, oversee corporate governance, ensure accountability, and protect shareholders' interests.
Internal	Shareholders	Invest capital, vote on major business decisions, and hold management accountable for financial performance.
External	Customers	Purchase Tesco's products and services, provide feedback, influence product development, and strengthen brand reputation.
External	Suppliers	Supply goods and raw materials, maintain quality standards, ensure ethical sourcing, and deliver products on time.
External	Regulatory Bodies	Ensure Tesco complies with food safety, employment, environmental, and competition laws and regulations.
External	Communities	Support Tesco through local engagement, provide workforce, participate in CSR programmes, and are affected by Tesco's environmental and social activities.

Benefits	Challenges
Creates thousands of jobs and career development opportunities.	Faces strong competition from retailers such as Aldi, Lidl, Asda, and Sainsbury's.
Offers a wide range of quality products at affordable prices.	Rising costs of labour, energy, and transportation affect profitability.
Supports local suppliers and contributes to the UK economy.	Managing a large supply chain while ensuring product quality and availability.
Invests in sustainability, reducing food waste and plastic packaging.	Meeting changing customer preferences and increasing demand for sustainable products.

Provides convenient shopping through supermarkets, Express stores, and online delivery services.	Complying with strict government regulations on food safety, employment, and environmental standards.
Runs community programmes and charitable initiatives to support local communities.	Adapting to rapid technological changes and protecting customer data from cyber threats.

Stakeholder Categorisation

Tesco ought to group the stakeholders into business sections. Internal stakeholders operate within the organisation on daily basis. Outside the organisation, external stakeholders have a positive influence on Tesco. The classification enhances better communication and management planning.

Primary stakeholders have a direct impact on business performance and the success of a project. These are the employees, customers, suppliers, senior management, the shareholders and the investors. They impact the quality of implementation and business performance.

The secondary stakeholders affect the project in an indirect manner. These are regulators, local communities, technology vendors, cloud service providers, payment providers, delivery companies, and government organisations. These teams help in the long-term success of implementation. Effective stakeholder categorisation can also aid Tesco to allocate its resources more efficiently and manage its stakeholders better (Tariq, 2025).

Stakeholder Mapping

Power–Interest Category	Key Stakeholders	Tesco's Engagement Approach

High Power – High Interest	Board, Senior Management, Project Manager, IT Team, Major Investors	Closely manage through regular meetings and key project decisions.
High Power – Low Interest	ICO, UK Government, International Regulators	Keep satisfied through compliance reports and periodic updates.
Low Power – High Interest	Employees, Customers, Suppliers, Store Managers	Keep informed through surveys, training, meetings, and feedback sessions.
Low Power – Low Interest	Local Communities, Some Delivery Partners	Monitor and provide general project information when necessary.

Tesco ought to leverage the Power-Interest Matrix when implementing ConnectPlus AI. This model assists managers to establish priorities of stakeholders in a clear way. It enhances resource allocation and communication as well. The Board, senior management, the Project Manager, IT teams and major investors are all high power and high interest stakeholders. Tesco ought to engage these stakeholders in key decisions undertaken in the projects. Some of the high power and low interest stakeholders are the ICO, the Government of the United Kingdom and international regulators. Tesco ought to make periodic compliance reports and project update. The stakeholders with low power and high interest are the employees, the customers, the suppliers and the store managers (Chun, 2017). Tesco ought to gather their feedback by means of meetings and surveys. There are low power stakeholders as well as community and some of the delivery partners as low interest stakeholders. In the event that there is general information that should be given, Tesco should do so. This model is appropriate to Tesco since it helps achieve productive communication and resource planning.

Salience Model

The **Salience Model**, developed by Mitchell, Agle and Wood (1997), is a stakeholder management framework that helps organisations identify and prioritise stakeholders based on three key attributes: **power, legitimacy, and urgency**. Unlike stakeholder mapping, which focuses on stakeholder interest and influence, the Salience Model assesses the importance of stakeholders according to the extent to which they possess these three attributes. Stakeholders who possess all

three attributes are considered the most important and require the highest level of management attention.

