TESCO | Every little helps

PEOPLE

Using diversity and inclusion to provide better service

Introduction

Tesco is the UK's leading retailer, serving millions of customers every day. It also employs more people than any other company, with over 300,000 employees in the UK. With almost 3,000 stores, Tesco has a presence in every major town and generated revenues of over £42 billion in 2011/12. Stores range from the convenient town centre Metro and Express formats, to larger Extra stores. Tesco provides banking, insurance and telecommunications services as well as having a strong online presence.

Tesco is a business that puts people first, ensuring its customers and colleagues are at the heart of everything it does.

'Our core purpose is to create value for customers to earn their lifetime loyalty. Our success depends on people: the people who shop with us and the people who work with us.'

Earning customer loyalty is crucial and Tesco focuses on this by helping customers in lots of small ways which together can make a big difference. *'Every little helps'* is more than just a slogan. It describes Tesco's way of working with all of its stakeholders, and that includes colleagues as well as customers.

Tesco works in a competitive market where products, stores, tastes and even the way customers shop are constantly changing. Tesco needs to be proactive in preparing to face these changes. This means finding talented people who will be ambassadors for the brand in the communities it serves. Diverse communities mean that it needs to recruit and train people who reflect this diversity, so that all sections of society are included. This case study looks at how Tesco benefits by focusing on diversity and inclusion in its employment strategies.

Diversity and inclusion

In the UK we have a diverse society. There are people from many different backgrounds and cultures. There are also changes taking place in the number of men and women in the population. These changes to population are called 'demographics'. One key demographic is that an increasing number of older people are working – an ageing workforce. Tesco's policy is to ensure that its workforce has a balance of different people. It is keen to search for talent wherever it lies. At Tesco, *'Everyone is welcome'.* Tesco recognises that every person is different and will bring unique talents and experiences to a role.

'Difference can be our strength because talent and diversity are two sides of the same coin. To focus on one while ignoring the other is like trying to run a store with no customers – it just won't work'.

Curriculum topics covered: • Equal opportunities • Diversity • Inclusion • Benefits of a diversity strategy

Tesco has a particular understanding of what is meant by 'talent'. It believes in recognising the strengths of each individual person, regardless of their background and investing in them to help reach the goals that they set for themselves – being the best they can be. There is a constant hunt for talent.

Talent is about people and we all have a role in talent spotting, recruiting, developing, promoting, moving, rewarding and engaging them'.

Diversity, inclusion and equal opportunities are so central to the workplace that there are laws to ensure fair treatment. For example, it is against the law to make unfair choices against people on grounds of age, race, disability, gender or sexual orientation. This is called discrimination.

Tesco's diversity strategy is central to the way it approaches recruitment, training and development and is reflected throughout the objectives of the business. In practice, that means that every role and every employee at Tesco has a place in something called the 'framework for talent'. This framework is used to find and develop talent for the future and has three parts:

- talent plans for the business
- career plans for individuals
- succession plans for jobs.

All colleagues set objectives and draw up personal plans for development as part of a regular review process. Every employee has the same opportunity to discuss his or her performance and career and is given the opportunity to get on.

In addition, managers and personnel teams meet regularly to talk about who is ready for a move to meet a new challenge or help them develop. This all takes place within a regular annual cycle, so each employee's objectives and development plans can be regularly reviewed and updated.

Engaging with diverse groups

Tesco has established a number of networks to ensure that it engages with all its people. Its four key networks are:

- Out at Tesco. This group represents those with different sexual orientations. It has over 1,000 lesbian, gay, bisexual and transgender (LGBT) members and is recognised by other groups as an excellent example of how such networks should operate.
- Women in Business. This is the longest established network. There are a number of branches supporting women's issues, raising the profile of women in the business and supporting them to develop their careers through training, mentoring and career sponsorship.
- Tesco Asian Network. This helps to raise the profile of careers at Tesco to Asian groups. It holds two events each year where Asian colleagues are invited to attend to network, share experiences and visit a 'careers fair' about opportunities at Tesco. It has inspired a series of 'parents' evenings', which have helped Asian parents to understand the career opportunities available at Tesco and understand the range of jobs their children could enjoy in the business.
- ABC Network. This is the most recent network, which builds on an idea raised at an Asian Network event. Its aim is to make Tesco the employer of choice for African, Black British and Caribbean colleagues and to provide training and development opportunities which will enable more black people to reach senior positions within the business.

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Tesco also has strong links with many organisations representing disabled people, such as Whizz-Kidz. It also has its own Diversity Council. The Council sets the diversity strategy for Tesco. Its goals are to show that Tesco is inclusive, to make everyone welcome and to play an active role in the diverse communities it serves. Tesco is currently working with disabled colleagues to establish whether there is a need for a disability network. The business also works with a number of diversity partners. These partnerships help Tesco to build and improve its diversity strategy. These partners are:

- Stonewall. Tesco is a 'Diversity Champion' member of Stonewall, a charity which exists to ensure equal rights for lesbians and gay men in a society where they can be open, honest and safe at home, at school, at work and in the community.
- EFD (Employers Forum on Disability). EFD is currently working with Tesco to help it to do a better job for disabled colleagues. It will also help encourage more disabled people to choose Tesco as a great place to work.
- Opportunity Now. This group offers support for gender equality in business. It is committed to supporting the business to offer opportunities to both men and women. Its key objective is equal treatment of genders but, as it is women who are most often under-represented, this tends to be its focus.

