



UNIVERSITY OF WALES
Trinity Saint David
London

LYDA SILVIA CONTRERAS RAMIREZ

2439999

DEVELOPING AND MANAGING INDIVIDUALS AND TEAMS

LCLM5002

Sukhpreet Grewal

Tesco PLC Navigating Technology, Talent, and inclusion

TABLE OF CONTENTS

- INTRODUCTION TESCOO 1
 - Scope of the Report 1
- 2. Explanation of Key Factors 1
 - 2.1 Adapting to Technological Advancements 1
 - 2.2 Talent Acquisition and Retention 2
 - 2.3 Diversity, Equity, and Inclusion (DEI)..... 3
- WHY ADAPTING TECHNOLOGY IS IMPORTANT? 3
 - ENHANCING COMMUNICATION AND COLLABORATION 3
 - Meeting Modern Expectations and flexibility 3
- 3. Evaluation of Contemporary HR Practices..... 4
 - 3.1 Digital HR Systems and Workforce Analytics..... 4
 - 3.2 Strategic Employer Branding and Total Reward Retention Strategies 4
 - 3.3 Inclusive Recruitment and DEI Leadership Initiatives 5
- 4. Critical Evaluation of Managerial Implementation 5
 - 4.1 The Role of Line Managers and Leadership Accountability 5

INTRODUCTION TESCO

In today's dynamic consumer and retail landscape, Human Resource (HR) functions in the United Kingdom face continuous structural shifts driven by technological innovation, competition for skilled labour, and rising expectations surrounding social governance. To secure long-term operational resilience and commercial performance, modern HR functions must move beyond traditional administrative duties and operate as strategic business partners (Ulrich, 2013). This transition requires aligning human capital optimisation directly with corporate strategy to foster organisational agility and safeguard sustainable competitive advantage (Boxall and Purcell, 2016). The overarching purpose of this report is to provide a critical evaluation of key contemporary HR challenges facing Tesco PLC, the UK's largest grocery retailer, while contextualising how strategic alignment enhances workplace culture and long-term organisational value.

Scope of the Report

This report critically examines Tesco's ongoing organisational transformation across three core strategic HR vectors. Firstly, it explores the impact of adapting to technological advancements, such as automated supply chains, digital workforce tools, and self-service store ecosystems, highlighting their influence on job design and employee capability building. Secondly, it investigates talent acquisition and workforce retention strategies within a highly competitive UK retail labour market, focusing on total reward frameworks and the evolving psychological contract between employer and employee (De Vos and Meganck, 2009). Thirdly, it assesses the implementation of Diversity, Equity, and Inclusion (DEI) policies across Tesco's expansive, multi-generational workforce to promote equity and reduce systemic workplace barriers. Additionally, the report evaluates contemporary HR practices tailored to address these challenges, analyses the pivotal role of store and departmental managers in execution, and presents practical, evidence-based recommendations.

2. EXPLANATION OF KEY FACTORS

2.1 Adapting to Technological Advancements

The modern UK retail sector is undergoing unprecedented structural disruption driven by automated logistics, artificial intelligence, and self-service store infrastructure (Fenech, Bageant and Ivanov, 2019). For a major supermarket operator like Tesco PLC, adapting to

these technological shifts is essential for maintaining operational efficiency and cost competitiveness. The implementation of automated distribution centres, AI-driven inventory forecasting tools, and frictionless checkout platforms such as GetGo requires continuous adaptation across all employment levels. However, the introduction of technological systems often creates widespread operational friction if not managed with care. Employees frequently experience job insecurity, fear of role displacement, and cognitive overload when new digital tools are introduced without sufficient training or strategic communication (Cascio and Montealegre, 2016). When store colleagues perceive automated systems as threats to their contractual hours rather than tools designed to ease workload intensity, workplace morale deteriorates, leading to lower employee engagement and subtle resistance to operational changes. From a long-term sustainability perspective, failing to harmonise human capability with digital tools risks creating operational bottlenecks, undermining customer service quality, and eroding market share. Human Resource strategies must therefore focus on continuous upskilling, fostering digital confidence, and re-architecting roles so that technological adoption enhances rather than diminishes employee value (Armstrong and Taylor, 2020).