Power refers to a stakeholder's ability to influence project decisions or organisational outcomes. For example, Tesco's senior management and shareholders have significant power because they approve project funding, allocate resources, and make strategic decisions. Government regulators also possess power as they can enforce compliance with data protection regulations such as the UK General Data Protection Regulation (UK GDPR).

Legitimacy refers to the stakeholder's appropriate or lawful involvement in the project. Employees, customers, suppliers, and technology partners have legitimate interests because they are directly affected by the implementation of the Connect Plus platform. Customers expect secure handling of their personal information, employees require adequate training to use the new system, and suppliers rely on accurate demand forecasting generated by AI technology.

Urgency relates to the degree to which stakeholder concerns require immediate attention. In the Connect Plus project, issues relating to data privacy, cybersecurity, system reliability, and customer trust are highly urgent because any failure could result in legal penalties, financial losses, and reputational damage. Therefore, regulators, customers, and senior management require prompt responses to these concerns.

Salience Model for Tesco Connect Plus

Stakeholder	Power	Legitimacy	Urgency	Priority
Senior Management	✓	✓	✓	High
Government Regulators	✓	✓	✓	High
Investors	✓	✓	Medium	High
Customers	Medium	✓	✓	High
Employees	Medium	✓	✓	High
Technology Partners	Medium	✓	Medium	Moderate
Suppliers	Low	✓	Medium	Moderate

Local Communities	Low	✓	Low	Low
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Critical Evaluation

The Power-Interest Matrix is an easy stakeholder management framework. Priorities can be determined very fast and efficiently by managers. Nevertheless, the impact of stakeholders could alter in the course of implementation. The model fails to describe the complete changing interests of stakeholders.

The Saliency Model is capable to give a deeper study of stakeholders based on three significant factors (Chen, Dyball and Harrison, 2019). This model better explains the importance of stakeholders to the managers. Nevertheless, one is hard-pressed to find the consistency of urgency and legitimacy.

Tesco must pursue a combination of both models in the implementation of AI. The Power-Interest Matrix establishes the priorities of the stakeholders very well. The Saliency Model describes why certain stakeholders should get more attention. The two models can together enhance the stakeholder management and enable a successful implementation of the ConnectPlus.

Roles, Responsibilities, Benefits and Challenges of Key Stakeholders

Internal Stakeholders

Internal stakeholders have significant roles to play in the project of implementing AI in Tesco. They enhance quality of projects and business performance. The project team organizes the activities and tracks the progress of implementation. Timetables, budgets and project resources are well controlled by team members. Their services enhance coordination and delivery of projects. Nonetheless, the workloads are high, which places pressure on implementation. AI systems are created and upheld within the IT department. IT employees are solvers of technical issues and secure data of the company (Angafor, Yevseyeva and He, 2020). Quality operation systems and service quality. But there is ongoing technical maintenance to maintain system complexity. Marketing department communicates to the customers the benefits of AI. Marketing teams regularly gather the customer feedback and market information. Improved communication

enhances customer confidence and reputation of a business. AI systems are used by employees in their daily business. They undergo training and adhere to firm rules properly. AI enhances productivity and efficiency in the workplace. Yet, there are employees who are afraid of the workforce transformation and robots. Top management is a leader that authorizes critical project decisions. Leaders are allocating resources and checking the project performance on a regular basis. Effective leadership enhances the success of implementation and business.

External Stakeholders

The success of AI implementation by Tesco is also dependent on external stakeholders. The customers would demand more superior services and safe personal information. Open contact enhances customer loyalty and satisfaction. Nevertheless, the issue of privacy is still crucial to a good number of customers. Suppliers facilitate availability of products and integration of technology. Effective supplier relations enhance the operations and performance in business (Hasan, Khan and Jalal, 2024). AI software and technical skills are offered by technology partners. Their presence enhances quality of innovation and systems. Legal compliance and ethical use of AI are enforced by regulators. Tesco needs to adhere to the privacy regulations and industry rules. The development of technologies is funded by investors. They are anticipating more profits and a long-term business growth. Local communities demand responsible business conduct and creation of employment opportunities. Community trust and reputation of the company are enhanced through ethical AI practices. But the communities might be concerned about employment in the future.

