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Introduction

Human Resource Management (HRM) is a strategic process of managing people in organisations through recruitment, development, performance and employee wellbeing to attain organisational goals (Armstrong & Taylor, 2023). Today, HRM is not just an administrative task but a critical factor in determining competitiveness, organisational agility and sustainability (Armstrong & Taylor, 2023). HRM has grown in importance in the UK in recent years because of rapid technological advancement, changing employee expectations and labour market dynamics (CIPD, 2023; Deloitte, 2023). Tesco plc is a major UK retailer operating in a highly competitive and dynamic environment. This report will explore three major HR issues for Tesco: technology, recruiting and retaining talent, and diversity, equity and inclusion (DEI). The rise of automation, artificial intelligence and digital retail platforms is changing the nature of work and ongoing employee training. Meanwhile, labour shortages and turnover in the retail industry have created a pressing need for talent acquisition and retention practices. Moreover, DEI has emerged as a strategic priority for organisations, with companies needing to create a diverse workforce that mirrors the diversity of the society they operate in, and to boost employer brand and employee retention rates. This report aims to critically examine these HR issues in Tesco and assess current HR practices to address them. It will also explore the importance of departmental managers to the effective execution of HR initiatives. The report takes a critical approach rather than a descriptive one, by analysing the impact, constraints and strategic considerations of HR practices in a practical business environment.

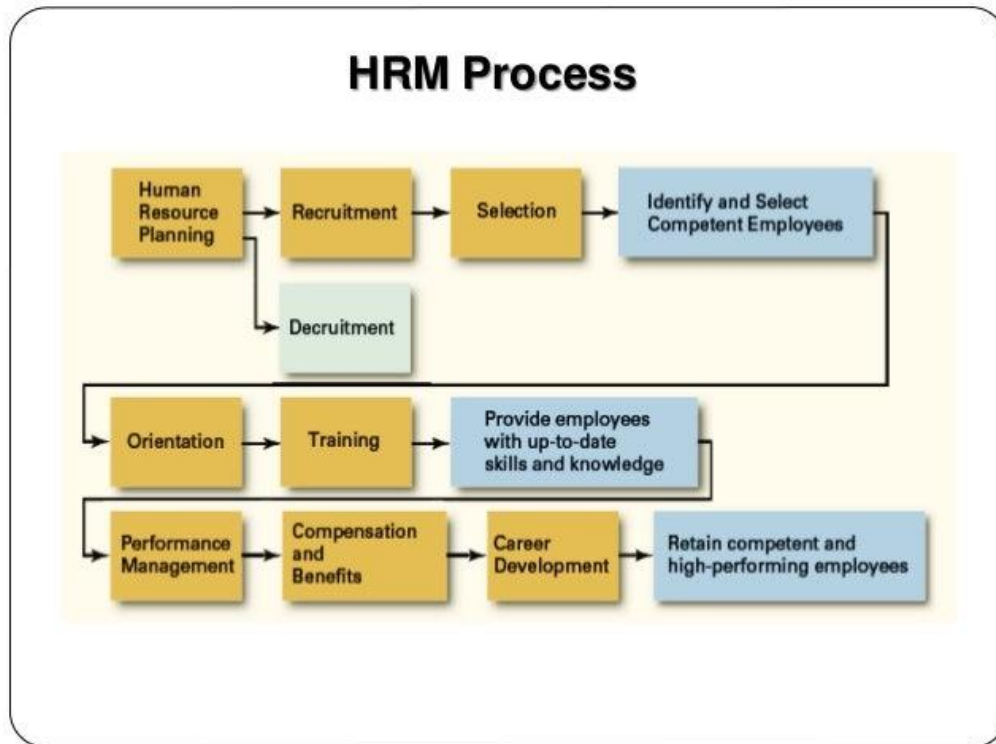


Figure 1: HRM Process Model (adapted from Armstrong & Taylor, 2023)

SECTION 2: FACTORS AFFECTING HR

2.1 Technological Advancement

Technology is a key element of change in contemporary HRM, especially in large retailing companies such as Tesco plc. The company has embraced digital transformation projects such as automatic checkouts, the use of artificial intelligence (AI) for stock and demand planning, and data analytics to enhance the customer experience and efficiency. These innovations have transformed the nature of work in stores and the supply chain. Workers are now required to have digital skills, flexibility, and critical thinking to manage and support technology-based systems (Wright & McMahan, 2011). This has resulted in job redesign, with roles increasingly automated or requiring enhanced technical competencies. But automation brings the risk of job loss, especially for lower-level retail jobs. Moreover, there is a potential for employee resistance to new technology, either as a response to job security concerns or technological uncertainty. From a critical HR perspective, while technology improves productivity, it also creates skill shortages, requiring Tesco to invest in ongoing reskilling and upskilling to maintain workforce capability.