2.2 Talent Acquisition and Retention

The UK retail labour market is characterised by tight candidate supply, fierce wage competition, and shifting worker expectations regarding flexibility and well-being (Backman, Nilsson and Öner, 2024). Tesco operates in a hyper-competitive hiring environment where it competes for store colleagues, heavy goods vehicle drivers, logistics operatives, and digital specialists against both traditional supermarket rivals and e-commerce platforms. Traditional, transactional recruitment methods are no longer sufficient to secure top-tier workforce capacity. Modern workers increasingly prioritise psychological safety, transparent career progression, and organisational.

purpose over baseline financial compensation alone (De Vos and Meganck, 2009). Retaining talent has become equally challenging across large-scale retail networks. High employee turnover at the store and distribution levels disrupts store operations, inflates recruitment costs, and depletes institutional knowledge. When an organisation suffers from ongoing staff attrition, remaining employees face excessive workloads and physical fatigue, which frequently triggers burnout and accelerates further voluntary departures (Boxall and Purcell, 2016). To ensure long-term organisational performance, HR leadership must align talent acquisition with strategic workforce planning and robust total reward frameworks that satisfy contemporary expectations for work-life integration and job security.

2.3 Diversity, Equity, and Inclusion (DEI)

Diversity, Equity, and Inclusion have transitioned from secondary compliance exercises into core drivers of organisational innovation, employee well-being, and brand reputation. With hundreds of thousands of employees across the UK, Tesco operates a highly multi-generational and socio-economically diverse workforce. However, maintaining genuine equity across such a vast organization requires addressing persistent systemic issues, such as ensuring fair career advancement opportunities for underrepresented ethnic groups, reducing the gender pay gap in managerial roles, and accommodating neurodiverse personnel across retail locations. A lack of meaningful diversity in upper management restricts cognitive variety in strategic decision-making, which can lead to insular perspectives that fail to mirror the needs of a diverse consumer base (Dessler, 2020). Research by McKinsey & Company (2020) demonstrates that organisations demonstrating high levels of executive diversity consistently achieve superior financial performance and operational adaptability. Furthermore, an inclusive workplace culture directly impacts employee engagement; when staff feel valued, respected, and psychologically safe to bring their authentic selves to work, discretionary effort and organisational loyalty increase significantly. Conversely, failing to embed equitable practices across recruitment, promotion, and pay structure damages corporate credibility and alienates socially conscious job seekers.

WHY ADAPTING TECHNOLOGY IS IMPORTANT?

ENHANCING COMMUNICATION AND COLLABORATION

Technology breaks down geographical barriers. Digital workspace tools, video conferencing, and instant messaging platforms enable teams to collaborate seamlessly in real time, regardless of whether they are working from home, in different cities, or across international.

Meeting Modern Expectations and flexibility

Technology redefines how and where we work. Cloud computing and mobile devices support flexible and hybrid work environments, allowing for a better work-life balance. Furthermore, customers and workers increasingly expect digital-first experiences, meaning technological adaptability is vital for high satisfaction and retention.

3. EVALUATION OF CONTEMPORARY HR PRACTICE

3.1 Digital HR Systems and Workforce Analytics

To address technological adaptation, Tesco has increasingly integrated digital HR systems and workforce analytics into its operational framework. Advanced HR analytics enable data-driven decision-making regarding labour scheduling, skills gap analysis, and predictive turnover modelling (Fenech, Bageant and Ivanov, 2019). The primary strength of workforce analytics lies in its ability to optimize shift allocations, forecast store staffing needs during peak trading periods, and identify specific training deficits across regions. However, a critical limitation of relying heavily on algorithmic workforce management is the potential dehumanisation of employee relations. Automated scheduling tools that prioritise efficiency over worker predictability can cause schedule instability, increasing employee fatigue and discontent (Cascio and Montealegre, 2016). Furthermore, workforce analytics are only as effective as the quality of the underlying data; without qualitative contextual input from store managers, quantitative metrics risk misinterpreting the underlying causes of absenteeism or low productivity.