Critical Discussion

The expectations of stakeholders in the AI implementation projects are usually varied. Customers demand high quality of services and enhanced privacy. The investors largely anticipate increased financial returns and profits. Workers desire job security and a supportive workplace. The various priorities cause management problems. When budgets are low, investing in technology and training the employees are curtailed. Implementation activities can be hampered due to the lack of resources. Another significant challenge is resistance to change. Automation and shifting of responsibilities may be feared by employees. Frequent training enhances confidence and

acceptance of technology. Communication among international business activities is influenced by the cultural dissimilarity (Ishchuk and Ishchuk, 2023). Regions also have various values and expectations on the workplace. Digital capability is different within stakeholder groups too. Life-long learning enhances online literacy and skills. One of the primary concerns on the part of customers and regulators is data privacy. Tesco ought to secure the personal information by having good security measures. The lack of balance of power can make the participation of stakeholders in project decisions lower. Trust, cooperation and success in implementation enhance with fair communication.

Stakeholder Engagement Strategy and Conflict Management

Stakeholder Engagement Process

Through effective engagement of its stakeholders, Tesco operations are successfully implementing AI. Good interaction enhances teamwork and execution of the project. Tesco ought to commence planning before they start. Each engagement activity ought to have clear objectives in place. The business strategy and stakeholder expectations should be supported by the project goals. Effective planning minimizes risks and implementation issues in future (Kabeyi, 2019).

Tesco ought to determine all key internal and external stakeholders at the very onset. Internal stakeholders consist of senior management, employees, IT, human resource, marketing and legal departments. Outside stakeholders are the customers, suppliers, investors, regulators and technology partners. Each stakeholder is different with various interests and responsibilities. Early detection avoids gaps in communication in the implementation.

Tesco ought to examine the impact of stakeholders and project interest cautiously. Stakeholders with high influence are those that need more attention and frequently communicated with. The less influential stakeholders also require handy project information. The stakeholder analysis will assist managers to utilize resources more efficiently. The process enhances decision making in projects and stakeholder satisfaction.

Communication must start preceding technical implementation. Tesco ought to communicate project objectives in easy and straightforward language. Stakeholders are expected to be listed of

anticipated advantages and potential obstacles. Honest communication builds trust and reduces misunderstanding (Kamal, Sakrani and Maidin, 2023). Frequent updating is a boost in stakeholder trust in the implementation.

All the stakeholder groups should be actively involved in implementation. Training of the employees with AI should be prior to the implementation of the system. Technical implementation and system testing should be handled by IT teams. The suppliers must favor integration of technology and enhancement of operations. Managers are encouraged to promote cross-business departmental collaborations. Engagement enhances ownership of projects and commitment of stakeholders.

Tesco ought to keep track of stakeholder involvement in each phase of implementation. Managers ought to consider quality of communication and involvement on a regular basis. Problems need to be detected through feedback before they become serious. The continual improvement of implementation activities is backed up by monitoring.

The evaluation at the end of the project should gauge expert participation and project results. Tesco ought to make comparisons between actual results and planned goals. Technology projects in the future should be enhanced through lessons. According to Pagano et al., (2019) Evaluation enhances learning and management of stakeholders.

Roles of the Manager in Engaging Stakeholders (Tesco)

Stakeholder	Manager's Role
Employees	Motivate staff, provide training, communicate company goals, and ensure a safe and positive working environment.
Customers	Listen to customer feedback, improve service quality, resolve complaints, and maintain customer satisfaction.
Suppliers	Build strong relationships, negotiate fair contracts, ensure timely deliveries, and maintain product quality.
Shareholders	Share business performance, maintain transparency, and work towards achieving financial growth and profitability.

Regulatory Bodies	Ensure Tesco complies with legal requirements, food safety regulations, and environmental standards.
Communities & NGOs	Support CSR programmes, engage with local communities, and promote sustainability and ethical business practices.