2.2 Talent Acquisition and Retention

Recruitment and retention are important issues in the UK retail industry given the ongoing labour shortage, evolving labour market conditions and high turnover (CIPD, 2024). Specifically, retail firms frequently struggle to attract and retain talent due to low entry-level salaries, challenging work conditions and low perceived career mobility. This is exacerbated by labour shortages post-Brexit and post-COVID workforce changes. Tesco plc is competing in a tight labour market to position itself as an employer of choice. Tesco has improved its employer position by providing career progression, internal promotions, and employee engagement programs. It also offers flexible scheduling to support work-life balance, which is key for part-time and student employees. Moreover, competitive remuneration and benefits are offered to attract a loyal workforce relative to competitors. But from a critical HR perspective, attracting employees without retention is not enough. A high turnover rate leads to higher recruitment and training expenses, less productivity and service delivery disruption (Boxall & Purcell, 2016). Moreover, workforce trends and preferences, especially among Generation Z employees, emphasises flexibility, meaningful work and opportunities for growth above financial incentives (Storey, 2014). This underscores the importance of Tesco continually adapting its human resource practices to sustainably and competitively retain employees.

2.3 Diversity, Equity and Inclusion (DEI)

In the UK, DEI is supported by legislation, including the Equality Act 2010, which outlaws' discrimination on the grounds of age, gender, disability, race and religion (UK Government, 2010). At Tesco plc, DEI is a significant focus of its human resource management. It employs diversity-friendly hiring practices to increase diversity and eliminate barriers to employment. Tesco also recognises the importance of gender equality by tracking and reporting on its gender pay gap, promoting transparency and accountability. Furthermore, initiatives to include employees with disabilities, such as workplace accommodations and specific hiring programs, are in place. Critically, DEI benefits organisations in terms of innovation, employee engagement and corporate brand, as diverse workforces are more likely to innovate and represent a wider range of customers (Guest, 2017). But there is a danger of "tokenism" if DEI measures are applied without cultural integration. Achieving diversity targets does not necessarily translate to inclusion and equity. Thus, for DEI efforts to succeed, they must go beyond compliance and become ingrained in corporate culture, which means leadership commitment, ongoing training and management accountability.

SECTION 3: CONTEMPORARY HR PRACTICES

3.1 Technology HR Practices

To deal with technological change, companies like Tesco plc are progressively moving toward modern HR practices, including HR analytics, artificial intelligence (AI) in hiring and online learning platforms (SHRM, 2023). HR analytics supports data-driven by analysing workforce trends, performance, and turnover analysis. The artificial intelligence-enabled recruitment is also used to automate the screening of CVs, matching of candidates to job specifications, and minimizing hiring time.

Online learning platforms promotes lifelong learning by offering flexible access to training materials in a fast-changing digital environment. They enhance efficiency, lessen administrative load and allow quicker and more uniform hiring choices. In large organisation like Tesco, digital learning provides scalable trainings options that allow for mass employee development at lower cost. However, algorithms used in AI recruitment can cause algorithmic bias if they are trained on incomplete or prejudiced data, leading to unfair hiring outcomes (Deloitte, 2023). Similarly, over-reliance on technology can reduce human judgement in recruitment and performance evaluation, potentially overlooking soft skills such as emotional intelligence and cultural fit. Moreover, inequity in digital access or confidence might not be encountered by all employees, thereby becoming an obstacle to equal learning opportunities. While technology-based HR practices improve efficiency, they must be closely monitored to ensure fairness, transparency, and balanced human oversight.

3.2 Talent Practices

In a bid to enhance talent recruitment and retention, organisations like Tesco plc incorporate various modern HR practices like employer branding, flexible working practices, and systematic internal promotion and training programmes. Digital platforms like LinkedIn and corporate careers pages are part of the employer branding practices that enable Tesco to market its organisational culture, career opportunities and employee benefits to prospective candidates. This assists in making the organisation an employer of choice in a competitive labour market. Such flexible working practices as flexible shift patterns and part-time employment are especially relevant within the retail sector, where workers tend to be more interested in enhanced work-life balance. Tesco also invests in internal promotion pathways and ongoing training programmes to promote career growth and retain employees as Tesco provides them with a means of progressing within the organisation. There are evident advantages to these practices. They ensure that employee turnover is lower since they enhance job satisfaction and organisational commitment. They also

foster employee loyalty as they will show that the organisation is interested in long-term career development and not in a working position in the short term. Nevertheless, it has some limitations. Frontline retail jobs cannot always be flexible, as they demand physical presence to satisfy customer demand. Moreover, such initiatives are also expensive as they involve investment in training, development programmes and competitive benefits. Thus, although the practices enhance retention and engagement, they should be well-balanced with operational and financial limitations (Boxall & Purcell, 2016).