3.2 Strategic Employer Branding and Total Reward Retention Strategies

In response to talent acquisition and retention pressures, contemporary HR practice emphasizes strategic employer branding alongside holistic total reward frameworks. Tesco has strengthened its employer value proposition by promoting flexible working arrangements, competitive base pay, and clear career pathway programs like "Every Little Helps Your Career" (Tesco PLC, 2024). A key advantage of strong employer branding is its capacity to attract high-calibre applicants and foster organisational pride, thereby reducing initial recruitment expenditures. Nevertheless, employer branding faces limitations if a gap emerges between the marketed employer image and the daily reality of store-level employment. If newly hired colleagues experience unmanaged stress, understaffing, or limited managerial support, initial enthusiasm quickly turns into early turnover (De Vos and Meganck, 2009). Thus, financial compensation alone is insufficient; total reward strategies must incorporate non-monetary elements such as peer recognition, health and well-being initiatives, and authentic work-life balance to achieve sustained retention.

3.3 Inclusive Recruitment and DEI Leadership Initiatives

To operationalise DEI principles, contemporary HR management utilizes inclusive recruitment methodologies and dedicated leadership development initiatives. Practices such as anonymized curriculum vitae screening, diverse interview panels, and targeted apprenticeship schemes for underrepresented demographics aim to eliminate unconscious bias in talent selection (Armstrong and Taylor, 2020). The strength of inclusive recruitment lies in widening the talent pipeline and fostering a culturally rich work environment that encourages diverse problem-solving perspectives and innovation (McKinsey & Company, 2020). However, a key limitation arises when inclusive recruitment policies are treated as isolated HR initiatives rather than embedded cultural values. Without structural support, systemic barriers to career advancement can cause diverse talent to feel tokenized within senior management circles or experience institutional marginalisation. Therefore, inclusive hiring practices must be complemented by mandatory leadership inclusion training, structured mentoring networks, active employee resource groups (ERGs), and transparent, meritocratic promotion criteria. Such holistic strategies cultivate psychological safety, bolster retention rates among minoritised colleagues, and drive long-term structural equity across the organisational hierarchy. Ultimately, embedding intersectionality and continuous equity audits within human capital management frameworks ensures sustained employee engagement, mitigates cultural resistance, and reinforces organizational strategic capability for long-term competitive success.

4. CRITICAL EVALUATION OF MANAGERIAL IMPLEMENTATION

4.1 The Role of Line Managers and Leadership Accountability

The successful execution of contemporary HR practices ultimately depends on the competence and commitment of departmental and store managers. As the primary point of contact for employees, store managers act as operational conduits who interpret and deliver corporate HR policies (Purcell et al., 2003). To ensure HR practices are implemented effectively and urgently, line managers must be held accountable through clear performance metrics tied directly to employee engagement, retention rates, and DEI targets. However, line managers frequently encounter significant barriers, including operational workload pressure, conflicting commercial targets, and limited formal HR training (Boxall and Purcell, 2016). When store managers are overloaded with short-term financial and inventory targets, HR initiatives

such as colleague development and inclusion workshops are often deprioritised. This operational misalignment weakens human capital retention and compromises organizational agility. Consequently, bridging the gap between strategic HR policy and frontline implementation requires establishing continuous leadership development programs, optimizing operational bandwidth, and aligning managerial Key Performance Indicators (KPIs) with broader human resource transformation goals.