Stakeholder Engagement Framework

The 4Cs Stakeholder Engagement Model should be implemented by Tesco. The model incorporates communication, consultation, collaboration, and commitment. Each phase strengthens stakeholder relations and project success.

Communication gives a clear information on project activities and the anticipated results. Meetings as well as emails should be provided to employees on a weekly basis (Newman and Ford, 2021). Websites and mobile applications should provide the customer with privacy information. Operation updates must be provided to suppliers during business meetings. Regular financial progress reports should be given to investors. Whenever there is a necessity, regulators are expected to be provided with compliance reports.

Consultation will enable the stakeholders to present ideas prior to making important decisions. New training requirements and issues at the workplace should be discussed by the employees. Online surveys should be given to customers to get financial commentators. Technical requirements need to be discussed by suppliers prior to implementation. Compliance plans should be revised by regulators when developing the project (Chowdhury et al., 2020). Consultation enhances the quality of the decision and satisfaction of the stakeholders.

Teamwork motivates stakeholders to resolve issues jointly. IT departments are supposed to collaborate closely with the HR departments and marketing departments. The integration of the system with technology partners should be facilitated and improved. The top management must promote cross-functional teams in business. Teamwork enhances inventive work and shortens the delay period of implementation.

Dedication will establish a lasting stakeholder interest in AI adoption. As part of the implementation, Tesco should acknowledge the input of employees. Positive participation and continual improvement should be rewarded by managers. AI services should be credible and dependable to the customers. Good dedication enhances organisational performance.

Communication Plan

Tesco should use clear communication throughout AI implementation. Project updates and significant announcements will be done through emails. Meetings should be weekly to talk about progress and issues at hand. Project performance and implementation status should be indicated using digital dashboards. The employee confidence and digital skills should be enhanced through training. The surveys of the stakeholder should be conducted on a regular basis. International communication should be supported through virtual meetings in international operations (Caligiuri et al., 2022). Effective communication enhances trust, collaboration, and effective implementations of AI.

Tesco Stakeholder Communication Plan

Stakeholder	Information Shared	Communication Method	Frequency
Employees	Company updates, policies, training, and performance	Team meetings, emails, intranet	Weekly/Monthly
Customers	Promotions, new products, feedback, and service updates	Website, mobile app, social media, email	Daily/Weekly
Suppliers	Orders, delivery schedules, quality requirements	Email, phone calls, supplier meetings	Weekly/Monthly
Shareholders	Financial results, business strategy, annual performance	Annual reports, AGM, investor meetings	Quarterly/Annually
Regulatory Bodies	Compliance reports, audits, and legal documentation	Official reports, inspections, meetings	As required

Communities & NGOs CSR activities, sustainability initiatives, community projects Community meetings, press releases, sustainability reports Quarterly/Annually

RACI Matrix

Project Activities	Senior Management	IT Team	Marketing	HR	Legal & Compliance	Suppliers	Customers
AI project planning	A	R	C	C	C	I	I
AI system development	I	R	I	I	C	C	I
System testing and deployment	I	R	I	I	C	C	I
Employee AI training	A	C	I	R	I	I	I
Customer communication	A	C	R	I	C	I	I
Data privacy and GDPR compliance	A	C	I	I	R	I	I
Supplier technology integration	I	R	I	I	C	C	I
Project monitoring and reporting	A	R	C	C	C	I	I

Customer feedback collection	I	I	R	I	I	I	C
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The RACI Matrix should be applied in the implementation projects of AI by Tesco. This system has roles and responsibilities. Assigning of clear responsibilities enhances better project coordination by reducing confusion. The IT department will also be the one in charge of technical implementation and system maintenance. Top management remains responsible on strategic decisions and project results. During implementation, marketing, Hr, and legal teams are Consulted. Informed Suppliers and Customers by frequent project updates. This framework enhances accountability and effective implementation.

Stakeholder Engagement Plan

Tesco ought to set up an engagement plan in each group of stakeholders. The current support given by the employees is moderate as there are worries at the place of work. Through real-life training on AI, Tesco ought to enhance employee commitment. Having weekly meetings and online learning should enhance confidence (Mou, 2021). Participation, satisfaction, and digital skills development should be gauged by success.