3.3 DEI Practices

To enhance Diversity, Equity and Inclusion (DEI), organisations like Tesco plc adopt various modern HR practices such as diversity training, inclusive recruitment panel, and Employee Resource Groups (ERGs). Diversity training programmes are aimed at creating awareness of the unconscious bias, enhancing cultural competence, and fostering respectful workplace behaviour. Inclusive recruitment panels ensure diverse interviewers are involved in hiring decisions, reducing bias and improving fairness. Besides this, ERGs offer voluntary, employee-led networks to help underrepresented groups, enhance inclusiveness, and offer employees a platform to share their experiences and influence organisational policy. They enhance the involvement of employees by fostering a feeling of belonging and psychological safety at work. They also promote innovation by encouraging diverse teams to generate a wider range of ideas, which is important in a customer-focused organisation like Tesco.

Nevertheless, restrictions exist as well. One key risk is superficial compliance, where DEI initiatives are implemented to meet regulatory or reputational expectations rather than driving meaningful cultural change. Even in this situation, policies might be on paper and not fully institutionalized in everyday life. Additionally, in the absence of effective leadership accountability, DEI initiatives might not be consistent and sustainable. Thus, to be effective, the DEI practices should be supported by the organisational commitment of leaders, constant monitoring, and the introduction to organisational values and performance systems (CIPD, 2023).

Role of Departmental Managers in Implementation

Managers play an important role in the implementation of Human Resource Management (HRM) strategies in organisations like Tesco plc. It is the role of line and departmental managers to translate HR policies, such as those surrounding technology, human resource strategies and Diversity, Equity and Inclusion (DEI) strategies, into store and team-based practice. Managers play a vital role in HR policy communication. Managers serve as a channel of communication

between management and staff by explaining organisational policies, process changes and HR initiatives such as digital transformation and DEI initiatives. A lack of effective communication can result in confusion, opposition, and low employee engagement levels. So, effective communication is key. Another role of a manager is to oversee employee performance. That involves goal setting, performance evaluation and ensuring staff are performing to productivity and behavioural requirements (Beardwell & Thompson, 2017).

In the retail sector, performance monitoring also includes overseeing shift productivity, customer interactions, and technology adaptation (such as self-serve checkouts and other digital systems). Managers also ensure adherence to company policies, such as health and safety, equality and data privacy policies. They need to ensure fair and consistent application of HR policies to uphold organisational standards. In terms of action, managers must train employees on new systems and processes, especially when implementing new digital systems or HR policies. They also promote digital uptake through training for those who may be less comfortable with digital technologies.

Additionally, managers have a role in creating an inclusive workplace culture by championing DEI principles, eliminating discrimination, and ensuring employees are treated fairly and equitably. But despite their vital role, the role of managers in enacting HR strategies can be constrained. There can be resistance to change, especially if managers perceive a need to meet operational goals. Here, HR initiatives may be put on the back foot to meet short-term productivity targets. Finally, poor training may also lead to inconsistent HR policy execution. Without optimal training, managers may find it hard to implement intricate HR strategies. Retail work pressures also contribute to this challenge, as the demands of serving customers and staffing shortages can limit the time for managing people. To overcome these issues, multiple approaches are required. Managerial and leadership training should be enhanced to support understanding of the technical and cultural aspects of HR programs. HR compliance systems that use KPIs can also help ensure accountability, by making HR performance (such as retention, training completion, and DEI) part of managers' KPIs (Storey, 2014). Periodic audits and monitoring can also be used to ensure uniform HR implementation across the organisation.

Finally, feedback mechanisms should be put in place to gather information about the effectiveness of HR policies at operational level, allowing for continuous improvement. In summary, managers play a critical role in the successful implementation of human resources, but this depends on appropriate support and accountability structures and the commitment of the organisation to continuous development.

Conclusion and Recommendations

Finally, this report has critically analysed three important Human Resource Management issues for Tesco plc: technological change, talent attraction and retention, and Diversity, Equity and Inclusion (DEI). The report confirms that technological advancements are transforming roles and demand for digital skills but also pose threats of automation and skills shortages. Likewise, the recruitment and retention of talent continue to be a challenge in the face of skill shortages, high staff turnover in the retail sector, and the changing expectations around flexibility and opportunities for career growth. Finally, DEI is a key focus area, as companies are under pressure to create inclusive workplaces that drive engagement, innovation and brand reputation. Thus, HR plans need to be continually updated to sustain the organisation and adapt the workforce to these changes. To counter these issues, some recommendations are put forward. First, Tesco should continue to enhance digital upskilling and reskilling initiatives to enable employees to keep up with technological change. Second, they should enhance retention by offering more formal career advancement opportunities to minimise turnover and enhance loyalty. Third, DEI initiatives must be integrated into management accountability frameworks to drive cultural change instead of tokenistic approaches. Fourth, HR analytics should be improved to inform data-driven workforce strategies and decisions. Lastly, managers should be trained to lead change to effectively implement HR strategies from the ground up and across departments.

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