4.2 Communication, Cultural Alignment, and Overcoming Barriers

To overcome implementation barriers, organisations must establish transparent, multi-directional communication strategies. Departmental managers must articulate the strategic rationale behind technological upgrades and DEI policies, shifting employee perceptions from viewing change as an administrative burden to recognizing it as an operational benefit. Fostering a supportive organisational culture requires managers to model inclusive behaviours, actively encourage feedback, and provide psychological safety for staff undergoing technological transitions (Cascio and Montealegre, 2016). Furthermore, executive leadership must empower line managers by providing continuous HR capability building, user-friendly digital HR tools, and dedicated HR business partner guidance. By aligning managerial accountability with genuine cultural empathy, retail organisations can successfully bridge the gap between strategic HR design and store-level execution. This strategic alignment cultivates stakeholder buy-in, minimises change resistance, and enhances organisational resilience during periods of digital disruption. Establishing structured feedback loops and continuous change management protocols enables middle managers to identify operational bottlenecks early, mitigating employee cynicism and turnover. Ultimately, integrating transformational leadership principles with robust talent management frameworks ensures that frontline employees feel valued, driving sustained discretionary effort, operational agility, and long-term commercial performance across dynamic retail environments (Armstrong and Taylor, 2020).

5.1 CONCLUSION

This report has critically evaluated contemporary HR challenges within Tesco PLC, focusing on technological adaptation, talent acquisition and retention, and diversity, equity, and inclusion. While contemporary practices such as workforce analytics, strategic employer branding, and inclusive recruitment offer powerful frameworks for organisational resilience, their ultimate success depends on thoughtful implementation. The findings demonstrate that policy effectiveness is constrained when technological solutions disregard employee well-being or when DEI initiatives lack structural support. Furthermore, store and departmental managers represent the critical linkage in driving urgent, sustainable execution; without managerial enablement, strategic HR initiatives fail to translate into everyday operational practice.

STRATEGIC RECOMMENDATIONS

Develop Line Manager Capability: Implement structured, mandatory HR leadership training for store managers, focusing on change management, empathetic leadership, and inclusive talent development to ensure policy execution at the store level.

Balance Workforce Analytics with Colleague Well-being: Refine automated scheduling and workforce analytics algorithms to incorporate baseline shift predictability and manager discretion, mitigating employee burnout while maintaining operational efficiency.

Embed Internal Career Pathways for Underrepresented Groups: Establish transparent mentorship and fast-track development initiatives specifically tailored for underrepresented ethnic and female colleagues to address progression bottlenecks in middle and senior retail management.

REFERENCE LIST

- Armstrong, M. and Taylor, S., 2020. *Armstrong's Handbook of Human Resource Management Practice*. 15th ed. London: Kogan Page.
- Backman, M., Nilsson, H. and Öner, Ö., 2024. Career trajectories in retail and wholesale – turnover, retention, and labour status. *The International Review of Retail, Distribution and Consumer Research*, 34(5), pp. 1–21.
- Boxall, P. and Purcell, J., 2016. *Strategy and Human Resource Management*. 4th ed. London: Palgrave Macmillan.
- Cascio, W.F. and Montealegre, R., 2016. How technology is changing work and organizations. *Annual Review of Organizational Psychology and Organizational Behaviour*, 3(1), pp. 349–375.
- De Vos, A. and Meganck, A., 2009. What HR managers do versus what employees value: Exploring discrepancies in retention management. *Personnel Review*, 38(1), pp. 45–60.
- Dessler, G., 2020. *Fundamentals of Human Resource Management*. 5th ed. Harlow: Pearson.
- Fenech, R., Bageant, P. and Ivanov, D., 2019. The changing role of human resource management in an era of digital transformation. *International Journal of Entrepreneurship*, 22(2), pp. 166–175.
- McKinsey & Company, 2020. *Diversity Wins: How Inclusion Matters*. New York: McKinsey & Company.
- Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B. and Swart, J., 2003. *Understanding the People and Performance Link: Unlocking the Black Box*. London: CIPD.
- Tesco PLC, 2024. *Diversity, Equity and Inclusion Report 2024*. Welwyn Garden City: Tesco PLC.
- Ulrich, D., 2013. *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*. Boston: Harvard Business School Press