The customers demand quality services and safety of the personal details. The open communication should build customer confidence at Tesco. AI benefits should be described in emails, websites and mobile applications. Customer satisfaction and trust should be measured on a quarterly basis. Monthly meetings of suppliers concerning technology integration should be present. The investors will be required to receive quarterly financial reports as well as implementation reports. Incremental compliance reports should be provided to regulators. The stakeholder participation and implementation progress should be measured by success.

Managing Stakeholder Conflict

During the implementation activities in AI, the stakeholder conflict can manifest itself. Various stakeholders tend to be different in terms of priorities and expectations. Fund restrictions can diminish the amount of funds available during the project. Privacy issues can decrease consumer confidence and trust. The fairness and accountability can be an issue with AI ethics. Due to job

security concerns, employees might be opposed to technology. There could be international variance in communication and expectations in the workplace.

Thomas-Kilmann Conflict Mode offers a number of conflict management styles. Managers choose the appropriate style of approach to different situations (Rahim, 2023). This model is flexible in case of disagreements among stakeholders. Nonetheless, the wrong choice of style can hamper beneficial results. Interest-Based Relational Approach is a Relational Approach that emphasizes interests and reciprocal respect. This approach fosters trust by promoting open communication and collaborations. Nonetheless, the solution will take more time and time management. Where appropriate Tesco needs to integrate both approaches.

Critical Evaluation

The failure of stakeholder engagement is also common due to lack of clarity and conformity in communication. Lack of proper planning also diminishes confidence of stakeholders and commitment to the project. Trust is a critical aspect in successful projects of AI implementation. Open communication enhances stakeholder relationship and credibility of an organisation. Effective leadership promotes collective responsibility and teamwork. Constant communication helps to minimize misunderstanding and encourage improved cooperation. Adaptive management assists Tesco to happen to changing stakeholder expectations (AlGhubari, 2026). Feedback that is conducted regularly enhances decision making and implementation of future. Firm stakeholder involvement ultimately promotes sustainable business and sustainability of long-term projects.

Impact of Sustainable Stakeholder Engagement on Tesco Business Performance

Sustainable Stakeholder Engagement

Long-term sustainable stakeholder interaction aids business success at Tesco. It reinforces the ties with the key stakeholder groups in the long term. This is due to long term commitment which fosters on-going collaboration and common business goal. Frequent communication enhances better understanding and minimizes on disagreement in future. Relationship management creates stronger internal and external partner firms. Good relations enhance confidence and sustainability

of business. Value added is good not only to Tesco, but the stakeholders as well. Better services and enhanced data protection are accorded to customers. Regular digital training allows the employees to acquire new skills. Business cooperation leads to development of stronger partnerships between suppliers. Successful stakeholder engagement is impossible without trust. Open communication ensures a higher level of stakeholder trust and loyalty. High levels of trust also enhance organisational success and performance of a project (Fareed et al., 2022).

Business Performance Benefits

The overall business of Tesco is enhanced with sustainable stakeholder engagement. Improved services enhance customer loyalty and repeat buys. Customers who are satisfied tell their friends and family about Tesco. Training on a regular basis enhances employee engagement and motivation at work. Employee engagement enhances employee productivity in realisation of organisational objectives. The collaboration of stakeholders as well promotes innovation in business operations. The various conceptions enhance products, services and processes in business. Good relationship with the stakeholders enhances Tesco brand name. Smart business behavior enhances trust and confidence among the population. The proper engagement also minimizes operation risks and integration issues. Early feedback assists managers to find solutions to problems before they escalate. An improvement in team work enhances communication within various business departments. Close collaboration enhances efficiency and quality of operations. The retention of customers also facilitates improved financial performance and consistent business growth. Competitive advantage is built in sustainable engagement via relationships of trust with the stakeholders. Tesco operations have strong partnerships contributing to successful digital transformation. The collaboration of stakeholders also contributes to the growth of international business and market expansion. The long-term interaction enhances organisational strength in dealing with future business issues. These innovations lead to long-term value to Tesco and all stakeholder groups (Askari et al., 2020).