A diversity strategy

The importance that Tesco places on diversity is shown by the detail of its strategy. The key aspects are that *'everyone is welcome'* and the aim is to *'raise the bar on talent'*. Tesco has a dedicated talent and diversity team. This team communicates the diversity strategy throughout the business to ensure that its objectives are reached.

Tesco recognises that within each person there is raw talent, ideas and energy. It sees that everyone is an individual who is seeking a good work-life balance and aims to help all employees to be the best that they can be. It encourages the business to create challenging, interesting and flexible opportunities to release this potential at every level of the business, from the shop floor to the boardroom. By ensuring that the best people are in the right jobs, Tesco is able to compete in a highly competitive market.

The main strands for Tesco's diversity strategies are:

'Everyone is welcome'	***'Raising the bar on talent'***
We all have talents; we just need the encouragement to realise potential.	As Tesco sees the unique talents of people, it will have interesting people in interesting jobs.
Tesco reflects the communities it serves. It searches for talent within groups that are under-represented.	It takes risks on talent to bring extra skills to the business.
Tesco values difference. It welcomes its benefits for itself and its customers.	All are helped to develop and build new and diverse talent.
Tesco brings in talent through creative channels to find the best and most diverse people.	By engaging with its people, Tesco helps them to engage with its customers. Tesco sets clear objectives with expectations of both performance and potential.

Benefits of a diversity strategy

Tesco's diversity strategy brings many benefits to the business. It means, for instance, that Tesco is always aiming to recruit from the widest possible talent pool, helping it find the best person for the job. The workforce will have a better understanding of customer needs as it reflects the same diversity as the customer base. It also opens up new ideas and opportunities that may arise from different cultures.

Having a mixture of different age groups within the workforce can also help to raise morale. The mix of young and older people brings a broad range of knowledge, experience and social skills to the company. A diverse workforce is more flexible, since it consists of a wide range of people from all walks of life, all able to work together to deliver the best service in all circumstances. It also leads to better performance and lower costs, since employees are able to offer a variety of expertise that enables jobs to be done effectively, improving productivity and reducing waste.

A key part of the strategy is Tesco's aim to employ people from disabled or disadvantaged groups. Tesco offers an interview guarantee to candidates from Remploy, Shaw Trust and Whizz-Kidz – three organisations that work with disabled people. This guarantee means that where Tesco has a vacancy and any of these groups has a suitable candidate, he or she must be interviewed. The interview guarantee does not mean a job offer will be made, but in many cases applicants from these partners get the job as they are the best candidate. Tesco also offers work placements to give candidates the experience of working in retail.

Former Tesco Chairman Sir David Reid is chairman of the Trustee Board at Whizz-Kidz, a charity that supports and empowers young wheelchair users. Tesco therefore has a strong relationship with the charity. Whizz-Kidz was chosen as Tesco's Charity of the Year in 2006. Research conducted by Whizz-Kidz showed that many young wheelchair users found it hard to develop adult skills and outlooks, so the charity provides training to help young people become more confident and independent.

Tesco is backing a five-year project, launched by Whizz-Kidz and also supported by the National Lottery, to set up a network of clubs for young wheelchair users. The 'Kidz Unlimited' project provides a chance for young disabled people to socialise and raise issues that are important to them. It also provides training, work skills, advice and access to work placements.

Conclusion

Tesco recognises that the communities it works in are diverse and constantly evolving. In addition, each individual has skills and potential that Tesco can help them to realise. Tesco's diversity and inclusion strategy ensures that 'everyone is welcome' and that systems are in place to help people reach their potential. This strategy helps Tesco find, train and employ the best talent from all parts of society, particularly groups that may otherwise be under-represented, for instance, young wheelchair users.

This strategy helps to create a workforce that reflects the same diversity as is found in society. This means it better reflects Tesco's customer base. The business wants to attract and keep the best people so it works hard to make Tesco a great place to work. By encouraging employees' development, Tesco works to ensure all colleagues – wherever they work – can fulfil their potential. A strategy that supports its people and is good for customers is therefore one that is good in helping Tesco to provide better service in a competitive market.

Exam-style questions

1. Describe what is meant by diversity and equality. *(2 marks)*
2. Explain which groups are particularly covered by equality laws. *(4 marks)*
3. Analyse Tesco's diversity strategy, explaining why it is important to the workforce, the customers and the business. *(6 marks)*
4. Describe the different network groups and organisations that Tesco supports. Evaluate why each is of importance in helping the business be more competitive than its rivals. *(8 marks)*