Ethical Considerations

Even in the activities associated with the implementation of AI at Tesco, ethical conduct is crucial. AAI safeguards the interests of the stakeholders, and business reputation. Tesco ought to adhere

to ethics at all levels of implementation. Business decision process has to be assisted by AI systems and be fair and unbiased. Discrimination can result in unjust treatment of customers and workers. Tesco ought to pilot AI systems prior to business application. Frequent reviews will decrease bias and enhance accuracy of decisions.

As a company dealing with personal data, Tesco must comply with the requirements of GDPR. Well-established data privacy insures customer and employees confidence. Sensitive personal information should be safeguarded by effective security measures. Customers need to be aware of how Tesco collects and uses their personal data (Bowyer et al., 2022). Open communication enhances customer faith and organisational certitude. Unnecessary surveillance of the employees by AI systems should be avoided by Tesco. Knowing that fair practice is practiced in the workplace enhances confidence and commitment of employees. Responsible AI will help sustain long-term stakeholder relations and sustainable business performance.

Challenges

There are various issues that Tesco encounters when engaging the sustainable stakeholders. Foreign markets bring about disparate legal demands and business anticipation. Cultural differences have an effect on communication and relationship with the stakeholders (Osobajo et al., 2023). Various values of the workplace influence the behaviour of employees and the way of doing business. Another crucial implementation issue is digital inequality. Certain stakeholders lack digital knowledge and technical abilities. Tesco ought to offer functional training and ongoing technological assistance. Another significant business concern is cybersecurity. Government-secure information holding is strong security encompassing customer and business valuable information. The cost of implementation and management effort are inflated as a result of resource requirements. The stakeholder fatigue can be in the form of too many meetings and communication. Certain employees are not always going to be amenable to technological and organisational change.

Critical Evaluation

Responsible stakeholder engagements develop valuable advantages to the business excellence of Tesco. Good relationships enhance trust, unity and organisational performance. Improved

communication minimises misunderstandings and risks of implementation. Nonetheless, it also involves extra expenses and management resources. When training and communication is done, it adds up to short-term business costs. The implementation costs are normally surpassed by long-term benefits. Enhanced stakeholder relationship fosters customer loyalty and employee commitment. Tesco is a responsible business, which enhances the brand image (Nyame-Asiamah and Ghulam, 2020). Tesco ought to moderately compromise the shareholders and the stakeholders. Such a balanced strategy promotes a sustainable development and competitive advantage in the long-term.

Recommendations and Conclusion

Recommendations

Tesco ought to come up with an ongoing stakeholder participation at all the implementation phases. Frequent communication enhances the trust, as well as strengthening the stakeholder relations. Tesco ought to enhance AI control by having explicit policies and ethical guidelines. The good governance assists in responsible use of AI and lawfulness. At Tesco, employee training on digital training needs improvement prior to implementation of the system. Hands-on training enhances confidence and minimizes opposition at work. Tesco ought to upgrade the transparency of customer data by providing transparent privacy information. Enhanced transparency enhances trust and reputation of the organisation to customers. Tesco ought to put in place perpetual stakeholder engagement measures involving constant surveys. Future improvements and better management decisions should be based on the outcomes of performance.

Conclusion

In this report, the authors reviewed the stakeholder engagement in Tesco Connect Plus AI implementation. The results indicated high levels of engagement enhance success in the implementation and business performance. Good communication enhances teamwork and commitment by the stakeholders. The Stakeholder Theory assists Tesco to gain new insights on the expectations of the various stakeholders. The theory embraces responsible and balanced business decisions. An effective implementation of Connect Plus relies on stakeholder involvement and confidence. Project success is determined by employees, customers, suppliers

and investors. AI responsible practices enhance customer trust and reputation of an organisation. Long-lasting stakeholder participation enhances innovativeness, efficiency, and client loyalty. These advantages bring about a competitive advantage to Tesco in the long-term. Constant involvement of stakeholders also helps in supporting future digital transformation and sustainable business development.

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